



## A MESSAGE FROM THE MANAGING DIRECTOR

After recently reading an article by Jay Anderson, a leading commercial property strategist and buyers' agent in Sydney and Queensland for 56 years it caught my eye when I noticed he had recently dipped into the Melbourne market with extreme confidence on the future of commercial property investment in Victoria. His article focused on the importance of doing the research before jumping in and I thought his key points outlined below would interest both our current Landlords and prospective buyers.

### 9 KEY POINTS BEFORE WHEN MAKING A COMMERCIAL INVESTMENT DECISION (JAY ANDERSON)

#### 1. Have a plan

"A solid investment plan is the basis of good financial management [but] creating an investment road map is not a one-size-fits-all endeavour," he said. "An investment road map takes your ideas, goals and opportunities into account, as well as constraints such as income and budget limitations. It will guide you to make good investment decisions to achieve your objectives."

#### 2. Engage professionals

He said given the complexity of commercial property investment, it makes sense to seek help from those in the know. "It is complex and relatively strange to many investors, and you probably don't have all day to do [all] the research. Therefore, it would be more efficient to get help from professionals who know the market, and are equipped with the right data and connections,"

#### 3. Take the emotion out

Scott O'Neill, the founder of Rethink Investing, said when considering a commercial property, investors should use their heads, not their hearts. "The mindset is different. It has to be 100% profit-based, not anything emotional at all."

#### 4. Understand the market

With the commercial property market constantly shifting and evolving, it's crucial to keep up with the latest trends, Mr Anderson said. "Examine the latest trends. This means examining the property value changes from areas that are/were popular to those that are less so, which may affect the income security and long-term performance of your investments."

#### 5. Buy properties in good condition

To save costs and time look for properties in tip-top condition, according to Mr. Anderson. "The disruption in the global supply chain and Australia's shortage in labour are causing construction works to become much more expensive and take longer to complete in terms of cost and time."

#### 6. Focus on location

One thing residential and commercial property has in common is; location, location, location, Mr Anderson said. "If you're looking to invest in commercial property, don't underestimate the importance of location and type and size of the property. The return on your investment depends on supply and demand, so make sure you take these factors into consideration before you buy"

#### 7. Buy tenanted properties

Mr Anderson also recommended buying a tenanted property. "You get rental income from day one and don't need to worry about finding a tenant for years to come, during which you can further strengthen your portfolio, and is one of the best ways to mitigate risks

#### 8. Diversify your portfolio

Don't put all your eggs in one basket. Mr Anderson said "Many investors fall into the trap of investing in one or two investments or sectors. Diversification will create the possibility to reduce the risk of loss by limiting your investment in one type of investment or sector.

#### 9. Set standards for selecting your tenants.

He said "Having the right tenants is important for success. To minimise your vacancy risks you need to select a tenant with a good track record in business and with growth potential

*I trust you enjoy this Spring Issue of Landlord News and we look forward to working with you in the future.*

**Daivd Hassett MD**



# LANDLORD NEWS

## WORKPLACE MANSLAUGHTER CHARGE UPHELD!

**First employer convicted under the new laws**

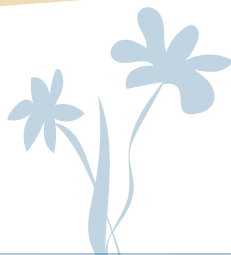
LH Holding Management Pty Ltd was sentenced in the Victorian Supreme Court on 19 February 2024. The Court recorded a conviction and issued a \$1.3 million fine to the company after it entered a guilty plea to a charge of workplace manslaughter. The sole director of the company was convicted of a lesser charge and sentenced to a community corrections order for 2 years. In addition, both Mr Hanna and the company were ordered to jointly pay \$120,000 to the deceased's family.



## ADEQUATE BUILDING SAFETY... CAN BE A REAL FRINGE BENEFIT

Whether you are selling, leasing or managing a commercial property you should be mindful of the fire safety and emergency services that are available in the building. For property owners and managers having a good understanding of the buildings' risk management and safety features can be a vital factor in terms of the business operation and workplace care.

For example having evacuation plans on display and offering additional risk management advice could be a crucial decision factor in terms of winning a potential purchaser or renter.



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- Current Building Legislation and Building Safety Reports
- Essential Safety Measures inspections
- Evacuation Plans and Training
- Occupational Health & Safety Reports and Audits
- Asbestos Property Reports and Audits
- Fire Safety Repairs and Maintenance

## DID YOU KNOW?

**Owners and Tenants have responsibilities**

Under government guidelines landlords can pass on the costs of repairing and maintaining Essential Safety Measures (ESMs) and the costs of installing them as part of any fit-out, to the tenant as outgoings, (although only where the tenants lease or annual estimate of outgoings enables them to do so).

**Owners** or their managing Agent on behalf of the owner are legally responsible for ensuring all required ESMs are installed and regularly maintained.

**Tenants** have an obligation to ensure that all exits and paths of travel are kept easily accessible, and clear of obstructions.

**ESMs** include smoke detectors, fire extinguishers, fire exit signs and annual fire safety inspections and Log books.





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**SMOKE ALARMS**  
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Day light Saving time starts  
**6 OCTOBER 2024**

## LATE NEWS!

**AESI WILL BE MOVING ON  
11TH SEPTEMBER 2024**

**WHERE:** Suite 13, 476 Canterbury Rd  
Forest Hill VIC 3131

**WHY:** Our larger premises will allow us to keep our new advisory and building maintenance services together and readily available to our customers.

## AUSTRALIAN ESSENTIAL SAFETY INSPECTIONS

For an immediate inspection and free advice contact AESI.

Australian Essential Safety Inspections Pty Ltd  
Suite 13, 476 Canterbury Rd, Forest Hill VIC 3131

**Phone:** 03 9894 2064

**Email:** office@aesi.com.au **Website:** www.aesi.com.au

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