

PROPERTY NEWS

Ideas to help you when you're Buying or Selling

Langlands Property Publication - Issue 2

FULL PRICE SALE IN ONE MONTH

Well-presented tidy home reaps top dollar in
Safety Beach, selling for \$669,000



In this issue of Property News:

- How to understand the Property Cycles
- Well-presented homes are in demand
- Tax planning for your investment property - part 2

Langlands
PROPERTY

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LETTER FROM THE PRINCIPAL

Dear readers,

Well-presented homes are in demand across the Coffs Coast. In this issue read about a home that sold for the full asking price, in just one month.

In this month's issue of Property News, we feature the second part in our series to help landlords at tax time.

Plus in this month's newsletter, we give you some guidance on how to understand the property cycles. With current interest rates, there has never been a better time to sell your property.

If you are planning to sell a property please give us a call today.

Kind regards,

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How to understand property cycles

'Over the long term property values increase'

Understanding property cycles is one of the biggest challenges in real estate. Many novice investors believe that having read a few articles on the subject or done some basic research they know what is involved.

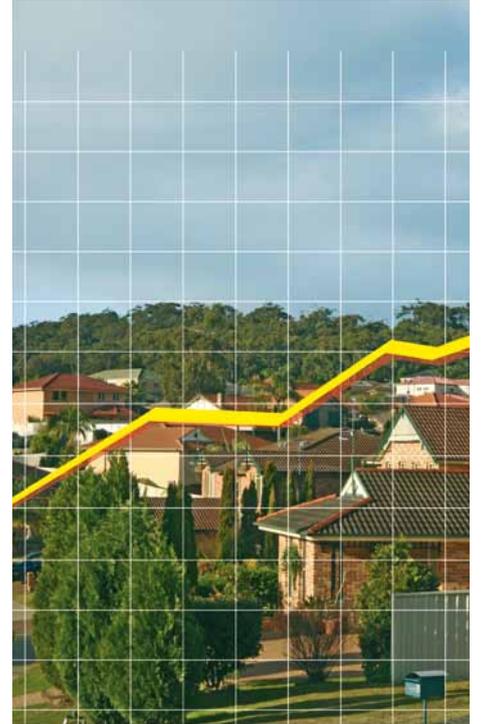
However, property cycles are not as straightforward as some authors would have investors believe. The key to investing in real estate is timing. As any experienced stock market or property investor will tell you, it's all but impossible to pick when a market has peaked or bottomed.

There are always those who will tell you they 'picked the top of the market' or 'got it right when it bottomed'. But, the reality is, it rarely happens. Instead, experienced investors try to pick a trend, whether a market is rising or falling.

For a property investor to accurately pick the trends, they need to know what a property cycle is. Property cycles in Australia generally last between seven to 10 years. They operate within the broader economy and are subject to and influenced by those factors that are impacting on the economy as a whole.

Those factors include interest rates, inflation and employment. And of course that immeasurable factor - market confidence.

It is true that the underlying force driving the property market is a growing



population. So, what you see in a rising market is that the demand for housing is on the increase, that there is a shortage of both rental accommodation and established and new housing.

According to the standard texts on property markets, the rules of supply and demand then come into play and investors and property developers step in to meet the demand by buying and building more homes.

The reality is that other factors such as interest rates are the real arbitrators of whether or not that new investment takes place. What we are seeing at the moment is a classic example of a real estate market that is extremely hot on the back of low interest rates.

Providing that interest rates remain low, the market should continue to rise. Currently Australians are enjoying record low interest rates.



As with any financial exercise, the decision whether to invest in property or just to upgrade the family home is not one to be taken lightly. You should consult your financial adviser to ensure that you are in the right position to benefit from the market.

Home sold in one month for full asking price

Vendors Deb and Mark have beaten the odds to sell their home for top dollar in their asking range at \$669,000, more than \$150,000 above the median house price for the local area.

The Safety Beach home was on the market for \$640,000-\$669,000, selling in just one month.

Langlands Property principal Amanda Langlands said well-presented properties were in high demand throughout the Coffs Coast.

"There are a variety of buyers for homes in the higher price range that are well-presented, neat and tidy," she said.

"Properties are selling quickly and for top dollar."

This property was on the market for 27 days, half the average time of 47 days for homes to sell in the local area.

The four-bedroom, two-bath and double garage home at 6 Quay Crescent met all of the wishes on any buyer's checklist for presentation, location in a desirable area, spacious interior with high ceilings, gourmet kitchen and alfresco dining, plus immaculately manicured grounds.

