

PROPERTY NEWS

Ideas to help you when you're Buying or Selling

Investors urged to buy as prices rise!

Property expert sees opportunities for capital gains as market improves!



A leading Mudgee estate agent is urging investors to buy residential property now to take advantage of the opportunities for capital gains in the future.

The Principal of The Property Shop, Hugh Bateman, said rising rents and an improving economy were providing

a unique opportunity for landlords to position themselves for the upturn that lies ahead.

"There has been a significant improvement in prices over the past six months and this is expected to continue this year, albeit at a lower rate," Hugh said.

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In this issue of Property News:

- **Guide to choosing a Mortgage Broker**
- **Property market predicted to rise as economy improves**
- **The pitfalls of managing your own investment**



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

A letter from the Editor

Dear Reader

As we head into 2010 it is interesting to briefly cast our minds back to 2009 and the doomsayers who were predicting a huge crash in the Australian property market as occurred in the US and UK.

We shouldn't forget the Sydney University professor who so believed that he sold his home to rent! Well I'm pleased to say property is back. In fact it never really went away!

While prices did drop in some areas, the Mudgee market held on well. The bottom of our market I believe was at the end of 2008.

In Mudgee at present we have a shortage of housing. Over the past two years there simply haven't been the houses built to cater for an expanding population; itinerant or otherwise.

What also had been lacking since November 2007 was confidence. That is back as well now.

The Sydney real estate market has surged and country regions will follow on from that.

With the very strong possibility of more mines opening up in the area, I see stable growth for Mudgee and Gulgong over the next few years.

With our 7000th sale confirmed in our office earlier this month since commencing our business we welcome to our sales team Peter Vanags, bringing the number of property sales agents in our office to five. We also welcome Danielle Lancashire to our property management department. Both our new team members are moving back to Mudgee after some years in agency practice. They both will be fantastic assets to the team.

We look to a brilliant and exciting 2010.

In the meantime...love where you live!

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?

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 seven 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:

- Good quality photos of the exterior and/or 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 a window display, contact our office today.

Mining expansion pushes up rents!

Mudgee ideal for investors looking for capital gains and high yields

► **Continued from page 1**

“Mudgee and the surrounding areas are ideal for investors looking not just for capital gains but also the chance to positively gear an investment. The rising yields are now offering investors the chance, in some cases, depending on the level of their equity, to positively gear their purchases.

“Obviously, a lot depends on the amount of equity an investor holds and some landlords won’t have any choice but to negatively gear their holdings,” he said.

Positive gearing is when a property yields an above average rental return for the purchase price and expenses are lower than average. This means your return outweighs your expenses so you have extra money in your pocket each week.

“The real benefit for investors who positively gear their properties is that the increased income lifts their ability to service more debt, which in turn means lenders will more favourably consider further applications for finance,” Hugh said.

“Obviously, this enables the shrewd investor to continue buying properties and build a strong portfolio.

“Those investors borrowing heavily will usually be negatively geared and will need sufficient resources to be able to make

up the shortfall in income for a period of between five to 10 years. This is the period in which most investors expect to see significant capital gains.”

Hugh said the rising rents were a result of the expansion of the mining industry in the region and because this was expected to continue, rents were also expected to climb further.

“It is this constant pressure on rental properties that is making Mudgee a choice location for investors.

“Another factor investors are considering is that the ageing population is placing pressure on government

spending and eventually it’s expected that the availability of aged pensions will be reduced,” Hugh said.

“Wise investors are positioning themselves now, so they have property portfolios that generate cash flows, thereby making them financially independent in their retirement years.”

If you are interested in investing in property, contact The Property Shop. The agency’s team has many years experience in real estate and will be only too pleased to guide you about the best type of property to choose.



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



*Working for you
around the clock!*

We’ve Achieved Our 7000th Sale!

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



Peter Vanags
Property Consultant

www.thepropertyshop.com.au



Managing your own rental home can be risky!

How to avoid the pitfalls when leasing an investment property!

Investing in property is a great way to generate an income and enjoy the fruits of capital gains over the years. But, it's also a path fraught with danger if you try to manage the property yourself.

One of the biggest dangers facing landlords who try to manage their own property is navigating their way through all the legislation and regulations that govern rental homes.

It is not unusual for inexperienced landlords, who have tried to save money by managing their own affairs, to find themselves unable to handle a difficult situation because they don't have the expertise to do so.

Below is an example of what can go wrong. It is not an actual case, but a composite of situations that have been known to arise in real estate.

An investor buys a rental home and leases it to a young married couple as

joint tenants on a 12-month lease. Two months later, the couple quarrel and the young woman leaves the property.

The remaining partner agrees to continue to pay the rent but is unable to do so. Firstly, because he was relying on his wife's income to help and, secondly, unknown to the landlord, he's lost his job because he was unable to handle the stress of a marriage breakdown.

He assures the owner that everything will be all right and he will be able to continue paying the rent but the situation worsens until finally he is months in arrears.

To make matters worse, the landlord in attempting to get access to the property to make the tenant pay the rent has breached the provisions of the Residential Tenancies Act. The situation is compounded by the tenant's refusal to vacate.

In despair, the investor contacts a

professional property manager who realising the gravity of the situation advises him that the only way to resolve the issue is to go to the Tenancies Tribunal.

The Tribunal orders the tenant to vacate and pay the arrears and make good the costs but in reality the tenant is found to be in hardship and unable to pay the debts. He has to come to an arrangement to pay the money over a period of time.

What is the lesson to be learned from this situation?

Landlords should act at arms length when dealing with tenants by appointing a professional property manager who understands the pitfalls and traps involved in the leasing process.



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



Bernice Offner
Residential Property Management



Danielle Lancashire
Residential Property 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.