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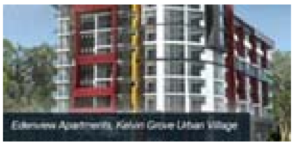
**Latest Investment opportunities**




**Edenview Apartments, Kelvin Grove Urban Village**

The Kelvin Grove Urban Village is a joint initiative by the Queensland Government and Queensland University of Technology to create a mixed - use development on 16 hectares of land

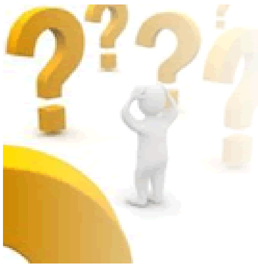
**El Dorado Village, Indooroopilly, Brisbane**

El Dorado Village presents a great opportunity to develop a mixed-use development in Brisbane's inner west.

**Pavilions, Palm Beach, Gold Coast, QLD**

Pavilions on Fifth is the first mixed-use residential project in Palm Beach, one of the Gold

## What Will 2010 Bring?



During 2008/2009 there was a lot of confusion and mixed reports and it was hard to get a handle on what was the reality of it all. However in the first few months of the New Year, it seems that there is more consistency in the reporting, with all in agreement that Australia is "out of the woods" and the property market is taking a strong upward trend. Just reading the latest Real Estate Institute of Queensland report they stated "house prices rose strongly across Queensland in the past quarter, as the property sector continued to fight back from the global financial crisis. Figures released today show the median price for a 3 bedroom house increased by up to 9.7 per cent in regional areas in the 3 months to the end of December. The rises are the sharpest for two years". One thing I am finding particularly interesting is that "regional areas" seem to be at last getting some recognition with all the states. For those who read my newsletters this has always been a bug bear of mine, the failure to include regional areas in all reported statistics.

Across the country the reporting seems to be the gap between supply and demand. Given that supply continues to decrease based on current market conditions and the difficulty obtaining development finance. Many developers unable to refinance for new developments, this is a wonderful situation for investors as demand has increased. For the end user, also lenders continue to constantly change the rules, however with the excellent contacts PR Properties have, we are able to get the finance but more documentation is required.

The first home owners grant has been reduced and there is a significant increase in those upgrading to their second or third house with more confidence that the economic downturn is over. Total sales numbers have fallen 16percent with agents reporting a shortage of stock. Many home owners contemplating selling have adopted a wait-and-see approach and in turn turning to renovation, rather than relocation. The knock on affect of this being less properties hit the market place, and also the availability of new stock is less than I have seen it for 10 years.

I often receive negative and discouraging reports from my clients and agents, asking me to comment and consistently I find the formulas that they are using have little relevance to Australian conditions and market and they also try to lump every state and region together, something which will not work as we need to take each area into isolation.

We are confident that the timing to get into the market is perfect and predict that in 12 to 18months time, those that sit back and play the

Coast's southern suburbs

**Please email us if you wish to be notified ASAP!!**

Contact Jenese for more information

wait-and-see game will be disappointed. One thing that has not changed in all my years of being in this business is TIMING is crucial. Property always works over the long term, but why wait long term when with the right research and knowledge property will give excellent capital growth, helping people establish a secure financial future.

We wish you all the best for the new year and look forward to helping you invest in properties which will achieve your objectives.

Jenese & Mike Malone

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## City's Housing Supply Critical

I have been reading varying reports on the State of the Property market in Australia Yet again it seems that so few "experts" grasp that there is no such thing as each Region must be taken in isolation. For example the statistics generally show the capital Cities and rarely do they mention regional areas such as the gold coast.

Yet this region continues to enjoy one of the greatest population growths in the country More and more industries start here annually than elsewhere

***Source**: See the full article here*

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## Out Of Towners Cash In

INTERSTATE and offshore buyers have decided the time is right to move back into a `corrected' Gold Coast luxury housing market, according to Colliers International.

John Natoli, a Surfers Paradise-based Colliers executive who focuses on prestige property, said the buyers are out shopping and spending while their Gold Coast counterparts remain largely on the sidelines."It's a repeat of the trend that we saw on the Gold Coast in the 1990s," he said.

"The out-of-towners compared their own prices with those on the Gold Coast and cottoned-on to the value and upside in our market well ahead of the locals. Now, in 2010, it's happening again."Mr Natoli said interstate buyers became shy of the Gold Coast in the latter stages of the last residential boom because they perceived that the city's upmarket property was dearer than equivalent property in Sydney or Melbourne.

