



## PROPERTY INVESTOR

# NEWSLETTER

JAN – FEB  
2016

*This newsletter has been designed to keep you updated on what is happening within the industry and our real estate office*

### WHAT'S IT WORTH

It's 2016 and a time to set new investment goals...

Do you want to know the current market value for your investment property?

You may be pleasantly surprised to find out that you have much more equity in your property than you thought.

Call us today for an obligation FREE appraisal where we can provide you with a written report. **9800 0700**

### PROTECT YOUR HOME

The number one cause of internal house floods is burst pipes to the dishwasher or washing machine, and they can often split when you are away from the home or on holidays.

The water damage can be huge.

So take a look today at the hoses on your dishwasher and washing machine. Are they starting to fray or becoming rusty?

Call the plumber now and don't forget to turn the taps off when you are going on holidays.

## OWNING A PROPERTY MAY BECOME A LUXURY OF THE PAST

### YOU NEED SIX FIGURES IN MOST CITIES

Home ownership is the most common and desired form of housing in Australia. The 2011 ABS Census recorded that 67 per cent of Australian households are owner occupiers. The number of households who own their home outright has fallen since 1996 from 40.9 per cent to 32.1 per cent, while the number of households who own their home with a mortgage has increased from 25.5 per cent to 34.9 per cent. The next census this year may just reveal the declining trend in home ownership.

Some economists have predicted that with the rise of property prices, in 20 years' time the new generation will not be able to afford to buy a property and will have to rent.

Six figures! It's the minimum a household needs to earn in five of the eight capital cities if homebuyers want to avoid mortgage stress and comfortably service a home loan. After crunching the numbers on home loan repayments, broker Mortgage Choice in conjunction with CoreLogic RP Data calculated the average property cost and the bare minimum a household needs to earn in each capital city in order to live a comfortable lifestyle as a property owner.

According to the finance industry, 'mortgage stress' usually hits when households are spending more than 30 per cent of their combined earnings on paying off the home loan.

As a property owner you are a step ahead of the possible times to come in 20 years. You are secure and will be considered wealthy on the property cycle. But don't forget about your children. You may need to assist in getting them into the property market with your property equity from smart investing.

Figures following \* Disclaimer: Results worked out using a 5.61 per cent interest rate (average standard variable rate of all the major banks) and calculated assuming buyer has a 20 per cent deposit and was only contributing 30 per cent of their income to mortgage repayments. Salary figures are 'gross' before tax. P.T.O. >

# MINIMUM HOUSEHOLD INCOME AND MEDIAN HOME PRICES

## Sydney

House: Minimum household income \$154,482 (\$840,000)

Unit: Minimum household income \$115,862 (\$630,000)

## Canberra

House: Minimum household income \$106,666 (\$580,000)

Unit: Minimum household Income \$76,689 (\$417,000)

## Darwin

House: Minimum household income \$105,792 (\$575,250)

Unit: Minimum household income \$84,597 (\$460,000)

## Melbourne

House: Minimum household income \$104,643 (\$569,000)

Unit: Minimum household income \$86,436 (\$470,000)

## Perth

House: Minimum household income \$101,149 (\$550,000)

Unit: Minimum household income \$80,000 (\$435,000)

## Brisbane

House: Minimum household income \$89,655 (\$487,500)

Unit: Minimum household income \$73,011 (\$397,000)

## Adelaide

House: Minimum household income \$77,241 (\$420,000)

Unit: Minimum household income \$62,528 (\$340,000)

## Hobart

House: Minimum household income \$64,827 (\$352,500)

Unit: Minimum household income \$50,574 (\$275,000)

## EVICTING A TENANT

If a tenant fails to meet their tenancy agreement obligations, such as paying the rent or breaching a term of the agreement, we must follow legislation requirements.

In most situations it can be a simple process of issuing the prescribed notice for the tenant to leave the property... but if they don't leave the courts will have to order the tenant to do so.

The court process can take weeks or months.

As your managing agent we are here to represent you and guide you through the process.

To have peace of mind and avoid unnecessary financial loss in unexpected situations, we highly recommend that you have Landlord Protection Insurance.

## What is your net rental yield return?

### HOW DO YOU CALCULATE YOUR RENTAL NET YIELD RETURN?

A simple example:

Purchase Price: \$623,000

Weekly Rent: \$700 X 50 weeks

(Allow for a vacancy factor)

Gross Total Rent: \$35,000

Less Expenses: \$ 10,000

(E.g. Maintenance, insurance, management fees, cleaning, interest costs, depreciation)

Net Rent: \$25,000

$\$25,000 / \$623,000 \times 100$

**Net rental yield return = 4.01%**

## TALK TO THE PROPERTY EXPERTS

### BUYING, SELLING & PROPERTY MANAGEMENT

**Call us if you are thinking about buying or selling or know of someone that is**

*We are focused on maximising your rental income and optimising your capital growth*

## Properties Recently Rented!

Keeping you updated on the local rental market

### HOUSES

**Applewood Dve, Knoxfield \$430p/w**  
4 Beds, 2 Bath, Double Garage

**Sylphide Way, Wantirna Sth \$450p/w**  
4 Beds, 2 Bath, Single Carport

**Rollings Rd, Upper FTG \$310p/w**  
2 Beds, 1 Bath, Double Garage

### UNITS/ TOWNHOUSES

**Cullis Parade, Bayswater \$305p/w**  
2 Beds, 1 Bath, Single Garage

**Newman Rd, Wantirna Sth \$380p/w**  
2 Beds, 1 Bath, Double Garage

## INVESTMENT PROPERTY OF THE MONTH



**305/436 Stud Road, Wantirna South**  
Boasting unimpaird northerly views, this sunny one of only two penthouses on the top floor offers north facing open plan kitchen meals living opening to private patio.