

# CallagherClub

INNER WEST PROPERTY NEWS

DEC 2011

## Auction of Derelict Semi Draws A Crowd

A Beginners Guide to Property Investment

**Landlords Warned:**  
Meet current market demands or risk a vacant property

**Callagher**  
ESTATE AGENTS

Experience the Callagher way

# Property Market Gets a Lift



By Cary Giezekamp  
Managing Director  
Callagher Estate  
Agents

A slower than expected Spring selling market, the abolishment of stamp duty concessions for first time buyers and the RBA's rate drop announcement on Melbourne Cup Day, has resulted in a rush to buy and sell before the year end.

By November, auction clearance rates for the Inner West rose to around 70 per cent, where previously figures had been languishing in the 50 – 60 percentage range. Open house attendance and the number of registered bidders at auctions also both saw an increase in numbers.

The general mood is 'positive' and buyers are again seeing value in property – for now.

The property market can be fickle and we often advise clients that it is better to work with what they know right now rather than the 'unknown' of the future. Whilst some owners are banking on further interest rate falls before placing their property on the market, this is certainly no guarantee of achieving an increase in property price.

Whilst a rate drop and improved unemployment figures have had a positive impact on the property market, expected rises in home utility costs and general cost of living may well have a greater influence on buyer confidence, and therefore property prices. And whilst Australia's economy has proven resilient against the US and European ongoing financial crisis, many are anticipating that the bubble will burst.

As a result vendors are encouraged to set realistic price expectations for their property or risk not selling at all. Property levels are still high (almost 20% more than for the same period last year) so we are still leaning towards a buyer's market.

However, current market conditions remain advantageous for upgraders. Whilst you may sell for a little less than expected you will also buy for less, and as a result secure more 'bang for your buck'. The State Government's abolishment of stamp duty concessions for first home buyers from 1 January 2012 will also see many first homebuyers rushing to purchase properties under \$600,000 before Christmas.

We are also seeing a slowing in the rental market as we near Christmas 2011 with rental properties experiencing longer days on market and a higher vacancy rate. The end to the stamp duty concession for first home buyers will have contributed in part

to this whilst an increase in cost of living is encouraging some tenants to move outside the higher priced inner-city ring.

Overall the local inner west property market continues to remain strong and whether you're buying, selling, renting or investing, property continues to remain a hot topic on everyone's lips!

**"Current market conditions remain advantageous for upgraders"**



## CARY'S TIP:

Always over-estimate the purchase of your next property and under-estimate the value of your own. That way if you buy for less and sell for more you will be well within your budget and allow for unforeseen expenses.

## Festive Season Office Trading Hours

Friday 23 December	CLOSED
Saturday 24 December	CLOSED
Monday 26 December	CLOSED
Tuesday 27 December	CLOSED
Wednesday 28 December	OPEN
Thursday 29 December	OPEN
Friday 30 December	OPEN
Saturday 31 December	OPEN*
<b>*8.30am – 12pm only</b>	
Monday 2 January	CLOSED

*Normal trading days from Tuesday 3 January 2012.*



From all the team at Callagher Estate Agents we hope you have a safe and happy festive season and we look forward to assisting you in 2012.

# FEATURE PROPERTY

121 Westbourne Street PETERSHAM

**BED: 4 BATH: 1.5 CAR: 1**

**Land Area** 301m<sup>2</sup> approximate

**Auction** Saturday 10 December 2011 onsite at 12.30pm

**Contact** James Burke 0410 507 046 or  
Sally Thomson 0419 751 945

## Beautifully Enhanced Family Home

This classic double-fronted Edwardian free-standing family residence marries timeless elegance with a sophisticated contemporary design for seamless indoor/outdoor living and entertaining. Meticulous attention to detail and substantial free flowing interiors combine with soaring ceilings and graceful original features that graduate to a recent designer addition. Peacefully positioned on a premier tree-lined street, strolling distance to train station, shops and Leichhardt's bustling food and cafe culture on Norton Street.

