

# PROPERTY NEWS

*Ideas to help you when you're Buying or Selling*

# WANTED

## Rental Properties in HOT DEMAND



**Why is now a great time to jump into the property market?**

**FULL REPORT  
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**In this Issue of Property News:**

- What does a recent interest rate rise mean?
- Now is the perfect time to invest!
- Practical steps for protecting your investment

**HUSKISSON & SANCTUARY POINT**



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## Letter from the Editor

Dear Readers,

We are now heading towards the winter months of the year and now is the perfect time for vendors to start preparing their properties for a winter sale.

Our sales agents can assist with expert advice about presenting your property in the best possible way and how to get your property on the market sooner to avoid the traditional seasonal influx of properties.

This issue is devoted to property investors from buying a property to becoming a landlord. We also reveal what the latest interest rate rise can mean for you and your investment.

We hope these articles will provide some help on a situations that are altering daily but if you would like to discuss these in more detail or receive a more up to the minute picture of the market, please do not hesitate to contact us.

Yours faithfully,

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# Interest rate hike



## What does a .25% rate rise mean for property owners?

**With the Reserve Bank of Australia's decision to lift interest rates by .25% to 4%, many Australian property owners are struggling to come to terms with what this means for their future.**

Responses have been mixed from real estate leaders and industry associations but the rate hike symbolises that Australia's economy is continuing to gain strength.

Although mortgage repayments will increase and many first home buyers will be unable to make their move into the property market, the rate rise is a positive move as part of the bigger picture.

The Real Estate Institute of Australia is welcoming the sign of economic recovery however they believe the combined rate increases in five months has the potential to dampen the market and stifle its recovery.

"The Reserve Bank of Australia's (RBA) decision to increase official interest rates by 0.25 per cent for the fourth time in five months, after a brief hiatus in February, will increase affordability pressure on Australian families and really hurt business and commercial borrowers", said Real Estate Institute of Australia (REIA) President David Airey.

"We are still in uncertain times and any rate increase will hit families and business borrowers hard. The reality is that housing lending has dropped along with business loans and no change in interest rates is what was needed."

The Housing Industry of Australia (HIA) also recognises the need to return interest

rates to normal levels over the course of economic recovery but it also fears it is bad news for first home buyers.

"The removal of the first home buyers boost and interest rate increases in the December quarter of 2009 saw a record drop in affordability according to the HIA/CBA Affordability Index," HIA Senior Economist Ben Phillips said.

"First home buyers in 2009 will have budgeted for moderate interest rate increases through 2010. Unnecessarily large increases will stretch these budgets to the limit and drive away potential new first home buyers."

But it is not all doom and gloom according to many industry leaders in Real Estate, with some strongly behind the belief that the property market will not be negatively affected by the rate rise.

The interest rate increase is good for the long term state of the economy and there are solid signs that the property market remains strong.

The recent rise of .25 % will send the interest rates up to 4%, which is significantly lower than the 7.25% experienced in March 2008.

Although the rates have risen considerably over the past 5 months, current home owners and buyers should take into account that these interest rates are still quite low, and a lot lower than this time two years ago.

**Some industry leaders have predicted home owners will really feel the pinch if interest rates spill over 5% but until that happens the market should remain strong with plenty of activity.**

# There has never been a better time to invest

**With record low vacancy rates and an overwhelming demand for good quality rental properties now is a great time climate for investors.**

**The team from Oz Combined Realty are struggling to keep up with the demand for rental properties and have a long list of good quality tenants with good references who are just waiting for homes to hit the market.**

In this profile, Oz Combined Property Manager Julie Hadley reports on what is happening in the local rental market and explains why now is a great time for property investors.

**Even though the market is steady, Oz Combined Realty has numerous people with very good references on a waiting list to rent, particularly in Jervis Bay and St Georges Basin areas.**

The team at Oz Combined Realty are experiencing extremely high demand for rental property in their area.

With so many qualified tenants looking to rent property in the area, there has never been a better time to invest in property in the Jervis Bay and Basin areas.

“For the past few months, as soon as we list a rental property we have been absolutely flooded with enquiries, swamped at inspections and inundated with applications from equally reliable tenants – although the conditions are stressful for tenants who are left waiting, wishing and hoping to finally secure a rental property, the climate couldn’t be better for

landlords,” Julie said. “A rental property is not an investment unless you have good quality tenants living in the property paying rent and taking care of it as if it was their own. The competitive nature of the rental market means we can afford to be very fussy when selecting tenants for rental homes and sometimes deciding between two or three equally good tenants can be a challenge. But this is a good problem to have.”

**Julie said real estate still represents an excellent investment.**

“With vacancy rates so low at the moment, there is an extreme shortage of quality rental properties in our area,” she said. “Rents have increased as a result, offering a virtually guaranteed return on your investment straight away if you buy a rental property.”

Oz Combined Realty has a range of properties listed for sale now that would be ideal for rental investments. Near new or well-maintained older properties can provide investors with years of maintenance free rental returns.

**If you are thinking of investing in property or would like to enquire about leasing out your existing property, speak to the property management team from Oz Combined Realty, who still have a list of very good tenants looking for a home.**

# DEMAND



# for rental properties



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# Maintenance

## Protect your investment

Ensure your rental property is in tip top condition to reduce the risk

**Buying a rental property and becoming a landlord can be an intimidating, yet thrilling experience.**

Once you dive into property investment, it is vital to employ the services of a professional agency and property manager to guide you through the complex process.



By employing a trusted property manager, the stress of being a landlord is significantly minimized as they can provide you with all the information you need to make your investment not only successful, but almost stress-free.

The experienced property managers from Oz Combined Realty pride themselves on keeping abreast of all the changes in the industry and providing their landlords with the best service and advice possible.

**When you are committing large amounts of money into an investment property, it is vital that you take the necessary steps to protect your investment in case a problem arises.**



The first most obvious step landlords should take when looking to protect their investment is taking out landlord protection insurance.

This insurance covers landlords in an unexpected situation where they may lose rental income or the property is damaged. Landlord insurance is tax deductible and also provides peace of mind for landlords.

**While insurance is the best way to protect your property, there are other more practical steps to take which can be even more important.**



Ensuring your property is fitted with safety devices like working smoke alarms, electrical safety switches and even a fire extinguisher could prevent a catastrophic disaster, which has the potential to destroy your property and more tragically, may take a life.

These devices are relatively inexpensive and allow you to provide a safe environment for your tenants while potentially preventing serious damage to your property. It is often a good idea to replace these items when a new tenant moves into the property.

Carrying out regular maintenance inspections, like annual pest inspections, will ensure your home is protected from destructive pests like white ants.



It is also a good idea to have a yearly building inspection carried out by a reliable professional to ensure there are no potential building defects.

**When maintenance is needed on your property, it is very important to attend to the problem as soon as possible to avoid liability.**



Attending to maintenance issues promptly will reduce the chance of possible injury to your tenants and could also prevent a small repair from turning into a bigger, more expensive problem.

When work needs to be carried out on your property, your property manager will be able to inform you on the best action to take and they can also recommend a qualified tradesperson who is licensed to carry out the work.



Landlords need to be able to put their full faith in the skills and expertise of the property management team if they want their property investment experience to be as smooth sailing as possible.

**For more information about property investing, maintenance or other property management issues, talk to the experienced and friendly team from Oz Combined Realty.**

## Property Investors

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