



This newsletter has been designed to keep you updated on what is happening within the industry and our real estate office

EXPERTS PREDICT PROPERTY PRICES WILL SURGE ON THE GOLD COAST AFTER INTEREST RATES CUT TO RECORD LOW



THE Gold Coast property market is set to surge as interest rates fall to their lowest point in history.

The move is expected to bring property prices back to pre-global financial crisis levels and kickstart the city's construction industry.

REIQ Gold Coast zone chairman John Newlands said the unprecedented low would draw pensioners and first-home buyers into the market and send house prices soaring.

"There has never been a better time to buy on the Gold Coast than right now," he said.

"Self-funded retirees who may have been surviving on their bank deposits may in fact return to real estate to get better yield.

"These are the lowest interest rates we have seen for a decade and rental yields are continuing to rise. It is a perfect combination of ingredients for buying real estate."

The Reserve Bank yesterday dropped interest rates by 0.25 of a percentage point to sit at 2 per cent.

Mr Newlands said the cuts would attract interstate buyers and stimulate the city's property market in time for the 2018 Commonwealth Games.

"Sydney buyers are increasingly looking towards the Gold Coast and there will be a lot of mum-and-dad investors who will take

advantage of the comparatively low prices here," he said.

"There is also speculation that interest rates will drop again which would increase consumer confidence in time for the Games."

Villa World managing director and Gold Coast developer Craig Treasure said the rates were "historic" and would provide relief to families on flexible mortgages.

"I have never seen rates this low in my lifetime and I'm sure a lot of families will sleep easy tonight," he said.

"About 20 per cent of our sales are from first-home buyers and I expect even more will join the market after this announcement.

"I also expect interstate buyers will also have more confidence to invest on the Gold Coast."

Master Builders project director John Crittal said low interest rates made construction more affordable and encouraged people to take loans.

"Housing affordability is a massive issue for the construction industry and any move in dropping the rates is warmly welcomed and supported by Master Builders.

"It sends a message that the low interest rate environment is here to stay for quite some time."

~ Jack Houghton: GC Bulletin May 2015



REMINDER

Smoke Alarm Increase

As from 1 July 2015 Smoke Alarm service costs will be increasing to:

Lease Renewal - \$20

New Lease - \$35

Routine Inspect - No Charge

INSPIRATIONAL QUOTE

Real Estate cannot be lost or stolen, nor can it be carried away. Purchased with common sense, paid for in full, and managed with reasonable care, it is about the safest investment in the world

~ Frank D. Roosevelt

IMPORTANT: This is not advice. Clients should not act solely on the basis of the material contained in this newsletter. Items herein are general comments only and do not constitute or convey advice per se. Every effort is made to ensure the contents are accurate at the time of publication. Clients should seek their own independent professional advice before making any decision or taking action. We take no responsibility for any subsequent action that may arise from the use of this newsletter. Published by REAL ESTATE WORKS - www.realestateworks.com.au

HOW TO ACHIEVE THE HIGHEST POSSIBLE RENT



The dynamics of renting properties has changed over the decades. There are more expectations on landlords in regards to legislation and compliance, with a strong focus on presenting properties in a safe and well-maintained condition.

As a result of these changes, many tenants are now wanting more for their rent.

Investing in property is all about building financial security in the long-term and achieving the highest possible rent in the short-term.

To assist our investors to keep up with the changing rental market (to avoid falling behind the competition) we have listed our top tips in 'How to achieve the highest possible rent'.

- The presentation of the property (inside and outside) is one of the most important factors. Painting, new window and floor coverings, updating kitchens and bathrooms, and new appliances, should always be factored into your investment budget.
- Adding modern conveniences is becoming an expectation for many quality tenants, such as high-speed Internet, dishwashers, air conditioning/heating, security systems and even automated watering systems.
- Many people are now looking for ways to save money, which includes minimising utility costs, as the bills continue to increase. Rental properties with solar power are becoming more sought after. Likewise the installation of rainwater tanks can also be a real selling point.
- With the lack of time in many people's lives, including lawn, garden and pool care in the rent can also be appealing.

If you want to achieve the highest possible rent and attract the best possible tenant your property must stand out over all the other properties. If the fixtures, fittings and appliances are becoming old, worn out and dated and the property doesn't have the 'extras', it will reflect on the quality of tenant willing to live in the property.

Large costly improvements are not possible for everyone. However, gradually improving the property will assist in achieving the highest possible rent. To assist, you may want to consider looking at the equity in your investment to fund these improvements.

How **YOU** See
Your Home.



How **The TAX**
Appraiser Sees
Your Home.



TAX TIME IS FAST APPROACHING

Investing in property to create wealth requires strategic thinking.

As we approach the end of the financial year we recommend all our clients speak with their accountants and financial planners, so there is time to take action if required. Once the 1st July is here it's too late, and you could lose the opportunity to save on tax.

Claiming interest on your loan, property expenses, improvements, repairs and depreciation are usual tax deductions.

One strategy you could discuss with your advisors in advance is: **Paying Interest in Advance.**

If you are a property investor with tax-deductible borrowings, prepaying the interest on your loan may be an option worth considering.

The main reason why investors adopt such a strategy is to receive the full amount of the prepaid interest as a deduction in the financial year it is paid. For some investors, prepaying interest is an important part of a tax-minimisation strategy, particularly if their income is expected to be lower in the following year(s).

If this is appealing, you will need to contact your lender or mortgage broker to find out if this facility is available on your loan. Not all lenders offer this facility.

If it is an option, another feature of prepaying interest is that the loan is fixed for 12 months and the rate is generally lower than the lender's traditional 12-month fixed rate. This can also assist with budgeting for the period that the interest is prepaid.

Real Estate Works

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REAL ESTATE WORK
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