



Market News by Daniel O'Meara



A comprehensive Auction campaign saw this Soldiers Point home sell on Auction day in the mid \$400's



This beautifully appointed Salamander Bay waterfront apartment sold for over \$1,000,000



The excellent condition of this Shoal Bay home helped generate a very quick sale in the mid \$400's



After a long time on the market a change in marketing strategy & price sold this Soldiers Point waterfront for close to \$1,500,000

The local property market has got off to a great start for 2011 but the year ahead may have some challenges for property owners.

2010 ended up being a year of contrasts, the year started well and ended well but the middle of the year saw some pretty slack market activity. The real proof of course is always in the hard figures and statistics across the peninsula didn't show a glowing report for 2010.

Overall sales volume (dollar figure of all properties sold) for 2010 was down a whopping 37% from 2009 and the median price across the peninsula was \$412,985 down 16 percent from 2009. Interestingly enough, whilst our own number of sales was down slightly from 2009, our median sale volume was up 7% throughout 2010 which was a very pleasing result given the statistics.

The property outlook for 2011 will, I believe be heavily influenced by interest rates. Whilst first quarter sales for 2011 have, at the time of writing been excellent; most forecasters are expecting interest rate rises to occur from around June and depending on the size and number of rises through the year there could be an impact on the local market. Having said that though, there has been a steady increase in confidence in the local property market over the past six months and this rise in confidence I believe will weather some small rate rises. Naturally, the Queensland floods and cyclone Yasi will have a bearing on National finances and will have an impact on interest rates. The direction and size of pressure won't realistically be known for several months.

Considering the above, now and throughout 2011 looks to be an excellent time to be buying property on the Tomaree peninsula as it will be across much of regional NSW. Data provider, RPDATA reports that median prices throughout metropolitan markets rose around 10 percent during 2010 leading me to think that a similar rise should be not too far around the corner for us. This would provide an outstanding opportunity for the astute investor or those looking to upgrade.

Right now the market is crying out for good quality 4 bedroom homes in the low \$400,000 to mid \$600,000 price range and these homes are very hard to find at the moment. At the time of writing we have either sold or have very good offers on every home we have listed like this and we'd love to speak to anyone considering selling a similar property.

Recent changes to the Residential Tenancies Act will have some bearing on the sale of rented properties. Tenants are required to be given two weeks notice of their property being placed on the market and the tenant has the right to ask for a rent reduction whilst the property is on the market. There has also been a change to inspections whereby the tenant must agree to two inspection

times per week but is not obliged to agree to more than two inspection times per week. Further details on changes to the Act are included in 'Jane's Journal' overleaf or contact our property management team for further advice.

The key to selling in the current market remains price and price strategy. Put too high a price on your property will guarantee no inspections and no chance of a sale whilst putting the right price on your property ensures strong interest, inspections, offers and a higher selling price at the end of the process.

Auction provides the ideal price strategy for sellers who truly want to sell. Auction provides the highest possible sale price in the shortest possible time frame but what many people don't realise is that an Auction does not in fact cost thousands of dollars. We provide our standard marketing campaign and auctioneer at no charge whatsoever so you can in fact have the best sale method without being taken for a ride on marketing costs!

If you're serious about selling you'd be mad not to give our office a call on 02 4980 4400.

Regards

Daniel O'Meara

New team member

We're pleased to introduce Tahnee Keam as a recent addition to our property management team. Tahnee commenced her real estate career at Mooloolaba in her father's real estate office before moving to beautiful Port Stephens with her partner Jye who works for the Air Force. Tahnee is responsible for the vast majority of holiday bookings as well as holiday rental marketing. Why not contact Tahnee to book your next holiday?



Tahnee Keam

On the web

For some years now the vast majority of buyer enquiry has come from the internet and for our office it had specifically come from www.realestate.com.au. Interestingly, over the past six months, by far the biggest source of internet enquiry has been our own site at www.omeara.com.au. Recently we've also created a new mobile site exclusively for use by mobile phones and also become one of the first agents in Australia with a true presence on facebook with all of our listings being displayed there. Visit us at www.omeara.com.au or 'Like' us on facebook.



