

PROPERTY NEWS

Ideas to help you when you're Buying or Selling

MARKET BOOMING RECORD PRICES ACHIEVED



Buyers Lining Up To Buy Bay Lifestyle

See page 3 for full details

In this issue of Property News:

- Database Marketing Agents Secret Weapon
- Home Sales At All Time High
- Investments A Way To Home Ownership

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LETTER FROM THE PRINCIPAL

Dear Readers,

Many readers were excited about our revelation last month that rising property values could have given them enough equity in their respective homes to allow them to enter the property market as investors by borrowing against that equity.

Some saw it as an opportunity to buy a rental property while others saw it as a way of helping their children get a start.

Even if that article did not prompt you to start searching for a purchase, it should have prompted you to do one very important thing - look at our current home insurance.

The way values have soared, you could be under-insured by 10% or more.

Kind Regards,

Greg Walsh
Principal



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Does your agency have the contacts?

Do they have a database of potential buyers?

Sometimes properties sell swiftly because they are exceptionally priced and other times they are snapped up because of their prime position.

But how are buyers found when a property has only been on the market for a few hours?

The secret is database marketing.

When a buyer contacts the agent or attends an open home inspection, they are added to the database.

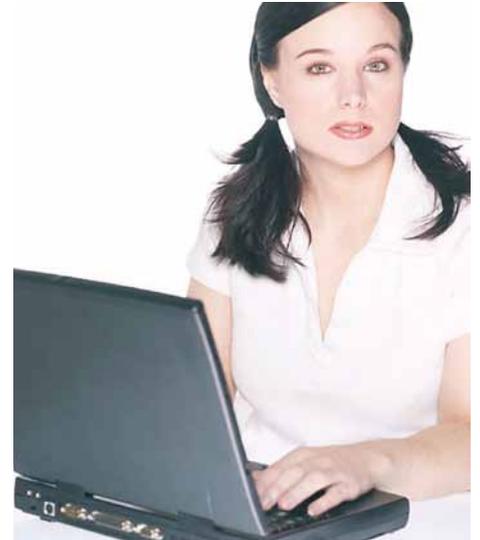
The moment a new listing is received, the database matches the property to prospective buyers.

An inspection with a qualified buyer can be organised immediately and the buyer can make an offer even before the property is advertised.

With the average homeowner purchasing once every seven years, a satisfied customer will return to use the services of the agent that helped them successfully buy a property last time.

The benefits of holding a large database are two fold - the agent can instigate inspections on behalf of the vendor in a very short time frame, often prior to advertising, helping to create competition and the purchaser benefits from the first bite of the cherry, allowing for early assessment of a property.

By using a database method potential buyers can be found quickly and inspections can be organised from day one - using a client database eliminates



the need to implement costly advertising campaigns and allows agents to sell to the right buyer.

It is so important that you appoint a selling agent with an established network of clients. Having sold a property once, if they feel your property will meet the buyer's criteria, a sale can happen extremely quickly.

Successful agents always try to match properties to purchasers before taking them to look at properties on their books. If they don't have a long list of clients the sales process can be extremely slow.

Plus, it is good to have an agent negotiating on your behalf who has already had the experience of selling to the buyer in the past!

REI Gains Pool Owners Certification Reprieve

Laws requiring owners of swimming pools and spas to have a certificate of compliance have been postponed 12 months until April next year.

Pool owners across NSW will now have more time to ensure swimming pools and spas are compliant prior to the sale or lease of their property.

The NSW Office of Local Government has announced that the legislation will now come into effect on 29 April 2015.

Real Estate Institute of New South

Wales CEO, Tim McKibbin, said inadequate numbers of inspectors made the extension of the transition period appropriate.

"Earlier this year we sought a deferral from the minister in order to avoid adverse consequences for the sale and leasing of properties captured by the legislation," Mr McKibbin said.

Buyers Flocking To Coast

SYDNEY'S massive property market explosion will continue to have benefits for the Jervis Bay area, according to Oz Combined Realty Principal, Greg Walsh, who says his database is filling with southern buyers.

"Mums and dads have literally become overnight millionaires in that market and are now looking south for lifestyle in a market where their money will go further," he said.

Greg said he had recently read of an unrestored 1970's home in Blacktown selling for well over a million dollars.

"And that's far from rare. Indeed, sales like this are almost a daily occurrence there at the moment," he said.

"To put our market's appeal into perspective, we recently sold the cover home of this newsletter, 2 Bayswater Street, Vincentia.

"Had that Blacktown vendor subsequently purchased the Vincentia property, he would have stepped into a fresh, comparatively new, four bedroom, open plan home, just 100m from Collingwood Beach, and he still would have had a significant sum in the bank.

