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The Changing Rental Market

Happy Financial Year!

We hope that this new year will be profitable and interesting for you all.

Recently there has been an avalanche of information in the media about the varying degrees of heat in the sales markets in Australia's capital cities, but little has been written about the rental markets.

The rental markets are certainly different to the sales markets; with huge numbers of investment properties coming onto the rental market before Christmas it should be remembered that there is only a finite number of potential tenants out there. As a consequence of this there is an oversupply of rental accommodation at the moment.

The rental markets is "soft" at the moment we are no longer seeing queues at OFIs or bidding wars for properties, but this is not a cause for gloom and doom but rather a time for realism. As at any time when there is an oversupply, it is time to make sure that the property that is being offered is competitive. The "set and forget" mentality of property investment doesn't cut it in this marketplace.

"Anything that is not well marketed, well presented and well priced will not rent efficiently, it will be on the market for a long time. The perception that anything can be suitable for renting has gone."

Some questions all competitive investors should ask themselves and their property managers:

- Does my property need a freshen up?
- Is my property compliant with all the new regulations?
- Is my property safe and secure for everyone living in it?
- Does my property present well?