"Now, with the Melbourne and Sydney markets sparking to life and prices rising, they are taking renewed interest in the Gold Coast," he said."They are finding that major price corrections for beachfront and riverfront land, as well as top-end apartments, have provided some enticing buying opportunities.

"The corrections are giving them a chance to move into a market that by 2008 had exploded either out of their reach or out of their sense of fair value."Mr Natoli said beachfront land on Hedges Avenue peaked at more than $18,000 a square metre in the boom."The latest sale was at $11,000 a square metre, which represents a near 40 per cent correction," he said.

Mr Natoli said interstate buyers had 'seriously switched on' to the opportunities available on the Gold Coast."They are diligently doing their research, monitoring what's on the market, and ringing regularly to determine the status of listings.

"We are getting comments such as 'Gee, you guys are offering good value'. "By contrast, Gold Coasters seem to be sitting on their hands waiting for something to spur them into action."

Mr Natoli said a Colliers International auction campaign in January saw a 75 per cent clearance rate for luxury properties, with prices ranging from $1.4 million to $3.1 million.

He said the buyers, with the exception of one offshore party, were from Brisbane or interstate.

"Gold Coast buyers were noticeably missing in action," he said. Mr Natoli attributed the reticence of Coast buyers to a lack of confidence."Historically, when Gold Coasters decide to move, they develop a herd-like mentality but by then the best buys are all gone," he said.

***Source:*** *March 6th 2010*

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## Coastal Property Markets

The average price of property in Australia's Capital cities at the end of January 2010 are recorded at $475,000 for houses and $398,000 for units.

Whilst many coastal regions have some high quality and expensive properties, average prices are generally more affordable in these markets than they are within capital cities.

Queensland's Gold Coast was the most active of the coastal markets for house sales during the last 12 months. The Gold Coast recorded 7,038 house sales at a median price of $490,000 which coincidentally is greater than the current Brisbane median house price ($460,000). Across the housing markets within the regions detailed the results generally indicated no change or a decline in median prices during the year (23 of the 29 regions analysed showed no change or a fall in median house prices).

When looking at house rentals, capital city markets have been characterised by easing rental rates during the last six to nine months. Whilst capital city rents have eased, most of these coastal markets have recorded increases in rental rates with only: Busselton (-5.3%) and Bundaberg (-1.9%) recording a fall in rents. The greatest rental increases were recorded in: Victor Harbor (9.1%), Eurobodalla (8.0%) and Albany (7.7%).

Coastal regions are generally the markets outside of capital cities which have the greatest supply of units. The greatest volume of unit sales within these coastal regions during the last 12 months was recorded on the Gold Coast with 9,091 sales (more units sold on the Gold Coast than houses).

Across the coastal markets detailed, 11 of the 28 regions have recorded positive growth in the median price of units during the last 12 months. These results tend to mirror capital city markets where unit product, which is generally more affordable than houses, recorded the greatest levels of price growth.
The best performer in terms of median unit price growth during the year was Geraldton where prices increased by 11.4%. Other strong performers during the last year have been: East Gippsland (7.8%), Bundaberg (4.5%) and Newcastle (4.3%). The rental market for units within these coastal

areas performed quite well during the year. Only two regions: Gladstone (-7.1%) and Fraser Coast (-2.0%) recorded falls in median weekly rents. The strongest growth in median weekly rents were recorded in: Bunbury (22.7%), Victor Harbor (21.2%) and Byron (17.8%).

The results confirm that coastal markets have struggled during the last year witnessing low levels of median price growth with falls recorded in many regions. Generally speaking, the global economic uncertainty, increases to the unemployment rate, the falling value of the share market (which is now recovering) and the loss in value of superannuation has hampered coastal regions more than most. We have seen fewer 'sea changers' and retirees moving to these coastal markets and a large number of noncore assets such as holiday homes were placed on the market as owners looked to reduce their exposure to debt and become more liquid.

Looking towards the next 12 months we anticipate that these markets should record a stronger performance than that witnessed during the last 12 months. The reason being that many factors are creating a more confident market: unemployment is lower than forecast, consumer and business confidence sits at strong levels, inflation is within target and whilst interest rates are likely to climb higher, on a historical basis they sit at quite low levels. The renewed confidence should see demand pick up in lifestyle regions and as a result prices should begin to strengthen.

