

LIN ANDREWS MORPHETT VALE IS CHANGING

From the 1st November this company will be changing its trading name to **ADELAIDE SOUTH PROPERTY**. This is not a sale of the company just a re-branding. It is the next phase in the evolution of this company but the parent company of Danster Pty Ltd with ABN 80 113 334 797 remains the same. Staff members are all the same and the way we do business remains the same but with a renewed agenda.

For the past 10 years we have operated as a franchise company within the Lin Andrews Group but with the franchise renewal upon us we have reconsidered our position.

Lin Andrews Real Estate Pty Ltd which trades as Lin Andrews Real Estate Mile End have progressively changed their emphasis toward favouring Commercial clients and away from Residential **but we have done the opposite.**

So we had a formal parting of the ways on 12 October when I met with two Directors of the Lin Andrews Group, Lin Andrews and Mark Andrews to celebrate the end of my 10 years of service as a Franchisee. There was much nostalgia mixed with big hopes for the future.

So we have relaunched and rebranded the company as ADELAIDE SOUTH PROPERTY



We see our customers as people who understand that ownership of real estate is a mile-stone goal in life that can be a store of wealth and an investment for the future that provides financial security into retirement and provides for their families. But most people who embrace real estate do not believe they need to dabble in all of the uncertainties in this world such as commercial real estate. No matter how you dress it up many investors see commercial real estate is an uncertainty. It might not be as uncertain or as volatile as shares but for the majority of people it remains firmly planted in unfamiliar territory.

We don't for one minute believe that investment in commercial real estate is bad but we do understand that unless you know exactly what you are doing you could be trading a minefield and to attempt this you need expert advice and for that we will always refer our clients to **LIN ANDREWS REAL ESTATE.**

For most of us delving into commercial real estate is not necessary because residential real estate will deliver all that we need. We have therefore made a conscious decision to concentrate on residential sales and rentals but with a renewed desire to make ...



YOUR INVESTMENT OUR PRIORITY.

This will not affect the way we conduct ourselves in the day to day operations of this company in handling the sale or management of your property but we will endeavour to give sound advice and guidance to all those who are open to it by using all the expertise we can muster including mortgage brokers, insurance brokers, quantity surveyors, builders, valuers, accountants or financial planners.

Our priority becomes your financial well being through the things you invest in.

The difference we want to deliver to the market place is as an agent who will give sound advice that speaks to where you are and where you need to be to achieve financial freedom.

Most agents say things like, "Nobody does it better", "Your place for all things real estate", "We know about real estate", "We are ready to discuss your property needs", "We deliver results", "Your local real estate experts", "Smarter, bolder, faster", "We are not like the rest", "Superior Marketing Solutions" ...

The list goes on and on. It makes you think if some of these real estate agents were selling slogans instead of houses they would be rich enough to retire tomorrow.

But we want to go beyond propaganda.

By examining your current financial situation we are able to tell you how much you will have when you retire; what you will need to retire comfortably in the life style you want and whether you are going to fall short. The difference is that we will not only be able to tell you what you will need to do to make up any shortfall but we will also be able to put into place strategies that will get you to the financial freedom that you have worked for your whole life.

By this and a lot more we will show you that **YOUR INVESTMENT IS OUR PRIORITY.**

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MORE SIGNS OF RUMBLINGS IN THE SHARE MARKETS



In our last issue of this newsletter we talked of the uncertainty in the world economy and the uncertainty in how anyone of us can truly know the reality of the economy by following the gaggle of experts, finance gurus and media personalities.

With regular hiccups in the world stock market and talk of the real estate prices on the eastern seaboard starting to soften due to an increase of supply; <http://www.switzer.com.au/the-experts/john-mcgrath-property-expert> people can start to feel anxious. Opinion of experts vary from almost the total collapse of the world financial system to business as usual but where there is this sort of speculation we can only counsel caution against over commitment in risky ventures and taking out potentially overwhelming loans.

In times of great risk even the value of gold can drop and cash becomes king but it is our opinion that unless you want to shut yourself off from all of society and hide in the mountains you will need to continue to function in the life

as we know it so quality real estate with minimal debt becomes more attractive. It is not so significant if the value of currency or commodities drop if you have a home to call your own it will always have a significant value. Safe as houses remains a worthy motto.

