

Ray White

On Mulgrave Cairns



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Quote: “You may have a **fresh start** any moment you choose, for this thing that we call ‘failure’ is not the falling down, but the staying down.”

Mary Pickford – Canadian Actress, founder of United Artists

Office / Local News

Happy New Year to you!

January has been surprisingly busy for our PM department. We have had a number of new managements referred to us from happy clients with half coming in from other agencies & the other half from owners attempting to self manage. In a time of litigation & a new Real Estate Act that appears to heavily weighted towards your tenant, plenty of Owners are being bailed out of very difficult situations by our Property Managers. Landlord insurance is a 100% “must have”!

Like most businesses, we have also had a higher than average amount of late rent payments from tenants after Christmas to chase up along with several break leases to contend with, mainly from tenants that have lost their jobs.

Media reporting in regards to the two cyclones off the coast have been exaggerated beyond belief with much of the southern media showing archive footage in the news. While not trying to trivialize the serious nature of these storms, the damage caused to our local economy & tourism industries has wreaked far more damage than the 15” of rain we have had this week! Unemployment has dropped to 13% & there are several new flights into Cairns from various destinations beginning in early April. There is light at the end of the tunnel & we are looking forward to 2010 being a year of gentle growth for Cairns.

Have a great month!

Ray White On Mulgrave Property Management Team

Running Bath Leads To An Overflow Of Troubles....

A recent claim lodged with an insurance company, highlighted the importance of adequate cover for both owners & tenants – in a unique way!

A unit apartment in Cairns was occupied by a tenant, fortunately insured by the owner & managed by a property management company.

The tenant of the apartment in question decided to run a bath, but as the bath was filling, fell asleep. While the occupant slept, the water level rose, overflowing throughout the bathroom spreading to nearby rooms & eventually seeping through to the unit below.

The water not only damaged the carpet in the unit & the tenant’s personal belongings, the ceiling, paint, carpets & personal belongings of the occupants in the unit below. Unfortunately, the tenant in the unit below did not have personal contents cover, nor did the owner have landlords contents cover- leaving them both unprotected.

In this situation, there was a case of one owner being covered & one owner having no protection at all. Fortunately, the insured unit owner whose tenant ran the bath, was protected against damage from his tenant’s actions.

The unprotected owner of the unit below had to rely on complicated, costly & drawn out proceedings to attempt to get compensation. The case still continues. We cannot stress the importance of insurance enough, in particular, Landlord Insurance. Be cautious as many insurances provided by banks are totally inadequate. Call your Property Manager for experienced advice.

Understanding Our Cairns Market

Most of our newly acquired Landlords have had their properties vacant for over 3 months with no income.

Ray White On Mulgrave have very few houses available & when we secure a management, they are generally rented within 1-3 days. There is still a chronic oversupply of units in Cairns & our ability to rent these out all relies on the rent the Landlords are demanding. Put simply, if the rent is too high, the tenants simply will not consider it...unfortunately, there are plenty more to look at.

We go to a lot of effort to keep you all up to date with the market on a weekly basis via e-letters from the sales department. They are brief, up-to-date, informative & give an honest insight as to the situation we are experiencing in Cairns. Please take the time to read them & if you are not receiving one, please call Liz or Jeanette on 07 40424100. This will help you make informed decisions about your valuable investments in our area. Please do not assume it is all about sales.

Investment Property...New or Old?

Whether you are looking to buy your first investment property, or add another property to your portfolio, the age old question evades us all – Should I invest in new or old property?

As your Property Managers, we suggest you look at your individual circumstances, the location of the property & what it is exactly you are looking to gain from your investment. Location tends to rank very highly on the list & access to shops, hospitals, universities & schools lead to a better investment.

Older properties in established areas will provide an attractive supply of tenants & will also return good capital growth over the long term. If you prefer a newer property, then look to areas where new developments are planned for the future. For example, in Cairns, the suburb of Redlynch is extremely popular.

New property tends to attract a larger variety of tenants as there is often less maintenance & upkeep associated with these properties. (This needs to be balanced against the higher purchase price). Along with excellent tax depreciation deductions, this is an added incentive to invest in a new property.



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.

Our overall current Occupancy Rate is 95.73%

Address	Property Description	Days Vacant	Rent Change
HOUSES	LEASED THIS MONTH		
White Rock	4 bed, 2 bath, \$320 p/w	4	↔ Same
Mt Sheridan	3 bed, 1 bath, \$280 p/w	5	↔ Same
Westcourt	3 bed, 1 bath, \$370 p/w	40	↓ \$20
White Rock	3 bed, 1 bath, \$310 p/w	2	↔ Same
Cairns North	3 bed, 1 bath, \$315p/w	30	↔ Same
Units	PROPERTY DESCRIPTION	Days Vacant	Rent Change
	LEASED THIS MONTH		
Cairns Esplanade	2 bed, 2 bath, \$205 p/w	14	↓ \$15
Cairns North	2 bed, 1 bath, \$305 p/w	7	↔ Same
Edmonton	2 bed, 1 bath, \$200 p/w	14	↑ \$5
Whitfield	2 bed, 1 bath, \$245 p/w	10	↓ \$10
Cairns	2 bed, 1 bath, \$200 p/w	25	↓ \$20

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 a \$100 Money Order will be sent to you for every management that you refer and is subsequently signed up.

Calendar of Events – February 2010

12 February Mid Month Accounting
26 February End of Month Accounting