

# PROPERTY NEWS

Ideas to help you when you're Buying or Selling

## LOCAL HOMES SELL FOR TOP DOLLAR



**SOLD**

**16 Simonson Way  
Williams Landing**

**See Page 3**

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**ace**  
REAL ESTATE

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## Message from the Directors

Dear readers,

In this month's issue of Property News, we start the first of a two-part series helping landlords prepare themselves for tax time.

In part one, we examine the various costs associated with your investment property that you may be able to claim on your tax.

Plus in this month's newsletter, we give you some guidance on Property Inspection Reports.

Before I go, remember that with current interest rates, there has never been a better time to sell your property. Buyers are lining up at our open inspections. To evaluate how best to sell your property please phone us today and we would be happy to share how locals have been successful in selling.

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.**

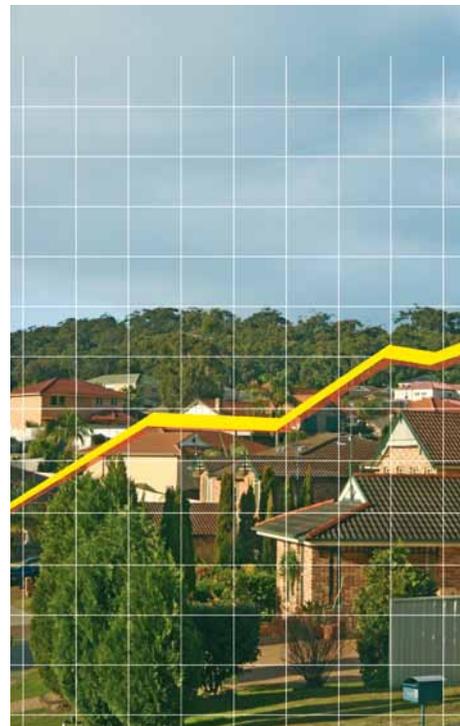
However, property cycles are not as straightforward as some authors would have investors believe. The key to investing in real estate is timing. As any experienced stock market or property investor will tell you, it's all but impossible to pick when a market has peaked or bottomed.

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 arbiters 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 and there is no sign of a rise on the horizon.



**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.**

# Local properties recording top sales results

ACE Real Estate have confirmed that the property market is hot in the Laverton/Williams Landing area and also in surrounding suburbs. Homes have sold at top prices and within astonishing time frames.

Laverton property, 129 Bladin Street, is an example of one of these properties, sold by Vikram Pal in just 48 hours. Ideal for development, this corner block of land already has approval for three dwellings. Development properties close to the CBD (this property is 18km from the city) are currently in very high demand. The home sold for \$615,000. A price well above the rising median price of \$450,000 for homes in the area. Both parties were extremely happy with the result.

“Not only is ACE Real Estate one of the best real estate agencies in the business, but they are friendly, personable and knowledgeable which puts you at ease. I have been on both sides of the table dealing with Vikram as a purchaser and a vendor, and the service I have received is second to none given his great negotiation skills, market knowledge and professionalism,” said Parshant Jain, vendor of 129 Bladin Street in Laverton.

Vikram Pal also successfully sold 10 Campbell Street in Laverton for \$561,000, \$21,000 above the asking price. The home sold in just three days after nine offers were made.

“Vikram was able to provide valuable advice and insights about the area. He was also prompt with communication which definitely helped make the purchase transaction easy for all parties,” said



David Lam, seller of 10 Campbell Street, Laverton.

ACE Real Estate’s Hareh Mureja sold 16 Simonson Way in Williams Landing for a record price of \$705,000. This price was \$100,000 over the median price of homes in the area. Combined with Hareh’s excellent realty skills, the property’s excellent location and decent land size provided an outstanding result for the vendors.

Shahid Ismail also of ACE Real Estate recently sold 4 Lazor Street in Truganina in just three days. The property sold quickly, with three offers made and the top offer of \$500,000 was accepted. “The land size that this property is on is no longer easy to find. That combined with its’ excellent

locality was how this home sold in record time,” said Shahid Ismail.

The vendors can vouch that Shahid exceeded expectations when it came to his realty skills and general market knowledge. “We achieved the price we were looking for, there is no doubt about his professionalism. He is simply the best,” said vendor of 4 Lazor Street in Truganina.

**For those wanting to purchase property within the area, an immaculate ex-display home is currently for sale. 22 Rowan Avenue, Williams Landing is walking distance to the new upcoming town centre and public transport, and just two minutes’ drive from the freeway. The home is on the market for \$980,000.**

## Call one of our sales specialists to sell your property. You won’t regret the decision



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0432 418 455

Sunny Sharma  
0466 885 999

Vikram Pal  
0413 201 831

Shahid Ismail  
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0432 559 955

**DO YOU KNOW WHAT YOUR HOME IS WORTH?**

**Call Us Today For A FREE Market Appraisal**

**Phone**

**03 9931 1333**



# Tax Planning for your investment property

## Part 1 - Our Annual Tax Planning Guide for Landlords

### With Tax time around the corner we examine possible Tax Deductions for your investment property

Owning an investment property can offer financial rewards through tax incentives. There are many expenses associated with your investment property that you can claim for. A qualified accountant specialising in property tax can be your best friend at tax time. But it's also worth knowing the kind of things you can claim for.

#### Maintenance costs

These pertain to the physical condition of the property and include things such as cleaning, gardening and pest control.

If you maintain the gardens, these costs are tax deductible including such things as dump fees, tree lopping and replacement plants.

Any repairs made are generally tax deductible. But be careful, the ATO sees a distinct difference between a repair and an improvement. A repair is restoring something to its original condition whereas as an improvement involves an addition or upgrade. Any improvement is a capital expense and can be depreciated.

#### Management costs

These costs include managing the administrative aspects of owning an

investment property.

Accounting and bookkeeping would obviously be included as well as the management of your tax. Legal expenses of buying and selling your property are not tax deductible but legal matters pertaining to the property can be, such as the cost of evicting a tenant.

Advertising is a claimable expense when you advertise your property for rent though not when you are advertising it for sale, which is a capital expense.

Real estate agent fees are tax deductible as are the costs associated with obtaining a quantity surveyor to prepare a capital works and depreciation deduction report.

Insurance that is purchased to protect your investment property is tax deductible.

Travel expenses can be tax deductible provided the travel is specific to your investment property. If you travel to view your investment property or collect the rent then that must be the prime purpose for the travel in order for you to claim the deduction.

#### Ownership costs

These may involve things that occur as a direct result of owning a particular property, so things like council rates or

body corporate fees.

#### Financing costs

Expenses in relation to finance arrangements may be tax deductible. These can include bank fees and borrowing costs. The interest payable on your loan is deductible but not the payments made on the principle amount.

#### Other Costs

There are a few other things you can claim for when owning an investment property you may not think of like stationery and relevant phone calls. In some circumstances the costs of attending property investment seminars may be tax deductible.

Also there is depreciation which is a non-cash deduction that allows you to claim a deduction for the wear and tear of the property over time.

This list is not conclusive and every situation is different. It is always wise to keep complete records of everything to do with your investment properties and obtain a qualified property tax specialist accountant for advice. This will be the best way to ensure you maximise your deductions.

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

## Our trained, professional Property Managers will look after your property as though it were their own.



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**Call us today on 03 9931 1333 to discuss your Property Management options**