

# PROPERTY NEWS

*Ideas to help you when you're Buying or Selling*

## ARE HOMES SELLING IN HOLLAND PARK?

How do you tell whether now is the time  
to be selling your property?



**FULL REPORT PAGE 3**

In this issue of Property News:

- Why renting could cost more in the long run?
- Why homes are selling fast in Holland Park
- Interest Rates - up or down?

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Gabe Daly Real Estate

**07 3847 1288**

# A letter from the Editor

Dear Reader,

**Professionals Gabe Daly Real Estate** is excited to bring you the latest issue of our newsletter.

We hope this newsletter will help you with buying or selling your next property. As a registered agent for some fourteen years I enjoy sharing my knowledge and experience of the real estate industry.

In this newsletter we are able only to outline the basics of each concept discussed. That is why we welcome the opportunity to meet with you, so that we can more clearly impart our local knowledge and experience by way of assistance.

Please don't hesitate to contact us at anytime at our centrally located office on (07) 3847 1288.

Yours faithfully,



**Richard Tiainen - Principal**  
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## Why renting could cost you more in the long run?

**Why is property ownership still the better long term option, even though interest rates are on the rise and renting a property seems cheaper?**

**There is not a day that goes by where people don't find themselves worrying about another interest rate rise. For some the concern becomes too much and they opt out seeking the far easier option of renting. But is renting really the best option?**

On the surface it definitely seems that renting is the cheaper option with the average mortgage in some cases costing roughly twice as much as renting a similar property. But as with any short term relief, is it really the best decision?

Without knowing your financial circumstances, it is hard to give you a definite answer, but for those who made the extra effort to pay off the mortgage they make a compelling argument as to why owning in the long term is far better than renting.

In this report we reveal why the home ownership lobby argue for buying versus renting.

### Long-term stability

Home ownership provides a sense of stability. Not only are you financially better in the long term, there is a definite sense of achievement in owning your own property.

Many people feel rent is 'dead' money, once it has been paid - it's gone forever, whereas every cent spent on home loan repayments becomes a form of forced saving that grows in time to become a considerable investment.

### Freedom to live your life

When you own your own home there is no landlord to be consulted about renovations.

Plus, the property cannot be sold out

from under you. You decide when its time to move on, not the landlord.

### You don't settle for second best

Whether you are renting or own the property you live in, there usually comes a time when you decide to make improvements to property. This may mean the installation of a new bathroom or the installation of the air-conditioning system.

Unfortunately, the decision to make such improvements is far easier when you own the property than if you're renting.

If you are renting, it's hard to justify the investment in a new bathroom, even though you would dearly love one, because when you vacate the property the landlord gains the best return as it is adding value to their asset, not yours.

### Builds your wealth

Every cent you spend on your home loan repayments increases your equity and net wealth, contributing to greater financial independence in the long run.

Plus, home owners can borrow against their equity to use for investment in a business or other venture.

In conclusion, even though the homeowner faces the prospect of increasing interest rates, this short-term pain is truly offset in the long-run as the benefits of home ownership accrue.

In most cases, residential property tends to double in value in most areas every seven to ten years meaning that every cent you pay off on your home loan is adding to your long-term wealth and financial stability.

# Holland Park

## Perfect area for investors

Now is the perfect time to invest in residential property in the beautiful Holland Park area, according to the experts at Professionals Gabe Daly Real Estate.



**How do you know whether now is the time to be selling your property? With market opinion swinging from one point of view to another, we examine recent sales in the Holland Park area and review a set of steps to help you plan your next move.**

Even though some commentators point to a slowing market, our sales team has seen a resurgence in selling activity in 2006, and 2007 is looking good for the property market. Only in the last couple of

months our team has successfully sold a number of properties in the Holland Park area at a time when other local agents are struggling.

**What type of properties are people looking to buy in our local area?**

In the case of the Holland Park properties we recently sold, they were all well presented, while offering an excellent location for raising a growing family. Location has always been a key factor when it comes to selling property.

In this case, these properties are located in the growing Holland Park area which is close to all the modern amenities you expect from living in a town like Holland Park.

Holland Park has long been regarded as a most desirable suburb for many good reasons. Located just 8-9 kilometres from the city heart, Holland Park and Holland Park West are more than adequately serviced by superb arterial roads such as the South-East Freeway, Logan Road and Cavendish Road. The city is just 6 minutes away by car, or just 10-15 minutes by public transport. To the South, the fabulous Gold Coast is just 40 minutes away, and to the North, you can be in the Sunshine Coast within an hour.

