

Realestate

APARTMENT LIVING

Reaching for the sky has never been so popular

BUYING
TIPS

LOCATION

Views or aspect will ensure good growth, with water or city views offering the greater premium. Also factor in the aspect or location of the specific apartment within the complex.

SECURITY

Check security of both the common areas (e.g. foyer, parking) and the apartment itself. It's important for both rental and re-sale value.

QUALITY

Look for low-maintenance finishes and any signs of building defects/lack of general upkeep.

POINTS OF DIFFERENCE

The design, finishes, colours, amenities, outlook and long-term rental can be points of difference for your investment over the rest of the market.

AMENITIES

Facilities such as swimming pools, saunas and gyms are great attractions but equally important is access to smart wiring, dual phone lines, cable TV etc.

KITCHENS/BATHROOMS

Apartment dwellers still need kitchens to be stylish and completely functional.

NUMBER IN COMPLEX

The general acceptance of big blocks of apartments, designed well, hold little downside to a much smaller complex. Generally, the bigger the number the smaller the maintenance fees, and views get better as the building rises higher.

RESERVE FUND

This is important – money in reserve for future major capital works such as painting, pool resealing and replacing lift motors.

BALCONIES

Generous-size balconies add value to your investment, especially if there is a great outlook. The balcony should offer a good degree of privacy and some shelter from our sea breezes and midday sun.

SIZE

Cleverly designed compact apartments rent for as much as their larger counterparts and the resale value also compares well. Once you move to the penthouse style, of course, size will be a greater determining factor.

AGE

A new apartment will offer the investor substantial tax benefits via depreciation while also potentially requiring less upkeep and being more in keeping with current trends to maximise rental return and resale figures.

CONDITION/UPKEEP

The presentation tells the potential purchaser a lot about the structure, the integrity of the building and how the property is being cared for. A qualified building inspection before your purchase could be some of the best advice.

STRATA LEVIES

An in-depth look at the levies, the latest AGM minutes and a copy of the recent financial statements could give you an inside view on how the building is being managed, and whether there are any pending items that could require attention or substantial funds in the future.

Mark Hay



1303 Hay St, West Perth

There has been a global surge in investors and homeowners buying apartments, and the Perth apartment market is no exception. NATALIE NAZZARI REPORTS.

FLAT-OUT FOR VALUE

WITH Perth's population rapidly increasing and the drive to work getting more frustrating, high-density living is being embraced in a big way, according to property investment specialist Mark Hay.

Mr Hay said young people in particular had cottoned on to the benefits of living close to the action, with apartments and units priced under \$500,000 performing "extremely well".

"That's because anything sub-\$500,000 is open to the first-homeowners' grant and no stamp duty, but competing with that is a price point for investment and when people are getting into investments for the first time, the lower end of the market is where they tend to go," the Mark Hay Realty Group boss said.

"Also, with the current low interest rates and the higher rents that have been pushed

up over the past 18 months, there's not much disparity between what goes out and what comes in – the negative gearing ratio is very low in the lower end of the market."

Mr Hay said buying in a boutique-style development offered greater returns and recommended buying an apartment close to the city or river.

"Have a close look at strata levies," he said. "It's all fine having a pool, sauna, spa and gym, but if your strata levels are so much higher in doing so, you want to make sure that you're going to get good use from that."

"Another tip is, in some of the older buildings check you've got Foxtel and ADSL. In WA, because of our climate, we spend about five months of the year out on the balcony, so a good balcony living area is always a good situation and north-facing will give you an uplift in resale."

Mr Hay said initial inquiries over the phone or by email

should focus on the building size, the strata levies and age of the building. When inspecting an apartment for the first time, he suggested "scratching beneath the surface" and doing your research.

"If something presents immaculately, scratch beneath the surface because a coat of paint can cover a lot of flaws," Mr Hay said. "Look at the AGM minutes to check there hasn't been anything untoward happen there and check the financial status of that."

Queens Riverside apartments selling agent Wayne Briggs said there were several benefits to buying an apartment.

"One of the key gains for apartment living and buying is the low maintenance, appealing to those who own the property and those who rent it," Mr Briggs said.

"One downside is that a lot of apartment complexes don't allow dogs."

Both Mr Hay and Mr Briggs said the apartment or unit's location was the paramount concern.



James Limnios

Inner-city living is more in demand

THE median price of an apartment in inner-city Perth jumped by 11 per cent to \$550,000 in the year ending June.

James Limnios, CEO of Limnios Property Group, says that despite a surge in the value of building approvals for higher-density homes throughout WA in the 2012-13 financial year, the supply of new apartments in inner-city Perth remains tight.

"Subdued approvals figures for the inner-city area indicate that developers are still finding it challenging to secure finance for new developments, which is putting a limit on supply," Mr Limnios said.

The figures showed the potential for strong capital growth, especially in areas with improving infrastructure such as around Fitzgerald St, which

would benefit from the new MAX light rail system.

"The limited supply accounts for the very strong demand for new apartments being released, with many developments selling out in just a few weeks," he said.

"Over the last year, the value of established inner-city apartments marketed by Limnios has risen by around 10 per cent, and we expect a similar price gain over the coming year."

"In particular, we are finding strong demand from single first homebuyers for one-bedroom apartments in the \$400,000 price range."

"These first homebuyers want a one-bedroom inner-city apartment rather than building a larger new home in the outer suburbs, because of transport costs, time travelling to Perth and the growing variety of shops and cafes the city has to offer."