

PROPERTY NEWS

Ideas to help you when you're Buying or Selling

TENANCY LAWS SET TO CHANGE



Agent hails 'common sense' approach to new legislation

Property investors, the real estate industry and the environment will all benefit from changes to residential tenancy legislation.

"These include changes that, I am sure, we can all live with, and that hopefully represents common sense thinking," said The Property Shop principal, Hugh Bateman.

He said the changes to the Residential Tenancies Act applied from January 31.

Hugh added that input from NSW REI member real estate agents had almost certainly affected the final make-up of the amended Act.

"The NSW State Government originally released a draft document "for the attention of the industry" making recommendations which were extreme and would have had a detrimental effect on privately held residential investment," he said.

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- Tips to help your home stand out from the competition
- Amendments to Tenancy Act
- Making the right choices when investing



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

Letter from the Editor

Dear Readers

While areas of NSW, Qld and Victoria have experienced adversity in the first month of 2011, it is at least sobering to know that whilst flood damage has caused some problems; locally the area continues to thrive.

Mudgee's diversity in agriculture, its mining activities and tourism have all provided a boost to our economy in recent weeks. The amazing rise in the wool market has been wonderful for the woolgrowers in the area. Not since the late 1970s have we seen such substantial rises. Cattle prices also continue to rise.

Tourism was handed a huge boost by Roundhouse Entertainment and Robert Oatley Wines with the recent A Day on the Green featuring INXS and Train attracting a crowd of around 5000. Hotels, motels, caravan parks and guest houses were packed out. The month of January was generally a busy period for the district.

It seems almost weekly there is more news of property acquisitions in the area for mining. The billions (yes billions) of dollars to be expended on mining in the region over the next few years is just astronomical.

For many the next twelve months is going to be a very exciting period; the farming community is being offered a fantastic season, tourism is on the increase and the district is looking fabulous.

We look forward to being a part of it!!

In the meantime... love where you live.

Hugh Bateman
Principal



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Quick and easy ways to increase value

Tips to help your home stand out from the competition

When you're about to put your home on the market, you want to make sure it will attract the attention of buyers.

And as long as it's well presented generally, you don't have to spend a lot of time or money doing this.

Just a little attention to detail will help it to stand out from the competition, thereby increasing its appeal and adding to its value. Some of the ways you can do this are:



Say it with paint

A coat of paint throughout the interior will freshen up your home and make it look and smell good to prospective buyers. Avoid the temptation to be adventurous with colours: buyers will have their own tastes and furniture, so a neutral shade is the best option.

Dress up your doors

If the cupboard doors and drawers in your home look a little tired, it doesn't take much to dress them up. New knobs and handles for all your doors, drawers and cabinets will modernise your rooms and add sparkle to your home.

Revamp your light switches

You've probably been flicking them on and off for years without even noticing them, but a newcomer to your home could find them aged, yellowing and old-fashioned, to put it mildly. You can pick them up for a song at your local hardware store. An electrician will be needed to replace them, but this is not a costly exercise.

Do up your entrance

There's no arguing with the fact that first impressions are important, so make sure the entrance to your home gives the right message to prospective buyers. If your front door needs painting or replacing, this is not an expensive exercise. Keep fresh flowers on any furniture in the entryway and buy new entrance mats if the current ones look even a little shabby.

Check your windows

It's easy to live with your windows without noticing them but they can also affect the important first impressions of prospective buyers. Make sure you keep them clean and sparkling, and replace any tired-looking curtains or blinds. It doesn't cost a fortune and makes a massive difference to the appearance of your home.

Tap into your bathroom

You don't have to break the bank to update your bathroom. By fitting modern, attractive taps to replace outdated ones you will enhance its appearance.

Changes benefit property owners



Water efficiency measures among amendments to Act

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“We made strong recommendations via our State real estate body (REI NSW) noting our objections.”

The changes include:

Carpet Cleaning: Cleaning of carpet can be made compulsory at the completion of a tenancy if the tenant had a dog or cat.

Bond: This is now a maximum of four weeks rent compared with the previous requirement of four weeks for unfurnished

premises and six weeks for furnished premises.

Material Fact: When a bush fire, flood, death etc has occurred at the premises, this has to be disclosed to the incoming tenant. This has been limited to a five-year period.

Water Recovery: For the owner to recover the cost of water from a tenant, this has to be done within three months of date of notice.

Property becomes for Sale: The tenant has to be notified 14 days prior to the first inspections, also with inspections being streamlined.

In addition to these modifications, Hugh said there were some major changes that must be enforced. These include:

Water Efficiency Measures: All water taps, (excluding external, bath, dishwasher, laundry taps) must be limited to a flow of no more than nine litres per minute to enable the owner to seek water usage reimbursement from the tenant. There is a 12 months grace for existing tenancies but this applies to new tenancies immediately.

Breaking Lease Term: A tenant may break a lease term by paying an amount equal to six weeks rent to the owner.

Notices: Notices to vacate (rent arrears), annual inspections etc in the past had to be hand delivered to the tenant or mailed, with four working days allowed for delivery to the property. Notices can now be hand delivered at the property or the tenant’s place of work to anyone who appears to be over the age of 16, or left in the letterbox at the rental premises.

Tenancy Tribunal: Now must provide an owner with an order to vacate after a repeated breach by the tenant. This was not necessarily a foregone conclusion with the 1987 Act.

“Time will tell whether these changes will be a success,” said Hugh.

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



Australasian
Real Estate Results
Achievement Award



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How to make the right choices when launching your property portfolio

Buying your first investment property is one of the most important financial steps you'll ever take.

While it's an exciting time, it's also essential to give careful thought to this new venture to ensure you are making the right choice.

Here are some things to consider before the purchase that will launch your property portfolio.

DO YOUR HOMEWORK Don't rush in and buy without doing some research. Read up on property investment and make enquiries about market values and rental incomes in areas where you are considering buying.

POPULATION Choose an area where the population is stable or increasing. This should indicate a need for rental properties, making it easier for you to keep your property tenanted. Mudgee is prime for that at present.

ECONOMY If a town's population largely depends on one or two major industries, tenants could leave and property values fall if those industries closed down. Therefore, it could be risky to buy there.

FACILITIES A property located close to shops, schools and transport is well worth considering. These facilities make it appealing to tenants and assist its capital growth prospects.

LOCATION It's an old but true story that there are great advantages to good locations. If you can tick the boxes in regard to neighbourhood, street and facilities, you're well on your way to a good investment.

AGE Decide whether you want something new or near new, or something that will need repairs but will cost less. Remember that an older property could require ongoing maintenance down the track.

KEEP IT AVERAGE An average property and neighbourhood make financial sense. A prestige property would bring in bigger rent but could be left vacant in a recession, and low-end properties could attract a lower class of tenant.

AFFORDABILITY FOR TENANTS Check the average household income for the area and aim for a property whose rent will be about 30 per cent of that average. At the most, it should not exceed 40 per cent.

COVER YOUR COSTS Try to ensure your rental income will cover mortgage repayments and other costs such as insurance, maintenance and rates. If not, negative gearing helps but you may prefer to look for a less expensive property.

RESALE PROSPECTS There could come a time when you want to put your investment property on the market. Think about why it appeals to you now as an investor, and ask yourself whether that appeal will apply to future purchasers.



10 TIPS for the New Investor



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