

Ray White.

On Mulgrave Cairns



Ray White On Mulgrave | 146 Mulgrave Road, Cairns | 07 40 51 4595 | 07 40 51 4535 | raywhiteonmulgrave.com.au

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Quote: “Bad news isn’t wine. It does not improve with age”

Colin Powell

LOCAL AREA NEWS – CAIRNS FEELING THE EFFECTS

Hi Everyone!

How are you all feeling out there? Judging by the activity in the real estate market (or rather, lack of!) the people of Australia are definitely moving forward with great caution. Unfortunately many Cairns employees have had hours cut back or job losses and many construction subcontractors running out of work & leaving town. As a consequence, we have had a sharp rise in tenants breaking their leases, opting for cheaper rentals or alternatively, moving back home to families. There has always been a theory about Cairns historically being the last to benefit from the southern real estate booms, & the first to be hit hard on a downturn. We are treading in new territory with the pressures of the world economy weighing heavily upon us. If this old theory is right, then things should be looking bright for Cairns soon. The tantalising promise of low interest rates, properties on the market for prices 15-20% below 2007...the time is right to strike while the iron is hot....time to think about buying your next investment property. We will not know where the bottom of the market is until it begins to rise again. Analysts across Australia expect that rise to be as dramatic as the fall at the start of the year. We are living in interesting times!

On a happier note, the team at Ray White On Mulgrave would like to wish all of our valued Property Owners a very Merry Christmas and a Happy New Year. Enjoy the festive break with your families and we look forward to serving you in 2009.

Have a great month,

Ray White On Mulgrave Property Management

RAY WHITE ON MULGRAVE – WELCOME SHANNON



We are very excited to welcome Shannon Rae to our Property Management team. She takes over Geoffrey Smiths portfolio who has joined our Sales team. Shannon was actually our very first employee with the Ray White On Mulgrave. We are absolutely thrilled to have her back after working at another Ray White Property Management office in Cairns. Shannon has a wonderful, bright & friendly personality with a great knowledge & understanding of both property & people.

OFFICE MOVE ACROSS THE ROAD

Due to a restructuring of our business, we will be relocating the Property Management team across the road to our main office @ 187 Mulgrave Road on the 15th December. This will give our clients a greater exposure to prospective tenants with larger window card presentation space & modern facilities to enhance the properties. From a business point of view, the move will enable our team to work together more effectively in a one level office. The Sales team will be relocating upstairs. Most of you will not notice the move, as all other points of contact will remain the same.

THINK LONG TERM

Leading market analysts anticipate a move back to the safety of bricks and mortar

A wise man once said that "all investment markets gravitate towards their long term average overtime." this is a somewhat apt quote given the financial turmoil of recent weeks. The headlines recently were again all doom and gloom but this time – if that is possible – with a more depressing sense of forebode. The sky, regardless of how dark the horizon looks, is not falling in.

It is timely therefore to take a step back and look at how residential property actually performs. Australian residential property has out-performed most other assets over the short, medium and especially long-term. Residential returns are cyclical. On average, prices double every nine years, equating to capital price growth of just over 8% per annum. Secondly, and whilst there are low periods it is rare that nominal prices actually go backwards on an annual basis.

On occasion, it is true that residential property over the short-term does enter negative territory. Houses went backwards by 2.5% during the June Qtr and attached dwellings fell by -0.3% over the same period. But when taking a longer-term view, the average total return for a house was 11.4% across our capital cities during 2007/08 and was 11.3% for attached product. When looking at a medium time frame (last five years), houses returned 11.0% per annum and units 9.9%. The ten year average was 13.4% for detached product and 12.8% for attached dwellings. To repeat, "all investment markets gravitate towards their long-term average overtime."

TROPICAL WEATHER – TIME FOR CLEANING UP & A CHECK UP ON INSURANCES

Last week one of our managed properties suffered the brunt of an extreme tropical downpour. Whilst no trees surrounded the house, unknown to anyone, deep down, a drain was blocked resulting in a back up of water in the gutters during the downpour with the eaves filling with water, causing them to collapse. Though, in this case, it was not a catastrophe, it could have well been. Our Property Managers strongly suggest an annual clean up of loose debris, overhanging trees and gutter clean outs to be carried out over the next month in preparation for our cyclone season in Cairns. Your Property Manager will be able to advise you on whether or not your property is at risk. It goes without saying, now is a great time to ensure that all your insurances are up to date. Again, your Property Manager can help you out on that one. As soon as a cyclone is announced, insurance companies close the window of opportunity to have it insured until the danger passes, by then it could be too late!

OFFICE ACTIVITY THIS MONTH

We regularly track our Agency activities and results via monthly performance indicators. These indicators are also a great way for you to follow the rental market activity, particularly the fluctuation in activity month by month, which shows trends, seasonal supply and demands and marketing success. You may find the following information of interest!

ACTIVITY : Number of:	LAST MONTH	THIS MONTH
Prospective Tenants inspecting available Rentals	78	111
Tenancy Applications Received	35	48
Properties Rented inc. Lease Renewals	37	29
Hits / enquiries on website	12,778	13,890

REFERRALS ARE REWARDING!

Do you have other investment properties we can manage for you? Consolidate them all under our management for consistency as well as other benefits. Perhaps you know someone with an investment Property? If so, please contact

Ray White On Mulgrave on 07 40514595 or rentals.onmulgrave.qld@raywhite.com

Don't forget our "Thank you for your Referring" bonus gifts! A \$100 Gift Voucher from Bunnings Warehouse or Verdi's Restaurant will be sent to you for every management that you refer and is subsequently signed up.

CALENDAR OF EVENTS- DECEMBER 2008

15 December	Mid Month Accounting
25 December	Christmas Day (OFFICE CLOSED)
26 December	Boxing Day (OFFICE CLOSED)
27 December	Christmas Break (OFFICE CLOSED)
30 December	End of Month Accounting
1 January	New Years Day (OFFICE CLOSED)
2 January	New Year Break (OFFICE CLOSED)
3 January	New Year Break (OFFICE CLOSED)

