

NEWS

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Investors, Are You Geared Up?

Investor activity is on the rise. According to figures released by the Australian Bureau of Statistics, the end of the June quarter saw finance commitments for investment purchases increase for the third consecutive month. The welcomed results are positive indications of increasing confidence and stability in the Australian property market.

The return of investors is, according to Real Estate Institute of Australia (REIA) President, Mr David Airey, due to attractive yields, low interest rates and the ability to earn a positive return and 'excellent capital growth prospects'. In addition, affordability is at its highest level for almost six years and competition from the first home buyer sector has decreased somewhat. In effect, the facts and figures combine to create some of the most attractive conditions seen on the market for years.

Property investment has historically been a strong performer over the long term, especially when compared to the volatility of the share market. Superannuation has also been a recent casualty of an erratic global economy, with superannuation funds posting their worst returns since superannuation was introduced in 1992.

Residential property, on the other hand, has been the best performing asset over the past 20 years, producing average annual returns of 12%, while last year saw record rental growth across every mainland capital city in Australia. Furthermore, rental yields remain very strong in 2009. In addition, an under supply of rental properties and increased population growth is creating unprecedented

demand, with vacancy rates reaching historically low levels of 1- 2% in some areas.

Successfully investing in property, whether for the first time or adding to an already existing portfolio is a major property transaction requiring specialised knowledge and effective investment management. Understanding your aims is a critical first step. Do you wish to retire earlier or richer, or supplement current income or completely replace it? These goals determine key decisions such as the type and location of the property and financial arrangements.

The Professionals pride themselves on nurturing productive, long term relationships with their valued investors for both short term results and long term capital growth, and financial security. Please contact your agent for further advice and support.



Quick Tip You do NOT need to be debt-free before starting an investment portfolio. While personal debt is considered 'bad' debt, owing money that produces income and asset growth is 'good' debt.

Australian House Prices Bounce Back



The Australian property market has defied the global trend of falling house prices, recording a healthy 4% growth of housing values across Australia over the first five months of 2009. The result, according to RP Data National Research Director Tim Lawless, virtually wipes out price decreases experienced in 2008. The REIA has also reported increasing evidence of stability in the Australian housing market, along with very strong clearance rates.

The national median house price of \$468,819 as at the end of May 2009 is just \$520, or 0.1%, shy of last year's February peak, according to figures released by RP Data - Rismark International. House values in every Australian capital city increased except Perth. Mr Lawless said, "These latest results herald a national residential market recovery. All of the subsequent evidence – housing finance approvals, auction clearance rates, and other independent house price data – has confirmed this story of an incredibly resilient housing market."

Of the major capital cities, Brisbane's house prices are still slightly in the red (by 0.5%) for the year to May 2009, but have shown a positive growth of 1.6% in the first five months of 2009. Both Sydney and Melbourne have enjoyed a 3.5% increase in median house prices in the year to May 2009. Melbourne leads the way as the best performing capital city since the beginning of the year, achieving an increase in home values of 5.9%, while Sydney is close behind with 5.1%.

While it's very good news for the property market and the Australian economy in general, it is also excellent news for anyone thinking of selling their home.

Spring Has Sprung! Well, Almost...

With the traditionally busy spring selling season peeping over the horizon, sellers can gain an advantage by de-cluttering now. When selling your property, less, in terms of 'clutter', is always more. A minimalist approach gives potential buyers an inviting, spacious canvas upon which to paint an image of their new home. So roll up those sleeves and get into a pre sale spring clean!

- Given that we have typically spent many years in our home, we can become blind to the amount of clutter accumulated over the years. Here is where an objective, no nonsense friend comes in very handy. Get them to look over the entire property including drawers, cupboards, shelves and benchtops – and list the clutter. It will be in your best interests not to object.
- Throw away, give away or sell everything you no longer require, remembering that there is a very big difference between what we want and what we really need. If you're unable to part with some items on the clutter list, whether it be large items of furniture or smaller items, storage is for you.
- A spacious, neat kitchen is of critical importance to most purchasers. Removing everything from the bench tops creates

space for purchasers to vision cooking in their new home. Resist the temptation to store everything in your kitchen cupboards, as they will be opened.

- All storage areas should be as empty as possible. You want to let purchasers know there is plenty of room for their furnishings. Clear out cupboards, the linen press, wardrobes and the garage and create as much space as possible.
- No one loves your pets as much as you do. But pets and their accessories need to be absent during inspections.
- Mirrors are very good at creating a sense of more space - these can stay. Say goodbye to everything else except the bare minimum required for comfortable living – ideally it will only be for the short term.

If this sounds dramatic, a much worse option is having your house on the market for a long time and not achieving the price you had hoped for.



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