

PROPERTY NEWS

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

2015: Sellers Will Be Winners



RECORD PRICE Sold before auction \$1,615,000

Pennants Hills' W Group Principal, Matthew Walsh, believes that the only thing standing in the way of a record breaking year in 2015 will be stock shortages.

"We are already selling properties in weeks rather than months, often at a premium above the asking price, and predictions of still further interest rate cuts will only serve to maintain the market," Matthew said.

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- DIY Property Inspection Tips
- 2015: All The Signs Are Positive
- Your Guide To That First Time Investment

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You'll find us in the heart of Pennant Hills ~ Shop 15, 5 Hillcrest Road, Pennant Hills.

Letter from the Editor

Dear Readers,

Westpac recently joined other banks predicting the RBA will soon need to cut the cash rate by 0.5 percentage points.

This reduction would see the cash rate at 2% - the lowest in Australia's history.

The economists share a view that rising unemployment and declines in commodity prices could lead to a slowing of the housing market.

However, while concerns over job security might reduce the buying activity of owner occupiers, falling commodity prices always see investors returning in numbers to the security of bricks and mortar.

Buying or selling - there has never been a better time.

Matthew Walsh
Principal



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DIY Property Inspection

When buying a home, there is no substitute for a building inspection. But there are things to look for before you get to that stage.

The first step to inspecting a property is to do it yourself.

1. Check for dampness: If you see mould accompanied by a musty smell it is time to call in the experts for a qualified opinion.

Also, study the layout. For instance, if the home has a laundry with an internal dryer, ensure the room has an exhaust fan to the outside air. This will guarantee proper ventilation to remove excess moisture.

2. Check water pressure: Run taps, toilets and hoses to ensure the water pressure is adequate.

When you flush the toilet, check that the water line doesn't well up. This is usually a sign that the sewer is partially blocked and may need repairing.

The average lifespan of a hot water system is around 10 years. Ask the age of the system. Budget to spend around \$6000 on average to fix faulty or illegal plumbing.

3. Look for structural issues: Develop a keen eye for the horizontal, the vertical and the square. Check for gaps or cracks in architraves and around door frames and windows. Their main purpose is to conceal the gap between the wall lining material and the door jamb or window frames.

If you notice gap filler and new paintwork on windows, skirtings or architraves, this can indicate an attempt to disguise structural movement.

4. Check the flooring: The vendors may not notice the odd creak in their floorboards, so keep your ears open for



sounds which may indicate damaged foundations in a home.

Don't be afraid to look under mats for damage.

And while you are listening, try to ignore and music or the agents chatter to determine if there is a problem with noisy neighbours, traffic and the like.

5. Look out for signs of termites and other pests: The ultimate DIY inspector will not stop at the inside of the home. Attempt an assessment underneath the home (or in any internal roof space or attic areas).

Underneath the home you will find the most obvious evidence of timber rot caused by pest damage. Whilst borers and other pests may contribute to timber rot, it's the termites that are commonly recognised by the average purchaser.

The earlier you identify your pest issues the better - and you will save thousands of dollars. The cycle time (from initial termite attack, through awareness by the home owner, treatment and confirmation of eradication) is about five years.

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Tailored Selling Approach Best Way To Achieve Results

Stock shortages and a growing trend for vendors to choose auctions above all else are two of Matthew Walsh's main concerns at the start of what he believes will be a record breaking year for Pennant Hills real estate.

Matthew said that 2014 had been an amazing year for vendors, reflected in the fact that Sydney property values have now risen more than 30% since June 2012.

"The problem we continue to face is that demand outstrips supply and I can see no immediate solution in the foreseeable future.

"Of course, that's great news for vendors, meaning there are large numbers of prospective buyers at open houses and fierce competition which is pushing up prices."

Matthew said that record low interest rates, and indications from the major banks that these may yet fall still lower, are not only encouraging people to upgrade their homes, but are bringing first time investors into the market.

"While there is no denying that there has been a significant increase in auctions, we can point to many examples where our advice to sell by private treaty has worked in the vendor's favour.

"Auction properties should ideally sell under the hammer. If not sold on the day then there is a strong argument that it was



not a property suited to auction to start with.

"Every home has different needs. We know that a blanket approach doesn't work. We look at each property and ask: 'If this were my home - how would I sell it?'" Matthew said.

The home above, 16 Church St, West Pennant Hills was sold in seven days by the W Group's Amanda Woods for \$990,000, indicating the high demand for a home in the area under the \$1 million mark.

The cover property at 6 Willowleaf Place, West Pennant Hills, sold before auction for a record \$1,615,000 after the first open house.

Matthew has urged prospective vendors to keep an open mind about the means of sale when they sit down with their agent.

To find out what your home could be worth in the current market, and how best to sell it, please phone Matt Walsh on 0416 115 993.

Our sales team is ready to help you

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Top tips for first-time property investors

Planning, research and good management will help you to enjoy your investment

The purchase of your first investment property marks an exciting new financial phase in your life.

It may also cause some butterflies as you venture into this unfamiliar territory.

As with any first-term venture you may well encounter some problems but here are some tips that should help you to avoid, or at least reduce, some of the issues associated with being a landlord.



Screen tenants

Check their details carefully and contact their referees and former property managers. It takes time but it helps to ensure your property is in good hands.



Watch the money

Don't let tenants get behind with payments or you'll set an unfortunate precedent and find yourself out of pocket. If payments are late take immediate action to show you mean business.



Insure yourself

A landlord insurance policy can cover you against potentially expensive payouts and loss of rental income. Among its benefits is the protection it can provide if tenants damage your property.



Do your sums

Rental income yields are below home loan interest rates, so make sure you can cover the interest cost differential. Other expenses could include council, land and water rates, and maintenance.



Plan for a rainy day

As well as planning financially for the expected, you need to anticipate and provide for the unexpected, such as an unplanned vacancy or a sudden interest rate rise.



Put things right

Failure to attend to maintenance issues could prove a legal liability risk for you if tenants are injured. Have repairs done as quickly as possible, and keep an eye on general maintenance.



Keep your distance

Resist any temptation to become your tenant's new best friend; otherwise it could be difficult to take action if issues arise. This is a business relationship and should stay that way.



Inspect regularly

A minor maintenance problem now could become a costly repair job in the future. Regular inspections by you or your property manager can save a lot of time and trouble.



Don't be greedy

If you try to squeeze every last dollar of rental income from your tenants, you might lose them. This could result in a vacancy that can be more expensive than taking less in rent.



Consider delegating

Many people dream of owning investment properties but don't want the work of managing them. In that case, for a small percentage of the rental income it's worth appointing a property manager with time and expertise to look after your investment.

Want to rent your property?

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