Janes Journal with Jane Lestone

A new 'Residential Tenancies Act' came into force on 31st January and includes over 100 changes to the previous act. These changes are the first major changes to tenancy laws in NSW in over 20 years and are having a dramatic effect on how agents and landlords manage each tenancy.

In my opinion, many of the reforms remove certainty for landlords, especially with regards to tenants giving notice and securing tenants. To best manage a tenancy here on out will require very careful tenant selection and a systematic, procedural management of each tenancy. It's impossible to cover all the changes here, but let me give you a rundown of some of the more prominent changes.

Tenants need to have certain facts disclosed to them before entering a lease such as whether the property has been affected by flooding, bush fire or a serious violent crime in the past 5 years. This will require records to be kept and a free flow of information between agent and landlord when first taking on a property.

In the past some landlords had clauses in leases requiring tenants to do things such as have carpets professionally cleaned at the end of the tenancy and whilst these clauses were sometimes in the grey area they are now strictly outlawed unless pets have been permitted. Tenants will now be required to be given the completed ingoing inspection report before or when the lease is signed. Whilst not seeming like much of a change, if a property is currently occupied and the tenant has given notice, the ingoing inspection report can't be completed until the current tenant leaves and may either hold up the incoming tenant or create difficulties in having the new lease signed if the tenants are moving from out of town.

The maximum rental bond you can request has been set at four weeks, even if the property is furnished and if the rent increases over the life of a tenancy the tenant is not required to 'top up' the bond.

We can take a maximum of one week's rent as a holding deposit and the property must be taken off the market for at least seven days. If the tenant changes their mind, say on the seventh day, we'd need to start all the advertising again and leaving the owner with a loss of rent.

Premises must be 'water efficient' if the tenant is going to be charged water usage. There is a grace period of twelve months for existing tenancies but for all new leases, including lease renewals the property must meet the requirements. Requirements for being 'water efficient' are that there must be no leaking taps at the commencement of the lease and all internal cold water taps, shower heads and single mixers must have a maximum flow rate of nine litres per minute. Bathtub taps, garden taps, single hot water taps and toilets are excluded from the nine litre/minute requirement.

Many notice periods have changed; if the landlord requires possession at the end of the fixed term of the lease the notice period has increased to 30 days. If the fixed term has passed and the lease is now a periodic lease and possession is required then the notice period has increased to 90 days. However, if the lease is a periodic lease and the tenant has been given notice for any reason, the tenant can vacate at any time paying rent only until vacating. Imagine you want to move into your property, the tenant is on a periodic lease and you're working on being there in 90 days. Notice is given and the tenant leaves 3 days later or 87 days prior to what you're counting on! As an agent, we now have no control over when a tenant will actually vacate when they are on a periodic lease.

In the past; if a tenant on a fixed term lease wanted to break that lease they were responsible for the cost of re-letting the property (advertising plus letting fee plus GST). Under the new act the owner may choose a fixed penalty which would be the equivalent of 6 weeks rent during the first half of the lease or 4 weeks rent in the second half of the lease. The choice of whether this method would be used or the previous method used is to be listed on the lease. The one advantage of the new method for the owner is that there is a potential for the owner to 'profit' from a lease break where the property is re-leased quickly.

Tenants will now be required to be given 14 days notice of their property being offered for sale and must be given notice prior to signing the lease if the owner intends to sell the property. If a tenant isn't notified that the property would be for sale they can give 14 days notice to vacate even if they are in the fixed term of their lease.

The process of evicting nonpaying tenants will be somewhat quicker as we'll now be able to apply for a tribunal hearing at the same time as serving the termination notice, saving two weeks. If the tenant pays up they are automatically allowed to stay although an application can be made to evict tenants who are continually in arrears.

I believe that the changes to the Act will catch a lot of private landlords out as they'll also catch a lot of the more disorganised agents out. Property Managers will now more than ever need to be systemised and have procedures in place to ensure that the act is complied with on all occasions.

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

Until next time!
Jane Lestone



Featured Listing!

Quaint cottage - Great spot

Located in sought after Gloucester Street and just a short walk to Dutchies and Bagnalls Beaches this home is the quintessential 'beach cottage'. With water views from several vantage points this an ideal property to rent out for now and build a new home at a later date. The owners of this one would love to see it sold!

Auction - Saturday 2nd April 2011



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