

PROPERTY NEWS

Ideas to help you when you're Buying or Selling



AUCTION MARKETING ATTRACTS HUGE CROWD, SYDNEY BUYERS, 18 BIDDERS

In today's hectic market, some agents may well have merely paid lip service to the task of auctioning a tiny, one bedroom property. But not Ben Collinson. He took up the challenge and turned it into an event with outstanding results, selling it under the hammer for an amazing 47% above reserve price. Full Story P.3

In this issue of Property News:

- Understanding Real Estate Cycles
- Marketing Key To Auction Success
- Buying An Investment Property

HUSKISSON & SANCTUARY POINT



web: www.ozcomrealty.com.au
email: info@ozcomrealty.com.au

LETTER FROM THE PRINCIPAL

Dear Readers,

The decision by the Reserve Bank to cut the cash rate by 25 basis points should take a typical standard variable mortgage rate down to 5.7% and discounted variable rates to 4.85% - the lowest cost of mortgage debt since July 1968.

This will add fuel to an already strong housing market that has seen dwelling values across Australia's capital cities increase by 19.6% since interest rates started falling in November 2011.

While lower consumer confidence might take some buyers out of the market, the low interest rate environment will see self funded retirees enter the investment side looking for a better return for their money.

It's good news for buyers and sellers alike.

Kind Regards,

Greg Walsh
Principal



Shop 4 The Promenade
74 Owen Street

HUSKISSON NSW 2540

phone: (02) 4441 6033

fax: (02) 4441 6264

rentals: (02) 4441 7261

Corner Paradise Beach Road &
Macleans Point Road

SANCTUARY POINT NSW 2540

phone: (02) 4443 3222

fax: (02) 4443 2355

email: info@ozcomrealty.com.au

web: www.ozcomrealty.com.au

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Ph: 02 4954 2100 www.newsletterhouse.com

How to understand property cycles

'Over the long term property values increase'

Understanding property cycles is one of the biggest challenges in real estate. Many novice investors believe that having read a few articles on the subject or done some basic research they know what is involved.

However, property cycles are not as straightforward as some authors would have investors believe. The key to investing in real estate is timing. As any experienced stock market or property investor will tell you, it's all but impossible to pick when a market has peaked or bottomed.

There are always those who will tell you they 'picked the top of the market' or 'got it right when it bottomed'. But, the reality is, it rarely happens. Instead, experienced investors try to pick a trend, whether a market is rising or falling.

For a property investor to accurately pick the trends, they need to know what a property cycle is. Property cycles in Australia generally last between seven to 10 years. They operate within the broader economy and are subject to and influenced by those factors that are impacting on the economy as a whole.

Those factors include interest rates, inflation and employment. And of course that immeasurable factor - market confidence.

It is true that the underlying force driving the property market is a growing population. So, what you see in a rising market is that the demand for housing is on the increase, that there is a shortage



of both rental accommodation and established and new housing.

According to the standard texts on property markets, the rules of supply and demand then come into play and investors and property developers step in to meet the demand by buying and building more homes.

The reality is that other factors such as interest rates are the real arbitrators of whether or not that new investment takes place. What we are seeing at the moment is a classic example of a real estate market that is extremely hot on the back of low interest rates.

Providing the interest rates remain low the market should continue to rise. Currently Australians are enjoying record low interest rates and there is no sign of a rise on the horizon.



As with any financial exercise, the decision whether to invest in property or just to upgrade the family home is not one to be taken lightly. You should consult your financial adviser to ensure that you are in the right position to benefit from the market.

100 Strong Crowd Watches 18 Bidders Fight For One Bedroom Property



When Ben Collinson was chosen to sell 16 Sheeran Street, Old Erowal Bay by auction he knew that success would be dependent on a marketing campaign designed to capture the attention of first home buyers and investors alike.

“At the end of the day it was a simple, one bedroom property. But to me it screamed potential, potential, potential, especially as it was on a 696 sq.m. block,” Ben said.

“Right now, with interest rates at an all time record low, this is exactly the entry level investment that a lot of potential buyers are looking for and my job was to excite those buyers.”

“Our aim was to attract both types of buyers, creating the competition necessary to drive up the price for the vendor.”

Ben and the OzCombined team turned the auction into an event, with outstanding results - attracting a crowd of more than 100 people and 18 registered bidders, comprising eight from Sydney and 10 locals.

Centrally located approximately five minutes drive to either the white sand beaches of Jervis Bay or the great fishing in St Georges Basin, the property was fiercely contested, eventually selling for 47% above the reserve price.

Now Ben has only one problem - finding suitable properties for the 17 unsuccessful bidders, all of whom have been added to the OzCombined buyer database.

Sell with **Oz**

OzCombined Realty

Huskisson - 4/74 Owen Street

Sanctuary Pt - 114 Macleans Pt Rd

4443 3222

www.ozcomrealty.com.au

info@ozcomrealty.com.au

Achieving a good return on your rental property?

7 steps to improving on your investment

You have worked hard to have your own investment property, but how do you increase your return on your investment while maintaining a happy relationship with a valued tenant?

In this article we are going to briefly suggest steps that will help you get the most out of your investment property.

We strongly suggest that before acting upon the information provided in this article, you speak with one of our property managers as well as seeking guidance from your accountant or financial adviser.

Please call any of our property managers at any time for further clarification.

1. Increasing the rent

Depending on how long it has been since you last raised the rent, if market conditions have changed in your favour, it may be worth while having one of our property managers reassess the amount of rent you charge your tenants. But in saying that, be careful – you don't want to raise the rent to the point that you finish up with a reliable tenant looking for somewhere else to rent.

2. Add a fresh coat of paint

Like many of us, our surroundings can make us feel good or bad about the place we live in.

For the sake of a quick paint job you

can save yourself the hassle of having to find a new tenant, because your old tenant found themselves a more attractive property to rent.

Like most things in life, it's the little touches that often make the most difference.

3. New carpets and floor coverings

Its amazing the number of times a prospective tenant has been turned off from renting a property as soon as they see that the carpet is worn out.

New carpet is considered a depreciable plant, but remember to choose a neutral colour that will match most furnishings.

4. Outside appearance is just as important in creating a good first impression

A clean and tidy entrance way, a tidy garden, and a mowed lawn are just as important in creating a good first impression as a new coat of paint inside your property.

5. Fix up broken things

One couple looking at renting a large apartment which offered among other things a spa bath, immediately changed their positive thoughts about the apartment when they found out the spa bath hadn't worked for the last six months. If you advertise extras like a spa bath - they must work.



6. Maximise your tax deductions

With the tax laws changing on a yearly basis, it is worthwhile speaking to a tax specialist who deals with property investment. Plus, you can speak with our property managers who can give you the benefit of their understanding.

7. Common deductions you can claim immediately:

- advertising for tenants
- bank charges
- body corporate fees
- cost of repairs
- cleaning expenses
- council rates
- land tax
- insurance
- legal charges

As with any investment, each persons circumstances can demand a different approach. Which is why our team of highly trained property specialists are available to assist you on a regular basis to help you get the best return on your investment property. Please phone us today if you would like some help!

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!



(02) 4441 7261 HUSKISSON
(02) 4443 3222 SANCTUARY POINT