

PROPERTY NEWS

Ideas to help you when you're Buying or Selling

Exclusive listing brings Vincentia sales results

How did Oz Combined Realty manage to sell this property in Vincentia despite a slow market?



In this Issue of Property News:

- What is a property inspection report?
- Valencia property owners ecstatic with sales result!
- Tax tips for property investors

HUSKISSON & SANCTUARY POINT



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A letter from the Editor

Dear Readers,

We at Oz Combined Realty are proud to bring you this exciting edition of *Property News*.

Over the past few months we have been working very hard to deliver outstanding results for our clients and in this edition we decided to share one of these remarkable stories.

Learning from others' experiences is the best way to make the right decision when it is your turn to buy or sell and this is why this informative publication is so useful.

As we can only cover a limited amount of detail in our newsletter, we would be delighted to assist you with any of your real estate inquiries.

Yours faithfully,

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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 should 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 a 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.

Buyer and seller both thrilled with sales result

The advice from Oz Combined Realty is to choose your agent carefully to ensure success.

In a crowded marketplace, how do you go about selecting an agent that will achieve the best result when you decide to sell your property?

Some people advise you to choose a local agent.

After all, they are more likely to understand the current market conditions in your area and be able to advise you on the correct sales approach than an agent from another suburb or town.

But what if there are several agents in your area?

How do you choose the one who is likely to sell your property quickly and for a good price?



In this profile, we reveal how the owners of a Vincentia property decided to list their home for sale.

The owners of the Frederick Street, Vincentia home listed the property with a few agents over the period that it was on the market.

They were concerned that their property was taking too long to sell.

Listening to the advice of a friend's previous experience in the property market, the owners decided to give Robert Zuzic from Oz Combined Realty a go.

They were thrilled when their home was sold within 2 months of being relisted.

The recommendation for Oz Combined Realty Bay and Basin had come from a previous client of theirs, who had been very satisfied with their service and with the successful outcome of their own property sale.

A personal reference from someone you trust is an excellent way to determine whether an agent will work hard to achieve a great outcome for you.

The owners of the property in Frederick Street, Vincentia were grateful to be able to concentrate on a closer working relationship with the team at Oz Combined Realty Bay and Basin.

They were very pleased with the marketing campaign devised for them and the level of service they received from Oz Combined Realty Bay and Basin.

Listing and selling agent, Robert Zuzic, found a buyer for the property, which was listed at \$580,000, and negotiated a successful sale.

Both buyer and seller were happy with the result.

**2 LOCATIONS
OPEN 7 DAYS**

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We Get Results!

Common mistakes landlords make at tax time

BEWARE PROPERTY INVESTORS

The Australian Tax Office has warned that it will pay particular attention to investors and rental properties when assessing tax returns for the financial year that has just finished.

Despite mortgage pressure and economic upheaval, property is still an inviting investment option. But tax is often a misunderstood obligation. There have been a number of common mistakes identified in the income tax returns of rental property owners:

CONSTRUCTION COSTS

Common mistakes include: claiming the cost of the land component as part of the cost of constructing the rental property; and claiming construction costs as a decline in value of depreciating assets deduction instead of a capital works deduction.

INITIAL REPAIRS AND CAPITAL IMPROVEMENTS

A common mistake is to claim initial repairs or capital improvements as immediate deductions. Initial repairs to rectify damage, defects or deterioration that existed at the time of purchasing a property are capital expenditure and may be claimed as capital works deductions over either 25 or 40 years, depending on when the repairs were carried out.

INTEREST

A common mistake is to claim a deduction for interest on the private portion of the loan. Taxpayers sometimes use their loan facility for both investing and private purposes – for example, to purchase or renovate a rental property and to buy a motor boat.

LEGAL EXPENSES

A common mistake is to claim a deduction for conveyancing costs. These form part of the cost for capital gains tax purposes.

TRAVEL EXPENSES

A common mistake is to claim a deduction for the cost of travel when the main purpose of the trip is to have a holiday and the inspection of the property is incidental to that.

APPORTIONMENT OF RENTAL EXPENSES

Some common mistakes are: claiming deductions for any expenses relating to your private use of the property; and claiming deductions for a property that is not genuinely available for rent.

DEDUCTIBLE BORROWING EXPENSES

A common mistake is to claim all deductible borrowing expenses in the first year they are incurred.

OWNERSHIP INTERESTS

A common mistake occurs when a property is purchased by a husband and wife (as co-owners) and the income and expenses are not split in line with their legal interest in the property.

KEEP GOOD RECORDS

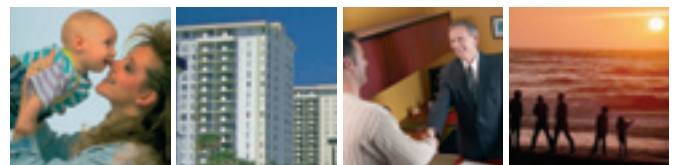
One thing is certain: having a record of your expense is the best defence. So, if you make a claim, keep your records with your tax return. You must keep records of rental income and expenses for five years from the date your income tax return is lodged; and records of ownership and all the costs of acquiring and disposing of your property for five years from the date you dispose of your rental property.

Tax Commissioner Michael D'Ascenzo says the Tax Office takes information from third parties, such as motor registries, and compare it to information reported on tax returns or activity statements to check income is being reported correctly. "It allows us to pick up any discrepancies where reported income doesn't match lifestyle and spending patterns," he explains.

For more information relating to your investment property, check out the Australian Tax Office website at www.ato.com.au.



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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