

the Proprietor

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10,000

TREES

10,000 trees marks 10 years in Lucas

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SALES UPDATE

Undoubtedly, there has been a shift in the overall sentiment and confidence in real estate over the past 6 months. With world events and cost of living having an ever-present impact on our day-to-day lives, the great Australian dream of owning or upgrading the family home has certainly dropped down the list of priorities for a lot of people.

Without a doubt, sales rates have dropped since the peak of the COVID boom, but would you believe they remain higher than pre-COVID figures? Along with enquiry rates, also remaining above pre-pandemic levels.

This certainly demonstrates there remains buyer confidence and aspirations to own a home or investment property in Lucas. And why wouldn't you want to? With the population of Lucas continuing to grow, we see more of the community spirit and activities developing. The over 60's Social Club and Lucas Hockey and Cricket clubs, just to name a few.

And let's not forget the affordability and convenience element to home ownership in Lucas. Just over an hour to Melbourne, or to the Surf Coast - Lucas is ideally positioned to enjoy summers at the beach or Saturday afternoons at the 'G, without the huge price tags attracted by the Western Suburbs or Geelong districts. Not to mention easy access to quality Ballarat schooling and healthcare.

With our focus now firmly on what's been happening with sales in Lucas, we begin to see the last remaining lots being offered for sale in OG Lucas - at the time of writing, only 18 lots remain!

Lots are scattered through Sanctuary - enjoying prime position between the waterways and the Skipton Rail Trail (not to mention the future Loreto site), which is sure to see future established resales perform exceptionally well. The remaining lots at Platinum are possibly Ballarat's best homes sites, enjoying

access to the rail trail, outlooks onto wetlands, parks and the Avenue of Honour, all within easy walking distance of Coltman Plaza. and surrounded by quality homes. And once these are gone, they're gone forever!

Grange is the future of Lucas. Transforming over the last 6 months, from straight up construction site to quality, good looking homes are beginning to be finalised and occupied. A great mix of attractive façades from some of the best builders in town gives a hint to the quality neighbourhood that will soon be established, which will see Lucas as a whole join seamlessly as one.

Some notable highlights soon to come at Grange:

- Lucas Display Village 5 - 34 sites on Blomeley Drive showcasing the best our builders have to offer.
- Hudson Ridge's 'by appointment' pop-up display on Pernonie Street - a stunning example of what can be done on a Contempo lot.
- Delivery of the park on Hollioake Drive - 1.5 hectares of quality play space!
- Upcoming childcare site on Dyson Drive.

Do yourself a favour and take a drive or a walk to discover Grange up close!

Lastly, we're in the midst of celebrating the opening of the new Integra Head Office on Lilburne Street (you can't miss it!), which includes a state-of-the-art Land Sales Centre. Keep an eye out for further celebration updates on this!

For any enquiries related to this issue or Integra Property Management, email

propertymanagement@integragroup.com.au
or call **03 5304 1970**



10,000 TREES MARKS 10 YEARS IN LUCAS

Ten years ago, the very first trees in Lucas were planted along Dyson Drive by Integra, marking the beginning of the suburb of Lucas. Since then, the Integra landscape team have gone on to plant an average of 1,000 trees each year with a current total of 9,613 trees planted, and a further 160,000+ shrubs and plants planted throughout the parks and wetlands of Lucas. It is estimated that by the time Integra has completed development at Lucas, that figure could be close to 11,000 trees, which is over 4 trees planted for every lot developed.

And with all this planting comes huge benefits for the community. As well as enhancing the area visually, trees also introduce a wide range of environmental, social and economic benefits. Trees cool streets and neighbourhoods, which reduces the heat island effect and improves local microclimates. Studies have shown that greenery and trees play a really positive role in good mental health. They also work to improve air quality, sequester carbon, reduce the amount of stormwater run-off, reducing erosion and pollution in our waterways, and they are home to many species of wildlife who depend on trees for habitat, providing food and protection.

Behind the planting of all of these trees is a whole team. The process starts with the landscape architect who, working with Integra and Council, ensures tree species diversity and tree canopy coverage targets are met, as well as positioning trees to avoid underground services and provide the most benefits from a practical perspective, whilst still creating visual continuity.

When the site is ready, the Integra landscape team of six get to work with getting those trees and plants in the ground, watered and maintained. That is one huge job for the team, so at times they are supported by Ballarat Regional Industries, who plant

many of the street trees. Right now, we are in the planting season, with more than 1331 trees and plants to add to the already huge tally of trees and planting that has occurred in Lucas. More than 30,000 trees, shrubs, groundcovers, grasses and wetland plants were planted in the Lucas Central Park alone. In terms of lifestyle and wellbeing for our community and the health of the environment, these trees will have positive effects for more than 100 years.

