

Property Matters

Investors urged to stay calm

Long-term investment in local property market still a good bet

Tammy Lewis
Reporter

A PROPERTY crash or a property correction? After last week's interest in the SQM Research managing director's predictions on Channel 7's Sunrise – investors and local professionals alike have urged the public to consider their long-term investment in Gladstone property.

Gladstone investor Russell MacKenzie resides in Melbourne but has two investment properties in the region, which he has owned for about 11 years.

He said since purchase both properties had doubled in value.

"And at the moment they are just sitting under the double amount," he said.

"They are probably \$15-\$20,000 under. But for a 10-year investment that's all right."

Mr MacKenzie said he was not looking to sell.

"You ride the cycle, hold it for the longer term," he said.

He said investors needed to be looking at the 5-10 year average, rather than just the six-monthly movements.

"It's like the petrol prices before Christmas. You know it's going to go up and then it comes back to where it was,"



Investors and professionals say the Gladstone property market is experiencing a correction.

PHOTO: CONTRIBUTED

Mr MacKenzie said.

He said the current Gladstone property market values were more a correction and not a crash.

Gladstone Ray White property management and leasing director John Fieldus said their current office vacancy rate was back to 3.5%, compared to a close 9% last month.

"Basically the tide goes out and then the tide goes back in," he said.

"We've had a really good run. Before Christmas I was



DO THE MATHS: Property management and leasing director John Fieldus with property manager Kristan Lacey and admin assistant Dani Verdouw assess the rental vacancy situation.

very concerned.

"But I know from our point of view at 3.5% that's a good way to start the year."

On January 9 the local office let out six properties in one day.

"The town should be concerned but the town needs to

be confident as well," Mr Fieldus said in summary. "We have a massive challenge to pull back that vacancy."

Gladstone Wide Bay business banking manager Emma Brenton said as Gladstone came out of a boom phase, locals tended to fear a

"bust" environment.

Yet she said this wasn't entirely true.

"It is more likely the town is simply returning to its rightful place within the property market," Ms Brenton said.

"And Gladstone's economy

can still benefit if you make your money elsewhere but spend it at locally owned stores."

➔ Pick up the Domain section, in Saturday's Observer, to find out what is hot in property across the region.

Legal Matters | with Bill Macdonald and Greg Michel

Body corporate fees part and parcel of owning unit

WHEN buying a unit or a property that is a lot in a Community Titles Scheme, the unit is subject to the governance of a body corporate.

The body corporate is established on registration of the plan and owns the common property in the complex on behalf of all of the owners. The body corporate



comprises all of the owners of the lots and the body corporate makes decisions about the common property and matters such as the

maintenance, repair and upkeep of the complex and the common areas and is responsible for keeping all required insurances in place with respect to the buildings and the complex.

It also enforces the by-laws for the complex, which regulate what an owner can and cannot do within the complex. These by-laws can

be simple in nature or more involved and complex

The body corporate also has to establish an annual budget to cover the cost of its general expenses and also the long-term expenses such as major repairs and replacement of common property facilities. The lot owners contribute money to the body corporate on a

regular basis to cover these costs in the form of levies.

There is generally an administrative fund levy (covering the day to day expenses) and a sinking fund levy (covering the long term expenses). The budget sets the costs and the amount to be paid by each owner is generally set by each owner's lot entitlement to their

lot, which is established by the plan.

The body corporate is run by the owners who form a committee and who vote on matters at meetings.

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