



Welcome to the Plum Property Newsletter #11

Outlook for 2008

What lies ahead for property investors in 2008

As you know we pride ourselves on the range and quality of our research. So what is the feeling amongst the experts on residential property in 2008?

Many commentators are predicting a great year for residential property due to a combination of key factors operating together to **increase demand** and **reduce supply** including:

- the return to residential property as a safe haven against the volatility of the stock market and the global credit crunch;
- the growing shortage of new housing stock and the flow on demand for established property;
- record low housing affordability levels pushing up rental demand and rental yields;
- A bumper year for international migration (net 178,000 over the year to June);
- The reduction in the number of people per household;
- The widely anticipated introduction to the market of products allowing superannuation schemes to borrow to buy residential property.

ANZ Australian Property Outlook 2008

"In raw terms, since 1984, residential property has enjoyed an extraordinary compound annual total return of 13.4% only slightly below that of equities (13.8%) and far above both commercial (10.3%) and bonds (9.4%). But in risk adjusted terms, residential property has delivered *vastly superior* returns to all other broad asset classes". The report goes on to predict for 2008:

- Rents will continue to soar with the rental vacancy rate steadily declining to its lowest level since 1984 with rental vacancy rates below 1.5% in all capital cities;
- House prices will increase as the housing shortage reaches record levels with the underlying shortage for houses to grow from 185,000 in 2007-2008 to 200,000 in 2009-2014.

What's new at Plum Property in 2008

We are really looking forward to 2008. We are planning lots of improvements to our services in 2008. Many changes will be announced on our web site and in our newsletter over the next few months. Here are a few ...

Free conveyancing

We want to kick start the property investment year. We are offering free conveyancing carried out by a lawyer, to all new and existing clients who buy a property through Plum Property in January or February. I am sure you will agree that is a great offer - cutting up to \$1,000 off the purchase costs of your new investment property.

Client lounge

In a rising market it is important to assemble all the relevant information about a property quickly to allow buyers to come to an informed decision. We will make it easier for our clients to view property information, photographs and research by adding a client lounge to our web site. Shortly all clients will be able to view properties we have sourced, inspected and assessed on their behalf, from the privacy of their homes or offices using a username and password.

We will also be providing sample documents including property reports and research and our Buyers Agents contract on the web site in the client lounge. If you are interested in viewing sample documents please email maryann@plumproperty.com.au for a username and password.

Sustainable properties

We are all becoming more aware of global warming. We are being asked more frequently to source investment properties which combine sustainable credentials with traditional growth factors including high population growth, employment opportunities, transport and infrastructure, schools, shops and recreational facilities. We have taken up the challenge and will soon be offering our clients the opportunity to buy properties which will not only be great investments but also not harm the environment.

Would you be interested in buying an investment property with sustainable credentials? Please let me know on karen@plumproperty.com.au

Free E Books on property investment

As all of you know finding the right property is only half the story in successful property investment. You also need to ensure you are aware of and claim all available legal taxation benefits. We are please to announce that Julie Hartman will provide E Books which will be free on our web site. Julie is an accountant and expert on taxation for rental properties. Some of you may have read her question and answer section in the Australian Property Investor Magazine. We will also provide E Books on subject such as rental management, investment strategies, finance for property investment and other topics of interest to investors.

Any ideas for E Books – let me know on karen@plumproperty.com.au

Recent purchases

High yield properties:

- We recently sourced new duplex units in Qld for a purchase price of \$356,000 with an expected rental return of 8.7%.
- We also sourced a brand new house in Qld for \$450,000 with an expected rental return of 8%.

Hot Deal

We recently sourced a brand new 4 bedroom, 2 bathroom (house and land) in a high growth Brisbane suburb for \$382,000 - \$10,000 below the price asked for the same property by real estate agents. Unfortunately our client's circumstance have changed and he is unable to proceed and we would hate to let this great opportunity go. Please contact karen@plumproperty.com.au for further details.

Regards Karen

Plum Property - making property investment more like science than gambling

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- *We are not financial or tax advisers, and you should always obtain qualified financial advice related to your specific situation before making an investment.*

And please contact us if you are considering investing in property and would like an obligation-free consultation.