

# Top tips for first-time property investors

**Planning, research and good management will help you to enjoy your investment**

## The purchase of your first investment property marks an exciting new financial phase in your life.

It may also cause some butterflies as you venture into this unfamiliar territory.

As with any first-term venture you may well encounter some problems but here are some tips that should help you to avoid, or at least reduce, some of the issues associated with being a landlord.



### Screen tenants

Check their details carefully and contact their references and former property managers. It takes time but it helps to ensure your property is in good hands.



### Watch the money

Don't let tenants get behind with payments or you'll set an unfortunate precedent and find yourself out of pocket. If payments are late take immediate action to show you mean business.



### Insure yourself

A landlord insurance policy can cover you against potentially expensive payouts and loss of rental income. Among its benefits is the protection it can provide if tenants damage your property.



### Do your sums

Rental income yields are below home loan interest rates, so make sure you can cover the interest cost differential. Other expenses could include council, land and water rates.



### Plan for a rainy day

As well as planning financially for the expected, you need to anticipate and provide for the unexpected, such as an unplanned vacancy or a sudden interest rate rise.



### Put things right

Failure to attend to maintenance issues could prove a legal liability risk for you if tenants are injured. Have repairs done as quickly as possible, and keep an eye on general maintenance.



### Keep your distance

Resist any temptation to become your tenant's new best friend; otherwise it could be difficult to take action if issues arise. This is a business relationship and should stay that way.



### Inspect regularly

A minor maintenance problem now could become a costly repair job in the future. Regular inspections by you or your property manager can save a lot of time and trouble.



### Don't be greedy

If you try to squeeze every last dollar of rental income from your tenants, you might lose them. This could result in a vacancy that can be more expensive than taking less in rent.



### Consider delegating

Many people owning investment properties don't want to manage them. For a small percentage of the rental come it's worth appointing a property manager with time and expertise to look after your investment.

## Is your INVESTMENT PROPERTY receiving a premium service?

Owning an investment property should be rewarding and therefore choosing the right Property Management Team is a big decision. Oz Combined Realty believe that maximising their client's investment returns with minimum hassle is vital.



Call Us Today, Great Results Can Happen

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# PROPERTY NEWS

*Ideas to help you when you're Buying or Selling*

# EXCEPTIONAL SERVICE GETS THE RIGHT PRICE



For full details **SEE PAGE 3**

**“Bill Jennings proved to be an exceptional agent acting on our behalf in the sale of our property,”**

Owner, 197 Walmer Avenue, Sanctuary Point.

## In this issue of Property News:

- NSW Stamp Duty Cuts
- Patience & skill find the perfect buyer
- Top Tips for first time property investors

HUSKISSON & SANCTUARY POINT



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## LETTER FROM THE PRINCIPAL

Dear readers,

In this month's newsletter we feature a recent sale in Sanctuary Point. The owners had a specific price in mind for their home and Bill Jennings from Oz Combined went the extra mile to ensure their goal was met.

Recently the NSW Government has put in place some incentives for first home buyers. In this issue we discuss those changes and the potential impacts on the market.

Finally we have some top tips for first time Property Investors. There are quite a few things to consider so it is worth a read.

Please remember if you are looking to buy or sell a property, for either an investment or a home, contact us today.

Kind regards,

**Greg Walsh**  
Principal



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# Stamp duty cuts a win for first home buyers

**The axing of stamp duty for first home buyers is set to boost demand for established housing and flow on to vendors in higher sale prices.**

From July 1, 2017, the NSW Government will abolish stamp duty on all residential homes up to \$650,000 and give duty relief on homes up to \$800,000.

The cuts, combined with the scrapping of insurance duty on lenders' mortgage insurance, represent a saving of \$26,857 on homes up to \$650,000. After this, concessions gradually reduce to \$2896 for properties valued up to \$800,000.

**The NSW Government announced the cuts in a bid to help Aussies struggling with home affordability and level the playing field with foreign investors in the housing market.**

Under the package, first home buyers are exempt from stamp duty on all homes up to \$650,000, with a sliding scale of stamp duty relief for homes up to \$800,000. In addition, they will no longer have to pay the 9% duty charged on lenders' mortgage insurance. The \$10,000 grant when building a home valued up to \$750,000 or buying a newly built residence valued up to \$600,000 remains.

The plan also ensures foreign investors pay higher duties and land taxes, with the surcharges on stamp duty doubling from 4% to 8% and land taxes rising from 0.75% to 2%. Property investors cannot defer paying stamp duty on off-the-plan purchases.

What is the impact? It means more

first home buyers entering the market and possibly with more cash to spend.

**The Australian Bureau of Statistics shows the number of first home buyers as a percentage of total owner-occupied housing sitting at 13.9% in April 2017, a slight increase from 13.5% in March. These numbers would be expected to rise dramatically after July 1.**

The new financial incentives are also likely to boost demand for properties with a price tag under \$650,000.

To put this into context, 45.4% of residential properties sold in NSW over the past year were \$650,000 or less and 58% were under \$800,000.

For Sydney, where first home buying has been low for many years, the measures bring the city's higher housing cost within reach.

The great thing for regional first home buyers is that they're benefitting from affordability measures aimed at city buyers. Median home prices in regional NSW are well under the cap.

On the flipside, owners could expect to benefit from more buyers in the marketplace.

**Not only are the odds increased for selling homes in shorter times, it could be argued that stamp duty cuts will ultimately raise property prices due to higher competition.**

The research firm Corelogic stated it was "widely accepted that policies aimed at stimulating demand tend to push prices higher".

# Patience and skill finds the perfect buyer

Property consultant **Bill Jennings** has another feather in his cap after going above and beyond to sell the property at **197 Walmer Avenue in Sanctuary Point**.

When a property is put on the market, a quick sale is not always in the best interest of the owner.

When Marie and Jeff Everingham put their much-loved waterfront home with Oz Combined Realty, they knew they didn't want to sell to just anyone.

"The Everinghams styled and maintained their home to a high quality," said Bill. "They had a specific price goal in mind, and that's what we held out for."

The exquisite four-bedroom, two-bathroom home sits on a 1400m<sup>2</sup> block of land overlooking St Georges Basin. Its spacious rooms are classically designed for relaxation and comfort. The ample kitchen is a cook's dream with plenty of storage space and executive appliances.

Outside, a heated swimming pool and tidy gardens offer space for fun and play or unwinding at sunset. There's even a pool room with a kitchenette for ease and comfort for extra guests.

"We had a lot of open house days and countless viewings to this property," said Bill. "I could have sold it a hundred times over for a reduced price but that's not what the owner wanted. They asked me to stay firm with the price and that's what I did."



**Bill Jennings**

The asking price was \$899,000 and although the selling price is undisclosed, Bill said it sold for "within 1%" of the asking price. The Everinghams couldn't be happier.

**"Bill Jennings proved to be an exceptional property consultant acting on our behalf in the sale of our property," they said.**

When an international buyer put in an offer, there was a lot of time-consuming digital dealings as the buyer was not able to travel to Australia to finalise the sale.

"Bill went way beyond the responsibilities normally associated

with a real estate agent, making many contacts with the buyer and his representatives, to bring the sale to a conclusion," said the Everinghams.

"Bill maintained a calm, friendly and professional demeanour throughout and is very knowledgeable in his field.

"We have no hesitation in giving Bill the highest of recommendations."

**Are you looking for the perfect buyer for your home? Let Bill Jennings and the team at Oz Combined Realty find the right buyer for you. Contact our office today at 02 4443 3222 to talk about selling your property.**

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