



Embargoed until February 10, 2007

Media Statement

LANDLORDS URGED NOT TO SELL THEMSELVES SHORT

With rental prices likely to keep rising in 2007, landlords are being reminded to make sure they keep pace with market rates to ensure they aren't selling themselves short, but they're also being warned about getting caught out by the current rental bidding war.

At the end of the September quarter 2006, the average weekly rent in WA was \$250, up 19 per cent from a year ago.

Maria Amos, director of Image Financial Group, said the demand for rental properties was heating up and landlords should make sure they were getting the most out of their investments.

"It's not uncommon right now for some landlords to be bombarded after advertising for tenants, stirring up an auction-like situation where potential renters are trying to out-bid one another," she said.

"With that level of demand likely to continue in WA over the next year, investors will need to ensure they keep up to date with the market changes so they can get a fair rental return that matches the current climate."

Ms Amos predicted some property owners could be undercutting themselves by drastically underestimating the value in their rental home.

"I know of one landlord who thought about raising the rent but didn't, it wasn't until later when they formally assessed the market, they realised the going rate for their property was \$230, at least \$25 a week more than what they were charging.

"When they re-let the home at the end of that lease, they were able to receive \$250 a week, which shows investors need to do their research or contact an expert who can accurately estimate the marketable rent value of their property.

"For people with a number of investment properties, the difference in rental yeild could even set you up for your next investment."

But Ms Amos said landlords should carefully consider the tenant they choose as well as their own pocket.

"The best tenant isn't always going to be the one with the highest bid, so make sure you carry out all the relevant checks," she said.

"It can be an issue that some landlords are blinded by the offer and so fail to adequately research the tenant's rental history, but that can cost them in the long run."

-more-

She said while there was currently much speculation about the direction of the Perth property market, proven investment strategies remained unchanged, making it a good time to buy.

“With good rental returns guaranteed, rental properties are an attractive and lucrative investment option right now, so if people search out superior homes with good long-term growth drivers they will win no matter what happens in the short-term,” she said.

-ends-

Media contact:

Sarah Hayward, Capture Media

O: 9388 9280, M: 0411 404 415