- Elegant street appeal with wrought-iron fence and detailing
- Lovely period features including three ornate marble fireplaces
- Formal and casual living areas provide ample entertaining space
- Rear open plan living and dining area with bi-fold doors
- Timber deck with retractable awning and built-in barbeque
- Gourmet gas kitchen with CaesarStone bench tops, SMEG app.
- Enormous twin vanity designer bathroom with separate bath
- Internal laundry with additional WC and ample cupboard space
- Four double-sized bedrooms
- Polished timber floors, AC, gas heating, ceiling fans
- Private and picturesque garden with sunny level lawn
- RLA remote controlled LUG
- Opp to capture city views with a 2nd storey addition (STCA)
- Walk to Petersham or Stanmore train stations and eateries, shops, Leichhardt cinema



What the Agent, James Burke, says:

“Callagher Estate Agents sold this property to the current owners in 2006 and they have done a wonderful job at transforming the home. The architecturally designed renovations both add value and maximise the properties indoor/outdoor living and entertaining whilst the property's double-front facade is a rare and sought-after feature in this area.”

## OTHER DECEMBER AUCTIONS



16/73-75 Wardell Road  
DULWICH HILL

Bed: 2 Bath: 1 Car: 1  
Auction 10 December  
on site at 9.30am  
James Burke 0410 507 046



2/117 Foster Street  
LEICHHARDT

Bed: 2 Bath: 1.5 Car: 1  
Auction 10 December  
on site at 10.30am  
Vittoria Pizzolato 0411 769 743



7E/8 Hampden Street  
PADDINGTON

Bed: 2 Bath: 1 Car: 1  
Auction 10 December  
on site at 3.30pm  
James Burke 0410 507 046



41 Livingstone Rd  
PETERSHAM

8 x 2 Bedroom Units  
Auction 15 December  
at 10.30am  
SMH Auction Centre.  
Cary Giezekamp 9568 0717  
David Giezekamp 0413 11 77 99



11 Albion Street  
ANANNDALE

9 x Studio Units  
Auction 15 December  
at 10.30am  
SMH Auction Centre.  
Cary Giezekamp 9568 0717  
David Giezekamp 0413 11 77 99



69 Styles Street  
LEICHHARDT

Bed: 2 Bath: 1  
Auction 17 December  
on site at 11.30am  
Vittoria Pizzolato 0411 769 743



4/360 Livingstone Road  
MARRICKVILLE

Bed: 2 Bath: 1 Car: 1  
Auction 17 December  
on site at 1.30pm  
James Burke 0410 507 046



184 View Street  
ANNANDALE

Bed: 2 Bath: 1  
Auction Wed 21 December  
on site at 6.45pm  
James Burke 0410 507 046

For more information on these and  
other Callagher listed properties  
visit [www.callagher.com.au](http://www.callagher.com.au)

# First Time Buyers Rush to Secure a Home for Christmas

Property newcomers are rushing to secure a home by the end of the year before stamp-duty concession rulings change on 1st January 2012.

Currently, eligible first home buyers do not pay duty on homes priced up to \$500,000 and vacant land up to \$300,000 (a sliding scale concession applies to homes up to \$600,000 and land up to \$450,000). In a bid to boost the stalled home building industry, the State Government will abolish stamp duty concession on established homes from the new year. From January 2012, first home buyers purchasing a brand new home or vacant land as their primary residence will now only be eligible.

Within the Inner West, apartments are the main source of inquiry for buyers targeting under the \$600,000 threshold. Unit owners looking to upgrade to a house have been encouraged to sell since the Government announcement in September. First home buyers are also receiving increased competition from investors in this price category.

"The potential savings for first time buyers are significant - up to \$17,000 in duty can be saved on a \$500,000 property so it's no surprise that buyers are rushing to secure a home before the new ruling takes effect," said David Giezekamp, Callagher Estate Agents Director and Senior Auctioneer.

