THE INVESTOR

~ PROPERTY INVESTMENT INSIGHTS ~

PERSONAL NOTE

Like many businesses, we have had a particularly busy few months behind the scenes, which resulted in a short pause to our newsletter publications.

Thank you for your patience and continued support. We are pleased to be back with the latest insights to help you make informed property investment decisions.

INVESTOR MYTH

A long-term tenant may leave if the rent is increased

While a long-term quality tenant is valuable, it should never override implementing regular reviews or routine inspection checks.

Smaller, regular rent increases help keep rent aligned with the market and are better received by the tenant rather than one significant increase after many years.

When comparable properties are renting for similar prices, tenants are less likely to relocate simply due to an increase.

Routine inspections also identify maintenance issues early, helping protect your investment.

Even a modest $30 per week increase can add more than $1,500 to your annual income covering your management fees or maintenance costs.

Great property management balances fair treatment of tenants with protecting your property's long-term value.

What Does a 3% Drop in Property Prices Really Mean for Investors?

Recent media attention has focused on reports that property prices have eased between 0.5% to 3% depending on the state, city and suburb location, in a shift towards a long overdue price correction.

Unsurprisingly, the headlines have been filled with words like ‘market slowdown’, ‘falling prices’ and ‘buyer uncertainty’.

However, beneath the surface, experienced property investors know that headlines rarely tell the full story.

A drop in property values isn’t necessarily the story.

The real story is what opportunities are created from the drop.

Let’s put it into perspective.

If you own an investment property worth $900,000, and we use the higher scale 3% decline, this equates to $27,000 on paper. While no investor enjoys seeing values soften, unless you’re planning to sell today, it remains an unrealised movement rather than an actual loss.

Property has always moved in cycles. Short-term fluctuations are a normal part of long-term wealth creation, and history has shown that markets rarely move in a straight line.

In many cases, a slight correction can work in an investor’s favour.

As confidence softens, buyer competition often eases.

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Property price drops can create opportunities to negotiate better purchase prices, enter into favourable contract conditions, secure longer settlement periods, or be able to purchase properties that may have attracted multiple competing offers a few months earlier.

It is these types of property conditions where experienced investors often quietly enter the market while others wait on the sidelines.

One of the biggest mistakes investors make is focusing solely on property values instead of investment performance.

A property that has reduced in value by 3%, however continues to generate strong rental returns, may still outperform a more expensive property with weaker cash flow. After all, tenants, not property values help pay the mortgage.

It is also important to remember that there is not just one property market. There are hundreds of markets.

National statistics don't reflect what's happening in every state, city, suburb, street or property type. While some markets have experienced modest price adjustments over past months, others have remained resilient or continued to perform well, due to strong population growth, limited housing supply and ongoing rental demand.

Here's something worth thinking about.

If property prices fall slightly, but construction costs remain high, replacement costs continue increasing, vacancy rates stay low and rental demand remains strong, has the underlying investment fundamentally changed?

Probably not…

Sometimes market sentiment changes much faster than market fundamentals.

Rather than worrying about price drops, savvy investors should be asking different questions.

- Is now the time to negotiate a better purchase?
- Could refinancing improve my investment position?
- Is there an opportunity to renovate or add value?
- Have I reviewed my insurance, depreciation schedule and tax strategy recently?
- Are there motivated sellers today who weren't motivated just a few months ago?

Some of the best-performing property portfolios have been built during periods when others hesitated because of negative headlines.

By the time confidence returns, competition usually returns with it.

So perhaps the better question isn't whether property prices have fallen.

It's this…

What opportunities has the shift in the market created that weren't available a month ago?

The investors who continue to build wealth over the long term aren't those who try to perfectly predict the market. They're the ones who recognise opportunity while others focus on headlines.

DID YOU KNOW THERE ARE MULTIPLE WAYS TO SELL A PROPERTY?

1. Auction – The property is sold publicly to the highest bidder with a reserve price set, which is the minimum amount the seller will accept.
2. Expression of Interest EOI – Buyers submit their best written offers by a specific deadline. This method works well for luxury, unique homes, or in a hot market.
3. Private Treaty 'For Sale' – You set a fixed asking price or range. The agent negotiates offers with buyers until a price is agreed upon.
4. Off Market Sale – Your agent shows the property to pre-registered buyers on their database without public advertising

Understanding your options can help you choose the right strategy to achieve the best sale result.

Our professional and friendly team are here to work with you.

RENTED IN JULY

98 Jacaranda Ave, Logan Central
3 bed, 1 bath, 1 car
$650 pw

1 Chandler St, Acacia Ridge
3 bed, 1 bath, 1 car
$540 pw

26 Rivergum Pl, Calamvale
3 bed, 2 bath, 2 car
$650 pw

376 Musgrave Rd, Coopers Plains
3 bed, 1 bath, 1 car
$675 pw

232 Killara Blvd, Logan Reserve
4 bed, 2 bath, 2 car
$670 pw

1/37 Kestrel Road, Park Ridge
4 bed, 2 bath, 1 car
$670 pw

62 Glasshouse Cres, Forest Lake
3 bed, 2 bath, 2 car
$700 pw