

Edition 1, 2015



Duo's savvy investment property portfolio: 6 out of 8 properties located in outer east



Jenny Stephenson and John Kelso

Life-long outer east residents, Jenny Stephenson and her husband John Kelso, have built a substantial investment property portfolio of 8 properties since 2000. We're really inspired by their story and thought you might be too.

Jenny who is a Croydon-based property, wills and estates lawyer, grew up in Lilydale, while John, a general manager for Select Solutions, spent his early years in Mooroolbark. They each owned a property prior to meeting and so their foray into property investment began "almost by accident" - when they decided to reside together, they rented the second residence out.

Subsequently deciding to grow their portfolio, the couple devised a clear strategy, property selection-criteria

and considered where they were placed in planning for retirement. As part of that strategy, John and Jenny borrow against their equity to buy more houses. They calculate all costs upfront, (leaving room for the unexpected), and set a limit on how much they borrow so that mortgage insurance isn't required.

Jenny says "Investing in areas that you know really well and buying with your head, not your heart, helps to avoid investment mistakes." Properties purchased by the couple in the outer east "have all shown great capital growth and good rental return" as opposed to one Victorian period property purchased in a regional location, that was in hindsight, "a lemon and has shown little capital growth." As well as keeping meticulous records, John and Jenny regularly assess their investments and explore ways to add value. Updating the home with a new kitchen or bathroom is one example.

"Our whole strategy is around the principle of supply and demand," explains John. That's about buying in suburbs offering close proximity to in-demand amenities namely: the train line, good schools, shopping centres and a local 'village' lifestyle all in a relatively safe community, he says.

To reduce risk they look for properties in more established areas that have "good affordability" and where infrastructure investment is forecast or underway. For John and Jenny, that's been in the outer east with a preference for investment in houses, rather than apartments. "Our philosophy is that land provides the opportunity to value-add. Even if you choose not to extend or to develop the property, future buyers will see that benefit," Jenny says.

Getting property management right is also critical stresses John. "We want to be good landlords and to create places that people want to live in. We therefore aim to buy properties that we like and that we think will attract long-term tenants who will be more inclined to look after the property," he says.

Central to that is partnering with "property management professionals that you trust so that any required maintenance issues are quickly communicated and attended to." John and Jenny engaged Ray White Croydon Property Management to look after their six local properties some four years ago.

JLS Jenny.L.Stephenson|Property| Wills | Estates|Lawyers - Mobile 0419 155122

recent sales & rentals



5 Bed - 7 Glenview Crt. Croydon Nth - Sold for \$847,500



**4 Bed - 6 Lyndhurst Close, Croydon
Sold for \$690,000**



**4 Bed - 8 Clinton Lane, Chirside Park
Sold for \$678,000**



**2 Bed - 1/163-164 Wantima Rd. Ringwood
Sold for \$430,500**



**3 Bed - 11 Roswood Place, Chirside Park
Sold for \$505,000**



**3 Bed - 7A Taronga Crescent, Croydon
Sold for \$410,500**



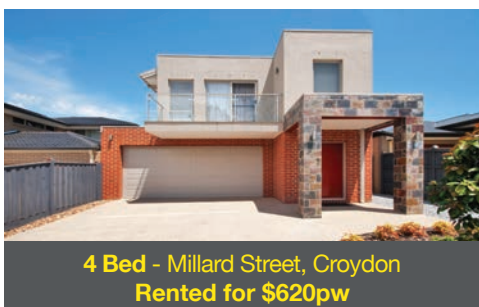
**3 Bed - Turkeith Crescent, Croydon North
Rented for \$420pw**



**3 Bed - Settlers Hill Cres. Croydon Hills
Rented for \$480pw**



4 Bed - Bastow Road, Lilydale - Rented for \$500pw



**4 Bed - Millard Street, Croydon
Rented for \$620pw**



**3 Bed - Geoffry Drive, Kilsyth
Rented for \$455pw**



**2 Bed - Kimberley Drive, Chirside Park
Rented for \$385pw**

How to secure your dream property

Most of our listed properties sell in 1-3 weeks by private treaty and many of the winning offers are made sooner rather than later. Competitive bidding, stock levels, low interest rates and multiple offers can push prices above expectations. Here are a few tips to help you be in the running.