"Apartments that are well-maintained with little extra to spend have proved the most popular with first home buyers," Giezekamp adds.

The concession will still apply for existing properties exchanged by 31 December 2011. The Federal Government's First Home Owner Grant of \$7,000 will continue to apply.

- State Government announces abolishment of stamp duty concessions on 6 September 2011.
- Only new homes and vacant land purchased after 1 January 2012 will be eligible for stamp duty savings for first home buyers.
- Currently a property purchased at \$500,000 can save up to \$17,000 in stamp duty.
- The Federal First Home Owner Grant of \$7,000 will still apply to all first home buyers.



*Properties such as this Dulwich Hill one bedroom unit sold in November prior to auction have proved popular with first home buyers since the Government announcement in September.*

## Derelict Annandale Semi Draws A Crowd and Prime Time TV News.



*This derelict two-bedroom Annandale house sold for \$750,000.*

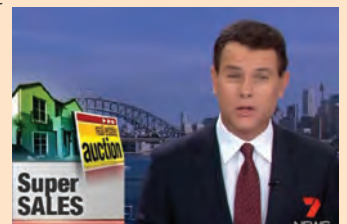
Callagher Estate Agents on site auction of a derelict semi in Annandale last Saturday not only drew heavy bidding but garnered the attention of networks Ten and Seven evening news.

The property, located at 11 Bayview Crescent Annandale, sold under the hammer for \$750,000 on Saturday 29 October 2011. Buyers were not deterred by the property's dilapidated state which even boasted warning signs that entry to the property was at the entrants own risk. Its city views and premium location qualified the property as 'the worst house on the best street' and that was enough for many buyers looking to maximise on this sought-after area.

Listing Agent Vittoria Pizzolato was happy with the result and attributed the success and property's popularity to an increase in consumer confidence.

"The RBA's cash rate drop and improved market confidence will likely see the property market in full swing right up until Christmas," Ms Pizzolato said.

Ms Pizzolato was interviewed by both the Seven and Ten news teams after the auction.



**VIEW OUR LIVE AUCTION VIDEOS ONLINE!**

View the live auction of this property and others on the Sell page of [www.callagher.com.au](http://www.callagher.com.au)

## Rental Applications – Now Online!

Tenants can now complete their rental applications on our Rental page at [www.callagher.com.au](http://www.callagher.com.au).

The online application, hosted through Tenant Reference Australia (TRA), will provide tenants the convenience of completing their application online and an opportunity to re-utilise their application for future submissions for Callagher rentals and other participating agent properties. For landlords this will allow for speedier processing of applications with immediate checks against TRAs extensive database on an applicant's past rental history.



## Inner West Light Rail Extension Due for Completion in 2014.

Whilst the NSW Government's State Budget approved funding for the Inner West Light Rail Extension in February, the associated walking and cycle path component, known as the GreenWay, has been deferred.

Originally anticipated to be completed by 2012, the light rail extension to Dulwich Hill has now been pushed back to 2014.

Nine new stops are tipped for the 5.6km route: Leichhardt North, Hawthorne, Marion, Taverners Hill, Lewisham West, Waratah Mills, Arlington, Dulwich Grove and Dulwich Hill Interchange.

The latest cost estimate for the Inner West Light Rail Extension is \$176 million. The latest cost estimate for the Greenway was \$37 million. Detailed planning work revealed the complexities of the GreenWay would add significantly to both the delivery time frames and construction risks to the light rail project. However, many local residents and independent groups are still bidding for the Greenway to be included.

It is anticipated that by mid-2012 all contracts will be awarded, detailed design commenced and construction will be significantly progressed.



## Callagher Property Manager Voted One of Industry's Best.

Callagher Senior Property Manager, Sinead Szerenga, received a Finalist Award at the 2011 REINSW Awards for Excellence gala event in October.

