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Client:

McGrath Estate Agents

Project:

Copywriting for on- and offline newsletters.

Market Round-up

The NSW Government's April mini-budget was a source of disappointment for property investors. Many Australians have gained enormous financial security from property investment, and it's been a great revenue raiser for NSW. So it's unfortunate the State Government has chosen to create an additional tax burden for investors at a time when the market was already slowing.

We certainly haven't seen the panic selling that some commentators predicted. However investors who were considering cashing up before the 2.25 per cent exit tax was announced now have an added incentive to put their properties on the market before the deadline.

Property is such a resilient investment there's no doubt it will survive these new taxes as it survived the introduction of GST. I believe well-located Sydney property remains the best and safest investment vehicle for most small private investors. And if you follow a strategy of buy and hold – which I recommend – you won't be affected by the exit tax any time soon.

The mini budget was good news for first home buyers. The exemption of stamp duty on homes up to \$500,000 gives them a bonus of around \$18,000. This will be a catalyst for attracting more first home buyers into the market.

The boom market has now passed but there are still plenty of interested buyers. Auction clearance rates have been down, but sellers shouldn't be too concerned. Many of the properties being passed in are more a result of vendors yet to adjust to the new market rather than lack of buyer interest. We've found the majority of passed-in properties are sold within 10 days.

Property Q&A

Q: The old home buyer's adage is "location, location, location", but what actually makes a great location?

A: A great location allows you to create the perfect lifestyle for you and your family. It's a combination of the physical location of the property, the character of the suburb and the proximity to amenities. Start by answering the following questions: is the home close to public transport, shops, schools, medical centres and cafes and restaurants? Does it have a pleasant aspect and streetscape? How long will it take to get to work? Is the suburb safe and quiet?

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Q: How do I find out if the government has plans for any new roads or developments near a property I want to buy?

A: The contract for sale will have a 149 Certificate attached, which gives details of the property's zoning and whether it's affected by any draft local environmental plans or development control plans. It's also worthwhile to contact the planning and environment department of the local council to see what developments are proposed in the area. If there's any doubt, ask your solicitor to investigate.