

## PROPERTY NEWSLETTER

January 2006

### PROPERTIES FOR SALE

#### RESIDENTIAL

**WATERLOO** \$430,000  
**BOURKE STREET**



Situated in the popular "Tiara" building this near new 2 bedroom apartment boasts a fantastic sunny outlook from the 3rd floor.

#### COMMERCIAL

**ALEXANDRIA** LEASE/SALE  
**BOURKE RD**



Commercial units in boutique hi-tech building comprising of 14 strata suites designed around a central garden with parking

**WATERLOO** \$230,000  
**SOUTH DOWLING STREET**



Ground floor strata office space within a recently restored heritage building. Lettable are approx 86SQM. Shared WC.

**ALEXANDRIA** LEASE/SALE  
**MADDOX STREET**



Strata Titled Showrooms, Loft Business Suits & Studios available for immediate occupation within an Art Deco Building.

**RANDWICK** \$60,000

#### BUSINESS FOR SALE

Located on busy Belmore road Randwick opposite Royal Randwick. Excellent modern fit-out. Would suit clothing boutique, optometrist, jewellery store with an area of approx 60SQM. Long term lease offered.

### SMOKE ALARMS IN ALL UNITS BY 1<sup>ST</sup> MAY 2006

The *Environmental Planning and Assessment Act (EPA Act) 1979* has been amended to require the following things:

- > All Buildings where a person sleeps to have one or more smoke alarms fitted
- > They must be fitted before a building (or unit) is re-sold or rented.
- > They must be fitted to all dwellings by May 1, 2006
- > They may be fitted to a strata unit without owners corporation approval.
- > They may not be tampered with or removed.

However the Act does not specify

- > What type of smoke alarm must be fitted.
- > Their specific location within a lot, or
- > Maintenance required.

#### What does this mean to owners?

By May 2006 all units must have a smoke alarm fitted. Anytime a unit is sold or rented the owner (not the owners corporation) must ensure there is a smoke alarm fitted.

The smoke alarms required may simply be battery powered, though the law as it stands means there is provision for this to potentially change to 240 volt battery back-up units (AS3786) as required in new buildings.

Unit owners must be made aware of their obligations under the law.

Maintenance required? Australian Standard AS1851-2005 requires annual testing if it is a AS3786 smoke alarm, however no maintenance is required for battery only devices.

#### What action should an executive committee take?

- > At the very least, encourage owners to purchase and install battery powered smoke alarms (\$10-\$40) and fit them themselves
- > Consider gaining owners approval to have the owners corporation's fire contractor fit AS3786, 240 volt battery back-up smoke alarms for \$150-\$240/unit depending upon layout, ceiling, number of bedrooms, number of units per visit, type and style of smoke alarm etc.
- > Owners should be encouraged to install photo-optical (photo electric) smoke alarms adjacent the bedrooms as photo-optical are far more reliable and do not false alarm easily (90% of smoke alarms are of the "ionization type" and false alarm very easily - therefore causing tenants and owners annoyance and potentially ultimately tearing them down.

### PROPERTIES FOR LEASE

#### RESIDENTIAL

**RANDWICK** \$420pw  
Situated on the corner of Cook and Alison lies this well presented near new 2 bedroom unit. Also features undercover security car space and 2 balconies. Be quick!

**KENSINGTON** \$290pw  
Original 2 bedroom unit opposite Randwick Racecourse. Large living area. Walk to UNSW & TAFE. Close to Transport and Kensington Shops.

**RANDWICK** \$400pw  
Immaculate ultra modern 1 br + study unit conveniently located. Double sized main bedroom with mirrored Built-in. Internal Laundry with dryer. Walk to TAFE & transport

**RANDWICK** \$330pw  
Situated in a great location off Belmore rd is this large partially furnished 2 bedroom unit. 2 large bedrooms, both with built-ins. As well as lock-up garage.

**KINGSFORD** \$500pw  
Freshly painted, carpeted & tiled 3 bedroom bungalow. Ornate ceilings and timber arcs throughout. Lock-up garage with long driveway. Be quick, this one will go fast!



Justin-Jon Antonas  
Property Manager

**FEATURE PROPERTY****DACEYVILLE****\$625,000**

Located in a quiet street on a block of approx 295 SQM, is this neat 2 bedroom semi-detached home with secure off street parking. This original home features good size main bedroom with bay window and built-ins, sunny second bedroom, combined kitchen & dining, separate living area with fireplace, sunroom, internal laundry and bathroom. An outstanding feature is its large, sunny, level rear yard with 2 handy storage sheds and a variety of citrus & fruit trees including mango, lemon, orange & fig

An ideal affordable semi for those looking to renovate & add their special touch and reap the benefits of its great location next to Eastlakes Golf Club, public transport, public and private schools, spectacular shopping, parks, popular beaches, UNSW and hospitals.

