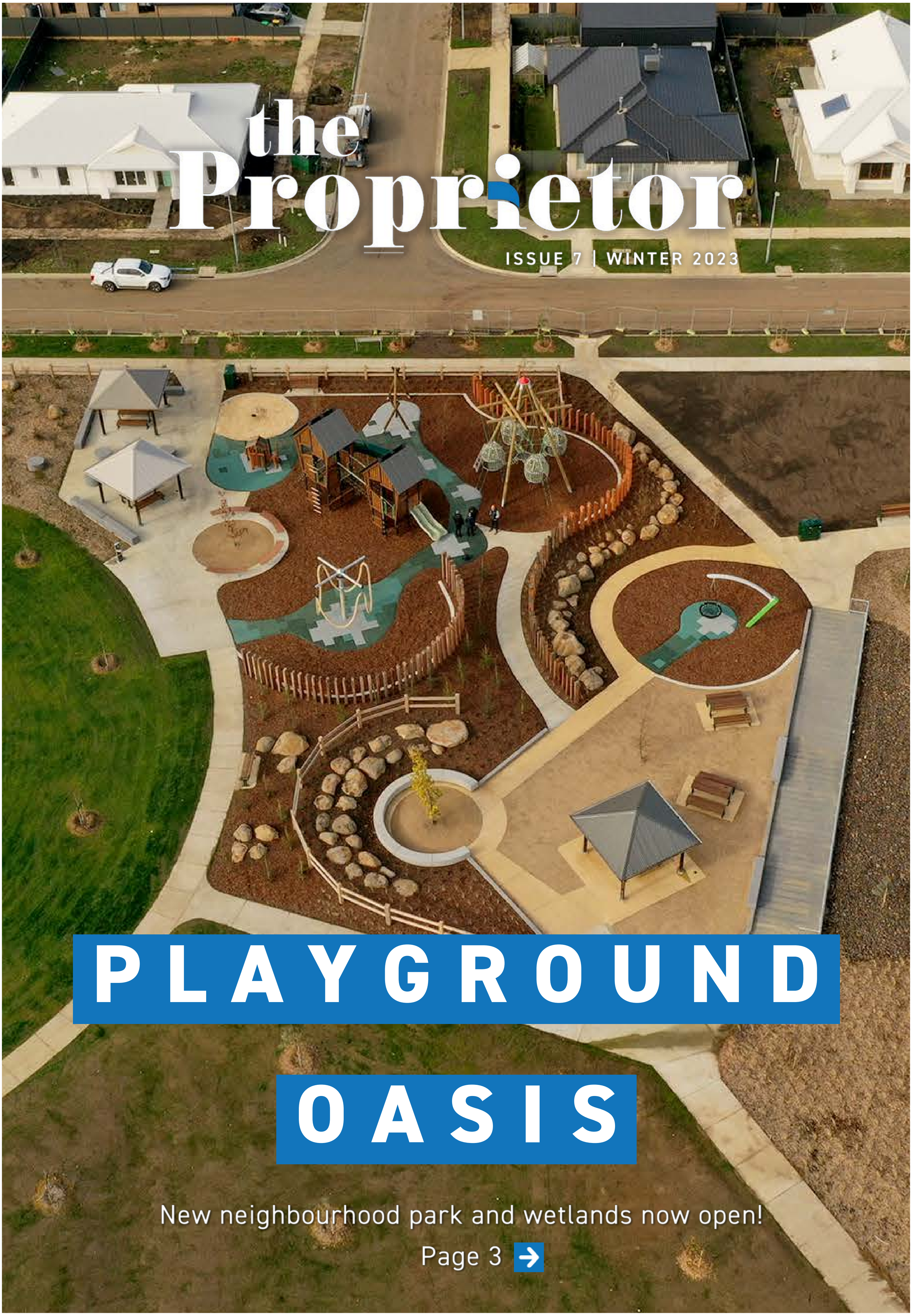

the Proprietor

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PLAYGROUND OASIS

New neighbourhood park and wetlands now open!

