



**GLENNDIAS**  
REAL ESTATE

# Monthly Newsletter

REAL ESTATE NEWS

FEBRUARY 2017

Residential property investment has a “darling” status among real estate investors but it has typically tended to be negatively geared. In other words, rental income is less than outgoings, mortgage repayments and so on. One area worthy of consideration is investing in smaller units of commercial property. While the future viability of a commercial tenant is not something anyone can guarantee, a commercial property can provide a return above the cost of borrowing, on top of that all the outgoings are paid by the tenant.

A prominent real estate commentator<sup>1</sup> has come up with ideas for a commercial property pre-purchase checklist as summarized below:

1. Zoning-what can the property be used for
2. Which business would lease this property
3. Location and exposure
4. Design, style, size, age and condition
5. Parking facilities
6. If Strata Titled – check minutes, sinking fund
7. Details of any current tenancies
8. Vacancy rates in the area

It is not our intention to recommend any particular type of investment above another. Our intention is just to generate comment and discussion and to always look where other investors may not be looking. Happy investing!

Source: <sup>1</sup>Lin Andrews Commercial Guide Volume 8 Issue 3

## FOR RENT

Furnished Unit: 227 North Tce, Adelaide



For more information please call 8266 0888

## Agency Update

We field a number of enquiries from retirees or people close to retirement considering an Apartment purchase as their retirement home. This is no surprise as it fits into recent trends. A recent report by Colliers International found that while only 184,000 Australians currently live in retirement villages, by 2025 there will be a need to house 382,000 people<sup>1</sup>. Australians over 65 are growing at a disproportionate rate and since their needs must be met, no matter what, investors are increasingly viewing property development in the aged care sector as a recession-proof growth area.

Whilst the ‘Living Longer, Living Better’ reforms have targeted community care as a preferred care option, in the longer term a growing need for higher care residential services will prevail. Growth figures<sup>2</sup> for the sector are:

Annual YoY growth (FY04-14) 5.8%

Annual YoY growth (FY14-19) 5.2%

Source: <sup>1</sup>UniSA Business School Magazine Issue 9 2016 P.15  
<sup>2</sup> www.kordametha.com accessed 5/01/2017

## Fast Facts

The number of regional homeowners in arrears has increased by 18% in the past year compared with only 2% for metropolitan mortgagees. The percentages of loans in arrears in the most affected postcodes are Broken Hill (NSW) 8.27%, Armstrong Beach (QLD) 7.42%, Currency Creek (SA) 5.44%, and Butler (WA) 5.43%.

Source: www.propertyobserver.com.au 17/12/2016

## CAN WE HELP YOU?

There are 5 months left in the financial year. If there are **repairs or capital improvements** you would like to undertake at your rental property, this is a good time to do it. For assistance with arranging quotes/scheduling the work call us on **8266 0888**.

**IMPORTANT:** This newsletter is issued by Glenn Dias Real Estate to their clients for their private information and the contents are of a general nature only. Nothing herein above should be taken as advice per se and clients should not act solely on the basis of the material contained in this newsletter. Whilst every effort is made to ensure that the contents are accurate we take no responsibility for any errors or omissions and any subsequent action that may arise from the use of this newsletter. Please email “Unsubscribe” if you do not wish to receive the newsletter.

Glenn Dias Real Estate | 307 North East Road Hampstead Gardens SA 5086 | P 08 8266 0888 | E info@glenndias.com | www.glenndias.com | RLA 206174