

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: "Failure is not the falling down, but the staying down"

Mary Pickford (1892-1979)
Canadian actress

LOCAL AREA NEWS – CAIRNS FLOODED BY PROPERTY ON THE MARKET

Hi Everyone!

What a tumultuous month it has been in the world of real estate! The First Home Buyers have not flooded the market as the newspapers gleefully reported. It leaves great opportunity for investors to snap up the bargains appearing on the market! We are experiencing an alarming amount of property being launched onto the market in Cairns with many Owners panicking about falling values. Yes... the market is on a slow fall and unfortunately the more stock that goes up for sale, the quicker the prices will fall with the market once again oversupplied to opportunistic Buyers. Please remember that historically, Cairns real estate has always created 10-11% capital growth but it must be held over in times like this to realise it. You will not be getting the tax breaks if your money is held in the banks. On the contrary...it will cost you tax! While we are not financial advisers, if anyone wishes to discuss the market or how their property is placed in the current conditions, please do not hesitate to call the Principal, Debbie Aldred, at Ray White On Mulgrave Mobile 0402969316. Debbie is a selling Principal & avid investor for 29 years in the Cairns market.

Have a great month,

Ray White On Mulgrave Property Management

CONGRATULATIONS! YOU ARE PART OF THE SAFEST ASSET CLASS

In good times and bad everybody needs a roof over their head. They may close their commercial business or stop holidaying but they will either own or rent a place to live. In Australia we already have a housing shortfall of 50,000 a year (about a thousand dwellings a week) and with the immigration intake increasing by 20% this year as our government works overtime to attract skilled migrants to help us with our skills shortage... the pressure on residential housing will only increase; regardless of what happens in the global economy!

ANZ Australian Property Outlook 2008 reported that in risk-adjusted terms, residential property has delivered vastly superior returns to all other broad asset classes. In risk-adjusted terms since 1984, residential property returns have more than tripled those of equities and more than doubled those of commercial property and government bonds.

More recently, total returns on residential property have accelerated, underpinned by a sharp tightening in the housing demand/supply balance that is driving both rents and house prices higher. Heightened uncertainty in global credit markets following the meltdown in US sub-prime mortgages has seen risk aversion rise sharply. Fears of recession in the US will continue to weigh on global equity markets and a 'flight to quality' will add to the weight of money that is driving residential (and other) property markets higher. Using a simple volatility adjustment more fundamentally, a severe shortage of housing will continue to drive house prices and rents sharply higher in the years ahead.

WHAT TO LOOK FOR WHEN SEARCHING FOR A GREAT INVESTMENT

- Is it priced within my capacity to borrow the necessary funds?
- Are the holding costs (post settlement) affordable?
- Is it a median priced property for the area?
- Is it livable?
- Is it located in an area that is attracting people?
- Is it fairly built out around the said property?
- Is it conveniently located close to infrastructure, employment & lifestyle options?
- What future investment, that will drive the local economy for years to come, has been planned, approved and/or commenced?

Your research ought to focus on **changing demographics**. Consider the attitudes that currently prevail and are likely to prevail into the future. Petrol prices, greenhouse gasses, water restrictions, "Generation Y" and so on, etc. Such research will undoubtedly lead you to areas where houses are old and being replaced with higher density living. Avoid high density in preference for medium density. Position or location rather than the product that looks so good on glossy brochures!

RESPECT FOR TENANTS

If you do make the rash decision to sell your investment and if you chose another sales agency besides our own, it cannot be stressed enough that these agents MUST be asked by you, the landlord, to treat your tenants with the utmost respect and follow the path of strict RTA real estate law to conduct any sales activity. We get calls from upset tenants arriving home to find a "For Sale" sign on their front lawn or a knock at the door demanding entry from some strange agent. (How would you feel!) At Ray White On Mulgrave we request a copy of the "Appointment To Act" and "Notice Of Intention To Sell" addressed to the tenant from the listing agent and a copy of each Entry Notice before handing out keys. Tenants must be given a minimum of 24 hours written notice and we ask that the tenant be politely phoned to confirm the arrangement. Our salespeople are well trained and realise the importance of a content tenant, particularly in light of the fact that it is your income that will be affected when an upset tenant leaves early. In our mind, tenants are actually business partners in the creation of your wealth. In this current economic uncertainty, it is imperative that quality tenants remain in place.

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	109	78
Tenancy Applications Received	26	35
Properties Rented inc. Lease Renewals	36	37
Hits / enquiries on website	9209	12,778

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- NOVEMBER 2008

4 November	Melbourne Cup
17 November	Mid Month Accounting
28 November	End of Month Accounting

CONTACT US

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 40514595
E: rentals.onmulgrave.qld@raywhite.com