



RENTAL VACANCY RATE CONTINUES TO DECLINE

Tenants in the Northern Suburbs continue to struggle to find suitable accommodation as the vacancy rate in most suburbs continues to decline.

We are seeing an unprecedented amount of potential tenants at every home inspection and landlords have never had it so good.

After opening properties, sometimes agencies are receiving in excess of 10 applications on specific properties, making the processing job a very laborious task in checking meticulously every application and their references to ensure the appropriate tenant is found.

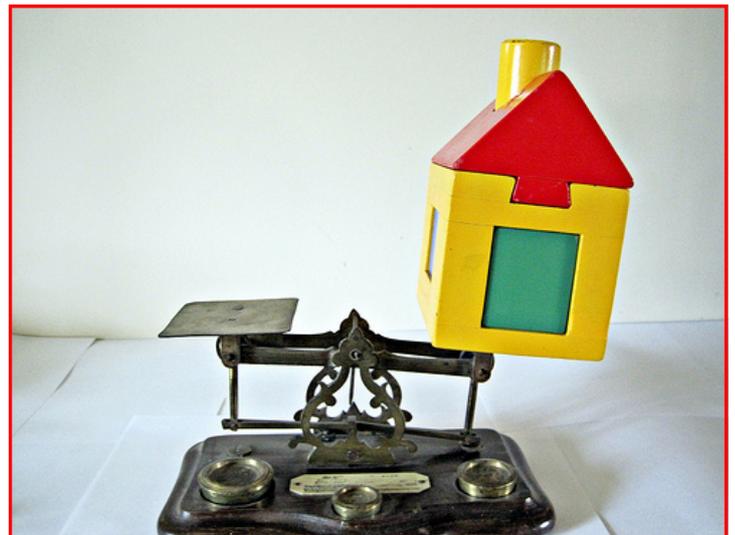
Perth's overall median rental saw a quarterly increase of 1.3% in December, and the March quarter will no doubt confirm it as the 4th consecutive to show an increase in rental values.

The Perth vacancy rate continues to slide with Perth's inner city coastal suburbs experiencing the largest increase with extreme rental shortages.

For example, Ocean Reef (12.2%), Kallaroo (8.9%), Perth City (10%), East Perth (10%) and the western suburbs (18%) were the biggest movers experiencing the largest increase in the December quarter. With the summer months in the March quarter yet to be reported it is expected that these figures will reflect a similar and more severe change as the rental market continues to tighten.

Significantly, across the board there has been a 10.5% increase in Perth's median house rent price since the same time last year, with the current weekly rent for Perth now sitting at \$420 per week and rising.

It seems despite strong housing affordability, and a drop in interest rates, it seems many people are still opting to rent rather than to buy. Couple this with a huge influx of skilled workers on 457 Employer Sponsored Visas, the pool of available rental properties can only get smaller in the short to medium term.



Experts predict although this current rental shortage will continue for a little longer, there will come a time where tenants will find the same benefits in buying a home instead of renting.

It is also predicted that as Property Investors continue to see their rental yields increase they will come back into the buying market to grow their personal property portfolio, as will the First Home Buyers who will possibly see better value in owning a property rather than renting in the long term.

relax . celebrate . enjoy



TAX TIME TAX DEPRECIATION REPORT



Are you or your accountant claiming the full extent of your depreciation entitlements? Would you like to greatly increase the tax effectiveness of your investment properties.

With the end of financial year approaching fast, now is the ideal time to maximise the cash flow of your investment property by getting a Professional Tax Depreciation Report.

What is Tax Depreciation?

Tax depreciation (also known as property depreciation) is a legitimate deduction against assessable taxable income, generated by a residential or commercial investment property.

It works by allowing property investors to deduct a portion of the original costs of plant & equipment and capital works on their investment property each financial year, over the effective life of that item.

The Australian Taxation Office recognises that the value of capital assets gradually reduces over time as they approach the end of their effective life. These assets can be written off as a tax deduction - known as depreciation.

How much does it cost?

BMT: Order by June 30 to receive a **reduced fee** of \$687 inc gst, which is usually \$715 & a FREE 6 month magazine subscription.

DEPPRO: will advise you of the cost of your report based on the location of your property. Fees start at under \$600.

Customer Satisfaction Guarantee

Both of these companies guarantee that you will save at least double the cost of the report in deductions in the first full financial year claim or your report is FREE!

Disclaimer

This newsletter has been prepared by Northside Residential. Every effort has been made to ensure the contents are accurate at the time of publication. Northside Residential takes no responsibility for any subsequent action that may arise from the use of this newsletter.

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Landlord Insurance Are you fully and correctly insured?

If you are not sure give us a call to discuss the best options for you.

You may be surprised, as the cost of a proper Landlord Insurance package is not that much more than a regular home insurance policy. And it is a whole lot more reassuring!