

# PROPERTY NEWS

Ideas to help you when you're buying, selling or renting

## Instant Reaction

### How to get a rapid market response to your home

To put a property on the market takes effort. There is the effort in selecting the right agent and marketing strategy, the effort to prepare and present the property and then the effort to keep the presentation first rate throughout the campaign. It is demoralising when you go to all this trouble and don't even get an offer.

It is not that you would simply accept any offer just to be done with it. An offer provides you with some market feedback, and it provides you with the option of potentially selling. At least someone likes the home enough to try and buy it. At least you can say no to a buyer instead of them walking through each week saying, "thanks but no thanks" to your home.

**Pricing to sell is putting a pricing strategy in place that will attract buyers.**

Selling in the current environment can be stressful. It is unpredictable and in some cases, it is still even highly rewarding for the seller.

In all circumstances though, what the seller really wants is an instant reaction from the market place.

"Good, bad or indifferent, let us know where our home rests in the market, but we don't want a protracted campaign. Once the offers roll in, we can then decide whether we are going to stay or sell."

#### Internet Marketing

The good news is the internet has made selling real estate as close to instant as it is ever likely to be. Yes, even in a flat market.

Once your property is listed on the main media websites, the agent's respective site, emailed to the databases and a signboard is erected, you will have covered 95% of the potential market in around a week.

Story continued on page 3 ▶



Selling removes the stress of trying to sell.



IN THIS ISSUE OF  
PROPERTY NEWS

- Instant reaction
- To Gear or Not To Gear
- Commercial Division growing

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# To gear or not to gear?

## What is negative gearing, and how can it help investors?

### Is negative gearing really a good investment strategy?

The question is often asked by property investors, many of whom do not fully understand the meaning and implications of negative gearing.

In a nutshell, the answer is that it is really more a tax strategy.

Basically, negative gearing occurs where the costs of renting out an investment property outweigh the rental returns that are received from the rental of that property.



The cost of the loan (i.e. interest on mortgage repayments and stamp duty etc) is taken into account when calculating whether the investment is running at a loss. Some of the other costs of running a rental property that can be used to negatively gear a rental property include body corporate fees, building depreciation, cleaning costs, council rates, insurance costs, land tax, repairs, maintenance and water bills.

If the investment is shown to be running at a loss, the Australian Taxation Office allows investors to offset this loss against their income tax assessment.

This means that negative gearing on rental property is more a tax strategy than an investment strategy. While it can help property investors to reduce their taxable income in the short to medium term, it should not be considered the main reason for investing in any property.

There are, of course, obvious tax advantages to the negative gearing of a rental property. But the purpose of investing, after all, is to receive a positive cash flow and to make a profit. Over the longer term at least, you should be aiming to make a profit from your rental returns rather than a loss.

**By making a loss in order to negatively gear your investment property, you may be relying too much on making a huge profit when it comes time to sell your property at some point in the future.**



### Letter from the Editor

Dear Readers,  
Welcome to our final issue of Property News for the Year.  
In this edition we look at how you can get rapid market feedback when selling your home using modern technology.  
On page 4 we explain negative gearing and look at what it means, its implications and how it can help you.  
Also, I am very proud and happy to announce the expansion of our commercial division with Luke

Kounnas, a Certified Valuer joining our team.  
Luke is very knowledgeable in the commercial area and would welcome your call to discuss any commercial matter you may need advice in.

**Finally the Hudson Bond team would like to wish all our readers a very Happy Festive Season and a Wonderful New Year!**

Best Wishes,  
**Paul Kounnas**



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# Instant Reaction

► **Continued from page 1**

**Based on the marketing and the perceived value being offered buyers decide to inspect or not inspect.**

What comes next is an instant reaction. A reaction to how the market views the value proposition of your property within the current market. What happened with the house down the road a few months ago is of no consequence to the buyers looking to buy today. They are assessing your home against the other homes that are currently listed on the market. As stock levels swell, buyers will be faced with greater choice.

**No reaction is still a reaction.  
Buyers vote with their feet.**

Given the internet is so powerful and dominant in its reach, embrace early interest don't resist it. The opposite is more confronting than early interest.

No reaction is still an instant reaction. No interest is feedback. It is feedback that you may not wish to confront, but it is feedback. Buyers vote with their feet. If they are not turning up to enquire, turning up to inspect or turning up to offer, they are providing you with feedback through silence. This is the hardest feedback to accept because nothing gets said. The buyers whisper to themselves that they prefer the one down the road and move on – whilst you wait.

## **Read the Play**

If you are on the market and buyers are walking through but not expressing any interest, you need to “read the play.”

