



Market News by Daniel O'Meara



Close proximity to Nelson Bay CBD and treed outlook saw this townhouse sell in the high \$200's



Large, solid and positioned amongst all the bay has to offer. This older style home sold in the low \$400's



A thorough, quality renovation saw this main road home sell in the low to mid \$300's



Well cared for townhouse overlooking the 'duck pond' at Corlette. Two parties fought it out to pay in the mid \$300's

The local property market is continuing to perform very well. There are plenty of sales about, buyer enquiry remains very strong and property owners looking to sell can be certain of a sale as long as they are realistic on price.

Recent months have seen fantastic sales especially where free standing homes and duplexes are concerned. Units generally have sold quite well but the large complexes of resort units continue to be very quiet. Land has also seen an improvement in demand as have properties suitable for redevelopment.

Whilst there have been plenty of investors in the marketplace there has been far more owner occupiers buying over the past few months. It seems that the natural appeal and relaxed lifestyle of the bay combined with more confidence in the real estate market has encouraged people to sell up and move to the bay. Recent stamp duty announcements which are discussed later will surely see this trend continue over the next two years.

The number of mortgagee in possession sales around the bay seems to have dropped off, these seem confined mainly to the resort unit blocks now. I have never seen as many mortgagee in possession sales as occurred over the past year and values through the resort blocks could take many, many years to recover as a result.

Figures show that there has been a small rise in the median sale price over the past year and the median price now is about the same as it was in late 2002. The number of sales have continued to rise and these are now the equivalent of what we were seeing in late 2003. Overall, these figures show a gradual recovery whilst still being about 10% lower than the figures of say 2006. Smart investors and speculators would see this information as a strong signal that it's time to buy.

I believe that the market will continue to improve throughout 2010 and whilst I don't feel there will be any major price movements across the board there may well be some rises within small sectors of the market. The sectors most likely to see a price rise over the balance of 2010 would be free-standing homes, probably within the \$450,000 to \$650,000 price range.

My pick for value at the moment would have to be older, open plan homes with good water views that are ripe for renovation. There have been some real quality homes go on the market around the \$750,000 to \$800,000 range and I think these have the potential of some enormous capital gains over the next 3 years.

The recent stamp duty incentives should bring plenty of activity to the market as far as new and heavily renovated properties up to \$600,000 are concerned. The aim of this is of course to stimulate residential construction work and so far doesn't

seem to have been promoted by the state government anywhere near as much as it should be but will certainly provide additional building work in the area as well as a recovery in the demand for vacant land as developers and speculators re-enter the market.

Recently we've been searching high and low for duplexes and townhouses up to \$400,000, 3 bedroom homes to \$500,000, modern 4 bedroom homes to \$650,000 as well as homes with water views to \$800,000 without finding enough. If you own a property like this and are considering selling please give us a call as we have plenty of people looking for these properties.

Anyone looking to sell at the moment should be wary of what we call the 'inflatable agent'. The inflatable agent appraises your property at a deliberately inflated price so you list with them and then they start beating you down on price. This results in you achieving a lower price at the end of the day as your property sits on the market longer and becomes a stale listing. How do you spot an inflatable agent before it's too late? Ensure that any agent appraising your property discusses the recent comparable sales in your neighbourhood and how these relate to your property. Getting the price right at the start means a much higher selling price and a faster sale.

If you're serious about selling you'd be mad not to call Lorraine O'Meara, Kelli McDade, Andrew Batrick, Kim Westcott or myself on 02 4980 4400.

Regards

Daniel O'Meara

Team additions

We're pleased to introduce Sharee Chadder. Sharee joined our team recently as a Property Officer to our property management department.



Sharee Chadder

Sharee has worked in strata management in the past as well as her own business ventures. Sharee will be responsible for leasing properties, arranging maintenance and generally looking after permanent rentals alongside Jane Lestone, Leanne Wright and Julie Bullock.

On the web

Our web site at www.omeara.com.au continues to be very popular with buyers, potential tenants and property owners living out of the area. If you're seeking an easy way to keep up to date with the latest news and goings on around the bay just register on our site and you'll receive regular updates.



