

PROPERTY NEWS

Ideas to help you when you're Buying or Selling

How do you furnish a 27-storey mansion?



Even the rich have housing dramas

HOUSING costs and affordability are issues so close to all of us that sometimes it just pays to step back, take a big breath and put life into perspective.

On our Blog now (<http://propertymudgee.com>) you can read how Reserve Bank of Australia Deputy Governor Ric Battellino

expects an improvement in the economy over the next few years. He says housing sector borrowing is broadly growing in line with income and house prices are stable.

Elsewhere in the same Blog we detail the latest housing surveys and predictions that house prices could climb as much as 20% over the next three years in Sydney, Perth and Adelaide with more modest growth elsewhere.

The predictions there are for steady residential property growth thanks to a strong economy, firm employment and income growth - leading to a warning that we will be heading to higher (9.5%) interest rates.

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- Hugh wins major award
- Property market remains strong
- Investing? What's in it for you?

THE PROPERTY SHOP

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

Letter from the Editor

Dear Readers

I believe the Mid-Western Regional Council areas (Mudgee, Gulgong, Kandos, Rylstone & districts) local economy will perform strongly over the next few years driven by mining, agriculture and tourism. As a result our property market will be underwritten with this strong economy and rising confidence in the area. Given a huge deficiency of housing at a time of increasing demand we are already seeing the results of that confidence.

It's a good time for property investors to research and begin purchasing your next investment property. We are in a new era of property investing and the way we invest in property and in that respect it is wise to acquire the type of property that will give you the best return. I have a very strong opinion on the way property investors should invest in the future which means you will need to take a different approach to the way you have purchased in the past.

We know that the real estate market is cyclical and shrewd investors of all types know the best time to buy is not when the market is hot. So when is the time? Start looking for your next investment in the district now; the best is yet to come.

In the meantime... love where you live.

Hugh Bateman
Principal



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Our Hugh takes out major award

Excellence endures and sustains. It goes beyond motivation into the realms of inspiration. It is about going beyond what we expect from ourselves.

The REINSW Awards for Excellence on October 9 celebrated the outstanding achievements of real estate professionals across New South Wales, and recognised them as the foundation and future of the real estate industry.

The awards also aim to encourage companies to strive for even greater success into the future.

Finalists represented excellence in service, creativity, determination, differentiation and commitment. They were selected for their demonstrated achievements of the highest level in their category.

This year the industry's glittering awards ceremony featured the new Centenary Award.

The Centenary Award was created in 2010 - REINSW's Centenary year - to recognise a REINSW member who works tirelessly for the betterment of the real estate industry and contributes much time and effort to REINSW.

The winner was Mudgee's own Hugh Bateman, The Property Shop

The judges commented that Hugh is known for his community spirit, and his charitable efforts over the years have been tireless. He has promoted the benefits of REI membership and has encouraged agents to give back to their communities.

In short, Hugh is the epitome of what being a good real estate agent is all about.



Furnishing a large and expensive home

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So much information, so many questions. Do we buy now, lock in interest rates and sit back for the ride? The answer there would seem to be yes.

While you're weighing your options take some consolation in the thought that even the richest men in the world have housing dilemmas.

Consider poor old Mukesh Ambani, the richest man in India and fourth richest man in the world, he is expected to overtake Bill Gates to become the world's richest man by 2014.

Poor old Mukesh has a massive problem with his new Mumbai home built for himself, wife Nita, and the three little Ambanis, Akash, Anant and Isha ...

How on earth do you furnish the world's largest and most expensive family home - a 27-storey mansion worth \$1 billion?

This unusual looking 173m Mumbai tower that they have just moved into has nine elevators leading to the 27 floors, no two of which are alike. It has three helipads, a dance studio, a ball room, a 50-seat theatre and an underground car park for 160 cars.

The 37,000 square metre home, named Antilia, took seven years to build.

Mr Ambani, 53, owns 48% at Reliance Industries - an oil, retail and biotechnology conglomerate founded by his father. Until the 1970s he lived in a two-room apartment with his parents and brothers.

At least now he wont be crowded, apart of course from the 600 staff.

How does presentation help to entice potential buyers to inspect your home?

Steering buyers up the garden path

Most people know that ensuring your home is immaculately presented for inspections is vital when trying to attract a buyer.

