



NEWSLETTER



Publisher : Josey Comerford

Date: October 2008

New Managements Wanted

We appreciate your referrals for Property Management!

Do you have other investment properties we can manage for you? Consolidate them all under our management for consistency as well as other benefits. We effectively manage property out of the area.



Perhaps you know someone with an investment property. If so, please contact Josey Comerford on (07) 4957 7373 or rentals@hughreilly.com.au. We would be delighted to help!

Why Invest in Property?

The great Australian dream is to own your own home. Today, three out of four properties are bought by owner-occupiers. But why invest in property? Here's a few good reasons:

- Capital growth** - Putting money in the bank does not give capital growth. If you purchase property, you expect that the value of the asset will grow. Even though properties increase in value over time, it is crucial to buy in the right location to maximise your returns.
- Rental income** - One of the benefits of owning investment property is that you start receiving an income almost straightaway. In the current market, you could settle on a property during the week and by the weekend you could have a tenant who will have paid you some rent in advance.
- Hedge against inflation** - An inevitable part of life is inflation, and the rate of inflation varies according to the strength of the economy. One of the benefits of holding property is that property values increase at a greater rate than inflation. This is great news if you already own property, but not such great news if you are looking to buy property. The important thing to keep in mind is to buy the *right* property in the *right* location.

- Tax benefits** - There are several tax benefits available to property investors, including claiming interest and expenses, and depreciation (both on the building and the fixtures and fittings). Any legitimate expense incurred in running your investment property should be tax deductible. For example, money paid to a Property Manager to manage your property is tax deductible. Depreciation of the building may also be claimed as a tax deduction. The age of the building will determine if you can claim any depreciation and at what rate you can depreciate it. Buying a new or relatively new property (built after 17 July 1985) allows for the greatest amount of depreciation. Claiming building depreciation is a smart way to increase your cash flow. You should never buy property just for tax purposes. Getting a tax benefit should simply be a bonus of investing in property, not the sole reason for purchasing.

- Lower volatility** - Although it does have downturns, the property market is not as volatile as the sharemarket. You can sleep well knowing that the price of your property will not plummet overnight, which can happen to shares. Keep in mind also that the security is in the land, not necessarily the building, which makes getting the location right particularly important.



- High demand** - Everyone needs a place to live. For this reason, property, especially well-located property, will always be in demand. At the time of writing, our capital cities are recording high rates of immigration and a rise in international student numbers. But while demand for property is steadily increasing, supply is unable to keep up with it. If this situation continues, prices are likely to increase sharply in the near future.

Written By : Peter Koulizos

Source : www.realestate.com.au September 2008



The Real Estate Institute
of Queensland

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Quote of the Month

"Be curious always! For knowledge will not acquire you - you must acquire it."

Sudie Back

QLD - Qld Property Market Resilient

The resilience of the Queensland residential property market has yet again been demonstrated, according to the latest Real Estate Institute of Queensland (REIQ) house sales data. The REIQ June quarter median house prices have confirmed that - even in tougher economic times - prices have remained firm in most areas of the State.

"The Queensland residential property market is changed from the robust results of last year - even though the Sunshine State has weathered this year's economic storm of high petrol prices and high interest rates better than most," REIQ chairman Peter McGrath said.

"With prices steady across the majority of the State, the June 2008 quarter median sale prices reflect the resilience of the Queensland market. These results fly in the face of some commentators who had predicted doom and gloom and substantial price drops for property markets across the country.

"Historically, Queensland property prices have held firm in much more trying economic conditions than those experienced this year due to our steady population growth and strong economy."

The June quarter results set the platform for the market to move forward as interest rates begin to come down. "This year's high interest rate environment put the brakes on the market, but with interest rates trending down, buyer activity is likely to gradually strengthen in coming months."

Acreage house sales - on land size greater than 2,400sqm - did particularly well over the June quarter with median price rises up 20 per cent in some areas. "More and more people are making lifestyle choices and investing in acreage, especially in the southeast," Mr McGrath said. "Acreage properties appeal to families because of the abundance of space, particularly in the face of urban redevelopment. And, of course, there is an opportunity to profit from the development potential of acreage over time."

Source : Real Estate Institute of QLD Media Release (8 September 2008)

HOUSE OF THE MONTH



19 Townsend St Bucasia
\$399,000

An attractive brilliant blue kitchen inside a blue painted rendered block house in Bucasia. Located close to the community hall and soccer grounds is this compact 4 bedroom home on a easy to maintain 498sq mt block. The main bedroom has an ensuite and walk-in robe, a split a/c and the other 3 bedrooms have built-ins and fans. The open plan living area has a split a/c and an easy to maintain tiled floor. The garage is double remote single door lock-up.

Bedrooms: 4

Bathrooms: 2 ensuite

Garages: 2 Remote lock-up

Land: Size: 498 Square Mtr Approx

Contact: Jim Brown - Phone 0427 006 817

PROPERTY INSPECTIONS

Hugh Reilly Real Estate has changed the time frame in which we inspect every rental property. To enable us to complete two inspections within one six month lease, the first inspection is carried two months into the tenancy, with the second one being completed four months later. Should the tenant continue to stay past the initial lease a routine inspection will continue to be carried out every four months. This ensures that we continue to monitor your tenants and your investment to the best of our ability.

Calendar of Events

17 th Nov	Mid-Month Accounting
1 st Dec	End of Month Accounting
4 th Nov	Melbourne Cup Day

End of Month Accounting for December will be on the Wed 31st



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