Once your marketing is set right and buyers have visited your home, if you don't have an offer or two to consider, either the agent cannot sell or the buyers are finding better value elsewhere.

Throwing rocks at the agent is easy and sometimes it makes you feel better. But in most cases it won't sell your home. Changing agents as many people do in a slow market pushes your conundrum from one firm to another. The listing moves and so does the dilemma.

In reading the play, you don't have to simply drop the price. If having assessed the market you feel that your desired price is unachievable, don't allow your property to languish on the market unsold. Move to plan B.

Plan A for most people is “sell for a price that works” for us. That is an easy plan to formulate, sometimes it is harder to execute. Also, begin thinking about plan B prior to going on the market. Plan B might be waiting for a better market, it may involve renovations to unlock hidden value, it could involve leasing the property for 12 months or you may decide to adjust your price to where the current batch of buyers are interested.

Plan B should never be a strategy of simply leaving the property sitting on the market month after month. After a certain point in time, you are not advertising the property you are advertising the fact it has still not sold.

Very rarely does a seller that spends month after month resisting the market feedback suddenly find a buyer at the desired price.



**15 Cabena Street Donvale  
SOLD in 4 days**

## **Price to Sell**

Pricing to sell will usually bring the campaign to a rapid conclusion if done correctly. Pricing to sell does not involve the seller naming their price though. Pricing to sell is putting a pricing strategy in place that will attract buyers. Price attracts or repels. In pricing to sell, you need your agent to guide you. This takes enormous trust on behalf of the seller. Trust on two fronts.

Firstly, you trust the agent's integrity that they will do the right thing by you as the seller. Secondly you trust their competence. Being a nice person does not qualify someone as a competent real estate salesperson. The industry has been flooded with agents during the boom years. Many are nice and mean well, but are they competent enough to handle the fluctuations of the current environment?

**As a seller, you need to set your pricing strategy with an agent that you trust on two levels, in order to attract buyers and negotiate the best possible price for your home in the current market.**

## Would you like your home sold by the best in the business?

**Hudson Bond has a proven success record with an impressive portfolio of exceptional prices and delighted clients.**



**If you would like your property sold, call the Hudson Bond team on 03 9840 7700 for a hassle free sale**



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# Hudson Bond's Commercial Division Growing

**Commercial Sales and Leasing is now one of the real strengths of Hudson Bond with the addition of specialist Luke Kounnas to the team.**

Luke is a highly regarded Certified Valuer with a wide range of experience in both commercial and residential developments. He has previously worked with LandMark White and national commercial property specialists Burgess Rawson, a company that has been responsible for selling Woolworths, Coles and Bunnings properties.

Hudson Bond Real Estate has long been recognised as a market leader in the Manningham area and is renowned for exceptional client service in residential sales and leasing.

## *Luke Kounnas Brings Real Expertise to The Team*

“Luke’s qualifications as a Valuer and wealth of knowledge and experience in the commercial property market will enhance and strengthen our commercial Sales and Leasing Division,” Principal Paul Kounnas said.

Hudson Bond has successfully marketed and sold many commercial properties over the years with outstanding results and client satisfaction.



If you are considering selling now or in the near future, Luke would be happy to provide you with a comprehensive **Commercial Market Assessment Report** on your property **Free of Charge**.

If there is anything further we can assist you with or if you would like to speak with one of our Commercial Agents regarding Sales or Leasing advice, **please do not hesitate to contact the Hudson Bond Commercial Team on 9840 7700.**



## *Customer Comments*

**Thank you so much for selling our house in one week! After having been lied to and let down by another agency, we would urge anybody thinking of selling to go to Hudson Bond.**

Kathryn and her team had only 4 buyers through our house, but as she explained it, they were quality buyers who could buy immediately if they like the house. Sure enough, we got a written offer on the first Saturday and both Kathryn and Steve worked until 11pm that night to get the deal through. It was such a great contrast to our previous experience!

The other agency told us that we could sell easily for a very high price. At the auction, they got us a ridiculously low offer (compared to the high price quoted at the listing) and then tried to browbeat us to take the offer. They put us under such pressure that we had to “throw” them out of our house.

Consequently when Kathryn came, we told her that we refuse to sign up with any other agency but luckily she managed to change our minds. She showed us how Hudson Bond guarantees their

quoted price range, how the team will work together and negotiate to get the best market price, how they make sure that only genuine buyers will be shown through our house and how their silent auction will work in our favour. Furthermore, with their “No Sale No charge” policy, we have nothing to lose if we don’t sell.

We will be happy to recommend Kathryn Lau to all home sellers. We have never seen such keen work ethics. Unlike other agents that we have experienced to date, Kathryn doesn’t just talk – she delivers!!!

**Niki and Arki Halvadakis**