But many people do not realise that the appearance of your front yard is just as important.

The front yard should draw people into your home, so you need to make sure it appears inviting not repelling.

1. Letterbox presentation Ensure the letterbox is clean and make sure the street number is clearly visible. In some case a brand new letterbox can add to the value of your home.

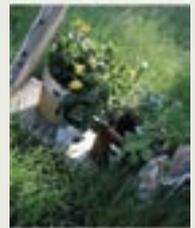
2. Clean driveway The driveway should be clean, so remove any oil stains or tire marks to immediately improve the initial presentation.

3. Create neat pathways Pathways should be clear and safe to walk on. People should not be ducking and weaving tree branches on their way to the front door.

However, it is a great idea to plants smaller plants or position potted flowers on each side of the path, to create a more inviting feel.

4. Garden maintenance Prune trees, weed the garden and rake up fallen leaves from the lawn. If you have an empty garden bed, it will not take you long to plant something small, and the end result is worth the effort.

5. Off-street parking If your property does not have off-street parking it is a good idea to create a designated space with gravel or pavers. In city areas, off street parking is a huge selling factor so take this into consideration.



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



2010 Winner:



Hugh Bateman
Principal



Lucas Sheppard
Property Consultant



Damian Kearns
Property Consultant



Peter Vanags
Property Consultant

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!

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Real Estate Results
Achievement Award

www.thepropertyshop.com.au

PROPERTY INVESTING

What's in it for you?

Investing in property is still considered one of the most solid forms of investment. While there are always dips and plateaus in real estate, history shows that property usually increases in value.

Shrewd investment in property has many advantages. Property can be less volatile than investing in shares, although this is not always the case. However, overall real estate seems to be regarded as a sure thing when other assets are declining in value.

Some of the biggest benefits of investing in property, besides the fact that it is an investment you can actually see and touch, include the potential capital growth, the ongoing rental return and the tax benefits.

A property's capital growth can deliver big rewards in the long term. In some cases, property investors have been able to double their money after just a few years.

However, it is important for investors not to over-extend themselves and be forced to sell at a loss.

As with any type of investment, there are no guarantees. Real estate values fluctuate and sometimes finding the right tenants, who pay on time and take care of the property, can be difficult.

So when you decide to invest in property, it is important to do the math carefully and check and re-check the figures to make sure you are making the right moves.

LOAN REPAYMENTS If you have high loan repayments, you may not see much return or even record a loss during the first few years. But for savvy investors this is not a problem as they can rely on the short term losses being exceeded by the long term gains or they can depend on the tax relief associated with negative gearing.

NEGATIVE GEARING Negative gearing is when the annual cost of your investment is more than your return and the government will offer you tax breaks. For more information on negative gearing, seek professional advice.

INTEREST REPAYMENTS Investors need to be switched on when it comes to the interest rate environment and how higher rates might affect their expected net return and the market for their property, if they decided to sell. If you get a variable loan, you need to factor in the possibility of higher repayments if rates go up.

COUNCIL RATES AND STRATA FEES It is important to know what these fees are and factor them into your budget. These fees are usually charged per quarter but if you are investing in an apartment, you may need to do a strata search to find out if there are any additional levies that you need to allow for.

PROPERTY REPAIRS If your investment property is a house, you will have to foot the bill for building repairs but if it's a unit in a strata block you will be responsible for repairing everything from fixtures to appliances included within the flat.

MANAGEMENT FEES It is important to employ an experienced property management team to handle the tenancy of your investment property. You will be required to pay this agent around 5% of the rent, so add this to the budget. You may be tempted to cut costs and manage the property yourself, but in the long run employing a professional property manager is worth the extra expense.

INSURANCE COSTS When you buy a house as a rental property you will need to pay building insurance and it is also a good idea to get landlords insurance to cover damage caused by the tenant, your legal liability if your tenant injures themselves and loss of rental income if your property becomes vacant.

Although there are plenty of things to plan out and think about when you decide to invest in property, mapping out your strategy will ensure it continues to blossom into a profitable venture.



*Our award winning
Property Management team*

Want to rent your property?

Call us today
on 6372 2222!



June Lewis
Commercial/Strata
Manager



Graeme Kurtz
Residential Property
Management



Bernice Offner
Residential Property
Management



Ray Peters
Commercial 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.