Sinead was nominated with three other NSW based Property Managers in the category of *Residential Property Management*, which is voted by industry peers and members of the Real Estate Institute of NSW.

The prestigious Awards showcase the highest achievers in their nominated field of real estate.

"To reach this level of professional recognition before their peers is an extraordinary achievement," said REINSW President Wayne Stewart.

Callagher Estate Agents Managing Director, Cary Giezekamp adds, "The competition for this category was very close and Sinead should be proud to be nominated amongst the State's best. I know we are very proud to have her as part of our team."

Sinead joined Callagher Estate Agents in 2007 and has over 11 years inner west property management experience. This is the second REINSW nomination for Sinead in this category.



Senior Property Manager, Sinead Szerenga.



### A vacant property over Christmas means bad tidings for Landlords

What better time to move than over the festive period to coincide with work leave? Or perhaps it's a just a matter of new year, new location?

Whether a Tenancy Agreement is due to expire in December or whether a tenant is on a periodic lease and chooses to vacate in December, we often recommend to Landlords that the new tenancy is secured with an 11-month or 13-month lease, thus avoiding the dreaded Christmas vacate period again next year.

## Meet current rental demand or risk a vacant property

The rental market can fluctuate from month to month and a reduction in rental demand for properties will mean Landlords will need to refocus on the three 'P's - Price, Presentation and Promotion.

Your vacancy may coincide with multiple similar styled or sized properties on the market so standing out from the rest and attracting the right tenancy is important.

**Price** - Price is always important for most investors, but what is sometimes overlooked is how much money an owner can lose during a vacancy period. Your rental property may have secured, say \$500 per week, in the quieter rental period when stock levels were low, but when there is an abundance of choice this amount may not be achievable. As when selling property, the market will dictate what your

property is worth right now. You should review your asking rent within 72 hours after the property is placed on the market and continue to review the asking rent at least once a week.

**Presentation** - Are there any improvements that can be made to the property to attract higher enquiry? All tenants are looking for value for money so consider improvements that will appeal to your target market. Install air-conditioning - especially if re-letting in the warmer months, give the property a fresh coat of paint to lighten and brighten, add a dishwasher, or attend to lawns and gardens to maximise outdoor appeal. These are improvements are an investment in your property and tax deductible.

**Promotion** - Consider professional photography to advertise your property - at approximately \$105 this is outstanding investment value that can be utilised for years to come (if the property remains the same). Your internet ad will immediately have stronger appeal and when time is poor, tenants will inspect the properties that provide the most information and a good visual presentation of the property.



*When choice is abundant, make sure your rental property stands out in terms of presentation and value for money.*

# Property Investment – A Beginner's Guide

Purchasing your first investment property can be a daunting task. Here is a summary of some of the key features you should be looking for in an investment.

**Do your research.** Many internet tools can now provide you with ample data on your selected area concerning rental yields, rental demand and capital growth. Look out for changes in infrastructure or developments that could attract or subtract from your investment.

**It's not your home.** Many investors make the mistake of purchasing an investment that they themselves would like to live in. Instead make sure it appeals to your target market and meet your investment goals.

**Know your market.** Know your location and what style of property is in demand for that area. The needs to families will differ from young professionals or students so you will need to cater accordingly. An inner City apartment may well not require off-street parking but a property further outside the inner city ring will. Look at public transport access, schools and lifestyle attractions.

**Leave some money in the kitty.** Always allow room for ongoing maintenance, repairs and other expenses outside of just the mortgage repayments, like council rates, water rates (if not individually metered such as apartments), strata levies and management fees.

**Purchase for the long-term.** Investing in property is generally not a short-term profit solution. Aim to keep your investment for the longer term where you can start to earn some capital to further balance your rental return. Of course this will be subject to your overall investment strategy.

**Take out landlord insurance.** Make sure you cover yourself against any tenant default payments or repairs as a result of malicious damage.



