



## **MORTGAGE EXIT FEES OFFICIALLY BANNED**

**MORTGAGE exit fees - which sometimes are as high as \$7000 - will be banned from July 1 under a Government regulation approved on March 23rd.**

The regulation, which did not need the approval of Parliament, is intended to make it easier for home borrowers to shop around for better deals - even if they already have a loan.

The Government believes mortgage exit fees have been "one of the biggest roadblocks stopping Australians getting a better deal for their families".

Treasurer Wayne Swan produced the regulation, which became law today, as part of a package to boost competition among lenders, particularly the major banks.

Mr Swan believes it will allow borrowers to "walk down the road if their bank isn't doing the right thing by them".

The regulation is aimed at combating exit fees so big they wipe out any savings which might come from taking out a loan on lower interest or better conditions.

The Government will couple it with reform giving the finance regulator, ASIC, the power to pursue banks over unfair exit fees on both new and existing mortgages.

ASIC also is now able to prevent banks from hitting customers elsewhere by re-badging unfair exit fee as another type of charge.

The regulation will formalise earlier moves by some banks to dump exit fees, and the National Australia Bank is also offering to pay exit fees for home

owners to switch across from the two big banks who still have the fees in place.

"I urge (shadow treasurer) Joe Hockey not to follow through with his irresponsible threat to try and use Parliament to bring back exit fees on new loans after we have scrapped them," said Treasurer Swan.

"Mr Hockey needs to stop standing by some of the banks and start standing up for Australian families.

"There's simply no excuse for slugging a family with an exit fee of up to \$7000. The Government will keep working hard to give all Australians a fairer go in the banking system."



**Northside Home Loans**

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**Steve Langouant**



*relax . celebrate . enjoy*



## THE DYNAMICS OF THE PERTH RENTAL MARKET

About one quarter of households in Western Australia are rental properties, representing almost 200,000 dwellings across the state. In WA, the number of people renting has been reasonably steady at roughly 28 per cent of all households for over a decade.

Although there is a change occurring in the mix of private and public housing tenants with the proportion of private sector tenants increasing. Most rental properties are located in the inner suburbs of cities and towns. In Perth, for example, over 75 per cent of all rental properties are located within a 15 kilometer radius of the city centre.

The suburbs with the highest concentration are East Perth, Karawarra, West Perth, Northbridge, Highgate, Bentley, Glendalough and Victoria Park. Rental properties can account for up to 70 per cent of all dwellings in these areas.

Interestingly, most tenants live in houses and not flats or units. In fact, the results from the last census in 2006 found that almost 60 per cent of tenants live in traditional houses, although most flats and apartments are investor owned and used as rental properties.

The 2006 ABS data found that WA had 123,600 houses being rented, 33,400 terrace and townhouses and 32,000 flats. It will be interesting to see the results from the census due this year.

In WA the most common age group for renting is between 20 and 34. Typically, these are people in transition to home ownership. Not surprisingly then, the most common home buying and ownership group is aged around 34 to 44.

Most tenants prefer a short lease, with the more common lease being six months. Tenants clearly like the flexibility of a short lease, however more than half of all such leases are renewed for a further six months when the lease expires.

The median rent for accommodation in Perth is now \$380 per week if you include units, apartments, villas and houses in the equation. Houses alone are generally higher than the overall median.

Rents in Perth have been steady for a year, but REIWA data show that units may have risen by \$10 per week over the three months to January to a median of \$370.

Darwin remains the most expensive city in which to rent with a median price for a three bedroom house of \$557 per week. Adelaide is the cheapest at \$310. The average rent for three bedroom homes across all our capitals is \$386 per week. Seen in this context Perth is just below average.

Perth's vacancy rate, a measure of available properties for lease, has been above average for a year. However, there are signs this is tightening and it now sits at 3.4 per cent.

REIWA finds that around 3 per cent is required for a good balance between supply and demand.

### Disclaimer

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**THE MARKET IS IMPROVING RAPIDLY AND WE NEED MORE PROPERTIES!**

**TO KEEP UP WITH THE CURRENT INCREASE IN DEMAND, WE URGENTLY REQUIRE MORE RENTAL PROPERTIES TO MEET THE NEEDS OF THE RAPIDLY GROWING ENQUIRES FROM AWAITING TENANTS**



**Do you know of somebody with a rental property wanting quality and caring service? Refer them to us and benefit from our 'Northside Landlord Referral System'**

**Call us TODAY to find out more!**

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