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Phone: 07 5562 2522

Fax: 07 5593 1044

Email: sales@rvre.com.au

Website: www.robinavillagerealestate.com.au

Property News for Spring 2016 - Sales and Property Management, Robina | Varsity | Surrounds

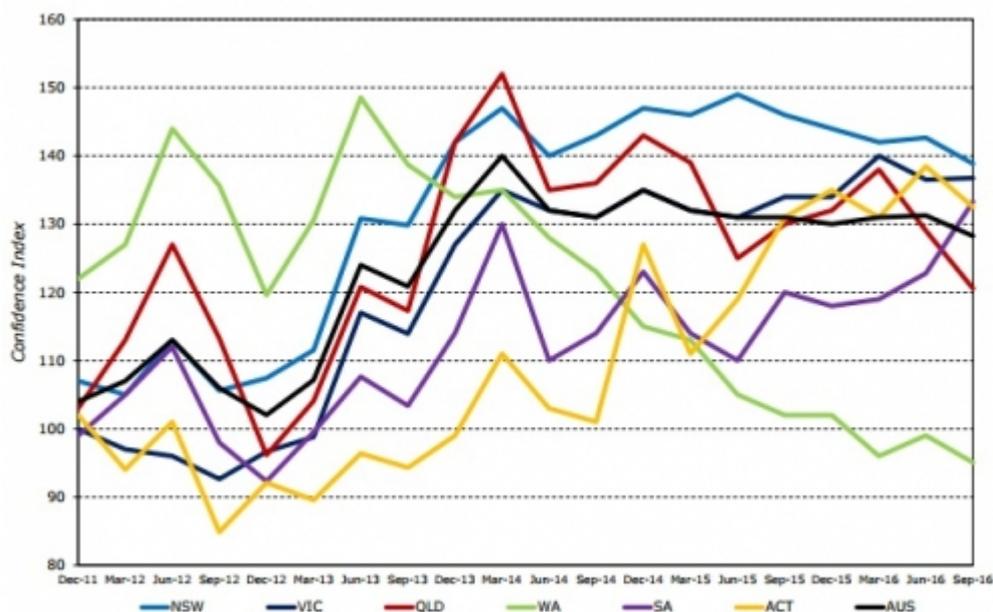
AFFORDABILITY, CONFIDENCE & INTEREST RATES

In my last newsletter I suggested that one of the primary reasons young people struggle to get into their first home was, in my opinion, their having to compete with investors enjoying the unfair benefits of negative gearing.

The government's argument that to fix the affordability problem, the simplistic policy, is build more houses, which on the surface appears logical - when supply goes up, prices come down. Yet the housing market doesn't behave like the market for fruit. When the price of bananas rise, people buy fewer bananas and more alternative fruits like apples or oranges while the true figures show that since 2014, while dwelling completions have increased by 85% so too have house prices, rising by 40%.

Most sane economists postulate that boosting supply alone won't put home ownership within reach of low or moderate income earners, as new supply is only 2% of the market, and most buy second hand dwellings. Housing markets are invariably sentiment driven and when there is little confidence in the market, price growth may be lacklustre.

The chart below indicates that all states, with the exception of South Australia, are exhibiting a decline in confidence.



By keeping interest rates at their historic low, the Reserve Bank is banking on stimulating the economy. But something is not working if, in June for example, the commitment for owner occupier housing finance rose only 0.2% while investment housing commitments rose 0.8%.

A recent survey of Gen Y (18-35 years) demonstrated an increased lack of optimism of their entering the housing market. Of those already in home ownership, 38% said they had received financial assistance from parents or grandparents. For those hoping to buy, 17% expected to receive some assistance while 24% thought help might be offered. It would seem that almost 60% are unlikely to receive the benefit of inter-generational assistance which may prevent them from ever entering home ownership. ~ *A sobering thought!*

A small measure of encouragement to help 1st home owners with changes to the 1st home buyers grant (12 month to June 2017), see below

(Jaimie Juriansz ~ Principal)

CHANGES TO THE 1ST HOME OWNERS GRANT

(12 months to 30th June 2017)



One can only assume that, in a bid to further stimulate the building and construction industry, the recent increase in the 1st home owners' grant will certainly encourage young people to try and get into the market, sooner than later.

Although only for 12 months until 30th June 2017 first home buyers choosing a brand new property, will now get a \$20,000 government contribution, an increase of \$5,000. In addition if the property is less than \$500,000, no stamp duty is payable.

With interest rates at record lows, it is not surprising that the rate of new building approvals has been increasing steadily, though much of this has been for new unit construction which is causing a fear of oversupply, particularly in the Brisbane and Melbourne markets.

We always caution young buyers to purchase within their means and to factor in mortgage repayments of at least 3% higher than at present, as history shows that low interest rates do not last forever *(Jaimie Juriansz ~ Principal)*.