What is happening at O'Meara Property?

It's mid year and we've been flat out. Recent months have seen enormous demand for quality rental properties throughout the peninsula and we've been renting properties out hand over fist.

With a couple of major international companies moving into Port Stephens we have rented a number of properties for very high rents ranging up to \$1,200/Week and we're still looking for a few more exceptional properties to meet demand.

The general rental market is moving very well with three and four bedroom family homes renting quickly in the \$400 to \$550/Week range and duplexes and townhouses proving popular in the \$300 to \$400/Week bracket.

At this time of the year we spend a lot of time conducting routine inspections of our properties and providing reports with photos back to the owner along with a recommendation on where the rent should be at in the current market. We see our routine inspections as an important tool in the ongoing management of a property and vital to keeping the property in the best condition possible. I'm amazed to see when we take properties over from other agents that often there has been no inspection for several years, when was your last routine inspection?

Winter is of course a great time to clean up and modernise a holiday rental property without losing income. A spring clean including all linen, window coverings and carpet clean should be mandatory but also consider repainting, replacing appliances such as televisions, stereo, oven etc. Why not even finally get rid of grandma's lounge? Sit back with an open mind and ask yourself 'Would I pay to stay here?' Trust me, if your property doesn't have air conditioning you'd best get it installed or get used to seeing a diminishing income each year. If you're after a list of everything we believe you need in a holiday rental property please contact us and we'll be happy to assist.

The cooler months also bring to mind the question of smoke alarms. It has been a requirement that all rental properties have a functioning smoke alarm since 2006 but how do you determine whether the alarm is really functioning? We used to test alarms via a visual inspection and simply pressing the 'test' button. This however, in no way tests whether the alarm can actually detect smoke which is the primary purpose. We have since last year engaged a national company to thoroughly test smoke alarms on behalf of our landlords; they test the alarm with smoke, replace batteries and/or the alarm as required and then provide a certificate of compliance so our landlords can rest assured they meet all the requirements.

Changes to the Residential Tenancies Act

The NSW government is in the middle of making changes to the Residential Tenancies Act and the new regulations are expected to come into force later this year. Some of the more significant changes include:

- Terminating a lease 'without grounds' ie. You want to move in yourself will require 90 days notice instead of the current 60 days.
- The time it takes to get a non-paying tenant out of a property is expected to be dramatically decreased as the wait to get a tribunal hearing will be reduced.
- Properties where tenants are paying for water usage will be required to be water efficient ie. taps, shower heads.
- The new act is expected to formalise the requirement that a tenant be notified prior to the property being placed 'for sale' and the requirement for the tenant to allow inspections.
- The new act will provide a time frame for water usage bills to be given to a tenant and for the tenant to pay within a time frame.
- Properties will be required to meet a minimum level of security.
- Tenants will be able to break a lease early without penalty under certain circumstances.

The amendments will be the first major changes to NSW tenancy laws for more than 20 years. It will be very important that property managers and landlords looking after their own properties comply with all new regulations once the new act comes into effect as the penalties for non-compliance can be very high.

Tax return time

It's that time of the year and I know I keep hammering the point but please ensure that whoever prepares your tax return ensures that you are claiming everything you possibly can. A great way to ensure that all of your outgoing expenses are recorded properly is to have your property manager pay them and then they all show up neatly on your financial year statement.

If you have or are buying an investment property in the area and are looking for a personalised, professional, pro-active property management service please give me a call or email jane@omeara.com.au; remember also our great introductory offer which allows you to trial our service for a year on a reduced rate.

Until next time!

Jane Lestone



Featured Listing!

AN OLDIE BUT A GOODIE!

Just a few minutes walk from beautiful 'Dutchies Beach' and a short walk to Nelson Bay CBD & Marina this is well cared for older home crying out for someone to take advantage and give her a bit of a makeover. Three bedrooms, two bathrooms, rumpus, extra kitchenette ... What more could you ask for?

\$399,000



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