

"Putting Property Management First"



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Rental Market Report

The current World Financial crisis is having an impact on all of our lives. As Specialist Property Managers we are facing a barrage of questions with clients wanting to know how this will impact on Property Investors – the following is our perspective on the situation-

PAST / PRESENT / FUTURE – two of these nouns are based on fact - the other is an opinion based on applying the other two as resources. Since the "Crystal Ball" at Eastern Property Rentals has had no prior experience in dealing with the scope of the current situation, we have prepared the following that you can take and apply to the situations as they develop.

The Law of Supply and Demand (LSD) is King! It is the basis of how markets work and the following scenarios outline the common result of LSD effects on rents

An Increase in Unemployment will mean:

- Rent arrears may increase
- Tenants will move out of the rental market to return to the family home or will look to subsidise costs by sharing accommodation (creating oversupply)
- Public Housing will be preferred over private accommodation
- First time home leavers will delay the move and stay in the family home even longer, further lessening demand on rental accommodation (creating oversupply)

The First Home Buyers Grant will result in:

- As in the early 2000's the Grant stimulated the Real Estate market and substantially contributed to the "boom" we have just experienced
- Tenants left the market and went into home ownership (creating oversupply)
- Property Capital Values increased (increasing demand)

If Property Prices Fall

- Investors (Landlords) will move into the market place
- Tenants move into home ownership (creating oversupply)

If there is a Reduction in Immigration

This would result in reduced demand for rental accommodation – in recent times this has been a strong sector of the market with the Skilled Migration Programme

IN SUMMARY, At the time of writing, we are seeing two positive trends for Landlords. Firstly, rents have been increasing (moderately) and have, in most cases, been accepted by Tenants. And secondly, Tenants are choosing to renew their Tenancies rather than vacate (as we would often expect at this time of the year). This very high retention rate providing greater rental income, and continuity, should assist with off-setting most future problems, but we will, as always, monitor the situation carefully and keep you informed.

Brenton Wundenberg



RECENT LETS

- Tusmore – 2BR Red Brick Colonial styled Unit with garage (original condition) \$245pw
- Kensington Gardens – 2BR Colonial styled Unit with garage (original condition) \$250pw
- North Adelaide – 2BR Upstairs Unit with moderate upgrades (10 yrs ago) \$235pw
- Norwood – 2BR Freshly Painted Cottage with off street parking \$300pw
- North Adelaide – Trendy 2BR Unit modern kitchen & bathroom plus carport \$260pw
- Magill – 2BR Unit with new kitchen & bathroom, polished floorboards, carport \$265pw
- Fullarton – 2BR Townhouse (renovated 10 years ago) with carport & swimming pool \$335pw
- Burnside – 2BR Upstairs Unit in group of 3 (original condition) \$200pw
- Toorak Gardens – 1BR sub-divided Bungalow Apartment \$240pw
- Stepney – Very cute 2BR Cottage with upgraded Bathroom (no parking) \$310pw
- Glenside – 2BR Unit on main road (8 y o upgrade throughout), secure parking \$250pw
- Gilberton – Very neat 3BR Unit with Garage (Built 1985) \$340pw
- Magill – 3BR House with new bathroom & kitchen (huge outdoor entertaining) \$395pw

A Quality Property Manager

If Tenants are treated as people, not as second class citizens – then they stay. If you have a Property Manager who moves the rent along and keep things going at market rates, but is still fair and acknowledges that good Tenants perhaps deserve recognition in the amount of rent they pay in exchange for looking after the property, then you'll have less maintenance and fewer turnovers.

A good Property Manager is hard to find but **worth the search**. It may take as much time as finding the property. In order of where your time will be spent, finding a property takes the **least amount of time**. Finding the finance takes a good chunk of time, as does finding a Property Manager. But people have it the wrong way around they spend all their time finding what they believe is the perfect property and good finance, and then engage the first Property Manager they come across then they wonder why it doesn't work!

As your Quality Property Manager, Eastern Property Rentals has no other income that what we receive in managing your properties. It is all we do and we strive to do it better for you, and as a result, better for us. Our strong partnership is built on our continued good relationship with you and your continued good relationship, through us, with your Tenant.

Our Thanks



We take this opportunity to express our gratitude to those of you who have chosen us as your Property Manager in 2008, and we look forward to many more years of our successful partnership.

'Happy Christmas and a prosperous New Year to you and your families'

-from all at EPR

Christmas Trading Hours

Eastern Property Rentals will be closed for Christmas from 12 noon on Tuesday 23 December until 9am on Tuesday 6 January 2009.

Disclaimer

This publication is offered as information only for the clients of Eastern Property Rentals and is not to be considered as a substitute for professional advice. If your property is listed with another Agent, please disregard any advertising features.

EPR Chit Chat



End of Financial Year Dinner

Acknowledgements

A big THANK YOU to PROBIZ who have put our 2009 calendar together again this year.

Probiz specialise in supplying promotional items – see www.probiz.com.au



"Eastern Property Rentals - your local Agent since 1994"

"Putting Property Management First"

