

Rent or Buy?

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Investors,

I have written previously about the rent versus buy decision (see April 2007 newsletter).

The base arguments both for and against still apply, however we now have available some research data that can assist you from a financial view.

RP Data is a property research house providing property data to all and sundry for a cost depending on the type or reports wanted. They recently released a report of suburbs Australia wide that should be very useful for both people considering buying your own home (or continuing to rent) and investors looking to see where rent returns make sense to help build their own property portfolios.

A listing of 5,200 odd suburbs Australia wide is a lot of data not easily obtainable by other means. For most suburbs it has a listing for both House and Unit median prices and rents as well as the comparison to mortgage repayments. While the mortgage repayments are based on broad assumptions, by all means give me a call to analyse your own particular circumstances in a similar manner. They use median prices and do not distinguish between a 2 bedroom house or a 4 bedroom house, so further research is required before making a final decision but it provides sufficient information to start to identify suburbs to consider for further investigation.

There are very few suburbs in Melbourne where it is cheaper to own than rent due to the relatively low rental yields as compared to other capital cities, particularly Sydney, Brisbane and Adelaide.

Here is the link for the summary report and the spreadsheet. This will take you to the RP Data page where you will need to fill in your e-mail address and they will e-mail the report and spreadsheet to you. There is a tick box if you want an Aussie Home Loans broker to contact you as well but obviously I would prefer that you get back in contact with me to see how I can assist you in your search and decision making.

www.rpdata.com/buyorrent

Tim Lawless provides some commentary and tips on the use of the spreadsheet for those without excel skills.

<http://blog.rpdata.com/2012/08/where-is-it-more-affordable-to-buy-compared-with-renting-some-practical-usage-scenarios/>

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We provide a specialised service for investors wanting to create long term wealth for themselves and their families. We are finance strategists, credit advisers and mortgage brokers, helping you achieve your goals. Give us a call when you think it's time to consider your options.

As well as providing a service to investors, we will assist you in purchasing as an owner-occupier, or upgrading to a new property, or simply looking at better pricing or structuring options for your current loans and banking or assisting seniors looking at possible reverse mortgage options.

Our business is built on referrals provided by clients, so please don't keep us a secret, feel free to forward this e-mail to family and friends interested in their own financial future. Give us a call and book an appointment to see if it makes sense for you.

If you have any questions about any of these topics, give me a call.