



### SEPTEMBER 2008 | INSIDE THIS ISSUE

- The Economic Cycle & Reality Of The Cairns Market
- Office Activity This Month
- Optimising Rental Income & Capital Growth On Your Investment Property
- Routine Inspections
- Referrals are Rewarding!
- Calendar of Events
- Contact Us

**“When is the last time that you did something for the first time?”**  
**Quote Anonymous**

#### LOCAL AREA NEWS - THE ECONOMIC CYCLE & REALITY OF THE CAIRNS MARKET

Hi Everyone!

Wouldn't it be great to have a crystal ball to know when is the best time to buy or sell?

For those of you wondering what on earth will happen next in these uncertain times for Australia, we thought it would be an opportune time to remind you all of the Economic Cycle. The average Australian real estate cycle lasts between 7-12 years, depending on the location. To assist you in being able to read the market, we have included a diagram that maps the cycle in which real estate goes through. This will give you a clear indication of where we sit at the moment...and remember, we will not know where the bottom of the real estate market will be until prices start going up!



Stock levels for houses on the market are definitely falling as property owners realize that the sale prices of 2007 are but a memory. Most prices in Cairns appear to have slipped some 15%. Cairns unit sales are under siege in the face of high interest rates, petrol prices and lack of buyer confidence with the market stalling in the

past month. The number of Units sold in the CBD has plummeted by more than 40% with suburbs such as Westcourt and Freshwater falling some 20-25% in the last quarter. Small numbers of actual sales are also causing an obvious impact. So if you have your property on the market, particularly a unit, bear in mind that there are over 750 on the market right now, most of which are not moving. Consider holding out until this so called “crisis” is over. Never forget, the Cairns property market is always rising 10-11% per year in capital growth. You just have to know when to sell....now is certainly not the time.

Have a great month,

**Ray White On Mulgrave Property Management Team**

#### 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	113	109
Tenancy Applications Received	53	26
Properties Rented inc. Lease Renewals	46	36
Hits / enquiries on website	9676	9209

## OPTIMISING RENTAL INCOME & CAPITAL GROWTH ON YOUR INVESTMENT PROPERTY

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As summer approaches us up here in the Tropics, prospective tenants are showing obvious preference towards air-conditioned properties. If the main living areas and bedrooms have air-conditioning, properties are being rented almost immediately in comparison with those that lack them. Air-conditioning a property can cost from approx. \$800 installed per unit to \$1500, depending on the size of the room. Tenants are prepared to pay premium rents for the luxury.

A well maintained property will also more likely attract quality tenants, reducing tenancy turnovers as well as reducing large, costly repairs. Don't let your investment property depreciate due to a lack of maintenance and upkeep. Plan to repaint, re-carpet & replace curtains to name a few. Remember, these are all tax deductible. Take the time to implement an annual maintenance budget. Determine the approximate value to replace these items & budget to upgrade them every 3-6 years depending on the wear & tear during the tenancy.

Start saving today. Put away an extra \$50 per week to cover you for planned maintenance/upgrades or the unexpected repairs such as replacing hot water systems, repairing showers or replacing fences.

You will optimize your capital growth on the property in the long term. Your Property Manager will keep you up to date on the condition of your property when completing routine inspections.

### Routine Inspections

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With the increasing number of litigation claims being brought before the courts in the Australian Property Management sector, our office realizes the importance of carrying out regular routine inspections.

During these inspections we assess:

1. The tenants ability to maintain & care for the property
2. Required repairs to be carried out
3. The necessity for improvements/ renovations to be carried out.

Following a routine inspection, our office will provide you with a detailed report highlighting any areas for attention. When you receive a routine inspection, it is important that you carefully read the comments and contact our office as soon as possible (if required) to authorize or discuss the repairs or maintenance.

## REFERRALS ARE REWARDING!

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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](mailto:rentals.onmulgrave.qld@raywhite.com)

We are delighted to present "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- OCTOBER 2008

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15 October	Mid-Month Accounting
3 November	End of Month accounting

### CONTACT US

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We have listed our contact details below so you can update your records and for easy contact with our office.

Due to the nature of our roles in Property Management, staff are frequently with Clients and Customers, or at properties.

As it is important to us that we are available to you, if you would like to meet with a particular team member we recommend you contact our office via email or phone and arrange an appointment. We find this works well as it minimizes inconvenience to you.

P: 07 4051 4595  
E: [rentals.onmulgrave.qld@raywhite.com](mailto:rentals.onmulgrave.qld@raywhite.com)