- Sort your finances: ensure it's pre-approved prior to making offers. An offer that's 'unconditional' (NOT subject to finance) is often preferable
- Clarify the offer process with the agent. That can vary between agencies.
- John Ray's English proverb (1670) 'the early bird catcheth the worm' can ring true. So do view a property during week one of its campaign.
- Don't procrastinate. If you've done your homework and you're confident of a perfect match, get ahead of the pack and submit an offer.
- Show you're serious. Offer to pay the 10% deposit at the time of signing the offer. (It's fully refundable if you don't get over the line).
- Work with the agent. Be cooperative and polite. Playing hard to get can end in disappointment.

Dress your property for success



Room: styling by
Kreative Design and Interiors

Whether or not a buyer decides to click on a property advertisement or to attend an open for inspection is often decided in a matter of seconds, largely based on the hero shot appearing on their mobile device, tablet, iPad or computer. The need to ensure that your property stands out is not going away anytime soon.

The general public is also more design aware. Property stylist Felicity Capaldo, of Kreative Design and Interiors says TV programs such as The Block have resulted in "more people becoming interested in decorating their homes."

However engaging the assistance of a professional stylist needn't break the budget. "Sometimes it's as simple as hiring a few cushions, accessories, throw rugs and prints, rearranging existing furniture to show prospective buyers how they might use the area and adding pops of colour," she says,

A professional stylist can also advise on techniques to help create visual interest on blank walls with eye catching paintings or space enhancing mirrors; make

recommendations on what statement chair or garden setting could be hired for staging the hero shot and clever usage of space such as furnishing a smaller bedroom with a single bed for a loftier feel. .

As part of Ray White's service to vendors, we offer a complimentary styling consultation with a professional stylist to take your property to the next level. If you're thinking about selling, we'd be delighted to provide a few suggestions. Here's just a few:

Low or no cost property presentation tips

1. Clean, clean and clean: ensure every surface is sparkling.
2. Aroma therapy: vanilla scented candles help to absorb odours and infuse an all important fresh and inviting scent throughout.
3. Greenery: simple green plants in pot plants or glass vases with flowers enliven any room.
4. Depersonalise: buyers want to imagine themselves living in your property or see it's investment potential so do remove the family photos.
5. Declutter: pack all non-essential items up and pop them in storage.
6. Spruce up the garden or balcony: weed, trim and tidy.
7. We find that furnished homes sell quicker and can add \$10,000 or more to the sale price compared to an unfurnished home.
8. Keep it neutral: Remove polarizing carpets or wallpapers. A fresh coat of white paint works wonders.

For more information contact stylist, Felicity Capaldo, Kreative Design and Interiors mobile 0413 731 383



Up & Coming events

Croydon Hills Primary School

Family Fun Fair
Sunday 5 March
11 - 4pm

Croydon Farmers Market

Croydon Park -
Hewish Road Croydon
2nd Sat of the Month
8am - 1pm

Croydon Hills Auskick

Starts 9am Sat 18 April
Lipscombe Park
For boys & girls 5-12 yrs.

Email:
croydonhillsauskick@gmail.com

Register online:
www.aflauskick.com.au

Email us your community event for listing

tracey.adams@raywhite.com



Sales Report

Tamara Lloyd
Managing Director
M: 0408 585 319
E: tamara.lloyd@raywhite.com

Consumer confidence appears positive around housing and property prices in the outer east as we look at how December quarter wrapped-up and how 2015 has kicked-off. All Croydon postcodes showed consistent growth for the 2014 calendar year ranging from 17.4% for Croydon to 18.4% for Croydon North. The Ringwood suburbs performed with their characteristic gusto, up 20.5% and 15% for Ringwood East and North respectively. Significantly, Ringwood's December increment of 5.9% was on par with its 4.8% annual change. Mooroolbark, Warranwood, Lilydale and the Kilsyth suburbs all posted solid figures. Average days on market were 23 for both October and November and 28 for December, clearing most stock.

