

October 2012 Update

The Changing Housing Market—Great News for Investors!

Census data continues to provide revealing insights into the changing housing market.

It is quite clear now that at some point over the past five years there has been a shift towards renting rather than owner occupation. The Australian Bureau of Statistics Census revealed 29.6% of residential dwelling occupiers were tenants. This was higher than the 27.2% in 2006 and also higher than in 2001 where 26.3% were recorded as tenants.

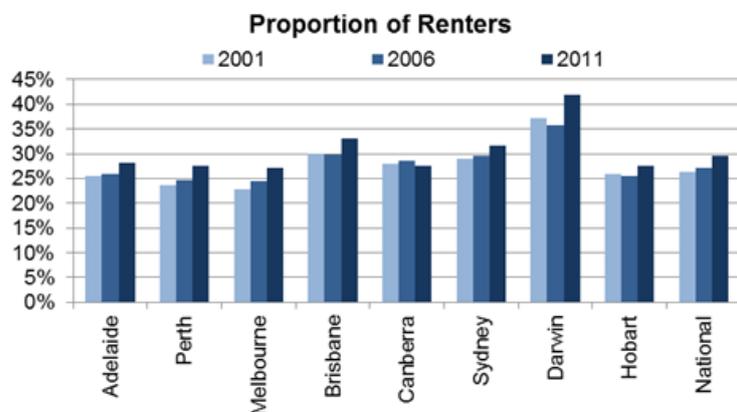
This shift, combined with the natural increase in population, has meant that demand for rental accommodation has accelerated over the past five years.

The supply of rental dwellings has also increased at an accelerated rate. However, the evidence suggests demand has gradually been outstripping the increase in supply.

This in turn gives explanation as to why rents have been rising considerably above inflation over the same period and vacancy rates have been trending down over that period of time in most areas of Australia.

This shift towards renting is also attributed to the unaffordable housing market, the reluctance to take on mortgage debt as well as an awareness of falling sale prices.

It could therefore be concluded that rents (particularly at the affordable end of the market) will continue to rise at these accelerated levels unless there is a strong change in the market for tenants to move back to home ownership.



Investment Property of the month:



4 Oploo Court, Dingley Village

Easy Living Close By Parkland!

Positioned perfectly close by private parkland this terrific townhouse is exceptionally well presented and offers easy living and a fantastic lifestyle.

A true treasure, this home suits those in search of a well kept property with out the need for renovations. Inside through the private entrance, features include a large lounge/dining room, big kitchen with lots of storage, family/meals room, spacious bedrooms, separate w/c, laundry room, main bathroom & full ensuite.

Outside is simply stunning with manicured lawns & gardens, paved spa area with pergola and an open entertaining area with fitted BBQ.

Extras to the home include a lock up garage plus a carport, ducted heating, quality timber flooring, dishwasher and much more.

- * Large lounge & dining
- * Kitchen with dishwasher and meals room
- * Paved spa area with pergola and fitted BBQ
- * Timber floors, ducted heating
- * Carport
- * \$360-\$380 rental per week



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Ray White

Cheltenham / Dingley Village



Contact: Keven Moore on 0449 867 425 or keven.moore@raywhite.com

Price: \$470,000+

Understand Low-value Pooling

A tool used to increase wealth and maximise property deductions

Low-value pooling is a method of depreciating plant items at a higher rate to maximise deductions. The following categories of assets can be allocated into a low-value pool to increase the owner's cash return:

- **Low-cost assets**—A low-cost asset is a depreciable asset that has an opening value of less than \$1,000 in the year of acquisition.
- **Low-value assets**—A low-value asset is a depreciable asset that has a written down value of less than \$1,000. That is, the value of the asset is greater than \$1,000 in the year of acquisition. However, the remaining value after previous years' depreciation is less than \$1,000. Assets meeting this classification are placed in an itemised, low-value pool. An example could include a hot water system valued at \$1,100. In the second financial year after installation, the asset would have depreciated to a written down value less than \$1,000, which would make it eligible to be placed in the low-value pool.

Property investors who place assets in the low-value pool are able to claim them at a rate of 18.75% in the year of purchase, regardless of how long the property has been owned and rented. From the second year onwards the remaining balance of the item can be claimed at a rate of 37.5%. This rule allows for an increased depreciation deduction on qualifying assets.

Assets which form part of a group with a total cost exceeding \$1,000 can cause confusion. For example, if a house has a set of six blinds costing around \$3,000, it would seem that the set does not qualify for the extra depreciation available in the low-value pool as individual items.

A BMT Tax Depreciation report will always use low-value pooling to increase the rate of depreciation, boosting the cash return earlier for the property owner.

For more information, contact BMT on 1300 728 726

Source: BMT & Associates Quantity Surveyors

Would you like to receive our Weekly Market Update email? [Click here](#) to join our weekly email list where you will receive news of our new listings, current stock and up to date market information.

Some of our New Listings:



\$549,000

4 Jubilee Blvd, Waterways



\$525,000

13 Jannali Dve, Dingley Village



\$720,000-\$790,000

48 Worthing Rd, Moorabbin



\$499,000

46 Dresden Dve, Waterways



\$260,000

10/18-20 Fewster Rd, Hampton



\$559,000

24 Toorak Dve, Dingley Village

Open For Inspection:

[Rentals](#)

[Sales](#)

Please click on the link/s above for our current Open For Inspection List

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Getting your finance
back on course...

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UNTIL NEXT MONTH, HAPPY RENTING!

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Cheltenham / Dingley Village