Designed across a single spacious level on an elevated parcel of easy care land, the home is just two kilometres north of Woolgoolga and only moments to Safety Beach Golf Course and golden beaches.

It's a home any real estate agent would



hope to market.

The vendors chose Langlands Property for their consultative style and proven track record.

"After having dealt with a few agencies to decide who would promote and sell our home like it was their own, we were referred by word of mouth to try Langlands Property," Deb and Mark said.

"From the first meeting with Amanda Langlands, we were impressed with her professionalism, her ability to make you feel welcome and comfortable, and her patience to accommodate all of our requests."

With more than 16 years experience Amanda has maintained a work ethic aimed at achieving the best possible

result for her clients. She has developed a strong reputation not only for her ability and energy, but more importantly the transparent honesty in her approach.

"We thank Amanda for everything she has done for us and thanks also to the wonderful staff at Langlands Property. We would definitely deal with Amanda and her team again."

Amanda believes Langlands' dynamic marketing skills and ethos of working for the seller has resulted in more than 80 per cent of business being generated from either repeat clients or referrals.

"We pride ourselves on our communication, professionalism and providing seamless transactions and peace of mind for all," Amanda said.

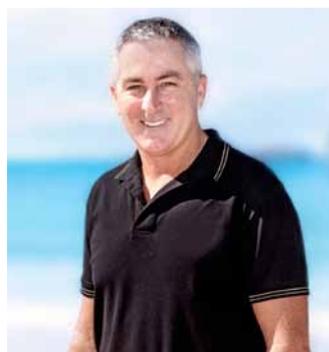
We Have The Experience And Local Market Knowledge You Need



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Call one of our sales specialists today on 02 6651 2822 to sell your property

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Tax Planning for Your Investment Property and Depreciation



Part 2 - Our Annual Tax Planning Guide for Landlords

In this special report we examine Tax Depreciation on your Investment Property.

It is wise to get in as early as possible and acquire a report for your investment property to ensure you minimise your tax. Using your property agent and an accredited quantity surveyor to do the hard work for you is the best course of action to maximise your deductions.

You require a property report in order to ascertain how much you can claim with regards to depreciation. Depreciation is a tax deduction available to property investors who earn an income from their properties.

Unlike usual deductions, depreciation is considered a 'non-cash' deduction. So rather than a deduction for money you have spent, it is to account for wear and tear to the property over time.

Depreciation is divided into Plant & Equipment and Building Allowance.

Plant and Equipment

This includes things like ovens, dishwashers, carpet, blinds, air conditioners etc. So items that are used in a property and can deteriorate or break over time.

Building Allowance

Building allowance pertains to the

building itself so roof, tiles, slab etc. Building allowance applies to buildings and renovations that were commenced after July 1985. This allowance involves construction costs of the actual building as well as improvements.

Is Depreciation only for new properties?

For newer buildings, depreciation claims can be quite extensive. But even if you own a home that was built before 1985 then it could still be worth depreciating. There is still some value for the plant and equipment.

Plus you are entitled to claim for renovations done after July 1985 even if they were completed by previous owners.

Calculating Depreciation

There are different ways on calculating depreciation which are the prime cost (or straight line) method or the diminishing value method. You can search for a property tax depreciation calculator online to give you an estimate.

Why you should hire an expert

While there are some DIY options available, it is wise to obtain an accredited quantity surveyor that specialises in depreciation to prepare a comprehensive depreciation schedule to ensure you receive every cent you are entitled to.

If you do it yourself you may miss some crucial aspects which will lose you money, not just in the coming financial year but for many years to come.

A quantity surveyor will ensure that everything is covered and that you are within ATO guidelines. The report they prepare can calculate depreciation over 40 years using both methods, so one report can last a long time, assuming no changes are made to the property.

Also enlisting an experienced property agent to do a report of all the inclusions in the property is beneficial. When calculating depreciation there may be items that you might not think of. For examples a percentage of common areas could be claimable as well as things like car park and security assets. Your property agent will know everything to include.

So in order to minimise your tax, start thinking now about obtaining reports from an experienced property agent and quantity surveyor and you could save a lot of money.

This is general advice only. Contact your accountant for advice specific to your circumstances.

We Have The Property Management Team You Have Been Looking For

Our locally based, trained professional Property Management team will look after your property as though it were their own.

Phone them today on
02 6651 2822



Georgia Adams
Property Management

Ashlee Downton
Administration

