

Real Estate News

Information to Help You When Buying or Selling

Issue 060

The Upside to Buying in a down market

By Peter O'Malley, author of *Inside Real Estate*

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Seasons Greetings

If you are looking to upgrade your property, don't let the doom and gloom sentiment get you down. It is actually easier and financially better to upgrade when prices are falling. Conversely, it's better to downgrade when prices are rising for the same reason.

As an example, using round numbers:

If you own a \$1 million apartment and decide to upgrade to a \$2 million house, the raw change over cost is \$1 million plus expenses.

When the market rises 10%, the value of the \$1 million apartment you are selling rises to \$1,100,000. However, the \$2 million house also rises by 10% to \$2,200,000, leaving you \$100,000 worse off on the raw numbers. Let's keep in mind some of the transaction costs, such as stamp duty & agent's fees, also increase by 10%, pushing the cost of transacting up even higher.

When the market is falling, the \$1 million apartment you are selling drops to \$900,000. However, the \$2 million house you wish to purchase also drops by 10% to \$1,800,000, leaving you \$100,000 better off on the raw numbers. The transaction costs, being stamp duty and selling fees, also decrease by about 10%, diluting the changeover cost further.

In a rising market, if you are buying and selling, it makes sense to buy

first, sell second. For a period of time, where you own two properties, they are both rising in value. If you sell first in a rising market, if the market continues to rise, your cash loses purchasing power.

In a falling market, if you are buying and selling, it makes sense to sell before buying. Going to cash by securing a sale before buying makes sense in the current market.

For a period of time, you may have sold your existing property and need to purchase a new one. Due to having sold your existing property, as the market continues to fall, your purchasing power is improving.

A lot of people mistake selling with moving out. Selling is when you contractually agree terms with a purchaser, which is secured by a non-refundable deposit. Moving out or settling the sale is when the buyer gets the property and the seller gets the money.

If you sell first, you can always negotiate a delayed settlement in the order of 10 to 15 weeks to enable you enough time to purchase the next property.

When you upgrade in a down market, you can live in the property you want to live in and wait for it to increase in value, when the next cycle occurs.

Edwards Windsor

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89 Brisbane Street, Hobart

Spotlight on Commercial Asset Management Team



Scott Alexander

- Bachelor of Applied Science, Land Economics – University of Technology Sydney.
- Graduate Certificate, Applied Finance – Western Sydney University.
- Licensed Property Representative

How long have you been at EWRE, and what do you like about working here?

I have been in commercial property for the last 25 years, and with Edwards Windsor for the last 5 and a half years.

At Edwards Windsor I enjoy the team environment, dealing with clients and mentoring the commercial team.

What are your interests?

Cycling, running, renovating, reading and spending time with my family.

Your real estate/property management tip?

Seek out trustworthy property professionals that will look after your asset like it is their own.

Do not always look for a cheap fee. Look for the property expert first and then negotiate the fee.

Gabriel Handojo

- Bachelor of Business - Majoring in Marketing
- Licensed Property Representative

How long have you been at EWRE, and what do you like about working here?

7 months. I like the people and the types of projects that I get to work on.

What are your interests?

Cars and cooking

Your real estate/property management tip?

Truly caring about your clients is the most important thing.



Kevin Meng

- Bachelor of Professional Accounting
- Masters of Marketing
- Licensed Property Representative

How long have you been at EWRE, and what do you like about working here?

I have been with EWRE for 3 years and 8 months. I like the office vibe.

What are your interests?

My interests are different sports and learning new things.

Your real estate/property management tip?

Talk to people, meet with people and work with people.

Spotlight on Commercial Asset Management Team



Chris Bellamy

- Bachelor of Arts
- Licensed Property Representative

How long have you been at EWRE, and what do you like about working here?
- 10 months - I enjoy the team atmosphere and support..

What are your interests?

Spending time with my family and dogs, playing golf, cooking, reading (among other things!)

Your real estate/property management tip?

Listen first then act, and remember if someone is telling you something it is because it is important to them - try to add value to that.

Mikayla Penrose

- Bachelor of Law
- Licensed Property Representative
- Currently completing Grad Dip Legal Prac

How long have you been at EWRE, and what do you like about working here?

I recently returned to EWRE after working in a different profession for 18 months. I started at EWRE back in 2019 and I am grateful to return to the workplace and join a team which is both positive and well-grounded by a wealth of knowledge and life experience.

What are your interests?

I love to live an active lifestyle. I play AFL and social sports during the off season, whilst balancing training with gym, spending time with friends and experiencing Tasmania. Growing up on the mainland, I take every opportunity to see new places and enjoy Tasmania whether it be day trips, or morning walks to take in some of Tasmania's scenery!

Your real estate/property management tip?

Communication. Active communication with both tenants and owners makes property management both more effective and collaborative.



The Residential and Commercial Asset Management team at Edwards Windsor offers you maximum return with minimum stress.

- Best market rent
- High quality tenants
- Stress free management
- Experienced in property management
- Regular monitoring of your investment

Contact us today to discuss your property management needs.

Let Edwards Windsor look after your commercial and residential property

Commercial Asset Management Testimonials

Edwards
Windsor



I can highly recommend Chris Bellamy from this agency. He has worked with me over a difficult issue and has been exceptional in his service, correspondence and ethic. I really appreciate the time he has taken to listen to my concerns and ensure my needs are met. Thank you Chris!

Selena Hagan

I have found Kevin to be most responsive to my questions, thorough in follow ups and attentive to detail. Kevin is doing a great job, very happy with the way he is looking after us.

Marcus White

Scott has been invaluable in helping us out with our Seafood factory in Cambridge over the past few months. He is honest, professional, knowledgeable and reliable and we would highly recommend him.

Suzette Holloway

Thanks very much Scott. In the spirit of the season, let me say how much I have appreciated working with you during the year. My best wishes to you for a safe and happy Christmas and I look forward to working with you again in the New Year.

Leigh

I have had dealings with RE agents in property management over the years and Chris Bellamy is a cut above the rest. He is an excellent listener, takes action in a timely and polite manner and is results oriented, Chris (and whilst he was on leave - Gabriel Handojo) are both 5 star performers who are a pleasure to deal with, always timely in their dealings with people (tenants and owners alike). I have found the EWRE agents in the Hobart Office to be reliable, diligent, friendly and fair to all parties, at all times. Chris Bellamy is a bona fide credit to his profession.

Soula Houndalas

Fantastic service. I met Gabe who took the time to listen to what I wanted to do and he did my business plan for me for the owner to review. It doesn't get any easier than that.

Scott Brown

Season's
Greetings

On behalf of all Management and Staff at
Edwards Windsor we would like to wish
you and your loved ones
a Merry Christmas and a safe New Year.



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