

PROPERTY NEWS

Ideas to help you when you're Buying or Selling

Grants extended for 6 months!

Agents urge first homebuyers to take advantage of incentives



The Federal Government's decision to extend the First Home Owners Boost (FHOB) has been widely welcomed throughout Australia, with many real estate agents and property interest groups strongly applauding the move.

The Principal of The Property Shop, Hugh Bateman, told Property News the decision was highly commendable and would not just help first homebuyers but strengthen the market across the board.

"We strongly believe the grants have not only reinforced the lower end of the market but also other sectors. The fact that houses in the cheaper bracket have held their prices and in some cases actually risen has seen a flow on effect, with many properties in the mid-range also holding up well," Hugh said.

The First Home Owner Grant (FHOG) scheme initially paid a grant of \$7,000 to eligible first homeowners but late last year the Federal Government announced a First Home Owner Boost (FHOB). It doubled the grant to \$14,000 for those buying an established home and trebled it to \$21,000 for those buying a new home or building their first home.

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- The power of window shopping
- Now is the ideal time to invest or buy
- Tax guide for property investors



www.thepropertyshop.com.au **6372 2222**

A letter from the Editor

Dear Reader

As the construction of the new Moolarben Mine gets underway, there is also increasing evidence that investors are starting to return to the property market.

Primarily, this is due to confidence in the region, lower interest rates and attractive yields that will provide investors with a good return.

Investors now see potential in strong rental returns and good capital growth opportunities in the area.

Having one of the largest property managements in Central Western NSW, our property management team is actually reporting an urgent need for 3 and 4 bedroom houses to accommodate a strong rental enquiry. Principally, our enquiry is coming from outside the region.

It is hard to imagine what the result will be when the new Moolarben Mine has its employment intake in a few months.

Unfortunately, the economic slow down of recent times has seen a reduced number of new housing starts thus fewer rental properties available in the marketplace.

Obviously there is a very good opportunity for investors to take advantage of the current rental shortage and rental increases we are experiencing.

Please feel free to call our Property Management team to discuss your needs.

Just a reminder also that the State Government is currently offering a 50% reduction on stamp duty payable on new home purchases.

We trust you'll enjoy this month's newsletter.

In the meantime, love where you live.

Regards,

Hugh Bateman
Principal



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Window Wonders

How can the effective use of a window display get your home sold quickly and for the price you desire?

Is your agent still attracting buyers outside office hours?

Property buyers look for property in different ways.

Some people do all their research on their computer, others pour through the property guides, or spend their Saturdays attending open house inspections and some people just go along to the area they are interested in to see what they can see.

An agent's ability to market a property on the internet, in print media and with eye-catching signage is important, but many buyers underestimate the power of an agent's window display.

A powerful shop front display can catch the eye of countless buyers 7 days a week, 24 hours a day.

Even when the office is closed, an effective window display can lead to a buyer enquiry, an inspection and better yet, a sale.

This is why it is important to employ an agent who has an office in a centrally located area and when people walk past the office they should be drawn towards the shop window.

The photography used in the window display should be of the highest quality to present your property in its best light.

However, even the best photo only tells part of the story so there needs to be an accompanying paragraph or dot points that inform the buyers of property features that are not visible from the photograph.

The property advertisement should also feature clear and visible contact details that allow the potential buyer to take down the number and call the agent, or go into the office and ask for the relevant agent by name.

Your property window feature should include:

- Several good quality photos of both the exterior and the interior.
- A brief but descriptive paragraph about what the property has to offer.
- Plenty of white space around the property card so that each property stands out from the rest.
- An eye-catching title for the property.
- The agent's name and contact number marked clearly on the advertisement.

If you would like to know more about the effectiveness of our window display, contact our office today.

First homebuyers reap huge benefits

'Incentives boost extended by 6 months to December'



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The boost was set to expire at the end of this June but in the May Budget the Federal Government announced it was extending it for another six months. The grants will continue as they are until 30 September and then from October until December will be reduced from \$14,000 to \$10,500 for established homes and from \$21,000 to \$14,000 for newly constructed homes.

Hugh said those who were buying a newly constructed home or building

their first home were also eligible for an additional \$3,000 payment known as the NSW New Home Buyers Supplement. This means first homebuyers of new homes can receive maximum benefits of up to \$24,000 if the contract is made on or before 30 September 2009.

"In addition, applicants may be eligible for benefits under the First Home Plus Scheme which provides for generous exemptions or concessions on transfer duty," he said.

"The scheme provides eligible

purchasers with exemptions on transfer duty on homes valued up to \$500,000 and concessions on duty for homes valued between \$500,000 and \$600,000.