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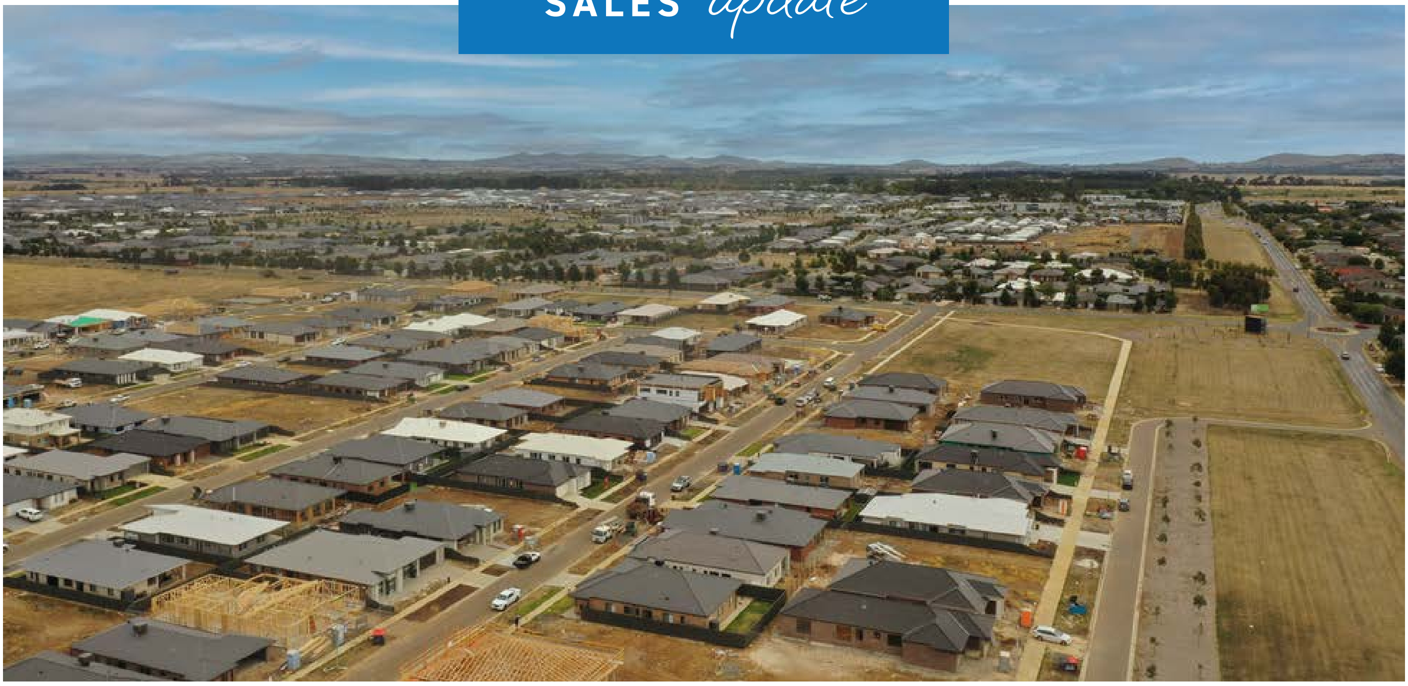

SALES UPDATE

After a significant downturn in enquiry and sales at the beginning of the year, 2023 has continually improved. Our buyers are predominantly investors and second or third-home buyers, meaning that many of our first-time purchasers have, unfortunately, been unable to purchase in the current market.

Lucas

The original part of Lucas to the north side of Cuthberts Road has reached a significant milestone, with civil construction now complete after ten years. A small amount of land remains on the market, including some premium locations overlooking the Ballarat-Skipton Rail Trail. Contact us today if you are interested in land in Lucas Sanctuary or Platinum to ensure you do not miss out!

