

Your Market Update



August 2019 Landlord Newsletter



RENTAL GROWTH SUBDUED

Rents have improved in several states but overall, growth is subdued.

FORGING NEW CONNECTIONS

We've got a new way to save clients' money.



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REAL ESTATE

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FORGING NEW CONNECTIONS



First National Real Estate has making moving much easier by changing course on utility connections. Best of all, your tenants don't even need to be moving to benefit!

Our new service – www.FirstNationalConnectingYou.com.au - is not just about going further than others to make moving easier; it's also about doing more to reduce household costs in between moves.

In the past, we offered utility connection services that slashed hours off the amount of time it took to deal with gas, electricity, internet, water, pay TV and water providers.

That certainly helped a lot of people when they moved, but we were determined to do more for our customers in between moves. Now, through First National Connecting You, tenants upload bills and we do the analysis to see if there's a better deal out there.

Our new service compares more products than any other utilities connection service and is backed by Australia's largest and most innovative comparison service – Compare and Connect. The expanded offering even includes providers like health and property insurers, removalist and storage companies. Our landlords can use it to so give it a try today!

RENTAL GROWTH REMAINS SUBDUED

CoreLogic's June home value index shows that rents fell -0.1% in July but are 0.6% higher over the past 12 months.

While most regions of the country are recording relatively subdued rental growth, the only cities where rents are lower over the past twelve months are Sydney (-2.4%) and Darwin (-4.0%). The strongest rental conditions are in Hobart, with a 5.5% increase over the past twelve months.

Across the combined capitals index, the falls in July's rents were primarily led by falls in Sydney, Perth and Canberra.

Yield recover stalls while housing affordability improves

With housing values stabilising and rents recording a slight fall in July, it looks like the yield recovery cycle has stalled. Capital city yields have nudged lower over the past two months, dropping from a recent peak of 3.88% in May to 3.84% in July.

Sydney remains the lowest yielding market, with gross rental yields tracking at 3.43%, down from a recent peak of 3.51% two months ago.

Changing rental returns nationally

While rents have fallen marginally in the larger states of New South Wales, Victoria and Queensland as well as in Western Australia and the Northern Territory, a significant increase in rental returns in South Australia and Tasmania offset this change, resulting in an overall increase in rents nationally.

Rents decreased marginally in New South Wales over the March quarter, with the proportion of income required to meet median rent payments decreasing to 28.2 per cent, compared with the March quarter 2018.

Rents also fell in Victoria over the March quarter, with the proportion of income required to meet median rent decreasing marginally to 23.1 per cent.

Rents decreased marginally in Queensland, with the proportion of income required to meet the median rent decreasing to 22.0 per cent.

In South Australia and Tasmania, rents rose over the quarter, with the proportion of income required to meet the median rent rising by 22.8 per cent and 29.3 per cent respectively.

Rents fell in Western Australia and the Northern Territory, with the proportion of income required to meet the median rent falling to by 16.5 per cent and 20.9 per cent respectively.

In Canberra, rents rose, with the proportion of income required to meet the median rent increasing to 19.0%.

Monthly change in capital city home values

Australia's two largest cities, Sydney & Melbourne, continue to drive the turnaround. Both cities have recorded price rises for two consecutive months, with Sydney now having risen 0.3% and Melbourne 0.4% from their market lows.

	MONTHLY	ANNUAL
Melbourne	□ 0.2%	□ 8.2%
Hobart	□ 0.3%	□ 2.8%
Sydney	□ 0.2%	□ 9.0%
Brisbane	□ 0.2%	□ 2.4%
Adelaide	□ 0.3%	□ 0.8%
Perth	□ 0.5%	□ 8.9%
Darwin	□ 0.4%	□ 8.7%
Canberra	▼ 0.3%	▲ 1.1%

Investment property



28 Moray Street, Richmond - \$739,000 - \$779,000

Presenting this immaculate three bedroom brick veneer dwelling that has been freshly renovated from top to bottom ready for its new owners to simply move in & unpack their bags. Situated within a highly sought after & centralized location, only a short stroll away from local shops, transportation services & schools

- 3 Generously sized bedrooms
- Newly renovated Kitchen
- 2 Newly renovated bathrooms featuring a designer stone bath
- Chlorinated salt water pool
- French doors opening to a large undercover entertainment BBQ area

Important note: Clients should not rely solely on this newsletter. All endeavors are made to ensure the content is current and accurate however, we make no representations or warranties as to the accuracy, reliability, completeness, or current. Readers should seek their own independent professional advice before making decisions.

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