

PROPERTY NEWS

Ideas to help you when you're Buying or Selling

Langlands Property Publication - Issue 3

SOLD IN 10 DAYS

Neat and tidy home in Coffs Harbour
sells for \$485,500. Full story on page 3



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- Becoming a landlord - entry to property ownership

Langlands
PROPERTY

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LETTER FROM THE PRINCIPAL

Dear readers,

In this month's issue of Property News we feature the recent sale of a three-bedroom house that was sold within 10 days of going on the market. There is currently a high demand for mid-range homes in Coffs Harbour.

We also look at the recent NSW Government incentives for first home buyers and the potential impact on the market.

Buying an investment property is an alternative way to enter the property market. Our page 4 story discusses the merits of this pathway.

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

Kind regards,

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Stamp duty cuts a win for first home buyers

The axing of stamp duty for first home buyers is set to boost demand for established housing and flow on to vendors in higher sale prices.

From July 1, 2017, the NSW Government will abolish stamp duty on all residential homes up to \$650,000 and give duty relief on homes up to \$800,000.

The cuts, combined with the scrapping of insurance duty on lenders' mortgage insurance, represent a saving of \$26,857 on homes up to \$650,000. After this, concessions gradually reduce to \$2896 for properties valued up to \$800,000.

The NSW Government announced the cuts in a bid to help Aussies struggling with home affordability and level the playing field with foreign investors in the housing market.

Under the package, first home buyers are exempt from stamp duty on all homes up to \$650,000, with a sliding scale of stamp duty relief for homes up to \$800,000. In addition, they will no longer have to pay the 9% duty charged on lenders' mortgage insurance. The \$10,000 grant when building a home valued up to \$750,000 or buying a newly built residence valued up to \$600,000 remains.

The plan also ensures foreign investors pay higher duties and land taxes, with the surcharges on stamp duty doubling from 4% to 8% and land taxes rising from 0.75% to 2%. Property investors cannot defer paying stamp duty on off-the-plan purchases.

What is the impact? It means more

first home buyers entering the market and possibly with more cash to spend.

The Australian Bureau of Statistics shows the number of first home buyers as a percentage of total owner-occupied housing sitting at 13.9% in April 2017, a slight increase from 13.5% in March. These numbers would be expected to rise dramatically after July 1.

The new financial incentives are also likely to boost demand for properties with a price tag under \$650,000.

To put this into context, 45.4% of residential properties sold in NSW over the past year were \$650,000 or less and 58% were under \$800,000.

For Sydney, where first home buying has been low for many years, the measures bring the city's higher housing cost within reach.

The great thing for regional first home buyers is that they're benefitting from affordability measures aimed at city buyers. Median home prices in regional NSW are well under the cap.

On the flipside, vendors could expect to benefit from more buyers in the marketplace.

Not only are the odds increased for selling homes in shorter times, it could be argued that stamp duty cuts will ultimately raise property prices due to higher competition.

The research firm Corelogic stated it was "widely accepted that policies aimed at stimulating demand tend to push prices higher".

Demand high for mid-range homes

Langlands Property continues to sell homes quickly for clients, this time a three-bedroom house in Coffs Harbour was snatched up for \$485,500 in under two weeks.

The team at Langlands Property now have a long list of sales that were made within 10 days of going on the market, a significantly better performance than the average sale time of two months cited in many suburb property reports.

Agency principal Amanda Langlands points out that a fast sale doesn't mean price discounting – it means buyers are eager.

“Neat and tidy mid-range homes are in high demand and sell very quickly.”

“This property sold for its asking price. Similarly, these types of homes are going for top dollar.”

The family home at 15 Morrison Close, selling at \$485,500, went for much higher than the area's median price of \$446,650.

The immaculately presented home had all the aspects buyers were looking for.

The well-maintained property sits on 712 square metres of easy care yard and landscaped front courtyard. The house has an enclosed alfresco entertaining



area, separate lounge and dining rooms, plus a modern kitted out kitchen.

Homes like this that are ready to move into rate highly with buyers, as shown by the fact that of the two inspections, both parties put in offers.

Vendor Trish Bowes cannot praise Amanda's skills and knowledge highly enough.

“From our first meeting with Amanda and her team, we were impressed with her presentation and keen eye for detail with regard to the property,” she said.

“She gave excellent advice about the property's presentation and immediately the house went on the market, she ensured we received an excellent outcome.

“The property quickly sold and Amanda continued to keep in regular contact.

“Nothing was too much of an effort for Amanda and her team.”

If you are considering selling, make your first stop Langlands Property. They know and understand the local market.

House prices in Coffs Harbour have grown by 9.8% in the past three years and 2.15% last year. According to research group Corelogic, demand for homes is ahead of supply and sellers are usually getting the prices they ask for.

With their market experience, Langlands Property can – and do – win top dollar for vendors. Contact Langlands Property today if you are thinking of selling a property.

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**



Becoming a landlord can be your entry point to property ownership



How can you get a foothold in the property market if prices keep on spiralling up the way they are?

Why are so many Australians missing out on fulfilling the Aussie dream of owning their own property and what can they do about?

Unfortunately, in many parts of Australia the thought of buying your own property is out of reach of many young people entering the real estate market for the first time.

Even though these people have saved and given up many luxuries to put together a deposit and raise the finance to enter the property market, they are finding their dream home is out of reach as property prices keep spiralling skywards.

But buying your first property is only one approach to ownership and in this article we are going to share another alternative that will enable you to get a foothold in the market and could down the track lead to a greater chance of long-term wealth.

We would like to suggest that you change your focus and consider becoming a landlord instead.

This may mean you may have to continue living at home with relatives or renting for several years to come.

Why should you become a landlord?

11 years ago, a mate of mine – let's call him Richard for privacy reasons – decided to take his deposit for a family home and use the finance he was able to arrange to purchase two small investment properties.

The two villas he purchased, were already rented to long-term tenants and gave him an immediate source of rental income to pay off his loan with the bank.

11 years later, both of those villas have been paid off and provide him with an income stream for life.

Richard did not stop there, once he had built up enough equity in these two investment properties he borrowed more money and purchased several more investment properties.

At current count, Richard has a portfolio of investment properties covering several states. Not once has he had put his hand in his own pocket to pay off the various loans he has acquired to build his portfolio of properties.

What about his dream family home?

To this day he is still renting a property to call home. But the return on all these investments has allowed him to rent properties out of the reach of any of his friends. Richard is living a millionaire's lifestyle thanks to shrewd investment

decisions. He has calculated that in another 10 years he will be able to buy a home of his choice with cash and no mortgage thanks to being a landlord.

How can you apply this?

It is not possible in this article for us to give you a step-by-step plan that would enable you to replicate the success of my friend Richard. Everybody's financial position is different and we would suggest you speak with your accountant or financial adviser to see if this strategy of becoming a landlord is a good fit with your situation.

However, as a starting point we would also like to suggest you also speak to our property management team and they will be able to give you an idea of the types of properties people are renting in our area. Then our sales team may be able to show you some investment properties that suit your budget and fit your plans.

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

