



## SIGNS OF PENT-UP DEMAND IN RENTAL MARKET

Recently announced figures by the Australian Bureau of Statistics confirm what we've known for some time – WA isn't keeping up with building the homes that will be needed in the next few years.

In fact we're not just failing to meet future demand in December we actually went backwards with a 4.2% drop in building approvals at a time when the rest of the country showed a surge in approvals. Australia wide, December saw the highest number of monthly approvals since 2004.

We are already seeing pressure being put on the rental properties market by this shortfall in new properties.

For example, the vacancy rate in inner city apartments is between 1% and 2%.

Demand is particularly strong in the lower end of the market. Our own average vacancy rate is now just under 2% - well below REIWA's recently published Perth overall rate of 3.4%.

Recently REIWA reported a small \$10 increase in the median weekly rental in the three months to January 2011. This came after almost a year of no change in quarterly median weekly rental figures.

A number of observers are expecting an increase in property sales and in the demand for rental properties in Perth during the year as the effects of the resources boom begin to make themselves felt.

It's important to point out that Australia has now recorded nine months of trade surpluses – and WA is responsible for more than a third of the country's exports.

In our view, the above situation, coupled with the fact that investors selling their properties exceed those that are buying, suggests that an upward movement in rentals can be expected in the medium term.



Also with property having shown little if any capital growth for three years, the market has stabilised. And if history is to act as a guide, those who buy in a market of subdued prices can be reasonably assured that they will enjoy capital growth in the next few years.

There are those investors who currently favour the stock market ahead of property. It's highly likely that when the next stock market correction comes they will find they've left it too late to get into the property market when it was still at a relatively low point.

*relax . celebrate . enjoy*



## DON'T RISK IT

If you're renting out a property you face a couple of important deadlines.

### RCD's

#### Selling

If a property is sold, it must have separate RCD's fitted to both the lighting and power circuits prior to the date of settlement.

#### New Lease

New regulations require that all residential homes must be fitted with two RCD's protecting all power point and lighting circuits for all new tenancy agreements made after the 8<sup>th</sup> August 2009.

#### An Existing Long Term Lease

For homes with a continuing tenancy, landlords have until the 8th August 2011 to fit the RCD's

### Smoke Alarms

#### Homes For Sale

From the 1st of October 2009, sellers must ensure that hard wired smoke alarms are installed by an electrical contractor prior to the transfer of the property to the new owner.

#### New Lease

Landlords must ensure that hard wired smoke alarms are installed prior to the commencement of a new lease and ensure that the smoke alarms are maintained and are in good working order.

#### An Existing Long Term Lease

In the case where a long term tenant is in place, all rental properties must still have hard wired smoke alarms installed prior to the 1st of October 2011.



**OUR LARGE RENT ROLL  
HAS NO VACANT  
PROPERTIES!**

**SO MORE RENTAL  
PROPERTIES ARE  
URGENTLY REQUIRED TO  
MEET THE NEEDS OF  
WAITING TENANTS**



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with a rental property  
wanting quality and caring  
service? Refer them to us  
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