In the past year, Lucas Primary school met the landscape team on site and helped to plant out 100 plants. It took close to an hour for a class of students to get those 100 plants in the ground, and the landscape team have been maintaining them since. We know we have some great young environmental advocates in Lucas and some incredible community members who go out of their way to help care for the environment and our neighbourhood. We want to say a big thank you to those people and encourage them to keep it up. They are a big part of why the parks and wetlands are so well loved, and for our team to see people taking such a keen interest in what has been created is really rewarding.

Lucas will have nearly 30 hectares of open space when it is fully developed, of which, more than 10 hectares are waterways, wetlands and open space links, as well as 15 kilometres of walking and cycling trails.

Integra has always been interested in creating communities, not just adding people to infrastructure. The scale of planting that we do isn't unique just to Lucas. In all of our projects, we pay particular attention to the environment and how it connects to community. Each project is different and comes with its own set

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of opportunities, however our design principles largely remain the same. Insignia, for example, had many existing trees that we went to great lengths to maintain and protect – in fact, the whole project was designed around them! The resulting neighbourhood has a great mix of new and existing trees, habitat areas, wetlands for water quality treatment and parklands... and it is a great place to live.

Tree planting is one of the simplest and most effective ways of helping to tackle climate change caused by greenhouse gases. As trees grow, they absorb carbon dioxide – a major greenhouse gas in the atmosphere – and produce oxygen, which is essential for all life on earth.

By planting and looking after trees in Lucas, we help our environment, our community and our world, by creating habitat for fauna, cooling our neighbourhoods and making them look beautiful, and reducing the impacts of climate change. We are proud of what we have already achieved at Lucas and we strive to do more. Next time you see one of our team planting or watering a tree, say "hello"!



A NEW HOME FOR INTEGRA

In August 2021, Integra started construction of its new office in Lilburne Street, Lucas. This provided an opportunity for accounting firm, CountPro, to move in to the old Integra space in Eleanor Drive.

Construction is now complete, creating a new location for the Integra Head Office and Land Sales Centre. The office provides more space for Integra's growing team, but also a state-of-the-art facility for customers and visitors to explore.

After spending a brief period of time in their temporary office in Lydiard Street, the Integra team are very excited to be back amongst the Lucas community!


**LAND SALES
CENTRE**

Grand
OPENING

SAT OCT 29 11AM-4PM

Join us to celebrate the opening of the new Integra Land Sales Centre with fun for all the family!

**FOOD TRUCKS - FACE PAINTING
GO KARTS - LIVE MUSIC**

25 LILBURNE STREET, LUCAS



Image: Nathaniel Campbell Dip. FMBM

THE IMPACT OF RISING INTEREST RATES

Story by Nathaniel Campbell Dip. FMBM

As has been widely reported, inflation in Australia is at its highest level in decades. This has led the Reserve Bank of Australia (RBA) to increase the official cash rate from 0.10% to 2.60% in the space of six months. This is the fastest increase in the cash rate since 1994 when the RBA increased rates by 2.75% in the space of five months.

In addition to these recent hikes, the reality is that in all likelihood, we still have further to go. All the major banks are forecasting further increases totaling between 0.50% and 1%. They are expecting to see these rate rises occur between now and April next year, at which point the cash rate is expected to peak. The top end of this range would see the cash rate reaching 3.6%. To give this a bit of context, the long-term average cash rate over the last 32 years is 4.45%. Therefore it is fair to say that, whilst the speed of the increases is unique, the actual cash rate is returning to a somewhat "normal" level.

What is important to most Australians however, is not the reasoning behind the rate rises, but the impact that rising rates will have on them.

The first, and most obvious impact, is the increased loan repayments due to the higher rates, resulting in less disposable income. The RBA hope that this reduction in disposable income will result in households spending less. However, during covid Australians did an amazing job and managed to save more than ever before. On average, home loans were over 22 months in advance as a result of these savings. This means that even with the increases in interest rates it would be many years before the

repayments on these loans would need to increase. Instead, it will just gradually erode the payments made in advance, therefore not reducing the disposable income of the homeowner. The people that suffer the most from the increase in repayments are those that have purchased a home over the last two years and haven't had the opportunity to buffer against the increasing repayments by paying extra off their home loan. It is these people that are experiencing a drop in their disposable income and are needing to reign in their spending.