The Lucas Sanctuary Neighbourhood Park and surrounding wetland reserve have just been finished and look spectacular! This precinct will only add value to the surrounding properties in Lucas Sanctuary.

A flurry of construction activity is taking place in the new Lucas neighbourhoods, Lucas Grange, Parkside and Central. Land is now selling, and prices start from $260,000.

Construction of homes at the new Lucas Display Village on Blomeley Drive is progressing very well. There are currently three displays open from JV Dodd and BCM Homes. We are excited to announce that the village's Grand Opening will occur on Saturday, October 7, with a celebration event. There will be free food and beverages, fun activities for the kids, and an opportunity to chat with builders.

Construction of the Lucas Grange Neighbourhood Park is about to begin and will be the centrepiece of the southern part of Lucas once complete. This park has been designed to focus on fitness and well-being and will feature a playspace, kick-and-throw area, play forest, multi-sport court, exercise equipment and picnic areas.

Providence Alfredton

It is excellent to see Providence Alfredton starting to take shape with the construction of the first homes underway. All lots at Providence are titled and ready to be built on, starting from $290,000. We are quickly running out of stock, and we predict that lots will be completely sold out by the end of Spring.

Viewpoint Huntly

Viewpoint is looking fantastic! Three stages received titles in June; another two will receive titles soon. The new Display Village has received titles, and we expect the construction of display homes to begin in the coming weeks.

There are some great land options at Viewpoint, starting at $240,000. We also have some unique lots in the Swift release that are just under a quarter of an acre and back onto protected bushland. These lots are priced from $285,000.

For any enquiries related to Land Sales,
email brett@integragroup.com.au or call 0475 111 162.

SANCTUARY PARK NOW OPEN

Integra is excited to announce the opening of Lucas Sanctuary Park. The site is located adjacent to the future Loreto Campus on Cuthberts Road and is just a stone's throw from the Skipton Rail Trail.

This park really is a rival to the popular Lucas Central Park with its impressive main feature, the 7-meter-tall Olive Tree Tower. The tower has four large hanging olives that act as climbing destinations or cool little chill areas for the older kids. This will be the first time that this piece of playground equipment has ever been used in the world!

In the centre of the space, you will find the Bellevue Play Tower which has two main rooms joined with a rope bridge and covered in timber cladding. It has a genuine rustic appearance – perfect for this natural location in Sanctuary. One cluster of the play unit caters for older children with a large tunnel slide and challenging access, and the other cluster includes a staircase and smaller slide which is perfect for juniors.

For those of you who love to swing, this playground has so many fun swinging options. The Gyro Swing is a multidirectional single point suspended nest swing, and the Dancing Snake could be a swing or a spinner because it does both! The Timba Swing is your classic swing with two separate seats.

Our first Sand Digger features in Sanctuary playground, surrounded by a giant sand pit. The digger rotates 360 degrees and is designed for little users. It will keep kids occupied for hours and is perfect for building arm muscles and hand-eye coordination.

The playground also includes the Wobbly Wood Bamboo Hut, a delightful playhouse perfect for role-playing and crawling for younger ones. It features two different ascents and numerous play elements, enhancing kids' gross motor skills and creativity under one cute roof.

An irrigated Kick and Play space ensures that there is not only a great playground to explore, but space to kick a footy, do cartwheels, fly a kite, or run. Scattered throughout the space is fun park furniture including picnic tables, bench seating, concrete ottomans, curved benches, a drinking fountain (and one for the dogs!) and shelters.

The hard scaping works all tie into the soft scapes with masses of grasses and a mix of natives and exotics. A beautiful oak tree positioned in the centre of a round stoned area with seating will become a real feature over the years as the tree grows to full maturity. There is a boardwalk out to the wetlands and a family of swans have already taken up residency.

PROPERTY UPDATE

It was hard to decide on a topic when I sat down to write for this edition. There's so much media commentary around at the moment surrounding the rental market, especially around increased rents, vacancy rates and the possibility of a rent freeze. Where to start?

