

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 a percentage 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.

Your Dedicated Rental Professionals

Our Property Management Team is committed to protecting your investment and obtaining the best possible return.

We are also happy to provide advice on investment property options.

Call us today on 4774 8222 or 4657 2166.



Joanne Currey
Property Investment
Manager



Julie Danswan
Property Investment
Manager

UNITED REALTY - ISSUE THREE

Property News

Ideas to help you when you're buying, selling or renting

SALES BONANZA

Fast Sales & Top Prices a Result of the Agency's Size & Experience



**145 Biffins Road
Cawdor**

**Sold prior to Auction
\$400,000 above vendor
expectations**

More Examples Page 3

IN THIS ISSUE OF PROPERTY NEWS

- It's Spring - Time To Sell
- Sales Show The Market Is Hot
- The Keys To A Good Investment



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Message from the Principal

Dear readers,

Spring is traditionally the peak selling period.

The trick, though, is to get onto the market early.

At the start of Spring there are always more buyers than there are sellers and, judging by the Winter market this will definitely be the case this year.

Demand is at extraordinary levels and the rules of supply and demand apply.

The fewer properties, the more competition and the faster the sales at higher prices.

It is becoming more and more obvious that, due to the record low cost of mortgage debt, buyers are prepared to dig deep to secure that dream property.

Kind Regards,



Edwin Borg

Managing Director, Licensed Real Estate Agent, Stock and Station Agent, Sales and Marketing Specialist and Justice of the Peace



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Spring into Selling



Why is this season the best time of the year to sell your property?

As the flowers begin to bloom, the trees sprout new growth and the rest of the natural world leaps into life, something else is changing.

The For Sale signs are popping up all around the neighbourhood and the crisp spring air is feeding their sudden growth.

Most property owners hibernate during the colder months and leap into action when Spring arrives.

So why is Spring the busiest season for selling?

The most wonderful thing about selling in Spring, is the way the season adds an extra sparkle to your property.

The superfluous sunlight streaming through the windows, the vibrant blooming flowers in the garden and the twitter of birds outside, comes together to create a magical experience for potential buyers inspecting your property.

It is one of those times of the year when you can make your property look outstanding with very little effort.

Why are the seemingly small things like gardens, important when you are selling during Spring?

You can only make a first impression once, and the front garden is where it all happens.

A blooming and lush front garden will forge a lasting impression in the minds of buyers and will set the mood for the rest of the property. Spring time encourages growth, so you may need to trim the trees

and shrubs, mow the lawn and weed the garden.

A fresh coat of paint on the letterbox, fence or guttering will also spruce up the overall look.

How can Spring cleaning give your property the extra boost it needs to sell in the current market?

If you have decided to put your property on the market, now is also the perfect time to give it a Spring clean.

Give the outside of the house a good wash down and remove all cobwebs from inside and out.

Get the carpets cleaned professionally, polish the floors and replace any broken or chipped tiles.

If you have just put your property on the market, chances are you will be moving soon, so clear your house of all those items that add clutter to your life.

The market is the busiest during Spring. Does this help or hinder?

Spring is a time when most homeowners take the plunge and put their property on the market. While the season works magically for the presentation and feel of your home, the increased amount of property can create an over supply.

Most sellers do not realise, most potential buyers do not wait for the warmer seasons to look for their new property.

They continue to search the market all-year-round.

Spring weather can give your property the extra appeal it needs to sell but you should not put too much importance in the season. However, there is no denying that there has never been a better time to sell than now.



Sale After Sale By Top Team

Thirty years in the market, two offices, a team of 15 Sales people ... these numbers are translating to rapid sales at top prices for United Realty's clients.

Agency Principal, Edwin Borg, said that the sheer numbers of buyers his team collectively deals with means they are able to bring the right buyers through listed properties.

"This, together with our extensive marketing to our large database, gives us an advantage over other agencies because buyer activity creates urgency and competition which inflates prices."

He cited recent examples:

35 New Jerusalem Road, Oakdale: Achieved a record sale price for the suburb, sold prior to Auction.

91 Mount Vernon Road, Mount Vernon: Five offers after the first Open Home and sold it that weekend, achieving \$100,000 over the vendor's expectations. 22 groups though the Open Home.

164 Binalong Road, Belimbla Park: \$15,000 above the asking price. Sold at first Open Home via Property Launch method.

485 Twelfth Avenue, Rossmore: Auction, 30 inspections, 12 Contracts issued, 4 official offers submitted prior to Auction, sold at Auction for \$3,230,000 - \$230,000 above reserve price.

145 Biffins Road, Cawdor: Sold prior to Auction for \$400,000 above vendor's expectations. 19 groups through the Open Homes.



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