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DO YOU HAVE LANDLORD INSURANCE FOR YOUR RENTAL PROPERTY?

Landlord insurance remains a class of insurance that has one of the highest claims ratios in the industry yet so many landlords continue to run the gauntlet of taking on tenants with no cover. Like an acrobat on the high wire with no safety net they swing from crisis to crisis and hope it all pans out in the end.

This is a simple word of warning to cover up. Get your insurance cover in place as soon as you can.

When a tenancy goes wrong it is often unexpectedly, without any prior warning signs. You may have even had a number of uneventful blissful years then suddenly your faithful tenant loses their job and they are up against the wall.

Their previous good nature to comply with all you wanted gives way to their need to protect their family, their money and their livelihood. In truth they are still the same good person but the rules, for them, have drastically changed and you are no longer in the picture.

And when the rent goes into arrears and you have a Tribunal Order in place for the tenant to pay up don't then think to look for insurance because the average 'arrears clause' in these policies will exclude you.

1 in 18 investment properties make a claim every year which far exceeds the average for home insurance for owner/occupiers. So the risks can be great so the lesson is; don't be caught unawares.

Having said all of that please note that the experience of this company is far different.

We might only have had to handle 2 landlord insurance claims in the last 5 or 6 years and we attribute this to carefully selecting the tenants we place in your properties.

That is the difference we offer. We are not saying we are perfect but this difference will show on your final balance sheet.

But having said all of that we will never recommend cancelling your insurance without the most serious consideration of the risks.

Speak to us before you do anything on 8186 2777



IF YOU WANT TO COMPETE WITH YOUR OPPOSITION MOVE NEXT DOOR AND DO IT BETTER THAN THEY DO.

These were the parting words from Mark Andrews as I left our meeting on 10 September with Lin Andrews after signing off to end the Morphett Vale Franchise

So many businesses don't want anyone in the same line of work to move too close to them in case they steal their clients but if they are good at what they do then they should not worry.

That's great. Now I only have to find another real estate agent to move next door to!

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RENT vs BUY – Which is the better?

by Cheryl Lee

If you wish to take full advantage of negative gearing and claims for depreciation you should rent the home you own and live in a home your rent! This will accelerate your home ownership plans.

When I first arrived in Australia I was surprised to find the majority of buyers were investors not owner/occupiers. The fact is, times are changing and so is Australia's property market. The Australian dream of owning a house is becoming more difficult as affordability has become an issue especially for first home buyers.

Buying a house has both emotional and practical considerations so the question is; 'Should you stick to renting to ease cash flow or is it better to own your dream home to have long term security?



Well, let's talk about the practical aspects here since the emotional aspect is often very subjective. The answer to this question varies greatly depending on the property market and also your personal financial position.

Owning a house is far more than just a matter of paying the weekly mortgage because home owners will have to consider the, insurances, emergency levy, council rates, water rates and any maintenance costs that come along with it. Even if you are buying it for investment, the rent may not be able to cover the mortgage and all the other miscellaneous costs so financial advisors will often counsel against buying this type of property. But they don't always consider the opportunity for increased capital value as the market lifts.

Many advisers can be too pessimistic about the future and real estate people will often overstate the future capital growth to encourage you to buy what they have for sale. It can be a bit of a juggle to get the right property that will have the good longer term growth in price that can set you on a firm financial footing. You need to get good advice. Most agents would confidently say there are suburbs out there that will have a steady upward growth curve for the next 10 years or more but you still need to be wary WHAT you buy. Is it a money pit or over capitalised?

Renting on the other hand offers flexibility and cash flow. If you need to move due to work or schools for kids, it is relatively easy to do so without stressing out too much compared to the whole process of house hunting and buying. We recommend renting at first then when you find your feet search out a property to own that you can then rent out which will give you huge tax benefits. This will assist you to own your home much sooner. You will be amazed!

Ironically, these questions never crossed my mind when I was living in my country, Singapore. We are brought up in a society where everyone buys a house once they are of marriageable age and prior to that we live with our families since renting is expensive.

The property market structure is very unique in Singapore as the government has divided the market into private and government housing of which 82% of the residents are living in government housing known as "HDB". The government has subsidies for pricing of this government housing with the aim to make it more affordable for residents to own.

Maybe the Australian government should seriously look at these alternatives.



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