CURRENT SALES MARKET ACTIVITY IN ROBINA AND VARSITY LAKES AS AT SEPTEMBER 2016



Current Sales Market Activity - Robina/Varsity Lakes:-

ROBINA:

Median value of houses	\$619,000
Median value of units	\$428,000
Total Sales (last 3 months to Sept)	163
Median Capital Growth over last 12 months (Houses)	10%
Median Capital Growth over the 12 months (Units)	7%

VARSITY LAKES:

Median value of houses	\$560,000
Median value of units	\$403,000

Total Sales (last 3 months to Sept)	99
Median capital growth over last 12 months (Houses)	8%
Median capital growth over last 12 months (Units)	6%

Source: onthefhouse.com.au - Residex report Sept 2016



1. Not doing your research

When purchasing an investment property, it is important to do your research about the location, local amenities, rental yields, vacancy rates and the property itself. While it may not always be possible, you should aim to know as much as you can about the neighbourhood you intend to invest in. Be wary of the 'booming markets' such as mining towns and tourism centres. These may produce excellent returns over the short term, but how will the investment stack up long term if there is an industry downturn? Remember, a good investment is not one based on speculation.

2. Not having a professional property management team in place.

Many people assume property management is simple and think they can do it all when it comes to taking care of every aspect when managing their property. This can quickly become a stressful and tedious task, not to mention the ever increasing legislative requirements that fall upon landlords - it might even start to feel like another job! A professional property management team can take care of everything, from advertising the property, screening potential tenants, filling the vacancy quickly, conducting regular inspections and answering tenant requests for maintenance and repairs, amongst other services. A good property management team will give you peace of mind and keep everything running smoothly - if that isn't the case, find yourself a new property manager. Too many investors make the mistake of keeping a poor property management team on for far longer than they should have.

3. Forgetting about tax benefits.

Noel Whittaker, the well known financial planner, says "the golden rule is that you always invest on the strength of the investment alone - any tax benefits that go with it should be regarded as icing on the cake". However, you should be very aware of what you can claim come tax time. By not taking advantage of tax deductions, you could miss out on hundreds or even thousands of dollars in potential returns. Ensure you have tax depreciation done - even with existing properties there are claims to be made. Another benefit of having a property management team in place is that they record all expenses and outgoings for your tax purposes.

4. Know your numbers.

As with any property purchase, the figure can quickly start to add up. While you need to factor in normal costs associated with buying such as stamp duty, conveyancing, council rates and building and pest inspections, it's vital to also account for all the extras that come with property investment. This includes, but is not limited to maintenance and refurbishment costs, landlord protection insurance home insurance and body corporate fees if applicable. Older properties will generally require some immediate maintenance, as things always seem

to go wrong in the first few months, so allow for the cost of a few repairs when considering your budget.

If renting the property, ensure that you allow for two weeks of vacancy per year. If you price your property to the market, it won't stay vacant for an extended period of time. Have a financial contingency plan in place in case rental returns drop or you need to sell. It's always smart to underestimate your incoming funds and overestimate your outgoing expenses to avoid an unpleasant surprise when the accounts are finalised each year.

5. Focus on the long term.

Some people treat property investment as a 'get rich quick scheme', however this is rarely the case. Generally speaking, the longer you hold on to a property, the better your chance at reaping a greater profit. If you're planning on values rising in a few short years so that you can sell your property at a large profit, you are speculating rather than investing and may be sorely disappointed come sale time.

Andrew Trim - Pittard Management

If you are thinking of selling or renting real estate, we'd love to help you...

Not only will you get an honest, ethical approach, but you can also ask about our competitive commission rates and remember...

'No Sale, no charge' and absolutely no marketing costs.

And...

If you know anyone else who may be selling... we'll give you a \$500 thank you for each home sold with your referral. Also, if you know anyone renting, ask about our referral fee (half of the weekly rental).



Please click on the link above to see our testimonials

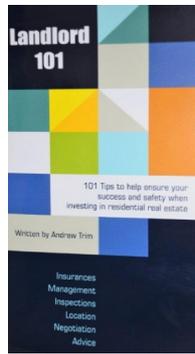
PROPERTY MANAGEMENT NEWS

Our Property Management Service Offers Landlords

Maximum Return with Minimum Stress AND, very importantly, we look after the condition of your investment property as though it were our own!

Our competitive fee package options offer three different levels with a flat fee, and these are designed to provide landlords the opportunity for individual assessment of their exact property needs. We invite you to discuss the package that best suits your investment property and individual landlord needs by making an appointment with our Senior Property Manager with a view to decreasing the fee in time, to suit your changing needs of your property, as you make maintenance improvements or list additional properties to your portfolio

Ask for a free copy of our 'Landlord 101' tips pamphlet to ensure your success and safety when investing in residential real estate.