**SOME OF OUR RECENTLY LEASED PROPERTIES**

Waratah Ave. Randwick  
Alison Road, Randwick  
Avoca Street, Randwick  
Prince St, Randwick  
Harbourne Rd, Kingsford  
Doncaster Ave, Kensington

**LAND TAXES- NSW**

NSW property investors or families with a holiday house anywhere in NSW were required to pay land tax from January 1, 2005, when new tax rates came into effect. This was reversed in May when the NSW Government announced changes in its budget to remove those changes to land taxes that were threatening land owners across the state.

New premier Morris Iemma also abolished the infamous vendor tax in August 2005- a move that was applauded by investors, economists and the property industry in general.

**BUYERS TIP: FINANCE**

People sometimes overlook obtaining confirmation from their financial lending institution on the exact amount they can borrow to purchase a home. It is always wise to have your limit confirmed before you go looking to buy your home. Keep in mind, as well, additional ongoing expenses that you will need to cover when owning a home such as rates, insurance, etc.



Member of Real Estate Institute of NSW

**MAKING YOUR INVESTMENT WORK FOR YOU**

Industry experts are predicting that more seasoned property investors are likely to start making purchases again this year - the property market is cyclical and those who see property as a long-term investment will recognise buying opportunities. Here are some basics to consider if you are going to make the most of your second-home investment:

*Find the property.* The location and style of the home you are looking for must suit your target tenant - will it be a one-bedroom flat in a student area, or a family house close to schools and parks? What makes it stand out as a good place for someone else to live in? What appeals to just you may not appeal to the rental pool you may depend upon for consistent income. Then think resale: Will its style and layout hold its appreciation over the long term?

*Find the neighbourhood.* Even if the house is perfect, is the neighbourhood one that you see your tenants enjoying? Is it safe? Is it convenient and close to amenities? If your target tenant is a student or young city dweller, chances are they would prefer to use public transport. Remember, you can always add a bedroom or convert a patio space, but the area is set.

*Find the cash.* If you've got some semblance of a down payment and can show the likelihood of rental income, you may be in better shape than you think. One of the biggest changes in real estate over the past five years has been the easing of financing. Lenders have simply made funds more accessible.

*Find the manager.* How your investment is to be managed is a major decision, and one that should be addressed early. Having tenants, short- or long-term, will require that the property be effectively managed. It's a business, and will require maintenance and improvement, as well as rent collection (and that is not always as straightforward as it should be!). Management is a cost - either you will dedicate your time to manage your property, or you will pay a professional property manager. Choosing the more cost-effective approach will affect the return on your investment - however, research has found that using a professional property manager is invariably the better alternative and management fees are tax deductible.

*Find the reserve.* Property that will ultimately prove a good investment and yield a good rental return and capital growth over time may still occasionally present its challenges. For example, you may experience a longer than expected vacancy when your tenant moves out, occasional rental arrears or even an untimely plumbing or electrical repair. You are responsible for meeting mortgage commitments and maintaining your property regardless of whether or not it is generating income. Before you invest, create and hold a cash reserve to cover those periods when the house is vacant, when the rent is late or when the toilet needs repair.

**DON'T AVOID MAINTENANCE**

To preserve and enhance the value of your real estate investment, it's wise to avoid procrastination on tasks that need to be done. Establish a good regime of ongoing home maintenance and make value-adding improvements to the property from time to time, as your budget allows.

**TREAT YOUR TENANT WITH TLC**

Ever wonder what it takes to attract a good tenant? You know, one of those mythical types that pay the rent on time, doesn't play music at concert volume til the early hours and actually treats your property with care and respect? Believe it or not they do exist and there are some measures you can take to snare some.

The bottom line is you get what you give. The right type of property invariably attracts the right type of tenant and by keeping yours in a quality condition is a must. By regularly renovating and upgrading you are offering a superior product enhancing your success of getting the right type of tenant.

Of course the effect of diligent maintenance is two-fold. Apart from the fact the landlord is legally obliged to keep their property in decent shape, upgrading and maintaining can allow you to charge a higher rent. A residence in disrepair may be saving you money in the short term but invariably lead to a poor investment.

Attracting quality tenants is one thing, but it is still only half the battle. Most will see the arrangement as a two way street and expect the right type of landlord. Tardiness with requests for repairs or maintenance damages your rapport with the tenant and lessens the chance of a long term arrangement, which of course is the desired option.

*Antonas Realty's Director George Antonas, owner of several investment properties is a strong advocate of responding quickly if there are any problems and also advises renovation in times of no occupancy "if there is a vacancy I take the opportunity to go over the place again and fix any minor problems before they get worse".*



**George Antonas**  
Principal