



## THINK LONG TERM WITH PROPERTY INVESTING

The Western Australian property boom of 2004-2007 was fuelled by sudden population growth, attracting many keen investors eager to try their hand in the housing market. Many of the more novice investors then fled this market when property took a dive in 2008.

The 12 per cent fall in median price that year was recovered in 2009 and Perth's median house price actually peaked at \$505,000 in the first three months of last year. Since then the median price has been gently sliding and is currently around \$460,000.

Now that affordability has improved and median rents have increased, some property investors are returning to the market, mindful of holding a long term outlook.

Property investors enjoy total control over their outlay, unlike other forms of investment. This is one of the reasons property investment remains popular. But this also means that the investor is more responsible for the performance of their investment.

The biggest mistake many property investors make is not keeping up with regular maintenance. In the long run this is counterproductive. Such properties will not increase in value as much as others, rental income will be lower and tenants are less likely to care for it.

The best way that property investors can minimise expenditure is to purchase lower maintenance properties that are structurally sound. Of course, even the best properties need occasional maintenance, but many of these costs are tax deductible.

Owners dread the prospect of a tenant who damages the property, but one of the best ways to avoid this is to ensure the property is in top condition. Most tenants will keep a property in the condition they find it. It's about mutual respect and happy tenants are more likely to stay longer; a desirable outcome for owners.

REIWA recommends employing a property manager as an important way to protect your asset. Apart from finding tenants, collecting rent and administering your property, a property manager can access industry databases to learn if a prospective tenant has a history of rent defaults or damage.

Around 60 per cent of all rentals are managed professionally, meaning that investors who use this service have an advantage over properties managed privately, particularly in the selection of tenants and care of the dwelling.

Property management fees are tax deductible which makes them attractive, particularly for those people who lead busy work and family lives and who would rather not have to deal with the day-to-day issues of advertising for tenants, interviewing applicants, arranging the lease, collecting the rent, home inspections, responding to all-hours maintenance and possible court appearances if a dispute arises.

Following these basic guidelines and committing to property investment as a long term plan gives you the best chances for economic reward.



David Airey  
REIWA President



### CHRISTMAS COLOURING IN COMPETITION



Do you have or know a child under the age of 12 who loves colouring?



If so, we invite them to enter our 2011 Christmas Colouring In Competition by completing the template opposite.

Then just either send the entry back to us at the address below, or drop it into one of our office locations **before the 16th of December 2011** for the chance to **WIN!!**

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## CHRISTMAS COLOURING IN COMPETITION



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Age: \_\_\_\_\_

**Northside Residential  
Joondalup**  
Unit 4, 80 Grand Boulevard  
Joondalup WA 6027  
P: 08 9300 2283  
F: 08 9300 1854

**Northside Residential  
Greenwood**  
Shop 6, 130 Coolibah Drive  
Greenwood WA 6024  
P: 08 9203 9800  
F: 08 9203 9811

**Northside Home Loans  
Northern Suburbs**  
Steve Langoulant  
(Mobile Consultant)  
M: 0402 158 676  
E: [stevell@northsidere.com.au](mailto:stevell@northsidere.com.au)