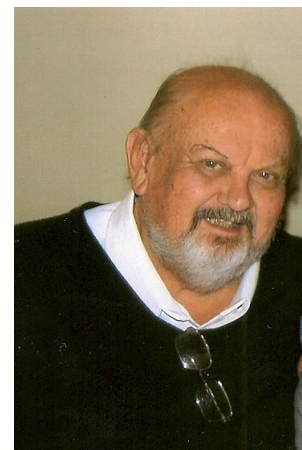


SELL THROUGH Terry McMiles - an absolutely independent Realtor *who will listen to what you are hoping to achieve*. For no charge, & no exclusivity, have your property (home, unit, Management Rights or Hospitality) on the internet **attracting enquiry**. Phone **5594 0016** and check out Terry's website www.terrymcmiles.com

"talk to someone who will be paying attention"



SEPTEMBER - OCTOBER 2011

Real Estate Recovery . . .

I commented in the last Newsletter that a drop in the interest rate, combined with the perception that the trend will be downwards would be "the light at the end of the tunnel" that our local market has been waiting for. So far we haven't seen the Westpac predicted first drop in rates, but with the unemployment rate edging higher, my feelings are that we will not have long to wait.

There are some excellent buying opportunities currently at the "bottom end of the market". There could still be some time before the top end and middle market recovers as we will find that the Banks still have mortgagee in possession properties to be sold and this could see these markets slower to recover as buyers won't be around in numbers until those properties are dealt with. It could take well into 2012.

Extreme views on Australian Real Estate reverting to prices of the late 1990's as stated by self proclaimed US "expert" Harry Dent (who is flogging his book and therefore quite pleased to create Newspaper headlines) should be ignored. Like all extremism in all walks of life, "rubbish talk".

Market recovery does not start "across the board" . . .

The "bottom end" though, is now pretty safe , and the reason it is, is that replacement costs for many properties are now more than what you can buy the property for. *Now is the time* for buyers to selectively "sift through" what is on offer and buy your first home or start building your investment portfolio again. However, be careful . . .

When buying "the bottom end", *never buy on price alone*. In recent months we have seen some Gold Coast Units selling for below \$200K. That sounds *too good to be true*, but whilst the prices are recent year mega-lows and unlikely to drop further, some of these units are going to show *low returns and little growth*. The reason is that whilst the price is right, there is still no recovery in sight for tourism and the "*wardrobe or shoebox size units*" are totally reliant on tourism for returns and eventual buyer interest is only from Investors. These units are simply too small to sell to home buyers. Half of the market for them is non existent and the other half (Investors) is terminally ill.

Buy with the thought of selling . . .

From an investment viewpoint (whether you are an investor or home to live in buyer) your safest unit to buy at the bottom end of the market is the one that will appeal to both Investors and first and second home buyers. And that means minimum of 2 bedrooms, preferably 3 bedrooms in the most attractive Complexes that you can find. Prices are now about as low as they are going, so *get the basics right*, and look for the best quality that you can afford. Look to buy quality. Over the page I have some properties that I believe fit the criteria for buying well. Don't be nervous about buying now, this market has bottomed and "first in, may well be best dressed".

Gold Coast bottom end of market *quality* properties . . .

Please check my website for a Villa and a Townhouse in the “Montessa Heights” Complex at Parkwood. Go to Buying Enquiries, then to Investment Units, scroll down and click onto the photos. Myself and my wife Mei own the Management Rights to this Complex, so we know it intimately. These 2 properties tick the boxes in the bottom end of the market category and are the first properties we have had for sale here this year. Both are *3 bedroom, 2 bathroom with multiple car spaces*. Prices are \$335K and \$325K and should delight live in owners and Investors alike. This is a 14 year old Complex (decent sized rooms), Parkwood is a “hot” suburb with the new Hospital and Light Rail station as well as easy access to the M1. Plenty more positives as well, but better you read about it with the photos on the website. Prices are adjusted to the current market and these units are genuinely “can’t go wrong” properties. Either to live in or as a permanent worry free investment.

Holiday homes at bargain prices that will also give you a return . . .

In the same category on my website, you will find a couple more brilliant investments. Whilst suitability for owner occupiers is not their “long suit”, these units have the extra advantage of not just being an investment in **beachside property**, that will offer good long term appreciation, but these ones you can also use for *tax free beachside family holidays*. Use yourself whenever you want to (no restrictions) and when you are not using them let them out to holiday makers. There are on-site managers who will do this for you. This dual use factor will always give these units a wider pool of buyers when the time comes to sell.

There have been *big reductions* on former values on 3 units in particular, and these “gems” are priced to sell now. Two are at Hastings Point, a sleepy little village just inside the NSW border, and priced at \$283,500 and \$285,000.

If you want to stay on the Gold Coast, I recommend a renovated 2 bed, 2 bath unit in an older style walk-up building with an onsite manager at Surfers Paradise. Asking \$345K, you can buy a renovated holiday home unit where just a couple of years ago people were paying over \$400K. These represent great value, prices will recover. Get in now on these “bottom end” quality properties.

Gold Coast businesses that continue to make money in recessionary times . . .

Not too many Gold Coast businesses have been unaffected by the difficult economic times, but *Permanent Rental Management Rights* is one business that remains pretty well unscathed. In times when many Real Estate Agents are quitting the industry, it amazes me that more already licenced Salespeople or Agents don’t sell their home and buy into Management Rights. Many of the smaller Complexes offer excellent 3 bedroom homes with the business. (In Management Rights you buy the “Managers Residence” and the rights to caretake and manage a Complex or Building).

Depending on what size business you buy, it might return you a guaranteed \$800 per week income up to \$3000 per week. The small ones call for part time work for 1 person (man or lady) and the bigger ones usually need 2 people to run them. A bit of property management, a bit of gardening and caretaking (or you can have someone do it for you) and you have a guaranteed second income that regularly drops into your bank account each month. If you are interested, have a look at the Management Rights section on my website, and in particular,

Northern Gold Coast \$499,000, Tweed Coast \$895,000, Surfers Paradise \$559,000, Southport \$730,000 and Tweed Coast \$920,000.

Check them out, some really good buying in this industry at present. Call Terry for more details.