



GLENNDIAS
REAL ESTATE

Monthly Newsletter

REAL ESTATE NEWS

AUGUST 2016

The former head of National Australia Bank, Don Argus, has gone on record stating "it scares the hell out of me – the size of the debt people are taking on without principal repayments".¹

While regulatory changes mean that it is no longer as easy to acquire a home loan, it may be a step too late. The fact remains that banks have been disbursing huge loans for a while, making Australian consumers among the most indebted in the developed world.

Don fears that the rapid rise in high-value, interest-only loans favoured by property investors for their negative gearing benefits, could have direct consequences for the Australian property market. He goes on to state that when interest rates eventually do go up, it is almost inevitable that there will be a correction in property values, starting with apartment prices. An unprecedented oversupply will usher in price softness at the lower end of the Apartment market with some flow over into the middle section.

With interest rates forecasted to go down before they go up, these confusing times are as good as any to take stock of the situation and to review your property portfolio with input from your Real Estate Agent,

Accountant and Financial Planner. If you have any questions we are just a phone call away.

¹ AFR June 2016, P.6 "Buy now, pay later"

TESTIMONIAL

"I've been dealing with Glenn for over 8 years and 2 years previous to that and have always found him to be very Professional at his job. Thank you Glenn and Vera for looking after my apartment. Your management fees are money well invested for me. You're only ever a phone call or email away and always very helpful, friendly, approachable and (with a) great knowledge of the rental market"

TL Kitschke, June 2016

Agency Update

At our offices we find that property investor activity has decreased. Low interest rates create a climate favourable to investing however local investors have been put off by uncertainty around negative gearing while International investors have been affected by slowing local economies and regulatory changes in Australia. Overall we find that investors are in a wait and watch mode.

Fast Facts

Australia is experiencing ever greater visitor numbers with a larger proportion than ever travelling down under for a holiday. Owners of furnished city and beachside apartments could benefit from this developing trend. Some short-term arrival statistics re-printed below:

- 8.6% rise in arrivals over the past year
- 100% increase in annual arrivals since March 1996
- 49.1% holiday arrivals over the last 12 months, the highest since June 2008
- 23.7% increase in Chinese arrivals over the last year doubled since March 2012
- 20.7% increase in visitors from the Philippines

Source: RPData News Update 14/06/2016 "Short-term arrivals are booming"

CAN WE HELP YOU?

Having both your sales and rentals needs serviced by one Agent makes sense.

We know your asset like no other and having an ongoing connection with tenants makes it that much easier for us to negotiate a sale.

Call 8266 0888 to discuss how we can make a difference to your Property Sales objectives.

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