The 2015 real estate market resumed earlier and busier this year than any previous years. While January is traditionally a quieter time industry-wide, it instead proved a record for that month for the Ray White Croydon office with stock averaging a mere, 18 days on market. Similarly, February's listings are at record levels for the time of year and the number of groups going to open homes is well above average. Demand is strong from all facets of the market from first homebuyers through to downsizers looking for quality single story low maintenance units, apartments and houses.



Rental Report

Elaine Richards
Property Management
M: 0438 329 261
E: elaine.richards@raywhite.com

January and February have followed a busy December and started with great momentum in our Property Management department. In response, we've restructured operations to ensure that our clients continue to receive the highest possible service levels. New innovations include: the addition of a dedicated Leasing Consultant who focuses on getting properties leased out quickly and boutique sized portfolios for an expanded team.

One of the keys to maximising great rental returns and securing high-calibre tenancies for properties under our management remains our emphasis on property presentation.

Ensuring that a property is thoroughly cleared-out and cleaned between tenancies is one simple step that makes an enormous difference. This is especially true for homes transitioning from being a landlord's primary residence into a rental property. Ray White Croydon team members are always delighted to talk to landlords about their properties whether that's offering: presentation suggestions; tips on how to protect their asset through maintenance; or looking at the bigger picture potential to add value to the property through improvements. For clients renting out their own home while working overseas for several years, it's a conversation that can avoid returning to a property that's become run-down.

HOUSE PRICES	Dec 2014 Median	Sept 2014 Median	Quarterly Change	Annual Change
Bayswater North*	\$512,000	\$483,500	4.5%	8.9%
Bayswater	\$552,000	\$502,000	10.0%	14.8%
Chirnside Park	\$507,825	\$495,000	2.6%	4.7%
Croydon	\$574,600	\$533,500	7.7%	17.4%
Croydon Hills *	\$627,500	\$587,500	6.8%	3.7%
Croydon North*	\$667,875	\$645,000	0.8%	18.4%
Croydon South *	\$565,500	\$543,000	4.2%	17.9%
Kilsyth	\$480,300	\$483,000	-0.6%	11.1%
Lilydale	\$489,950	\$473,000	0.5%	9.0%
Mooroolbark	\$480,000	\$470,000	1.1%	7.9%
Montrose*	\$510,000	\$460,000	7.8%	8.3%
Ringwood	\$691,000	\$635,250	7.5%	20.5%
Ringwood East	\$644,000	\$610,500	6.4%	15.0%
Ringwood North	\$695,000	\$656,000	5.9%	4.8%
Warranwood*	\$683,000	\$641,000	6.6%	6.9%

UNIT PRICES	Dec 2014 Median	Sept 2014 Median	Quarterly Change	Annual Change
Bayswater North*	\$341,000	\$340,000	0.3%	6.6%
Bayswater*	\$438,000	\$395,000	3.7%	5.4%
Croydon	\$412,750	\$395,000	4.5%	2.9%
Croydon North *	\$412,500	\$416,350	-0.9%	\$0
Kilsyth*	\$399,500	\$402,000	-1.6%	3.8%
Lilydale*	\$414,000	\$347,500	14.6%	6.9%
Mooroolbark*	\$425,000	\$385,500	8.1%	-0.5%
Ringwood East*	\$490,500	\$487,500	0.6%	17.3%
Ringwood	\$434,000	\$435,000	-2.9%	7.5%

Source REIV Dec 2014.

* Median price is defined by the REIV as the middle price in a series of sales, where half of the sales are of lower value and half are of a higher value. Median prices are considered a more accurate indicator of true market activity rather than average or mean prices because they are unaffected by a few unusually high or low prices