

PROPERTY NEWS

Ideas to help you when you're Buying or Selling

Winter's A Great Time To Sell



With fewer competing properties but just as many buyers, Winter is proving it's a great time to sell.
SEE STORY P.3

In this issue of Property News:

- **Inspection Reports**
- **Winter Sales Strong**
- **Tax Valuatun Time**

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LETTER FROM THE PRINCIPAL

Dear Readers,

Properties sell all year round. The trick is to take advantage of the seasons.

In the cooler months there is nothing more inviting than a warm, cosy home. It quite simply leaves a strong and lasting impression.

Apart from warmth, you need to consider your lights - how they are positioned and the effect that they create.

A day or two before an open house, endeavour to open it up and air it out. Heating can make a closed house a bit dank and because you are in it all of the time you may not notice it.

If you need specific advice on the presentation of your home, do not hesitate to ask our staff.

Kind Regards,

Greg Walsh
Principal



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Property Inspection Reports



How valuable are they?

In this article we dig deeper to find out why a pre-purchase inspection report is so important to obtain before you jump into buying a property.

But first, what is a pre-purchase property inspection report?

This particular building inspection report is one that needs to be conducted before you buy a property, by a qualified consultant.

The property will be inspected thoroughly and a report will be completed on the condition of the property before the sale.

This report is extremely important as it will tell you about any significant building defects or problems such as dampness, cracking in the walls, safety hazards or faults in the roof.

Inspections should be done before the exchange of contracts, so that you can identify any potential problems and negotiate the final selling price if costly repairs are needed.



Don't confuse a building inspection report with a pest inspection report - a building inspection report should identify any visual damage that may have been caused by termites but it won't determine the existence of termites.

This is why it is also recommended to acquire a separate pest inspection report before you buy a property.

There are 3 main reasons why you should get a building inspection report before plunging into the purchasing process:

- you will know in advance what the problems are;
- you can use the information to try and negotiate a lower price for the property i.e. you may have to pay to repair some of the problems;
- you can get specialist advice about any major problems and how they will affect the property over time;

Why should you get an inspection report done before you buy a property?

The building inspection report is valuable as you learn about the property before you purchase.

This inspection is carried out specifically for the information of the home buyer and its sole purpose is to provide an expert's opinion on the condition of the property.

It is not intended to be used as a certificate of compliance for any law, warranty or insurance policy against future problems, and it is not to be used to estimate the costs of fixing any of the problems identified.

If you want the consultant to estimate the costs of necessary work you will need a 'special-purpose' property report and any law-related matters concern a conveyancer or a solicitor.

Sellers Reaping Winter Rewards



Record low interest rates and unrelenting buyer demand are putting real heat into Winter sales with sellers discovering that fewer homes in the market means less competition and higher prices.

OzCombined Realty Principal, Greg Walsh, said anyone who has been holding off on the sale of their property until Spring would do well to reconsider their position.

“Recent sales have seen some great prices and with no signs of demand letting up, we see no reason for this not to continue,” he said.

“Throughout summer and autumn there were more buyers than sellers and this situation has been exacerbated in

Winter by sellers holding off.

“As a result there is intensified competition for the properties that are available.”

According to most industry observers, buyers at the moment will not hesitate to dig deep to secure a dream property because the cost of mortgage debt has simply never been lower.

The recent sale of 31 The Wool Lane, St Georges Basin by OzCombined’s Loren Keller underscored the market demand.

The property attracted 17 inspections and four offers.

It sold in just 25 days above the suburb’s median price.

The three bedroom brick and cedar home sits on a 665m² block and was promoted as a great start for a property portfolio. Backing onto a nature reserve, the home has front and rear verandas and well established native gardens. It is only a 300m walk to the Basin, and a short walk to shops and the oval.

Loren Keller said results such as this should be sending a clear message to prospective sellers that the traditional Winter sales downturn is simply not happening.

“We have more buyers than sellers and for sellers looking to achieve a top price quickly, that is a good thing,” Loren said.

Sell with 

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Now's the time to start the ball rolling so that your property report can be completed well in time for the end of the financial year.

Regardless of the type of residential investment property, our people have the expertise to prepare the reports that are essential if you're to keep your money rather than sharing it with the Tax Man.

Depreciation is a cost you claim on your investment property for the general 'wear and tear' of your property.

There are two types of property depreciation allowances available:

Plant and Equipment refers to items within the building like ovens, dishwashers, carpet, light fittings, blinds etc. Each item has its own rate of depreciation.

Building Allowance refers to construction costs of the building itself, such as concrete and brickwork. It only applies to buildings or improvements made after July 18 1985.

Both these costs can be offset against your assessable income.

Plant and Equipment

This can be quite complex. Each item has its own rate of depreciation e.g. blinds could have a rate of 20% for 5 years while ovens could be 10% for 10 years.

Before you even go down the dollars and cents path you need to address the nuts and bolts, enlisting your agent to prepare a report on the items in your property.

The more time you allow for this the better, as the agent will need to organise access and a property inspection with the tenant at a time that suits both parties.

Capital Works Deductions

You may be able to claim a deduction for construction costs over a 25 or 40-year period.

TIME FOR THAT TAX VALUATION

You can claim a deduction if construction began after:

- 17 July 1985 and the property is used for residential accommodation or to produce income
- 21 August 1979, the property is used to provide short-term accommodation for travellers and it meets certain other criteria.

A deduction may also be available for structural improvements made to parts of the property other than the building if work began after 26 February 1992 e.g. driveways, fences.

The deduction does not apply until completion of the construction and is at 2.5% or 4% depending on the date works began

Property Depreciation Calculator

The best way to calculate your property depreciation allowance is to get a Quantity Surveyor to create a schedule for you. This schedule provides you with your allowances for the next 10-20 years so you only need to obtain it once, if no internal or external changes occur.

You can also use a Tax Depreciation Calculator or call us to access potential deductions available to you. The allowances indicated on the calculator are estimations only for properties you are about to purchase. The amount indicated would be an estimation of the amount you can deduct.

Always check with your accountant as to what deductions you are entitled to and how depreciation will affect your investment.



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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