

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

FROM OUR PROPERTY MANAGEMENT TEAM

SPECIAL OFFER

Bring a Friend on Board and receive 3 months complimentary Management fees on 1 of your properties.

Do You Have More than 1 Investment Property?

We can offer a reduction in our Management Fees if we are looking after multiple properties for you.

www.realestateworks.com.au

Chill out with Sudoku

Every row & column, and 3X3 box, must contain the numbers from 1-9. Good luck

1			9	4				7
			6	2	1			
		8					1	
2	7						5	8
	6			3			4	
3	5						9	2
		2					9	
			8	6	9			
6			4	2				5

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 THE PPM GROUP - www.ppmssystem.com

THE CHANGING HOUSING MARKET GREAT NEWS FOR INVESTORS!

Census data continues to provide revealing insights into the changing housing market.

It is quite clear now that at some point over the past five years there has been a shift towards renting rather than owner occupation. The Australian Bureau of Statistics Census revealed 29.6% of residential dwelling occupiers were tenants. This was higher than the 27.2% in 2006 and also higher than in 2001 where 26.3% were recorded as tenants.

This shift, combined with the natural increase in population, has meant that demand for rental accommodation has accelerated over the past five years.

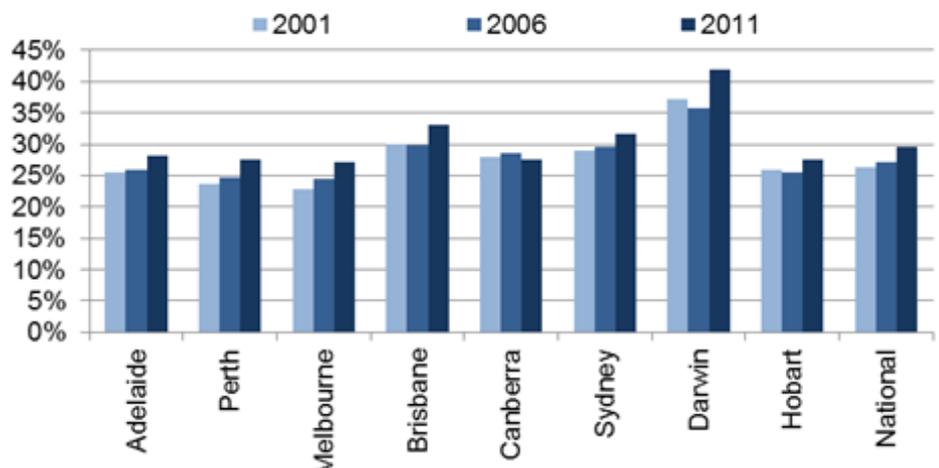
The supply of rental dwellings has also increased at an accelerated rate. However, the evidence suggests demand has gradually been outstripping the increase in supply.

This in turn gives explanation as to why rents have been rising considerably above inflation over the same period and vacancy rates have been trending down over that period of time in most areas of Australia^.

This shift towards renting is also attributed to the unaffordable housing market, the reluctance to take on mortgage debt as well as an awareness of falling sale prices.

Continued over >

Proportion of Renters



IN THIS ISSUE

- The changing housing market – Great news for investors!
- The difference between an investor and a landlord
- Termite Inspections and Pest Control



It could therefore be concluded that rents (particularly at the affordable end of the market) will continue to rise at these accelerated levels unless there is a strong change in the market for tenants to move back to home ownership. ■

NOW IS THE TIME TO BUY!

Refer to the below table for vacancy comparisons

^ With the exclusion of Melbourne. Vacancies are calculated based on online rental listings that have been advertised for three weeks or more compared to the total number of established rental property.

Data Source: SQM Research

**INVESTMENT TIP:
A COMMON MISTAKE**

Being afraid of making a mistake – and doing nothing

Being conservative is a good attribute to possess. However, if you are too conservative then you run the risk of being one of those people who don't do anything at all. Even when opportunity knocks man still has to get up and answer the door. ■

**CONSOLIDATING
YOUR INVESTMENT
PORTFOLIO**

Consolidating your investment portfolio to the one agency can make financial common sense and streamline the management and accounting process. If you have another property in our area and

would like our agency to assist you with the consolidation process (to take away the stress of changing agents), we would be more than happy. You can also be confident that it is a priority for us to make sure the tenants are not disrupted.

**LANDLORD
VS
PROPERTY
INVESTOR**

IS THERE A DIFFERENCE?

It can be considered that a **landlord** is an owner who finds and manages the tenant, collects

the rent and acts as the handyman when there is maintenance to be done. Which, is fine if you want to make owning a property a hobby or a second job.

The **property investor**, on the other hand, takes a business perspective and spends the same time on their finance, taxation, ownership structures and next property investment opportunity. They don't 'fix toilets', they get other people to do it. They treat it as a cost of doing business and it is tax deductible. Professional investors in some cases have never seen the properties that they have invested in as they are assets with no emotional attachment. If you want to be a successful property investor with multiple properties, trying to be a landlord will wear you down, make you time poor and will result in you selling instead of buying more.

**SPRINGTIME HAS
ARRIVED
Termite Inspections
and Pest Control**



With the weather becoming warmer this is a time when bugs, pests and rodents emerge from their winter slumber and start to look for food and shelter in our homes and the homes of your tenants.

Ants, spiders, wasps and cockroaches become active and are a nuisance to the property and the tenants who reside there.

Of great concern are white ants. A moist climate offers perfect conditions for them to become more active.

REMINDER

We therefore recommend that if you have not had your property pest controlled or inspected for white ants/ termites that you contact our office to discuss this important service.

UPDATE

YES! We do both Sales and Property Management

CITY	Vacancies Jun '11	Vacancy Rate Jun '11	Vacancies May '12	Vacancy Rate May '12	Vacancies Jun '12	Vacancy Rate Jun '12
Adelaide	2,354	1.5%	2,680	1.6%	2,866	1.7%
Perth	2,005	1.1%	1,157	0.6%	1,340	0.7%
Melbourne	10,108	2.5%	11,427	2.7%	12,361	3.0%
Brisbane	5,272	2.0%	4,120	1.5%	4,456	1.6%
Canberra	332	0.6%	434	0.7%	471	0.8%
Sydney	7,890	1.5%	9,140	1.7%	10,537	1.9%
Darwin	282	1.2%	100	0.4%	105	0.4%
Hobart	479	1.8%	753	2.8%	720	2.7%
National	48,861	1.8%	50,408	1.8%	54,613	2.0%