Increasing interest rates can be bad news for people looking to take out a loan to purchase a property, especially people just setting out on their journey in the property market. In the last six months the borrowing capacity of a first home buyer with an income of \$80k has reduced from around \$500k to \$380k. That is a 20% drop in six months which is quite staggering. Whilst the property market has cooled, it definitely hasn't dropped 20% in six months. The speed of these rate rises has meant that people who may have held pre-approval just a month or two ago are now in a position where they could potentially no longer purchase a home.

In short, borrowing capacity comes down to two things, income and expenses. If you are looking to increase your borrowing capacity the key is to control what you can. Personal loans and credit cards hurt, whereby a \$10k credit card will reduce your borrowing capacity by around \$60k. The same applies with personal loans - avoiding these facilities where possible will assist greatly when being assessed for a loan. Then managing

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your budget and trying to reduce unnecessary expenses comes next, to allow you to show that you can afford the repayments associated with a new loan.

The flow on effect from reduced borrowing capacity is that there are less buyers in the market, and the property market has slowed accordingly. We have seen a shift from a sellers' market to a market that favours purchasers. For those that have equity in their current property and capacity to borrow, opportunities to purchase quality investment properties may present themselves over the coming period as those that are not comfortable with the increasing rates look to sell.

It is this slowing of the property market that may help take the pressure off inflation more than the reduction in disposable income. Confidence in the overall economy is a huge driver in people's willingness to spend. As property prices ease people tend to feel that their personal wealth has reduced, in turn driving down confidence. As mentioned earlier, the increase in repayments will only impact a small percentage of the population, but the lower confidence levels will be far more widespread.

The good news is, historically, when the RBA goes through a cycle of increasing interest rates they usually overreact and move rates a little too far. They then need to reduce rates a few months later. This is because the data that they rely on when making decisions on the cash rate lags the actual changes. As the rates increase and spending slows, inflation falls, but this data may not be available for a few months. A number of

economists are now forecasting that we may see a rate cut or two in the back half of next year.

The idea of increasing interest rates is to slow the economy, and all in all, it generally works. The cycle of increasing rates usually takes between 6-12 months before the RBA gets to a point that they are comfortable with, or even to a point where they may need to reduce rates slightly.

Interest rates are coming off all-time lows, so the speed of the increases is unique, but we are still well placed, with rates lower than the long-term average. With a bit of luck, we will get through the next 6 months and rates will have settled down, we may even be talking about when the next rate cut might occur. There is no denying that people are feeling the pinch with interest rates increasing, unfortunately this is the whole idea, and what the RBA is after, a bit of short-term pain, so that the cost of living doesn't continue to increase at a rapid rate.

Nathaniel Campbell is a credit representative (507504) of BLSSA Pty Ltd ACN 117 651 760 (Australian Credit License 391237)



PROPERTY MANAGEMENT

ON FACEBOOK

Did you know that our Property Management expert, Kym Squire, has her own Facebook page?

Kym joined the Land Sales and Property Management team at Integra in 2020. After her experience working on the Lake Gardens development, she went on to obtain her Real Estate Agent's license, followed by a Bachelor of Property in 2016. She has been working in the industry for more than 20 years and has been involved in land sales, new home building, residential house sales and property management.

The Integra Property Management page provides information on properties available for rent, feedback from tenants and landlords, giveaway opportunities, updates from the Integra team, and more.

To keep up with the latest Property Management news, scan the QR code and like and follow our Facebook page!

the **Proprietor**

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MANAGEMENT PAGE

Better Rental Outcomes
Through Tenant Education

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TENANCY SKILLS INSTITUTE

The Tenancy Skills Institute is a program designed to teach people the basic skills required to be a good tenant. This includes learning about your rights and responsibilities as a tenant, how to communicate with your landlord, how to clean and maintain a property, and how to manage your finances.

The Institute aims to produce a new wave of well-educated tenants, helping to reduce the number of difficulties faced by property managers and agents.

The program is targeted towards:

- school leavers
- those new to renting in Australia
- previous home owners now entering the market, and
- anyone wanting to boost their credentials on rental applications

And best of all, it's FREE! The course is available online, or face-to-face in select locations.

As one of its first Real Estate Industry Supporters in Ballarat, Integra is promoting the Tenancy Skills program to all of its tenants and offering free classes in its new state-of-the-art office space in Lucas.

All students receive a certificate upon completion of the course, which can strengthen rental applications and increase your chance of being considered as a potential tenant.

To enrol in the program, scan the QR code or visit www.tenancyskills.com.au/students/.

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