**If you are selling a Holland Park home, what price should you ask?**

It is always worthwhile to take your agent's advice when it comes to pricing. We are not in a boom market anymore and if your agent advises you to adjust the price – it is worthwhile taking on board their comments in making a decision as to where your property sits in the market.

**But what if your property doesn't offer that extra something special, how can you give yourself the best chance of selling right now?**

This is where it is worthwhile appointing a team who have had the experience of selling in a fluctuating market.

Experience tells us that it is not the state of the market you need to be concerned with when selling your property – the real issue is whether you have appointed an agent who can sell in a fluctuating market like QLD has been experiencing!

**Please feel free to contact a member of our sales team for a FREE home appraisal of your property.**

## Take the hassle out of selling or renting your property

Before you sign with the first real estate agent you meet telephone (07) 3847 1288 to get a second opinion



  
**Professionals**  
Gabe Daly Real Estate

# Interest rates up or down?

**If rates look likely to rise again, should you wait before going ahead with your property plans?**

## **How should you decide whether now is a good time to buy or sell your property?**

The answer is to do the sums. You would be sensible to consider your finances after another percentage increase has just been announced.

If your ability to repay your finance at this rate is in doubt, you would do well to reconsider the amount you are planning to borrow.

**Having said that, the current uncertainty over interest rates can provide some advantages to property buyers who are sure of their income and their ability to repay a realistic mortgage.**

While interest rates have recently increased, some financial analysts believe it will be all but cancelled out by the fact that there is a tax cut coming through, as long as borrowers put the tax gains towards their mortgage. Add to that a flattening of house prices in most cities, rising income levels and a strong job market and you get increased affordability and improved access to the housing market.

**There are distinct advantages of pushing ahead with your property plans straight away.**

Not only are some buyers shelving their plans, which increases the range and affordability of available housing, but you will gain from the months of lower interest rates you can achieve by acting swiftly, if the RBA does increase

rates later in the year.

Another strong element in the formula when considering your financial options has been the growth in the number and effectiveness of mortgage brokers in Australia.

**Savvy consumers are increasingly putting their trust in a broker to shop around for the mortgage that best suits their circumstances.**

There are possible savings to be made by securing a loan with a balance of fixed and variable interest rates and your financial adviser or broker can also advise you on the possible effects of a future interest rate rise.

That's all very well for buyers in today's market. But what about those who are planning to sell? Are you in for lean times?

**Should you delay putting your property on the market and put your plans on hold? The answer is no way.**

Astute buyers are not being put off by the speculation over interest rates.

Annually published Australian Bureau of Statistics housing finance figures showed that the proportion of all home loans taken out by first home buyers rose to a four-year high of 19.1 percent in April, from 18.4 percent in March.

This means there's no time like the present to act on your plans to sell.

If there is another interest rate hike at the end of the year, this might have more of an effect on the number of potential buyers than the two rises this year.



Now is an especially good time for moving up the property ladder.

If you are selling to buy another property, you will benefit from the advantages of buying now while your tax cut potentially cancels out the increase in the cost of your finance. Selling now will also help you to avoid the potential market dampening affect of another possible interest increase later in the year.

While there are a lot of variables at play at any point in time in the real estate market, one thing is certain, real estate will always be a good investment in the long-term. So do your sums, by all means, but don't be afraid to act now to secure your future prosperity.

## *Property Investors - Do you want.....*



### **Skilful Representation:**

Knowledge of market and legislation



### **To Optimise Capital Growth:**

Regular routine inspections



### **To Protect & Maximise Income:**

Implementing regular rent increases

Prompt negotiation of new tenancies



### **To Minimise Hassles:**

Peace of Mind!

If so you need the expertise of

**Professionals Gabe Daly Real Estate**

*You Need Our Property Management Team!*

Call Now **3847 1288** for

**First Class Property Management**

Mediterranean

**FLAMES**

*Cafe*

*Eat in or  
takeaway*

◆ *Kebabs*

◆ *Light Meals*

◆ *Burgers*

◆ *And much more...*

Trading from Monday to Saturday  
(Closed Sundays & Public Holidays)

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