The Bayswater Street home on a 670m² block featured four bedrooms, a large parents' retreat, two renovated bathrooms, a new kitchen and new double garage.

Agent Robert Zuzic said more than 20 groups had inspected the home which was snapped up quickly.

"Everyone of those potential buyers is a red hot prospect on our database and

Agents Fear Property Shortage



regardless of whether or not the Sydney property market cools, demands will stay strong locally for some time to come.

"What will most likely happen next in Sydney is that the unit market, which has been comparatively slow compared to housing, will start to pick up, but even that will boost our market when down-sizers who have cashed up after selling their Sydney homes realise they can buy a house here for less than a unit in Sydney," Greg said.

The figures certainly seem to back Greg's claims.

Combined capital city house values increased by 9.9% in 2013 compared to a 9.0% increase in unit values yet units have traditionally recorded similar annual rates of growth over the past five years, meaning there will be a catch-up phase.

Examining the median selling prices of houses and units in the final quarter of 2013 shows unit prices in Sydney typically \$218,000 lower.

"But even at that, our Blacktown vendor would still have been financially better off buying here, no to mention how much better off he would have been in terms of lifestyle.

"The figures certainly back up our predictions and point to the fact that anyone even vaguely considering selling should be contacting us sooner rather than later," he said.

our biggest problem is finding homes for them to buy," Robert said.

The property shortage is not restricted to the south coast.

Industry analysts, RPData, say that despite record listings nationally during February, supply is simply not keeping up with demand.

In Sydney, for instance, RPData is expecting new listings to track at around 7500 per month. However, the run rate of sales across Sydney is tracking at about 8860 per month leading the firm to predict supply levels will remain tight across that market.

Greg Walsh is convinced that

Sell

with



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PROPERTY INVESTING

What's in it for you?

Investing in property is still considered one of the most solid forms of investment. While there are always dips and plateaus in real estate, history shows that property usually increases in value.

Shrewd investment in property has many advantages. Property can be less volatile than investing in shares, although this is not always the case. However, overall real estate seems to be regarded as a sure thing when other assets are declining in value.

Some of the biggest benefits of investing in property besides the fact that it is an investment you can actually see and touch, include potential capital growth, the ongoing rental return and the tax benefits.

A property's capital growth can deliver big rewards in the long term. Property investors have been known to make money in a short space of time.

However, it is important for investors not to over-extend themselves and be forced to sell at a loss.

As with any type of investment, there are no guarantees. Real estate values fluctuate and sometimes finding the right tenants who pay on time and take care of the property, can be difficult.

So when you decide to invest in property, it is important to do the math carefully and check and re-check the figures to make sure you are making the right moves.

LOAN REPAYMENTS If you have high loan repayments, you may not see much return or even record a loss during the first few years. But for savvy investors this is not a problem as they can rely on the short term losses being exceeded by the long term gains or they can depend on the tax relief associated with negative gearing.

NEGATIVE GEARING Negative gearing is when the annual cost of your investment is more than your return and the government will offer you tax breaks. For more information on negative gearing, seek professional advice.

INTEREST REPAYMENTS Investors need to be switched on when it comes to the interest rate environment and how higher rates might affect their expected net return and the market for their property if they decided to sell. If you get a variable loan, you need to factor in the possibility of higher repayments if rates go up.

COUNCIL RATES AND STRATA FEES It is important to know what these fees are and factor them into your budget. These fees are usually charged per quarter but if you are investing in an apartment, you may need to do a strata search to find out if there are any additional levies that you need to allow for.

PROPERTY REPAIRS If your investment property is a house, you will have to foot the bill for building repairs but if it's a unit in a strata block you will be responsible for repairing everything from fixtures to appliances included within the flat.

MANAGEMENT FEES It is important to employ an experienced property management team to handle the tenancy of your investment property. You will be required to pay this agent a percentage of the rental income, so add this to the budget. You may be tempted to cut costs and manage the property yourself, but in the long run employing a professional property manager is worth the extra expense.

INSURANCE COSTS When you buy a house as a rental property you will need to pay building insurance and it is also a good idea to get landlords insurance to cover damage caused by the tenant, your legal liability if your tenant injures themselves and loss of rental income if your property becomes vacant.

Although there are plenty of things to plan out and think about when you decide to invest in property, mapping out your strategy will ensure it continues to blossom into a profitable venture.

Oz Combined Realty look after your property as if it were their own!



If you would like to rent your property without the fuss then call our property management team of experts and rest easy!

We Get Results!



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