

Property News

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

Sold In 48 Hours



SOLD

2 Bingil Close
Kewarra Beach

Listed with another agent for three months... Details P.3

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Letter from the Principal

Dear Reader,

The market has, quite simply, never been more dynamic.

Record low interest rates translate to a low cost of mortgage debt and property buyers of all classes are taking advantage of this.

First home buyers, first time investors, mums and dads taking the opportunity to upgrade the family home ... we are seeing them all.

There are more buyers than sellers and that is positively impacting both prices and the speed of sales.

We have buyers galore on our database and need more homes to meet this demand.

If you are thinking of selling, you have nothing to lose and everything to gain by contacting us for a no obligation market evaluation.

Excitingly, we have two big annual Auction dates coming up.

Kind regards,

Paul Stirling
Principal



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Setting the Stage

First impressions can make all the difference as to whether the "For Sale" sign in front of your house becomes a "Sold" sign after an inspection.



For that reason you need to set the stage for purchasers, so that they can imagine themselves living there.

This is where some home staging tips can help you and give you a more competitive edge in the market.

"Home staging" refers to the knack of preparing a house for sale so that it still looks attractive and comfortable but doesn't have such a strong personal stamp on it that potential buyers feel they wouldn't belong there.

That doesn't mean launching into expensive interior decorating. In fact, home

staging is really the opposite. While interior decorating involves dressing up a house so that it has personal meaning for the owners and reflects their own tastes and interests, home staging refers to removing the strongly personal element from a home while helping it to appeal to the broadest possible range of buyers.

In addition to the usual preparation for sale, such as keeping the home clean and tidy, and ensuring there is as much light and air as possible, home staging involves two main points of action.

DECLUTTER

This refers to removing your 'personal footprint.' If you have lots of family photographs, ornaments, souvenirs, children's drawings and such things throughout the house, take most of them away. Sporting trophies, personal hobby materials and most of your books can be stored in boxes until you set up in your new home. If you've turned the study into a craft room, clear it up and turn it back into a study while the house is on the market.

CREATE SPACE

This is another form of decluttering but relates to the interiors of drawers, cupboards and any other storage you have. People often look in cupboards when inspecting a home and if they find them filled to bursting they will assume there is not enough storage space. Give things away, sell them or store them elsewhere, so that you have well presented cupboards and even a few empty shelves here and there. Don't put everything in the garage either – prospective buyers need to see the space it provides.



Database Key To Sale

A four bedroom Kewarra Beach home that had sat unsold with another agent for three months was sold in just 48 hours by Ray White Cairns Beaches.

The secret? A carefully honed and regularly updated database of qualified buyers and agents who know their clients.

2 Bingil Close was just what one of those buyers had been searching for and it took one e-mail followed by an inspection to seal the deal that saw contracts exchanged in 48 hours for a price that both surprised and delighted the vendor.

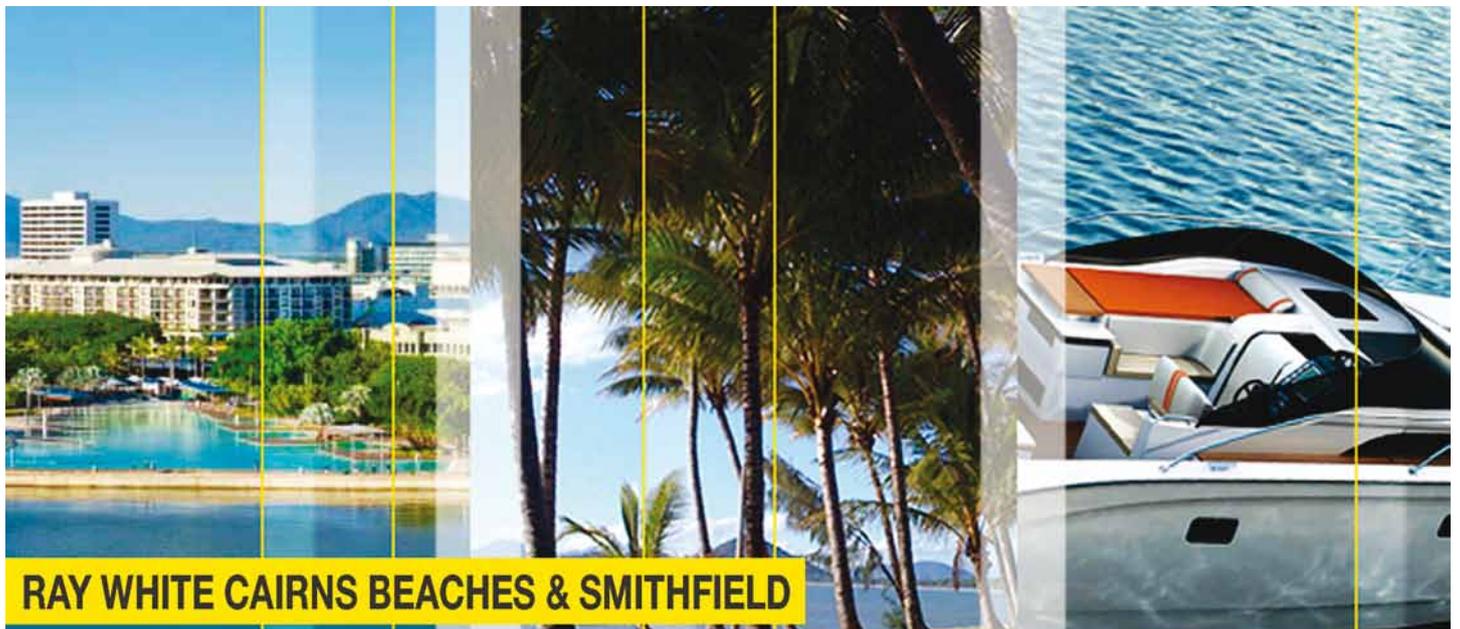
Ray White Cairns Beaches Principal, Paul Stirling, said that, particularly in the current market, a carefully maintained database of buyers is a vital sales tool.