***Source:*** *The Age, 14 January 2010*

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## Australia Raises Interest Rates as Economy Rebounds

HONG KONG — Australia raised interest rates on Tuesday for the fourth time since October, in a widely anticipated move that showed that the central bank remains confident in the country's rebound despite still-difficult international credit conditions and lingering concerns about the debt levels of several European countries. The Reserve Bank of Australia raised its key cash rate by a quarter of a percentage point to 4 percent, taking the total amount of rate increases since Oct. 7 to 1 percentage point.

"In Australia, economic conditions in 2009 were stronger than expected, after a mild downturn a year ago," said Glenn Stevens, the governor of the central bank, in a statement accompanying the rate decision. "Labor market data and a range of business surveys suggest growth in the economy may have already been at or close to trend for a few months." The Australian dollar rallied briefly against the U.S. dollar right after the central bank's decision Tuesday but then slipped back to just below 90 U.S. cents.

Australia's higher rates and growth prospects have fuelled a massive rally in the country's currency: one year ago, the Australian dollar stood at only 63 U.S. cents. The central bank had surprised analysts last month when it held off raising rates, citing global jitters over a potential default in countries like Greece and saying it wanted to await evidence of how the previous rate increases had affected the economy.

On Tuesday, the Reserve Bank of Australia said the sovereign debt worries remain "elevated," but with growth in Australia now approaching normal levels, it is now "appropriate" for rates in Australia to be "closer to average."Analysts say that this means the key rate will rise by at least another half a percentage point this year, though the pace of further increases is likely to slow.

"The R.B.A.'s balancing act is becoming more precarious," said Fred Neumann, an economist at HSBC in Hong Kong, in a note on Tuesday, referring to the Reserve Bank of Australia. The central bank, he added, now has to steer an increasingly cautious course: it needs to temper a red-hot minerals sector and surging jobs growth, but do so without seriously damaging household debt, which has been soaring as the economy picked up.

"In essence, this requires careful tightening at a measured pace, and we consequently expect a 25 basis point hike in the second quarter, a pause in the third quarter, and a final 25 basis point push in the final three months of the year," Mr. Neumann wrote.

Either way, Australia's process of normalizing the cost of borrowing again is in stark contrast to other developed nations, including the United States and Europe, whose recovery began later and remains more feeble.

Neither the European Central Bank nor the U.S. Federal Reserve is expected to start nudging up interest rates again until much later this year.

Australia, by contrast, has benefited from fast-growing China's voracious appetite for its natural resources, and statistics due out on Wednesday are expected to show Australia's gross domestic product grew 0.9 percent in the fourth quarter from the previous three months, according economists surveyed by Bloomberg News.

Many other nations in the Asia-Pacific region are also now under pressure to start raising rates again or implement other measures to cool down their rapid growth and damp nascent inflation.

Among the next to start nudging up rates may be Malaysia, whose economy grew a greater-than-forecast 4.5 percent last quarter from a year earlier. Wai Ho Leong, an economist at Barclays Capital in Singapore wrote in a note Tuesday that he now expected the Malaysian central bank to state its first rate increase as soon as May.

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## Help landlords get smart about insurance

Four out of five Australian landlords do not have any landlord insurance for the rental properties and many of those who do have inadequate policies.

Property managers are in a great place to help educate landlords on how they can best look after themselves and their investment properties.

For many property managers, this includes making sure that their landlords have considered purchasing appropriate landlord insurance and have all the information they need to properly protect their investment – particularly for legal liability.

But it seems that many landlords are still dragging their feet on the insurance front.

In many cases, the cost of landlord insurance can be a fraction of the cost landlords might otherwise have to pay out of their own pocket for damage, loss of rent or liability law suits.

Many landlords mistakenly believe that a standard home and contents insurance policy will provide adequate cover. However, there is a significant difference between tailored landlord insurance policies and standard home and contents policies.

A standard home and contents insurance policy will not cover landlords against malicious damage by a tenant, accidental damage, legal liability and loss of rental income resulting from a tenant absconding or damaging a property and leaving it unable to be re-let for a period of time.

Ensuring landlords have appropriate insurance can also help property managers fulfil their duty of care responsibilities while ensuring landlords are themselves covered against unforeseen events.

***Source****: An article from the Real Estate Institute Magazine 19th March 2010*

For information about landlord insurance contact;
Jenese: info@prip.com.au or call 1800 804 016.

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