

PROPERTY NEWS

Ideas to help you when you're Buying or Selling

“Bellanbah” at Bocoble sold in 3 weeks!

How did the team at The Property Shop sell this beautiful 945 acre farm at Bocoble in just 3 weeks?

FULL REPORT PAGE 3



In this issue of Property News:

- Evaluating your buying or selling options
- Just 3 weeks to sell “Bellanbah” at Bocoble
- Tax tips for property investors



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

A letter from the Editor

Dear Reader

Plans for the release of the large \$350 million Moolarben Mine owned by Felix Resources near Mudgee have been released.

The mine will comprise of an open cut and two underground mines, which at full production will employ 315 people.

To the east of this new mine, is the Wilpinjong Coal Mine which was established in 2006. This company is also currently conducting further exploration to the east of that mine.

Xstrata owned Ulan Mine which is adjacent to the Felix Resources Moolarben Mine, has plans in place to double its production to 20 million tonnes per year. Its current lease extends from Ulan to the Golden Highway north.

The proposals will have a huge impact on the Mudgee/Gulgong economies and no doubt contribute to a buoyant real estate market in the town's and district.

Despite a recessional world economy, the effects of which are being felt nationally in Australia, huge investments providing massive employment in our area will place Mudgee and Gulgong's local economies in good stead over the next few years, buffering what otherwise could have put our area in the same boat as the rest of Australia.

Exciting times ahead.

In the meantime, love where you live!

Regards,

Hugh Bateman
Principal



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Should you sell first before buying your next property?

You have found your dream property. Finally all those months of searching have ended and the property that meets all your needs is ready to be bought.

But wait a moment, you haven't sold your current property. You definitely can't own both.

In this report, we examine a common problem and give you a couple of hints as to what you could do.

Mum and Dad have had enough. Finally, after months of agonising over whether to extend the family home or sell, a decision has been made to sell up for a bigger property.

Mum, Dad and the kids have sat over many dinner table conferences debating what type of house will fit the bill for their family.

They spend the weekends on the real estate crawl looking for a new place.

Then, when they least expect it, they find the property of their dreams.

But then it dawns upon them that they must sell their home quick smart as there is a chance they'll miss out on their dream property.

Maybe they would have been smarter selling before or should they take the plunge and sign on the dotted line and hope their old home sells?

The danger of buying before selling is that you may sell at a low price to meet your contractual obligations on the purchase,

thereby losing considerable capital.

The danger of selling before buying is that inflation may cause the price of the purchase to far exceed a comparable sale, thus costing you money.

The ideal, of course is to sell in a seller's market and buy in a buyer's market, but this requires a sudden and dramatic increase in market listings after you sell.

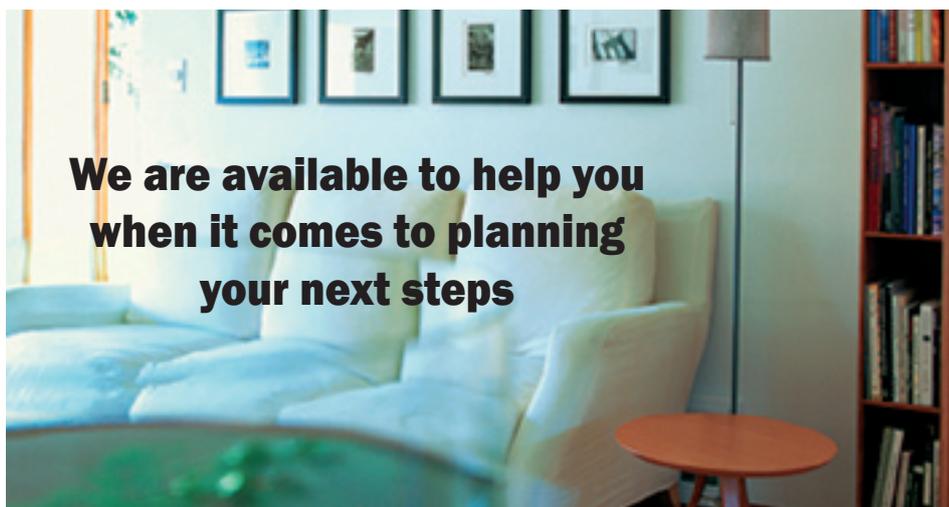
We recently met a couple who tackled the problem by having two interested purchasers on hold (before finalising a price), before they selected their new property.

Once they had negotiated a price on the property they wished to purchase, they could negotiate a final sale price on the property they had for sale.

This enabled them to calculate carefully what they would need to achieve from the sale before exchanging contracts on the purchase.

This is not always possible, but you need to work at 'both ends' of the transaction before finalising one at the expense of others.

To evaluate your options, we are happy to sit down with you FREE of charge and help you in planning your next steps.



We are available to help you when it comes to planning your next steps

Just 3 weeks to sell “Bellanbah” at Bocoble

What strategies does The Property Shop use to sell quickly, and for a good price, under difficult market conditions?

There is no hiding the fact that times are a little tough in New South Wales' regional property market.

This worries no one more than Principal agent, Hugh Bateman, at The Property Shop, Mudgee, who has made it his life's work to achieve the best price for his clients in the shortest possible time.

Hugh and his team have had to draw on their combined decades of experience and expertise to achieve great results for properties in the Mudgee district.

What were the selling features of “Bellanbah”, located 30kms south of Mudgee at Bocoble?

“This is a fairly large rural property with 945 acres (382 hectares) of freehold land just a short drive from Mudgee,” Hugh said.

“Apart from everything you might need to run a sheep and cattle farm, it features

two separate homes – perfect for a large or extended family.”

The property's other features include a shearing shed, a machinery shed, workshop, sheep and cattle yards.

There is also a reliable water supply from 16 dams and four stock springs, plus creek frontage.

How did The Property Shop team go about selling this versatile property?

Listing and selling agent, James Maurice, immediately implemented the full gamut of marketing techniques used by his agency.

This included print and internet advertising, inspections and approaching potential buyers from The Property Shop's extensive database.

Most of all, James pushed the property's key selling point for investors: “Bellanbah” has subdivision approval for



three lots – all with dwelling entitlement!

James listed the property for \$780,000 and carried out three inspections in three weeks, receiving three offers from interested buyers.

What result did James Maurice achieve for the owners of “Bellanbah” at Bocoble?

The property sold for a fraction under the listed price, in only three weeks, leaving the owners very satisfied with the result.

“It just goes to show that well-balanced rural holdings in the Mudgee District under \$1 million are still in good demand from local and metropolitan buyers,” Hugh added.

It takes experience and skill to sell good properties such as “Bellanbah” quickly. If you are thinking about selling and would like to employ an agent with just such qualities, contact the friendly team at The Property Shop Mudgee.



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



*Put it in the hands
of The Property Shop!*

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



Scott Fittler
Property Consultant



Damian Kearns
Property Consultant



James Maurice
Property Consultant

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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.



Put it in the hands of The Property Shop!

Want to rent your property?

Call us today on 6372 2222!



June Lewis
Commercial/Strata
Manager



Tony Bibb
Property
Management



Ray Peters
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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