

Community titles schemes on the rise

THE notion of having a body corporate to manage issues of necessary and mutual interest for all owners is widely accepted for freehold apartment developments. Yet, it is a foreign concept to many people when it comes to land subdivisions.

According to PRDnationwide Townsville, community titles schemes incorporating land subdivisions are becoming more common across the country.

PRDnationwide Townsville research manager Dean Dederer said the trend was increasing and would become more prevalent in the Townsville market in the future.

"The use of community title allows the developer to create a true community by packaging a complete range of facilities and attributes along with a flexible governance system that enables residents to make decisions about important issues that impact upon their land and common property," Mr Dederer said.

According to community management company SSKB, the components of community title are freehold land, common property and a body corporate.

"The formation of a community titles scheme of a land development therefore means that a body corporate is created, just like in a unit development.

"There are many benefits for residents living under a community titles scheme including greater amenity from the residential



SET UP . . . Couran Cove on South Stradbroke Island is one community that has embraced the concept of community titles

environment, security, protection of housing values, a sense of community and potential for higher quality and cheaper services including electricity and high speed broadband.

"In some instances the body corporate can purchase electricity in bulk and manage the distribution to the residential consumers, resulting in significant savings.

"Basically, community title is 'soft infrastructure' that complements the

'hard infrastructure' built by developers.

"As the governance runs with the land, community title is a system that continues in perpetuity even after the development company's involvement is complete.

"It therefore continues the legacy of a high standard community that the developer planned and constructed, well into the future and well after the developer has exited the project."

Some examples of communities that have embraced this governance mechanism include Casuarina Beach in northern NSW, Pacific Harbour at Bribie Island, Coomera Waters on the Gold Coast and Couran Cove on the Gold Coast.

According to Mr Dederer, community management that meets the need of its residents, whether by community title or some type of hybrid system, value adds to that community.



"Rather than leaving some important issues such as asset maintenance up to the local council to worry about, residents can maintain and operate the infrastructure to the level desired by the community," he said. "This is a win for the community and a win for the local council."

Demand tightens for rental properties

A NEW report has delivered some good news for investors who are looking to jump into Townsville's housing market.

Herron Todd White's *Townsville in Focus* report for September showed that vacancy rates for houses tightened by nearly 2 per cent from May to July, ending a run of softening rental demand.

However, it was a contrasting result for units with vacancy rates rising to 6.8 per cent in July.

RE/MAX Excellence real estate agents Rohan Banning and Lyn Griffiths said the result was promising for investors looking to jump into the established home market.

Mr Banning said an increase of young people buying first homes could have contributed to the temporary drop in demand for rental units.

"Well priced established houses close to Townsville city and central suburbs will always be in demand from buyers and sellers due to supply restrictions," Mr Banning said.

"Apart from unit development and a few new estates, there will be hardly any increase in supply within 10km of the city.

"In the current market where house prices are competitive and interest rates are at 49-year lows, we are seeing a lot more investor activity

which is a promising sign that confidence is returning."

The Herron Todd White report showed median rents for houses dropped \$10 per week in the past six months to \$338, while unit returns were down \$20 to \$277 per week.

It said median rents experienced downward pressure as a result of tenants' affordability concerns and increasing vacancy factors in the unit sector.

Despite the slight dip, median rents for Townsville houses are still up \$70 per week from mid 2006 and have only just come off a market peak.

Ms Griffiths said more people had been motivated to buy instead of rent over the past six months, a trend that was reflected in sales volumes.

"The research shows sales volumes are now back at the levels being achieved in early 2007 with about 320 every month," Ms Griffith said. "There have been many incentives for people to buy property this year, but when those incentives are taken away we can expect a more normal rate of demand from renters.

"In addition, there is not enough new housing being built to meet population growth which suggests that the pressure on available rental properties will return sooner rather than later."



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