A recent article in Smart Property Investment highlighted six ways to tackle the roadblocks to Australia's housing problem. I feel as though this article has some great points to consider – have a read and see what you think!

Rather than fixating on rent caps and freezes, a new report advocates for a "comprehensive approach" that targets the root causes behind the current headwinds faced by the rental market.

A recent publication released by the LJ Hooker Group unpacked the current state of Australia's rental market, depicting it as a landscape grappling with a "range of challenges" and, more significantly, plagued by an unhealthy imbalance between demand and supply.

"Surging rental demand, from demographic and population changes, and limited availability of new and existing properties, has seen vacancy rates fall and rents significantly increase," the report read.

On the demand side, the report elaborated the country has undergone notable fluctuations since the start of 2020, primarily driven by two key factors: overseas migration and evolving household dynamics.

"Initially, as the pandemic took hold, there was a decline in rental demand as young singles and couples moved back home, and non-residents and international students returned to their home countries. However, as time went on, there was a shift in tenant demand, with individuals seeking their own living spaces away from parents or flatmates," it stated.

This trend sparked a demand for compact apartments or spacious houses featuring additional amenities such as backyards and studies – effectively addressing the requirements for isolation and remote work. As a result, it led to a decrease in household sizes.

According to the Reserve Bank of Australia (RBA) report, the decrease in average household size since early 2020 led to the formation of approximately 120,000 new households, which the network's report noted consequently drove up demand in the rental market.

Additionally, the reopening of borders saw a surge in rental property demand, especially in inner-city apartment markets, as international students, skilled workers, and residents returned to fill work shortages.

The report cited data from the Australian Bureau of Statistics (ABS) which showed Australia's population grew by 1.9 per cent or 496,800 people in 2022, the fastest pace since 2008. Over 619,600 overseas arrivals were recorded during the year, significantly higher than the 232,600 departures seen during the period.

Supply-side factors have also played a significant role in shaping current rental market conditions, according to the report.

During the initial stages of the pandemic, the report highlighted economic and regulatory uncertainties that led investors to offload properties, particularly in holiday markets. And although the subsequent market upswing aided in the recovery of some properties, it noted overall rental stock did not fully return to pre-pandemic levels.

The report pointed out that higher interest rates have also created financial cost pressures, dissuading investors from entering the market at the same pace as tenant demand, despite attractive rental yields available.

But the supply-side issues faced by the rental market are not seen to go away any time soon, as indicated by the reports bleak outlook for new housing supply.

"The number of new dwellings being approved continues to decline and high construction costs, a shortage of skilled tradespeople, and increased financing costs have put pressure on developers' and builders' margins, leading to a slowdown in construction times and insolvencies," the report stated.

And while there is a "silver lining" emerging as evidence suggests investors are starting to re-enter the market for rental properties, the report noted low sales listings (down -15 per cent compared to last year) and higher interest rates (currently at 4.1 per cent) hinder significant improvements in vacancy rates and rental growth in the short term.

This tug of war between supply and demand, with rental stock on the losing side, has led to rental prices across capital cities and regional markets to rise, according to the report, with capital cities seeing higher growth rates compared to regional areas.

Citing data from CoreLogic, the report noted rental prices have surged by 9.9 per cent in the past year, with capital cities experiencing a growth rate of 11.7 per cent compared to 5.4 per cent in regional markets.

Vacancy rates have mirrored the demand and supply dynamics, with rates peaking during the pandemic-induced lockdowns and subsequently falling.

Looking ahead, the report expects the rental market to continue experiencing strong rental price growth due to slow new home construction and solid population growth. The report enumerated six strategies that should be enacted now to to achieve a "balanced" rental market:

1. Government funding and construction.
One strategy the report recommended is governments directly financing or building homes to ensure a steady supply of housing, especially during market downturns.

