

PROPERTY NEWS

Ideas to help you when you're Buying or Selling

Should you invest in shares or property?

Real estate entrepreneurs top the list of Australia's richest investors

Read our full report on page 3



In this issue of Property News:

- High school student wins top award
- Property investment offers steady returns
- Investors flock to purchase rentals



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

Letter from the Editor

Dear Reader

Tenders from companies interested in operating the proposed \$1.3 billion open cut coal mine at Cobborah are in the hands of the joint venture that is working towards lodging an application for the project with the State Government.

The project operated by State owned operators Macquarie Generation, Delta Electricity and Eraring Energy have joined in a bid to supply coal to seven power stations that produce the majority of electricity used in NSW.

A preliminary environmental assessment originally identified the end of the year as the start of construction. The mine is expected to be operational by 2013. The project would create more than 1700 jobs and put an estimated \$424 million into the local economy.

When approved this project will be a massive boost to the Mid-Western Regional Council area and in particular Mudgee and Gulgong. Already other areas are vying to compete for the project by supporting it. Dubbo City Council are endeavouring to woo the project owners in order to showcase that city's ability to offer lifestyle choices for employees.

While not compromising our Shire's position in obtaining the deserved infrastructure for roads and rail in our area, and satisfying water requirements, it is imperative that our Shire brethren keep their finger on the button in order that our area achieves the fair share of the project's spin offs and benefits.

We need to establish and consolidate a good relationship with the project consortium to negotiate a mutually satisfying outcome.

In the meantime...
love where you live!

Hugh Bateman
Principal



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Joshua Gow wins Top Kid award



High school student is tops in community service!

The Property Shop has presented its Top Kid award to Mudgee High School student Joshua Gow.

The Principal of The Property Shop, Hugh Bateman, said Joshua had displayed the leadership qualities, integrity and potential that were required for a young person to be entitled to the award.

"At The Property Shop we strongly believe in encouraging young people to adopt the right community spirit that we know will make them good citizens in the future.

"We saw those attributes in Joshua and were delighted to name him for the award. Over the past year, Joshua has made a significant contribution as a volunteer to the Mudgee PCYC, a contribution that has been gratefully acknowledged by the Manager, Ms Railene Doherty.

"Joshua has always been available to work with other young people at the PCYC despite the fact that he is still studying at school and also has four part-time jobs."

Hugh said Joshua was a fine example to others and his passion, drive and enthusiasm was an inspiration to all those he met.

"We can only hope that other young people in the community will follow Joshua's example and assist the PCYC and those other community groups who are in need of volunteers.

"In a country town such as Mudgee, volunteer workers play a vital role in helping to build the community and unifying it. So many people in the area are in need, from the disadvantaged to the elderly and people such as Joshua deserve recognition for the important role they play."

If you would like to do voluntary work for the community, contact local groups such as the PCYC, Mudgee Rotary Club or Mudgee Lions Club. They will be only too grateful for any assistance you can offer.

Property investment offers long-term growth

Steady returns and minimal risk make real estate attractive to investors

Property remains the single biggest source of wealth in Australia, according to BRW's latest top 200 rich list. There are 59 real estate entrepreneurs on the top 200 list compared to just 25 resource magnates.

According to BRW, Frank Lowey of Westfield Shopping Centre fame, who is number one on the list, has increased his wealth from \$4.21 billion to \$5.04 billion.

Commenting on the list, Principal of The Property Shop, Hugh Bateman, said that well known Sydney resident and high rise unit developer, Harry Triguboff, who is ranked fifth, has seen his fortune increase, reportedly from \$3.66 billion to \$4.2 billion.

Hugh said it was interesting that Queensland maverick miner and racehorse owner, Clive Palmer, who was listed in fifth position last year, had dropped in ranking following the recent decline in value of his shares.

"The decline partly reflects the huge concern in the mining community and among share investors about the impact of Mr Rudd's proposed resources super tax. The concern has spooked resources

shares, with significant falls being recorded across the board," Hugh said.

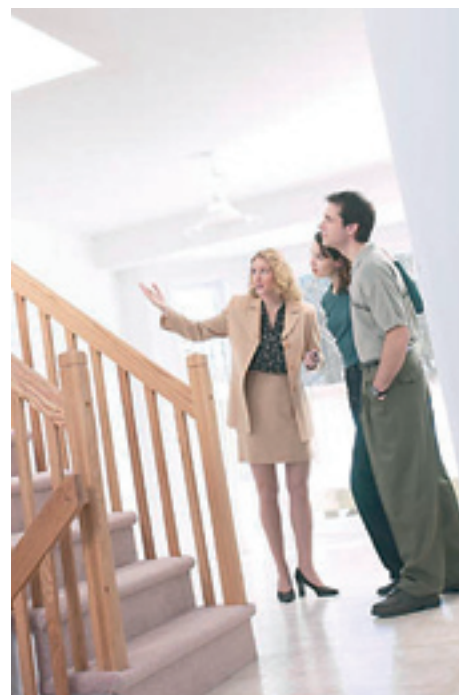
"Rises and falls, especially in resources stocks, are the norm when investing in shares. The risk for novice investors when trading in shares is that they will get caught out buying in when more sophisticated investors are selling and taking their profits."

Hugh said the share market had been jumping at shadows over the past few months and it was important to be able to pick the market and know what to buy and what to sell.

"You really need to be highly skilled to make an informed decision and then having made that decision you need to have enough confidence in your own judgement to hold fast.

"So many novice investors make the right choice but then lack the confidence they need in that decision to be patient and follow through."

Hugh said that if the same novice investors were to buy property in Mudgee they would find that in the long term they would get a far more positive result for less risk.



"Property cycles are such that in the long term an investor who has bought well will always come out in front. The beauty of the property market is that it is far more stable than the share market, providing steady returns year in, year out," he said.

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2010 Winner:



Hugh Bateman
Principal



Lucas Sheppard
Property Consultant



Damian Kearns
Property Consultant



Peter Vanags
Property Consultant



Australasian
Real Estate Results
Achievement Award

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Investors flock to buy rentals

ABS reports loans up 30% for the purchase of investment properties



Lending to people to buy homes is reported to have fallen in the first four months of this year, while lending to investors for the purchase of investment property over the same period has risen by 11 per cent.

According to the Australian Bureau of Statistics (ABS), over the past year lending to investors has risen 30 per cent across Australia and 20 per cent in NSW.

Commenting on the ABS announcement, Principal of The Property

Shop, Hugh Bateman, said it was obvious that investors were taking money out of the share market and putting it into property.

He said such investors were not concerned about interest rates and in support of this he cited a recent article published in Domain by BIS Shrapnel analyst, Angie Zigamanus.

“Angie said investors weren’t concerned about interest rates and they could see that with prices rising real estate looked a safer bet than the share market.

“It is obvious that many of the latest property investors are those who are taking money out of the share market and others who have had some funds put aside,” he said.

“Obviously, if you deposit money in the bank it attracts tax. With the share market being so volatile and affected by the slightest world event, investors feel confident about returning to the property market.”

Hugh said many of the investors were taking advantage of negative gearing when buying rentals and this was particularly evident in Mudgee and Gulgong, which had the potential for strong growth in the rental market.

“Investor confidence in the property market has improved following the latest Federal Government decision not to change negative gearing legislation in light of the findings of the Henry tax review,” he said.

For expert advice about investing in property, contact The Property Shop on 02 6372 2222.



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