"Eligible purchasers buying a vacant block of residential land to build their home on will pay no duty on vacant land valued up to \$300,000, and will receive concessions on duty for vacant land valued between \$300,000 and \$450,000," Hugh said.

For full details visit the website for the Office of State Revenue (OSR), www.osr.nsw.gov.au.

Hugh said the extension made this an excellent time for first homebuyers to enter the market. "Not only are the government grants, exemptions and concessions significant, the fall in interest rates and low house prices are strong incentives to buy now," he added.

He added there was a danger some buyers might be hanging back because they feared a slump in property prices because of the global financial crisis.

"We don't contribute to the doom and gloom theory. Instead we believe the market is firming and will continue to do so as the interest rate cuts start to take effect. We have some excellent properties for sale that are ideal for first homebuyers."

If you are a first homebuyer don't hesitate to ask The Property Shop for assistance in applying for any of the first homebuyers' benefits. The firm's team of expert consultants will be only too pleased to guide you and also show you any properties that interest you.

View properties for sale at www.thepropertyshop.com.au



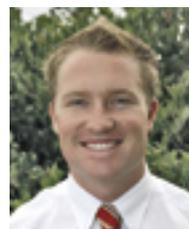
Working for you around the clock!

Are you selling for the right price?

If you would like to sell your property please call our sales team on 6372 2222 and rest easy in the knowledge that our team of experts will look after you!



Hugh Bateman
Principal



Lucas Sheppard
Property Consultant



Damian Kearns
Property Consultant



Troy McKellar
Property Consultant

www.thepropertyshop.com.au

IT'S TAX TIME AGAIN!

Financial tips for investors!

Are you receiving all the tax deductions available?

If you are an investor you know just how demanding it can be to own a rental property. That is why so many property owners turn to The Property Shop for advice and entrust them to manage their properties.

However, no matter how professional an agent may be, there are always tasks that a landlord must attend to such as maintaining financial records.

Here are some tips from The Property Shop aimed at guiding landlords so they can help their accountants prepare their tax returns.

Landlords should keep financial records comprising rental income statements, insurance details, depreciation reports and invoices in a safe, central location to ensure they are readily available for their accountants.

Remember too, the Australian Taxation Office (ATO) requires a business to keep records for five years after they were prepared, obtained or the transactions were

completed (whichever occurs later).

It is essential landlords understand what expenses are tax deductible and what are not.

Repairs to rectify a condition that existed at the time of purchase are a capital expense and not a repair. This expenditure may be claimed over a 25-40 year period depending on the expenditure.

Repairs can only be claimed due to wear and tear which occurred while the property was earning rental income. You are entitled to claim as an expense the costs incurred in restoring the property to the condition it was before the tenants took possession.

Some landlords use their loan facility for both investment and private purposes. Only the interest expense on the investment portion of the loan is deductible, regardless of which property is used for security. If it was for a private purpose it is not deductible.

Expenses in setting up or refinancing a loan, are spread over five years or over the term of the loan, whichever is less. If your

borrowing expenses are \$100 or less you can claim the full amount in the income year they are incurred. If the loan is not wholly for investment the borrowing expenses needs to be apportioned.

If a landlord purchased a residential or commercial building that was constructed after 17 July 1985 the construction expenditure can be depreciated at either 4 per cent or 2.5 per cent depending on the start and completion dates. Any structural improvements that started after 26 February 1992 are claimed at 2.5 per cent.

To maximize entitlements to the capital works deduction, a depreciation report prepared by a qualified quantity surveyor is acceptable by the ATO. Quantity surveyors are recognised by the ATO to estimate building costs for the purposes of depreciation. Not all quantity surveyors are tax depreciation specialists, but some specialise in the field.

An investor's accountant should be able to recommend a specialist to complete a report. The depreciation benefits available vary from one investor to another.

All types of income producing properties, whether they be old or new, can be eligible for depreciation deductions. It is a misconception that older properties are not eligible so it is worth getting a report done on any property.

Many property investors are missing out on thousands of dollars in tax depreciation deductions because they don't understand the full extent of the claims that can be made.

If a property owner has not been claiming deductions for tax depreciation, previous financial years' tax returns can be amended. The ATO allows for up to two previous year returns to be amended.

Finally, remember that taxation law is complex. It is always best to seek professional advice from a qualified accountant or tax agent about such matters.



Working for you around the clock!

Want to rent your property?

Call us today on 6372 2222!



June Lewis Commercial/Strata Manager
Tony Bibb Residential Property Management
Ray Peters Residential Property Management
Jason Martin Commercial/Strata Management

The Property Shop Property Management staff are committed to protecting your investment and obtaining the best possible return. For an obligation free appraisal of your rental property contact us and we'll look after you.

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