OVERCROWDING; THE FINANCIAL IMPACT REVEALED!

As an owner you need to know that when someone leases your property from you they also could be also taking out leases in several residential buildings at the same time. In some cases up to 12 plus leases, which they then sub-let to overseas students for up to $130 per mattress. During the students summer break they return home and the apartments are then leased to backpackers.

This practice by the primary lease holder means they make up to $1,600 per week per two bedroom apartment. From this approximately $500 per week goes to the apartment owner through the Real Estate Agent and the balance they pocket.

At $1,600 per apartment times 6 to 12 apartments it is clearly a lucrative business for these unscrupulous lease holders, who have absolutely no care or consideration to how many peoples they squash into an apartment. This overcrowding puts a huge strain on the infrastructure of your investment as everything wears out faster – elevators, carpet, facilities etc.   Which means levies go up!

Many Real Estate agents are aware of this practice however do not care as they are getting their regular $500 per week from these apartments without having to do much else.

SO WHAT CAN WE DO ABOUT IT?

There are a few ways of attacking the overcrowding problem which has been used successfully in other CBD buildings:

Individual owners restricting or forbidding sub-leasing

As owners you can forbid sub-leasing of your apartment or only allow the resident tenant to sub-lease to those whom you, as owners, personally approve. The Leasing Agent must legally comply with the owners' instructions and is then liable if he/she signs a lease on their behalf with a person who does not live in the building. This is very effective in controlling overcrowding because it freezes out the "middleman".

The Strata Manager can then keep the Building Manager informed of those apartments where sub-leasing is restricted or forbidden. In this way the lease of the "middleman" can be declared invalid; the middleman can be denied access to the building and the illegal tenants evicted by the Building Manager.   If the middleman's lease is invalid he cannot re-sub let.

Audit all access keys twice a year

The Building Manager can audit all access keys twice a year in order to identify overcrowded units. The current computerised access system can track the numbers of entrances and exits per apartment and identify those with extra heavy use; these units could then be inspected for overcrowding.

Become more vigilant

All residents in the Millennium Towers need to become more vigilant. Report to the concierge any illegal entry and behaviour towards common property. It should be reported if anyone sees:

- Tenants dropping access keys into letterboxes for other illegal tenants.
- Tenants moving bulky items through the lobbies rather than through the car park.
- Tenants moving mattresses and furniture without approval by the Building Manager
- Excessive amounts of people going in to and out of an apartment
- Anyone abusing or damaging the common property or facilities.

These will not completely reduce the issues of overcrowding though will make a significant impact\t where we can then focus on those handful of continuous abusers.

This is a widespread issue that needs everyone's involvement!

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