

***On-going progress:-***

Three weeks ago, adjacent to the Macquarie Centre car park, was a 4 storey black glass prism. I took these photos from the car park last week.



The development, known as Prime, will replace the prism with these towers. I noticed a sign that advertised Stage 2 now selling. So presumably most, if not all, apartments in Stage 1 have been sold. Looking at the website, it seems developers are trying to outdo each other by offering all kinds of facilities to lure would-be purchasers.



What's news in Sales:-

The media would have us believe that it is a buyers' market. Perhaps it is in some suburbs.

But in the Northern Hills the world continues to tick along quite happily and we have had some good results over the past months.

Lyn has a townhouse in Marsfield that is on the market for auction.

It has a very pleasant courtyard and a comfortable living room; 2 bedrooms upstairs.

The owner of 28 years has maintained it. But everything is original.

Once I might have said it would be a great first home buyer opportunity. However, I am not sure what that kind of buyer can afford these days.

But my little 2 bedroom unit in Eastwood would surely fit into the first home buyer category.

Some cosmetic surgery would improve it no end. But it is compact, yet so cosy.

It does have a garage and it is very close to the station.

For an investor it would be ideal.

Know anyone with a spare \$700K?

And it is probably the cheapest unit in Eastwood.

In Property Management:-

I have just finished reading a newsletter that my managing agent sends me from Newcastle.

At first I was surprised to read his comments. But upon reflection it echoed our comments that are made in our newsletter, from time to time.

He suggests that an investor, like me, has 2 main focuses:

- to maximize your return;
- to minimize your exposure to risk.

Maintenance and necessary repairs involve both of these.

Every owner wants the best tenant he can find. Presentation of your property will determine that outcome.

My manager then asks: "Would I live here?"

He stresses the importance of maintaining the rental property.

He suggests re-carpeting and painting every 5-7 years!!!

Let's face it...tenants are more hard-wearing than owners (with some exceptions).

A unit will suffer far more wear and tear than a house.

We had a tenant who used to drop his weights on the floor when he was exercising in the living room.

After 2 years he moved on and we had to replace the carpet.

So it is important to have a 'rainy day' account for unexpected outlays. I know that's easier said than done. But it does help.

'I haven't really spent much over the years and I have enough put aside, So let's do a clean-up' said my 80 year old investor.

For \$18,000 I had a new kitchen; an updated bathroom; re-carpet; paint and blinds.

The outlay gave her an increase of \$40 per week.

I should add that the tenant had lived there for 15 years and because he was a trouble-free tenant, the owner didn't want to increase his rent.

I have 4 more renovations in progress, with varying degrees of work to be done.

One was a full renovation. In this case instead of re-tiling the bathroom I had the tiles sprayed.

The old tiles are surface treated, then undercoated, then sprayed.

We can replace cracked tiles, even if they don't match or tiles that have

drill holes from a single flush cistern.

Another unit had the fashionable lilac tiles of 30 years ago. Now they are a glistening white.

Finally when the tenant moved out the owner and I inspected the property. The unit was in good condition, but some cosmetic work was needed.

We replaced the carpet & blinds; had a paint job; replaced the aged power points and light fittings. It is amazing what a difference a new light makes. Cost: \$10,200

Sometimes it is not possible to replace a kitchen.

So the alternative is to do the necessities...like carpet and paint.

These can be done for around \$4500-\$5000.

The last suggestion from my property manager:

"If you think you can't afford a major reno, check with your mortgage broker or banker."

You can always claim a tax deduction or 2.

Finally, if you need to think about some kind of maintenance, you will have till February to make a decision.

Most workshops have closed off or are about to close off orders for this year.

We too will close over Christmas.
Our last day will be December 21.
We will return on Tuesday, January 2