"There have been many other examples where we have succeeded where other agents have been unsuccessful, simply because of this database," he said.

The property's location and features were cross matched with the requirements of buyers to find those it suited.

Features included the central location, four bedrooms and two bathrooms, side access, 690m² block size, pool, two car garage and importantly, access to park a caravan.

Paul said that they have many buyers still looking for similar properties.



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PROPERTY INVESTMENT

Gearing, capital gains tax and depreciation

Time after time, residential property has proven to be one of the best ways to build wealth.

While there is an element of risk involved in any investment, successful investors will attest that residential real estate is an essential part of any thriving portfolio. It is successful for two simple reasons – there is a high demand for good rental housing and banks are so convinced of the value of property investment they will often lend up to 95% of its value.

So once you have decided on a home or unit to invest in, what are some of the things you need to know about investing in property?

Many people invest in property with the aim of taking advantage of Australia's negative gearing rules. What is Negative Gearing?

In property investing, gearing means borrowing to invest.

Negative gearing is when the costs of investing are higher

than the return you achieve.

This applies when the annual net rental income on your investment property is less than the loan interest plus the deductible expenses associated with maintaining the property.

When negative gearing is working for you, you can deduct the costs of owning your rental property from your overall income which ultimately reduces your tax bill. High-income earners benefit the most from this technique as they are in the top tax bracket. Although you record a loss on the income from the property, the capital gains in the value of your property should make the investment worthwhile.

However, it is important not to over-commit to a property with the intention of making the most of the tax deduction. These tax benefits generally don't pay out until the end of financial year and in the meantime you will have to make sure you are meeting your mortgage repayments.

How does depreciation affect property investors?

Items in your rental property, like stoves, air-conditioning units or dryers, can be affected by depreciation and investment owners can make claims for their replacement.

This process involves writing off the cost of the item over a set number of years or the effective life of the asset. The ATO sets out what it considers to be appropriate periods. To make sure you make the most of the available depreciation allowances, it's a good idea to talk to a quantity surveyor or other depreciation specialists.

It also important to note that the higher the depreciation bill, the higher the amount to offset against income when you're negative gearing.

Capital gains tax is the tax charged on capital gains that arise from the disposal of an investment property.

When you purchase an investment property, you're liable for CGT if your capital gains exceed your capital losses in an income year. (This only applies to property that was acquired after 19 September 1985.)

The capital gain on an investment property acquired



on or after 1 October 1999, and held for at least a year, is taxed at only half the rate otherwise. This means a maximum rate of 24.25 per cent if you're in the highest tax bracket.

The capital gain is the profit you've made over and above the cost base which is the purchase price plus capital expenses such as renovations. It is vital to keep and maintain accurate records.

Capital gains tax is a complex area, so it pays to get specific advice about how it applies in your individual circumstances.

Take the hassle out of buying & selling



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Kerry Suthers



Mark Carmady



Sonia Poole



Rachel Blok



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