## INVESTMENT PROPERTY - TAX DEDUCTION CHECKLIST

Property investors with either positive or negative gearing can claim the following expenses on their tax returns:

- Interest on loans
- Bank charges on loans
- Borrowing costs, including legal costs and mortgage fees
- Stamp duty
- Land tax
- Body corporate fees
- Council rates
- Water rates
- Cleaning costs
- Insurance costs
- Pest control
- Property management fees
- Repairs and maintenance
- Telephone, postage and stationery
- Travelling expenses related to visiting an investment property

## Landlord Feedback

As part of our ongoing commitment to providing high levels of customer service, Callagher Estate Agents regularly surveys its Landlords to gain feedback on areas of improvement.

Here's what some of our landlords had to say in our latest 2011 Survey:

*"I've always found Callagher Estate Agents to be extremely courteous and professional. They are clearly very experienced in the industry and knowledgeable of the inner west."* K. Mizzi, Landlord

*"Informative without being overbearing. Steady, good and reliable."* P. Trick, Landlord

*"Bought the property through Callagher's. Rented the property through Callagher's – five years trouble free. Highly recommended."*

*M. Van Koesveld, Landlord*

## Callagher Property Management 2011 Key Achievements

- Our team's extensive preparation in the lead up to the new rental law changes introduced in January ensured that the change caused as minimal disruption as possible for our landlords and tenants. Legislation changes as part of the new Residential Tenancies Act 2010 proved to be the most dramatic changes in 20 years and our team worked hard to ensure successful compliance.
- Callagher Estate Agents were voted **2011 Winner Best Real Estate Office** by the Inner West Business Awards in June.
- Our rental vacancy rate was **less than 1 per cent** for the past 12 months (below industry standard) and our rental arrears (overdue rental payments) procedures proved effective in these harder rental times.
- We were also proud to have had senior property manager Sinead Szerenga recently voted **2011 Finalist for Residential Property Management** at this year's REINSW Award for Excellence – the state's highest accolade for Property Management



# Callagher Community News

## St Brendan's Fundraiser A Success

Callagher Estate Agents were proud to again be Principal Sponsor of Annandale's St Brendan's Primary School Spring Fair hosted on Saturday 5 November 2011. The Spring Fair is St Brendan's major fundraising event for the year and is well supported by the local community which featured stalls of craft, books, cakes and jams, as well as children's rides, activities and family entertainment throughout the day.



## Life Force Auction Charity

Over \$21,000 was raised at the annual *Images for Life* fundraiser for the Life Force Cancer Foundation in October 2011. Twenty high profile, collectable and established contemporary photographers donated work to be auctioned at the event held at the Stills Gallery in Paddington.



MC for the day was Callagher Estate Agents Managing Director and Life Force Director, Cary Giezekamp. Callagher Estate Agents has been a long-time supporter of the Annandale based not-for-profit organisation.

## Leichhardt Saints Presentation Day

Callagher Estate Agents was proud to complete a seventh year as Principal Sponsor of the Leichhardt Saints Football (Soccer) Club which celebrated individual and team winners at its inaugural Presentation Day in October. Leichhardt Saints are a family oriented Football (Soccer) club that caters for players of all ages and sexes with a particular emphasis on juniors. For more information visit [www.leichhardtsaints.com](http://www.leichhardtsaints.com)



## Callagher Estate Agents Recent Sales



ANNANDALE  
104 View Street



ANNANDALE  
11 Bayview Crescent



ANNANDALE  
94 Booth Street



ANNANDALE  
280 Johnston Street



ANNANDALE  
142A Nelson Street



BALMAIN  
17 Tuner Street



DULWICH HILL  
8/55-57 Garnet Street



LEICHHARDT  
28 Macauley Street



LEICHHARDT  
159 Catherine Street



MARRICKVILLE  
3/43 Ewart Street



STANMORE  
37 Charles Street



STANMORE  
108/23 Corunna Rd