2. Increasing availability of affordable housing.
Increasing the supply of social, community, and affordable housing, particularly in the less affordable inner-city areas and rapidly growing regional markets, is one way to tackle the rental crisis, according to the report.

3. Aligning incentives with population growth.
According to the report, planning and development incentives should be aligned with population growth, focusing on areas with high demand for labor and low rental vacancies.

4. Encourage long-term leases.
Incentivising long-term leases can provide security and stability for tenants, according to the report.

5. Boost Build-to-Rent incentives.
Increased incentives for large-scale builders and institutions to construct rental properties for long-term renting will increase the availability of rental accommodations and provide more options for long-term rentals.

6. Balance short-term accommodation and long-term housing.
Finding a balance between short-term accommodations for tourists and permanent long-term housing is crucial, the report stated, as this ensures affordability and adequate vacancy rates for the local population.

For any enquiries related to Property Management,
email kym@integragroup.com.au or call 0412 715 922.

A BEGINNER'S GUIDE TO PROPERTY DEPRECIATION

Story by BMT Tax Depreciation

Property investors are entitled to several taxation benefits however many fail to take full advantage of the depreciation deductions available to them.

While most investors are aware of claims for expenses such as interest on their loans, council rates, property management fees and repairs and maintenance costs, depreciation is a hidden factor often not considered.

To help you better understand property depreciation, here are the answers to some of the most frequently asked questions.

What is property depreciation?
As a building gets older, its structure and the assets contained within it wear out – they depreciate. The Australian Taxation Office (ATO) allows owners of income producing properties to claim this depreciation as a tax deduction.

What can you claim?
Depreciation deductions are split into two distinct categories:

- Division 43 capital works allowance
- Division 40 plant and equipment depreciation

The capital works allowance relates to claims for the wear and tear that occurs to the structure of the property and any fixed items. Capital works includes items like the roof, walls, doors, kitchen cupboards, bathroom tubs and toilet bowls.

Generally, any residential building where construction commenced after the 15 September 1987 will entitle its owner to capital works deductions. These deductions can be claimed at a rate of 2.5 per cent per year for up to forty years.

Plant and equipment depreciation can be claimed for the easily removable fixtures and fittings found within the property. There are more than 6,000 different depreciable assets recognised by the ATO, including items like carpet, blinds, air conditioners, hot water systems, smoke alarms and ceiling fans. Each plant and equipment asset are assigned an individual effective life and depreciation rate.

Under current legislation, owners of second-hand residential properties who exchanged contracts after 9 May 2017 cannot claim deductions for previously used plant or equipment assets. Investors who purchase brand-new residential and substantially renovated properties, commercial real estate or add new plant and equipment assets to a second-hand residential property can still claim substantial depreciation deductions.

How will claiming depreciation help an investor?
As the owner of a residential investment property, claiming depreciation deductions can make a big difference to your cash flow. During FY 2021/22, BMT Tax Depreciation found residential clients an average first year claim of almost $10,000. A BMT Tax Depreciation Schedule covers all deductions available over the lifetime of a property to ensure you maximise your cash flow and is 100 per cent tax deductible.

What is involved in completing a tax depreciation schedule?
BMT Tax Depreciation start by collecting the basic information needed to prepare the schedule. This includes simple details like the name you would like to appear on your depreciation schedule, the property address, purchase information and your property manager and accountant details.

Then, a property inspection is conducted. To make this as easy as possible, BMT can contact your property manager or tenant directly to arrange access to the property. A property inspector will count, measure and photograph all depreciable assets such as the flooring, light fittings, tapware and other items. All the depreciable assets found within your property will be recorded during the inspection and reported back to your local office.

From there, the depreciation and specialist tax team will review the information gathered and prepare your tax depreciation schedule. BMT can even forward your schedule to your accountant directly, saving you time.

