



INVESTOR FOCUS ON END OF FINANCIAL YEAR

April, May and June is usually a busy time for property investors as they finalise transactions before the end of the financial year.

At present, there aren't too many investors making purchases in the current market. Either because people have become averse to taking on debt or they are currently cautious about property as an investment. However, those investors who are in a position to spend are finding very good value and great long term prospects.

It's a buyer's market with more than 17,800 properties for sale and a reasonably tight vacancy rate that assures the astute investor of a pool of keen tenants.

When researching the market, investors should be mindful of the key characteristics of successful residential property investment.

The better investments are generally in places where there is consistent population growth, such as near the city or some of the rapidly growing regional centres.

Tenants like convenience and the better investment choices tend to be those which are easy to maintain, have access to arterial roads and public transport and are located close to shops, schools, tertiary institutions and other community infrastructure. Of course there can be exceptions to this too and you can talk about these things with your agent.

The ideal investment location is where demand for rental properties exceeds supply, but investors will always balance the entry costs of a new purchase with the return on investment through rent.

It's important to gain a long term view of local conditions. The Australian Bureau of Statistics has census results illustrating areas of high tenancy rates and these will be updated after the next census due in August.

Investors ideally look for properties that are affordable, generally at or around the median price and which have

reasonable prospects of good growth in value.

Historical median house price information for suburbs and major regional areas is available from REIWA. This information is useful to discover trends in values.

Usually one part of the market will be experiencing high growth rates that eventually influences neighbouring areas, particularly if they have similar characteristics. This ripple effect can be well worth exploring. Are there undervalued houses in a suburb adjoining one that is currently doing well?

Choosing a property with redevelopment potential can also be worthwhile if that suits your strategy. An investment property that can be subdivided into smaller lots for home units will be popular with some developers but will have to be weighed up in the context of construction costs, rental returns and anticipated resale value.

Property investment is not difficult if you do your research, talk to agents about opportunities and always discuss any plans you have with your bank, mortgage broker or financial planner firstly.

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Homebuyers Get Water Wise

Source: Real Estate Institute of WA

Our recent long spell of hot dry weather followed by only modest Autumn rains have been another reminder to WA home owners about getting smart with water usage.

Our metropolitan dams are under 30 per cent capacity and sprinkler restrictions look like they're here to stay.

Irrespective of possible water restrictions, people need to be water-wise for the long term and we're starting to see how this will impact on the housing market and through consumer choices.

Smaller residential blocks of land are more common and properties with reticulated gardens more popular.

Busy lifestyles, smaller families and the increased cost of land are the primary reasons for shrinking block sizes and automated watering systems, but there is also a growing appreciation of the value of a water-wise home and of our greater environmental responsibilities.

Each time the State Government brings in water restrictions, REIWA agents notice some increased interest in households converting to native gardens, reducing lawn areas, fitting rain water tanks or switching to reduced-flow shower heads.

This is understandable, but before you attempt a similar project aimed at being water conscious, keep in mind what such a change in your garden, in particular, might mean for your home's resale value.

Most homebuyers are fairly conservative in their housing preferences. So, if you're thinking of planning a more water-wise garden whilst being anxious to maintain the resale value of your property, keep in mind these few suggestions.

Think about keeping some lawn area in both your front and backyard. Australians love lawns and various types thrive in our warm conditions. Some are drought tolerant. A small lawn area no bigger than a picnic blanket can be sufficient and will add to the appeal of a home. A patch of green will soften the harshness of brick walls and concrete driveways.

Large areas of uninterrupted paving can be counter productive if you are trying to minimize on lawns and garden for the sake of water. During our hot summers, paving will heat significantly unless you have shade.

Designing a garden to make the best use of its alignment with the path of the sun is important if you have the opportunity. A well designed home and garden can ensure that there is at least one part of the outdoor living area shaded from our harsh afternoon summer sun. This will help reduce evaporation in a section of your property.

As water restrictions become more common and as water costs increase, properties with water-wise gardens and shade features will become more desirable.

More homes are also making good use of rainwater tanks for garden use, or to plumb into the laundry and toilets to bypass the scheme water altogether.

**WE ARE SIGNING 5
NEW PROPERTIES A
WEEK AND WE STILL
CAN'T KEEP UP WITH
CURRENT RENTAL
DEMAND!**



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