

Welcome to our autumn newsletter. We hope it finds you well and enjoying the abundant gifts of this mellow season.

This has been another very busy quarter for our team. Our last newsletter included an article about Dr Carol Dweck's research on the advantages of developing a growth mindset. We've decided to build on this theme by showing how a growth mindset has improved our rental property management over the years.

Naturally we hope you'll enjoy reading about this part of our learning curve. If you're looking for information about other aspects of our work and the values underpinning it, have a look at our website: www.giroma.co.uk Readers who don't have easy access to the Internet may prefer to ring us on 01989 555 090.

What Have We Learned About Rental Property?

Many years ago, before Giroma was established, Rob and Gill bought an investment property in Gloucester, about 2 hours' drive from their home at the time. They fondly imagined renting the property out and managing it themselves across this distance. What an adventure they had!

The property was a 3-storey Victorian terrace. It had originally had 2 reception rooms, 4 bedrooms, a kitchen, bathroom and cloakroom, but a previous owner had increased the potential income by turning the dining room into Bedroom 5.

Located within easy walking distance of the city, the property attracted a wide variety of prospective tenants, some of whose



lives were more eventful than others. It wasn't long before Rob and Gill's fond notion of providing shelter for the troubled young people of Gloucester was severely tested. For instance, they soon learned that it's wise to ask a few questions if an applicant needs to move in immediately without a deposit.

As an investment, the property more than paid its way: the rent from just 3 of the 5 rooms was enough to cover the mortgage in any given month. However, managing a property of this age and configuration (with just 1 shared kitchen, for instance) proved to be a real challenge. Although some tenants were stable and reliable, others defaulted on their rent and/or damaged the property and/or vanished without a trace. After a while Rob and Gill decided to simplify their busy lives by selling the property. The expensive education they gained while owning it has helped to fuel Giroma's learning curve.

TENANT SELECTION

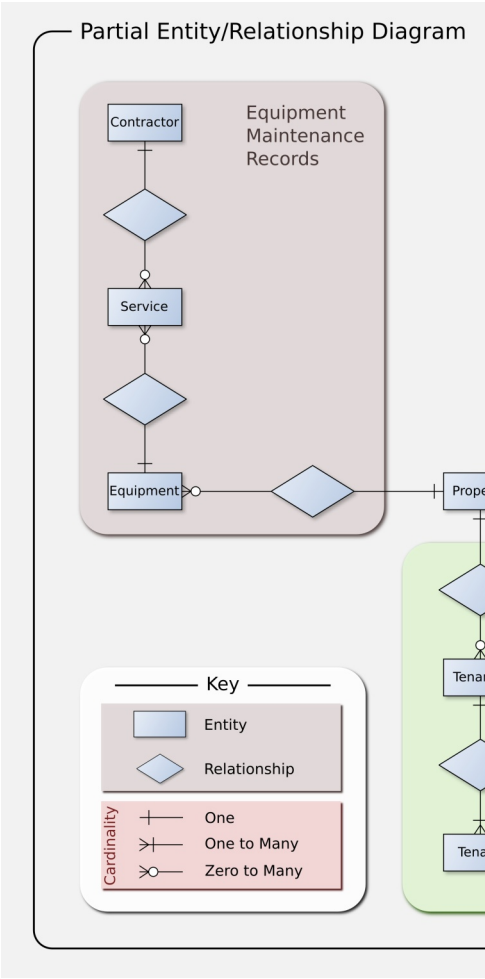
We've found that it pays to be rigorous when choosing new tenants. Unlike some landlords, Giroma will accept applicants who are in receipt of benefits if they meet our criteria. These have become more stringent over the years.

In certain cases we will ask for a guarantor in addition to referees and a credit check.

PROPERTY MAINTENANCE

It takes a co-operative relationship between tenant and landlord to keep a rental home in good order.

If everyone takes care of their responsibilities, most problems can be



prevented and those that do arise can be nipped in the bud. Open communication and regular inspections are key.

RENT ARREARS

Fortunately, almost all our tenants pay their rent on time (in other words, a month in advance). However, our

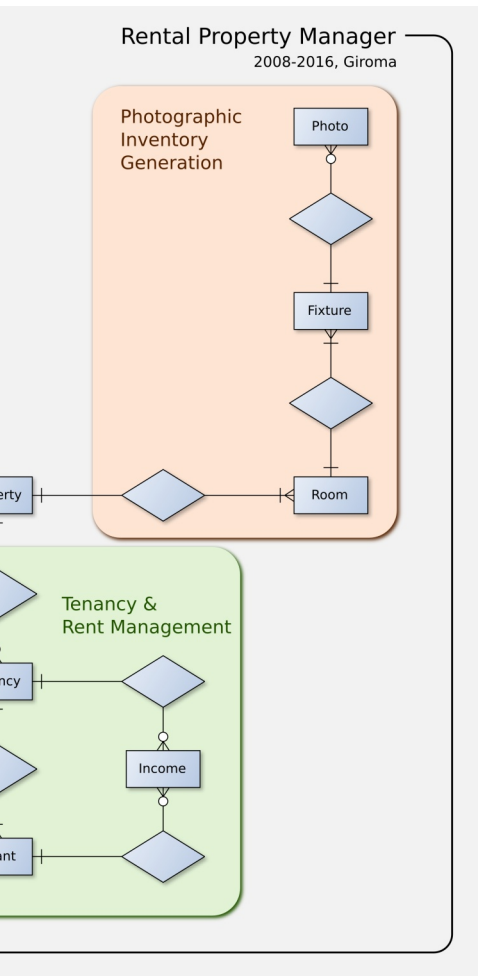
work with our tenants to find a mutually satisfactory solution.

We manage rent arrears by means of open communication and a spreadsheet that enables us to see progress. If a tenant needs a payment plan in order to catch up, we want it to be manageable and sustainable so they don't fall further behind.

RECORDS

Managing a rental portfolio means keeping track of a vast amount of information. To help us do this, we have our own RPM (rental property manager) software. This was designed and created in-house in 2008 and has been under continuous development ever since. We decided to build our own system because we couldn't find anything suitable on the market. We were looking for both capacity and flexibility in order to manage a growing number of properties and keep track of various rent cycles.

For instance, most tenants pay their rent every calendar month. However, some receive Housing Benefit which is typically paid every 2 or 4 weeks. A few of our tenants prefer to pay their rent weekly because they find it easier to budget.



team understands that unforeseen events do happen, so in cases of genuine emergency we are prepared to

Property Maintenance

Recent maintenance jobs include cutting down three huge conifers that had been blocking the light, fitting new sealed window units to replace ones that had blown, mending a kitchen drawer, and fitting a new joint in an underfloor hot-water pipe that had fractured and caused a leak.

Pictured right is a new bathroom basin that has been installed.

Pictured below is part of a newly painted kitchen.



NEXT EDITION

Our autumn edition will be out in January 2017. For news and information before then, visit the website from time to time.

Thank you for your continued interest in Giroma.

QUOTE OF THE QUARTER

*In any given
moment we have
two options:
to step forward
into growth
or
to step back
into safety*

(Abraham Maslow)

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