



THE ADVISORY—PROPERTY INVESTING

Property **Five Tips for a Happier Rental Property**

To ensure your tenants are enjoying renting your property, and looking after it too, it's important to remember a couple of things so that your relationship with your tenants and property manager is a prosperous one.

So I thought I'd pen a few tips to help remind fellow landlords that if they undertake these recommendations then owning their investment property will be easier and a more enjoyable, less stressful and a less time consuming endeavour.

Even though across the country we are experiencing higher demands than what has been the long term average of rental vacancies, its important to note that once you find a good tenant they are well worth looking after.

For the record, a good tenant is a tenant that pays on time, who respects your property and who is not always complaining about 'the little things'. They are almost a 'set and forget' type - just getting on with their own affairs.

So how can we look after them?

1. Respect Privacy - Even though they are utilising your property in return for rent, you should take the view that they deserve the same sense of privacy that they would expect if it was their own property.

2. Regular Maintenance - Keep the property in good shape through regular maintenance. An example of this is as we are coming into winter; landlords should start thinking about getting any fixed heating systems like gas appliances serviced, and air/heating condition units serviced. Its also the time of year to start thinking about leaves in gutters etc. (Tenants who have proactive landlords keeping their property in good working order are less likely to want to leave!)

3. Prompt response to requests - If a tenant has a repair request or any type of request (even if you are not willing to agree) the

promptness of your response is a welcome reminder to tenants that they are valued.

4. Don't become greedy - The delay cost of replacing a good paying tenant in terms of missing weekly income from your investment could easily outweigh a larger than usual increase in rent per week, (if they decide to leave because it's too much).

5. Keep regular communication with your Property Managers - Communication is two-way, so feel free to keep touching base with them on a quarterly basis, as in most cases they should also be doing 6 monthly inspections on the properties and providing you with written reports as to the condition of the property and any issues the tenant/s may have.

Ben Kingsley
Founder Empower Wealth

Property Wealth Forum - 19th May

I am excited to announce the line up for our next Property Wealth Forum to be held on Thursday 19th May.

We are delighted to continue our focus on building greater understanding and knowledge of investing and property for those who invest their time in coming along to these special events.

This Forum is no exception - We have secured the services of

Nicole Faid from Accord Conveyancing. Nicole is going to outline the 10 critically important elements of a Contract of Sale & Vendor Statement (Section 32). Mistakes in this area cost consumers tens of thousands and in some cases hundreds of thousands of dollars if they go wrong; so gaining a better understanding of the process is critical given the level of money that's at stake.

Federal Budget Review - what's in it re: Property and what will/won't effect us wealth-wise.

Finally we will have a Q&A Panel session to answer your Property Investment Questions about Property , Finance , Taxation & Legal matters.

Full details and to book visit:

www.empowerwealth.com.au/forum

April 2011

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Market Measures: Median Prices-Feb 11

Sydney

H:\$674,000

U:\$477,500

Melbourne

H:\$598,000

U:\$452,000

Brisbane

H:\$450,500

U:\$365,500

Canberra

H:\$537,500

U:\$423,500

Perth

H:\$480,000

U:\$398,000

Adelaide

H:\$408,000

U:\$315,500

Hobart*

H:\$385,500

U:\$285,000

Darwin

H:\$514,500

U:\$413,500

H: Houses

U: Units

Source: Residex

What is the outlook for Melbourne?

On occasion I get asked if it's time to start considering our interstate capitals now that Melbourne has had a recent and fabulous run. Naturally many investors are keen to identify the next booming city to perform for their portfolio.

Before they take our beloved city off the shopping list, I bring their attention to a few compelling reasons why Melbourne is still a great city to invest in.

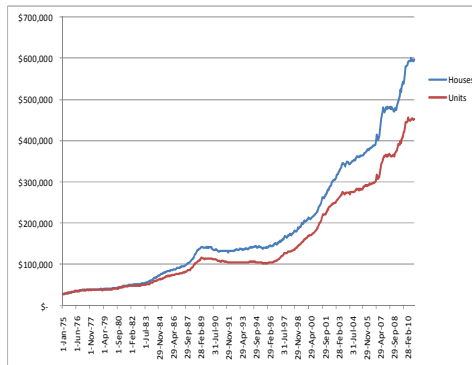
Firstly, Melbourne's population now sits at above 4 million people with the latest ABS figures indicating that the growth of 79,000 people in the last financial year placed Melbourne as the fastest growing Australian capital city for the ninth year in a row. Although two thirds of our new residents live in excess of 20km from the CBD, there is definitely growing pressure within the inner suburbs and this is reflected by the sharply increasing house prices, tighter auction clearance rates than the outer urban areas, and rising rents.

This consistently growing population is placing pressure on our roads and freeways adding to congestion every day. In addition, our public transport system is overcrowded and many residents are opting for a more urban lifestyle where work, shopping, cafes and parklands are all within a walk or a tram ride. Not to forget mentioning rising petrol prices; it is not without careful consideration of the impact that long commutes have on household budgets that lead people to a more urban lifestyle also.

To compound the issue of affordability (or lack thereof) in the inner city areas, we are

seeing a "NIMBY" (Not In My Backyard) Syndrome whereby owners and residents are limiting redevelopment and essentially blocking further supply of housing. Not only is this forcing house prices up, it is also changing the demographic within these areas to a higher income base for households.

When I speak to investors who are looking for capital growth opportunities, I always consider the average household income level for the area and in particular, any recent trends or changes relating to household incomes. This element of research forms one of the many elements required, but is certainly a good indicator of potential growth in the short to medium term.



As a second valuable reason to consider investing in Melbourne, I always raise the question of rental demand and vacancy rates. With our city's ever-increasing population and our relatively slow new housing starts, our vacancy rates are tighter than they have been for decades. While the news is not so good for tenants, it certainly is good for investors. Thirdly—our Liberal Government's proposed Victorian Stamp Duty Concession arrangement seems to be making a differ-

ence in the housing market now. We are seeing First Home Buyers standing back in anticipation of the concession coming into effect on July 1st this year. The concession at this stage is potentially offering a 20% discount off the full Stamp Duty Fee—which at a purchase price of \$450,000 would see a buyer saving \$3794.

It seems ridiculous that buyers could opt out of the market in the interim in order to save this amount, when everybody knows from the FHOG Boost days that this strategy can prove quite costly to buyers. After all, if an exodus of buyers flood the market again on July 1st, it's likely that prices will be forced up by a magnitude far greater than the 20% discount. And with forecasted increases into this subsidy for First Home Buyers year on year for the next few years, the outlook is interesting for those who currently hold property in Melbourne.

When we consider the stellar growth in population that Melbourne has experienced so far, we can see that the 'gap' between Melbourne and Sydney's population figure is closing—and with a gap of now less than 500,000 people (and closing), could Melbourne one day be the largest city of the future?

Cate Bakos

Empower Wealth Property Advisory.

If you're looking to buy, Cate has over 18 properties, so she knows what type of property makes great investments and her advisory service is second to none. Every client's strategy is tailored to them and Cate focuses on the getting her client's the best outcome possible, every time.



Integrated Wealth Solution Service:

Money & Wealth Planning
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Property Advisory
Financial Planning

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**"Finding a great investment property is not a result of good luck, it's all about good planning and having a robust checklist. I get tired of people telling me I'm lucky."
Cate Bakos
Empower Wealth**

Wealth Forum

Thursday 19th May

6.15—8.30pm

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