Yields and Demand Robina/Varsity	
Robina houses (3-4 bedrooms) avg yields	4.7 - 4.8%
Robina units (1-3 bedrooms) avg yields	4.3 - 7.0%
Varsity Lakes houses (3-4 bedrooms) avg yields	5.8 - 6.7%
Varsity Lakes units (1-3 bedrooms) avg yields	4.9 - 5.1%
<p>Demand by tenants for units and houses is high in Robina, Varsity Lakes and the surrounding suburbs. This means that growth for investment properties in these suburbs is continually very strong.</p> <p>Statistics based on reliable and current data reports realestate.com/rent</p>	

MEET OUR NEWEST TEAM MEMBER



Isabel Rusovan
Sales and Rentals Assistant

Isabel Rusovan has recently joined Robina Village in the capacity of sales and rentals assistant. She has previously worked within the real estate field and is able to provide a knowledgeable and friendly service. Isabel will be the first point of contact for customers and clients and she will ensure that each person feels important and their needs are looked after.

Welcome to our agency Isabel; we are enjoying having you on our team.

COMMUNITY WATCH

ROBINA'S 'PHENOMENAL' FUTURE VISION - 2050



The Robina Business Alliance (RBA) has detailed a bold new future for the city's alternate CBD. This is driven by the development of vacant land surrounding Cbus Super Stadium into a new City Park that will incorporate a range of sports, recreation, events, hotel and conference facilities.

RBA says the proposal, which includes a continued focus on smart business, innovation, technology, health and education, has the capacity to triple the Robina-Varsity Lakes economy to \$5.4 billion by 2050. It also will boost Robina's share of the broader Gold Coast economy to 24.6 per cent.

Source: Business News Australia Website:

<http://www.businessnewsaus.com.au/articles/robina-s--phenomenal--future-vision-for-2050.html>

We encourage you to connect with us today

1. A good working relationship with your local real estate agent is one of the most important factors in achieving a great sale price when you are in the market to sell or looking for the right investment property.
2. Relationships take time to build and the most productive relationships are based on trust and mutual benefit, not just convenience.
3. We can help you determine your property and investment goals.
4. Opportunities are sometimes fleeting. By staying connected with us, you will be the first to know when opportunity knocks.

It is easy to be connected with Robina Village Real Estate:

'Like' us on Facebook	
See our reviews on Rate My Agent	
Click on this link for a free Appraisal	
Check out our website	

If you would like to learn more, contact us on 07 5562 2522 or via email on sales@rvre.com.au or rentals@rvre.com.au

We look forward to staying connected

Recently Listed

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Where the Heart Is.....Home !

7 Chatswood Court **ROBINA**

\$824,900

 5  3

[view details](#)



Best SOHO in town!

Varsity Lakes

\$699,000

 3  3  1

Rarely available! - Small Office/Home Office. Perfect for the family who wants ample living area or who needs the option for additional office space to work from home. Sought after main street-front location with bus stop at front door and within easy walk to restaurants, chic coffee shops,...

[view details](#)

Robina's Best Buy?

ROBINA

\$599,000

 4  2  2



Where else can you get a 4 bedroom house in Robina for under \$600,000? Miss this one and you'll kick yourself! Walking distance to the Easy T shopping centre, this is an exceptionally neat and tidy home with the generous master bedroom and ensuite well away from...

[view details](#)



**Calling All Renovators...
Varsity Lakes**

UNDER CONTRACT



Set on over 620m2, this home needs lots of TLC, but boy, there is so much potential at an affordable price. Three bedrooms, all with built in robes, 2-way bathroom and separate toilet. Good sized lounge and dining rooms and kitchen crying out for some creative ideas. Garage...

[view details](#)



**Simply Stunning
Merrimac**

Contact agent



Best townhouse in complex. End unit, tastefully renovated with new carpet, tiles and paint. Re-configured kitchen with Caesar stone bench-tops, stainless steel appliances and ample cupboard space, as centre piece of a light and bright open plan design, large air-conditioned lounge and dining, flowing to a fabulous timber deck,...

[view details](#)



**First Home Buyer Special
Merrimac**

UNDER CONTRACT



Exceptionally neat and tidy townhouse with downstairs bedroom and ensuite . Upstairs offers generous air-conditioned living areas opening on to a balcony on one side and a private, enclosed courtyard/garden on the other. Two good sized bedrooms with two-way bathroom and separate toilet , kitchen with new...

[view details](#)



**First Home Buyer Special !
ROBINA**

UNDER CONTRACT



This is a great quality complex in a fantastic, location opposite the Robina Common and easy access to all the shopping at the Q Centre Good sized townhouse with two large bedrooms, bathroom with separate toilet upstairs while the first level offers spacious...

[view details](#)

Recently Sold

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Address

Price

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ROBINA	SOLD	view details
Surfers Paradise	SOLD	view details

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