

PROPERTY NEWS

Ideas to help you when you're Buying or Selling

Jervis Bay in hot demand for holidays



Demand for holiday accommodation goes through the roof

SEE PAGE 3

In this issue of Property News:

- Thinking of getting a mortgage
- Hot holiday accommodation in Jervis Bay
- How to get it right as a new landlord



LETTER FROM THE PRINCIPAL

Dear Readers,

Jervis Bay continues to be a very popular destination for holiday-makers. For more details please see our page 3 story, and remember if you are in search of holidaymakers for your investment property, give us a call today on 4441 6033.

In this newsletter we also take a look at what is involved in getting a mortgage, which can be a daunting task when you are buying your first property. See page 2 for some tips to getting started.

If you are considering buying, or have recently purchased an investment property, have a read of our page 4 article, 'How to get it right as a new landlord'.

Please remember, if you are considering selling your property, contact us to discuss the options available to get the best price possible.

Kind regards,

Greg Walsh

Principal



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Thinking of getting a mortgage?



Buying a property is the biggest purchase most people make, and for many this also means a mortgage.

Taking on a mortgage is a major commitment, often for 25 years or more, so it is important to have the right strategy in place when financing a property.

Whether you are seeking a mortgage for your own home or as an investment property, do your research first: know what you want; and search around as there are lots of mortgage lenders, not just banks, competing in this market.

Before you start shopping for a mortgage, sit down and work out your budget.

Run your own calculations to understand what you can afford. With mortgage rates being between 3.59% and 3.99% for owner-occupied homes and 3.99% to 4.4% for investment properties, most loans average monthly repayments of \$2500.

In addition, there is the 10% down payment to consider.

Generally speaking, a mortgage would account for one-third of your single or combined income.

To get the best mortgage deal, you'll need to be as attractive as possible to lenders. Several factors lenders look at are:

- The size of loan
- How much deposit is saved
- Employment status and income
- Credit history (the lender will want to make sure when you've borrowed money, you've paid it back)
- Expenses and existing debt
- Sometimes lenders seek collateral - the property you use as a security - especially for investors and this would often mean putting your house up as collateral.

To be prepared when applying for a mortgage, be sure to manage your credit and any debts, plus check your existing credit score.

Now it's time to work out the features you need from your loan and what it will

cost in fees. For example, features like flexible repayments and a redraw facility are commonplace. Charges can include a one-off establishment fee, variation and portability fees.

There are plenty of comparison sites that outline mortgage products available from a range of smaller lenders and the big banks that are worth checking out.

For any loan product, beware of the following points.

The lowest interest rate mortgage is not always the best deal because adjustable rates or upfront discounts can affect the stated rate and may not make good financial sense for an individual.

Beware of low repayments. Check that affordability hasn't meant extending the term of the loan, adding upfront closing costs or adjustable rate features that can ultimately add to the cost of the loan.

Don't overlook the total cost, that is the sum of all costs, including interest charges and closing fees, over the life of the mortgage.

Have a repayment strategy in place that can help to pay off the mortgage sooner.

Consider making more frequent payments and keep payment amounts steady so that when interest rates drop there will be extra money coming off the principal.

Or an offset account (a savings account linked to the loan), which enables this balance to be taken off the principal owed, thus reducing the amount of interest charged.

If the mortgage really doesn't suit, an option is refinancing, either by renegotiating the rate with the existing lender or moving to a new lender.

Disclaimer: This article is intended to provide general information only. It should not be considered financial advice. Consult a professional to determine what may be best for your individual needs.

Holiday rentals preparing for an extremely busy Easter

With Easter break just around the corner, and people already making plans for their next getaway.

Beautiful Jervis Bay has fast become a number one holiday destination with more and more people falling in love with the area. As a result, Oz Combined Realty receives constant enquires for holiday accommodation through their website bookjervisbay.com.au. Now with Easter's rapid approach, the agency is preparing for a busy time.

Oz Combined Realty has long gained the reputation for sourcing quality holiday rentals, and now with bookjervisbay.com.au, a fantastic website that is so appealing and easy to navigate – the process is simple and highly successful.

However it's not only through the website that the agency finds enthusiastic holidaymakers. Oz Combined Realty also has an extensive up-to-date database, filled with genuine people who are seeking holiday accommodation.

With no shortage of people wanting to holiday in and around Jervis Bay, the team at Oz Combined Realty is always on the lookout for more and more holiday homes to meet the ever-growing demand. So, if you're thinking of renting out your investment property as a holiday home, now is definitely the time to do it – and Oz Combined Realty is the team to look after you and make it happen.

The Oz Combined Realty team is highly regarded in the Jervis Bay area, renowned for its property expertise and vast local market knowledge. The agency has built



Beautiful view of Jervis Bay

a strong reputation for successful holiday leasing, and they know how to make the most of today's growing crowds. And with bookjervisbay.com.au, the agency has established a straightforward and effective way for people to source accommodation, making their website a popular choice for those wanting to stay in the area.

If you're in search of holidaymakers for your investment property then give Oz Combined Realty a call today. The agency

is always searching for quality holiday homes to manage, as they see first hand the rising popularity of the area during the holiday periods. It's time to quickly spring into action and get on board for Easter before it's too late.

Make the most of the upcoming holidays and see what Oz Combined Realty can do for your investment – and ultimately what your investment can do for you!



Maddy & Keola

Holiday with 

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How to get it right as a new landlord

Avoid these mistakes:

To succeed as a property investor, you need to avoid certain pitfalls

Mistakes made by some new landlords include:

Treating it as a hobby

The best investors remain unemotional about their properties. If you drive past each week to check the roses, perhaps you need to consciously distance yourself from the property.

Making friends with tenants

It's not easy to serve an arrears notice on someone with whom you have a close relationship. The same applies to rent increases and bond claims.

Thinking of it as home

Good investment opportunities can be missed if investors judge properties by their own needs. For example, you may choose not to live in a home with no parking, but one close to shopping and schools may be a great investment.

Neglecting the property

Improvements such as a coat of paint or necessary repairs can make a big difference to the value of your property and increase the rental yield substantially.

Not having a depreciation schedule

A depreciation schedule is the inventory of items that can be depreciated to claim a tax deduction. By investing a few hundred dollars to have a schedule prepared you can save thousands of dollars in tax.

Not increasing rents regularly

A small, regular rent increase is much better than a large, infrequent one that shocks the tenant so much they move out. As long as the increase is reasonable you should have no problems with your tenant.

Forgetting the bigger picture

In the excitement of buying your first property, you may forget the bigger picture of building a portfolio. Remember, the greater your equity and rental returns, generally the more you can borrow towards that portfolio.

Paying down in the wrong order

It can be tax effective to pay down non-tax deductible debts (such as home loans) before a tax deductible investment debt. Most investors have their investment



properties in interest only loans until they eliminate non-tax deductible debt.

Using the wrong accountant

Good accountants who understand property are worth their weight in gold. Such an accountant can advise you as to how to structure your property portfolio around your plans.

Failing to use an experienced Property Manager

For a couple of dollars a day a Property Manager can save you thousands by ensuring your vacancy rate is low and your property obtains the highest possible rent.