Property investors who would like a quote on the deductions available in an income producing property can **Request a quote or contact one of the expert staff at BMT on 1300 728 726.**

HOW TO CHOSE THE BEST PROPERTY MANAGER

Story by Richard Wakelin, Australian Financial Review

The rental market continues to run hot, with surging migration and diminishing supply pushing the national vacancy rate to record lows, hovering about 1 per cent.

This has created a landlords' market, with annual rental growth rising more than 10 per cent over the 12 months to March, according to CoreLogic – equivalent to a rental increase of $52 a week, or $2727 a year.

However, rental providers shouldn't delude themselves. Finding and retaining reliable tenants on premium rents remains a challenge. Maximising an investment property's rental income, while balancing its capital growth considerations, requires the skills and experience of an expert property manager.

So, how do you choose the right property manager, as well as effectively judge their performance?

Top-performing property managers are dynamic – combining people skills, commercial acumen and operational know-how with technical and market knowledge. Experience and expertise is key but, as with most services, you get what you pay for.

Resist the temptation to go for the cheapest quote. You may face an initial price premium but you're likely to get better quality, happier tenants, lower tenant turnover and higher occupancy rates, lower maintenance costs and higher income.

If you've just bought the property, don't fall into the trap of simply going with the selling agent's recommended property manager. Sales and property management are distinctly different services and need to be treated as such.

Be wary of managers simply using the role as a stepping stone into sales. While property management has evolved into its own profession, in the past it tended to be seen as an apprenticeship for real estate agents. Ensure your property manager comes to the role with vocational passion and career industry knowledge.

Use your established networks for recommendations and referrals to identify top-performing property managers in your area. Probe further to understand their skills, weaknesses and ultimate suitability for the job of managing your property.

Ask questions that directly relate to their previous experience and allow them to articulate how this will benefit the management of your property.

While not an exhaustive list, some key questions include:

- What comparable properties have they leased recently?
- How long were each of those properties on the market before they rented?
- How long have they been in the property management industry?

- Does the agency conduct regular rent reviews to ensure clients receive the best rental return from their investment?
- How many other properties do they personally look after?
- Do they undertake regular training and stay up to date with legislation?

Once you've chosen a property manager, it's vital you monitor and manage their performance.

They need to be accessible and accountable. That means returning your phone calls and following up on requests, as well as responding to tenant concerns and issues speedily and sensitively – and keeping you informed and involved with any major decisions.

Be on the lookout for shifting allegiances. Property managers can sometimes take the path of least resistance and advocate for renter requests at the expense of the rental provider, particularly if it quells demanding and persistent tenants.

Property managers must be proactive and spot opportunities to increase their clients' revenue with prudent rental increases when market conditions permit, and offer advice about how this might be achieved.

That said, owners must be willing to listen and, if need be, act on the expert advice. An upgrade to the kitchen or bathroom may seem an expensive outlay, but outdated, untenanted rental properties typically cost a lot more over the longer term.

A good property manager will be across evolving market expectations and legislation to ensure the rental is always up to standard and in demand.

Remember, although the rental market is tilted in favour of landlords, the market always moves in cycles. Investing in an excellent manager will help ensure your investment continues to perform throughout the peaks and valleys ahead.

Richard Wakelin is a founder of buyers' agent Wakelin Property Advisory.

PARENTING CENTRE UPDATE

The new Early Parenting Centre in Lucas is taking shape on Fawcett Road. The walls and roof of the centre have been constructed and it is expected to be completed by November this year.

The Victorian Government is building eight new early parenting centres across the state, with the Ballarat centre located in Lucas, just off Dyson Drive.

The facility will provide specialist support around sleep and settling, child behaviour, and parent and child health and wellbeing, for families with children up to the age of four.

The centre will help to:

- strengthen parenting capacity and skills
- enhance parent-child relationships
- increase parental confidence in responding to their infant's/toddler's needs
- build on their family's link with their community

It will provide 24-hour multi-day intensive residential programs, as well as day programs and group-based programs for families.

With our Alfredton and Lucas communities rapidly expanding, the centre is coming at the perfect time to cater for growing families.