



## Market Update

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### **Market showing positive signs**

The good news is there are positive indicators in the market, sales transactions are happening, leasing deals are being done, our rental arrears list has not blown out and we have not seen any increase in business failures.

Having said this, the market is still very patchy, with demand in some sectors very poor, whilst other segments have been more active.

There is increasing demand for modern securely leased investment property, owner occupiers are also starting to come back in the market and general leasing activity is also on the increase.

### **Small units continue to suffer**

The area that has suffered the most is the small unit market which is over supplied and will take some time to recover, that is, getting an occupier and regaining some value.

### **Vacancies stabilise**

If you exclude the multi unit market, we have not seen the flood of listings come on the market that was widely anticipated; this is particularly positive and is helping to underpin the market from any further decline in value.

## **Incentives still required**

Incentives are still a major requirement in leasing deals, but again these differ greatly from one deal to the next, depending on the lease term, strength of the tenant, previous vacancy period, rent level, etc.

The trend for shorter lease commitments is still there, as tenants simply want greater flexibility and lack longer term confidence in the economy.

The consolidation of business operations continues, as companies look to rationalise their overheads.

## **Lending levels**

Clearly there are many owners who now have finance gearing on their property at a higher level than would normally be accepted by a lending institution, providing these financiers do not overreact and start forcing sales, the market should continue to stabilise over the coming months.

## **Essential Safety Measures (ESM)**

For those owners who manage their own property, please be aware that all properties now need an annual sign off and the signed form must be displayed at the property, effective June 2009.

This is the owners responsibility, the authorities will take action against the owner, not the tenant for non-compliance.

See the link below to our previous newsletter outlining the new requirements:

<http://www.lawsonrealestateau.com/news/ESM%20June%2008.pdf>

If we can assist you in anyway with your property matters please call Steven Lawson on 0418 536 003 or email: [steven@lawsonrealestate.com.au](mailto:steven@lawsonrealestate.com.au)

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