



July 2015

MARYANNE BIRCH REAL ESTATE PROPERTY NEWS

In House Training This Month

Two in house sessions this month proved really worthwhile for our Rentals team. The first was a session dedicated to Leasing properties by Jan Hamilton Consulting and was specifically tailored for our office.

While the session covered all aspects of the process, there was a high focus on the priority of this task in such a tough market, and provided some great suggestions about how to minimise vacancies while still maintaining a high level of screening to ensure top quality tenants.

The Team also picked up a lot of really useful tips for best use of our automated booking system (Inspectrealestate). It's a great tool, both for saving our time,

providing efficient communication to Prospective Tenants and making booking times most convenient to prospective tenants.

The second session was also in-house and part of a trio of sessions we have booked with Console (our Property Management Computer Program).

The beauty of these tailored sessions is that our staff have the opportunity of interactive training, so that they can address the areas where they need help, and also learn to maximise the functions of the program to their best advantage. Again, the feedback was really positive, and there were many new skills learned, as well as streamlining of many of the current tasks as a result.



New Online System to Simplify Inspection Bookings

Australia's largest property portal has announced it will integrate its rental listings with a prominent online booking system.

Realestate.com.au will implement InspectRealEstate's (IRE) RegisterOnline property inspection booking system on rental property listings by property managers who use IRE.

This will allow prospective tenants to easily register for an inspection and be kept updated via email or SMS of changes to inspection times. The functionality will be rolled out in late 2015.

REA Group chief digital officer Henry Ruiz said the initiative will make property simple, efficient and stress-free for property managers and potential tenants.

"As IRE's RegisterOnline also integrates with 1Form, our online rental application site, prospective tenants looking for property on realestate.com.au will be able to browse, book an inspection and apply for a rental property in a few easy steps," Mr Ruiz said.

A spokesman for one leading Agency Group was quoted as saying "We're really pleased that realestate.com.au and IRE are working together as it will mean our property managers will be able to keep in touch with a broader rental audience than ever before and it will be easier for prospective tenants to book into our inspections," (source RPM online)

FRIENDS & RELATIVES

not always the best option

Have you thought about renting your property to a friend or relative?

While this can seem like the easy solution... and we love them dearly, the outcomes and stories of others can be a deterrent. Just something to think about...

What happens if they encounter financial hardship and cannot pay the rent?

What happens if there is major damage to the property?

What happens when it is time to increase the rent to maximise your income on the investment?

What happens if there are complaints?

It can work for some investors if nothing goes wrong, but before you decide to offer your property to a friend or relative be prepared for the what if... something goes wrong.

AUCTION RESULTS

1 Jul - 31 Jul
SUMMARY RESULTS REPORT



TOTAL SOLD	113 (41.4%)
TOTAL PASSED IN	160 (58.6%)
TOTAL NO. AUCTIONS	273

WHAT SMOKE DETECTORS WARN YOU OF



Did you know?

Lightning strikes Earth about 8 million times a day



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REAL ESTATE

First-home buyers could take hit from investor interest rate hikes

Raising interest rates on home loans held by property investors could boost bank profits by up to \$400 million a year, experts say. But renters, in particular first home buyers trying to get off the rental roundabout, are likely to pay for it.

Last week, ANZ Banking Group announced it would put the brakes on lending to landlords by hiking its index rate for investor loans by 0.27 per cent to 5.65 per cent.

The move, which will add \$48 to the monthly repayments on a \$300,000 mortgage, was followed by the Commonwealth Bank of Australia the next day. On Monday, the National Australia Bank lifted its interest-only home loans by 0.29 per cent.

Domain Group senior economist Andrew Wilson expects tenants will be slugged with the extra monthly repayments, especially in Sydney where "there is a chronic shortage of property".

"Certainly for landlords that are in areas which are popular... it gives them the opportunity to push rents up," Dr Wilson said.

"If they can't, they'll absorb it...but if they can, it will become part of the factor that drives up rents in areas where there are higher demand

for rental properties." He said the changes, which come after the Australian Prudential Regulation Authority (APRA) forced banks to curb investor lending, would only entice more prospective investors into the market because rising rents translates to higher yields.

"It will only weaken the housing market because first-home buyers will have to pay more rent while they're saving," he added.

"It's throwing out the baby with the bathwater; it will only encourage more investors and be another factor in keeping first-home buyer numbers low.

"It's not the repayments that are keeping them out of the market, it's the deposit."

AMP chief economist Shane Oliver agreed that the rate rise for investors could affect renters in areas with tight vacancy rates such as Sydney.

Though rents were at record levels, he said rental growth hadn't been particularly strong and it was a question of what the market would bear.

Dr Oliver said landlords might face some push back, particularly in areas of Melbourne where there was an oversupply and lot of competition for tenants.

"It's quite possible that investors won't be able to fully pass it on," he said.

"I have no doubt they'll try and do so, but it's just a question of whether they'll get the full amount through."

When the mortgage rate increases for investor borrowers, they would only pay for a portion of it because the cost of their annual tax bill would be reduced through negative gearing, Dr Oliver added.

"If you're on the top marginal tax rate, and you're with ANZ or CBA and your mortgage rate goes up 0.27 per cent...presumably you'll get half of that back through your tax refund.

"It's only a fairly modest amount that would have to be passed on."

But Dr Wilson said not every property was negatively geared and most investors would not be paying the highest tax rate.

He believes the banks would be the winners from the latest move.

By adding 0.27 per cent interest rate on the \$147 billion investor loans approved over the year to May (according to ABS figures), it would generate nearly an extra \$400 million in profit for the banks, he said. Source: www.news.domain.com.au

Property of the Month!

3/71 Miles Street, Hawthorne

Not yet listed on Realestate.com, this stunning two bedroom, two bathroom unit with huge front and rear balconies will be a win with the entertainers. City views from the front and a lovely outlook from the back, as well as a large open plan living area will be sure to impress.

Call **Maryanne Birch** on **0418 123 400** to book your inspection now!



Median Weekly Rents and Overview – June Quarter 2015

Suburb	FLATS				TOWNHOUSE				HOUSES			
	1 Bed		2 Bed		2 Bed		3 Bed		3 Bed		4 Bed	
	14	15	14	15	14	15	14	15	14	15	14	15
Balmoral / Bulimba / Hawthorne	370	380	400	400	470	445	570	530	510	540	900	800
Cannon Hill / Norman Park / Morningside	290	265	380	395	400	450	480	495	460	450	650	630
Camp Hill / Carina / Carindale	250	310	375	365	390	420	445	455	435	440	600	580
Coorparoo	290	290	360	360	380	n/a	490	475	480	480	640	535
East Brisbane / Kangaroo Point	330	350	465	495	n/a	480	n/a	n/a	530	540	505	600
Greenslopes / Stones Corner	280	280	360	345	n/a	n/a	490	465	450	470	560	n/a
Murarrie	350	n/a	n/a	430	n/a	n/a	480	530	410	400	550	650
Woolloongabba / Dutton Park	260	290	460	395	n/a	n/a	n/a	n/a	460	450	590	650
Wynnum	220	245	320	330	360	370	400	400	415	415	515	525

The June Quarter Weekly rents have now been released, and as usual, we have captured a snapshot of this report for your interest.

No great surprises here in the year on year results, though I am pleased to be able to report that we are now clearing our available stock at a better rate than in many months, and we are beginning to feel some confidence in applying modest increases to most rents when they come up for renewal.

We admit that this is being done with some caution, as it is still not advisable to 'invite' a vacancy by increasing rents too much.

For the full report go to www.rta.qld.gov.au/resources/median-rents



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