



Welcome to another edition of the Edwards Windsor Real Estate newsletter. Whether your interest is commercial or residential, we look forward to assisting you with all your property needs.

## Enquiry vs Buyers

### How many buyers do you need to inspect your property before a sale is made?

In theory, only 1 - the best buyer who can be persuaded to pay their best price (often above owners price).

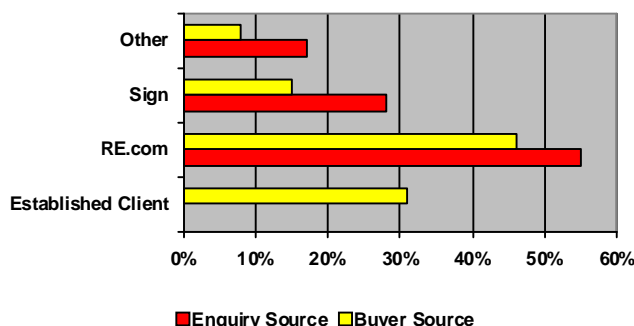
However, in order to get to this genuine buyer you have to sort through all enquiry on a property, which is generated via the marketing sources used by the selling agent, ie. newspaper, internet, signage etc.

Having a skilled agent, who is able to qualify enquiry in order to find the genuine buyer, is important so that you are not showing your property to people who aren't in a position to buy or will find the property unsuitable.

Having an agent who is not only skilled in qualifying the enquiry, but having an agency that is also skilled in how to record this enquiry for future reference, is also important. Nearly 1 in every 3 (30%) of Edwards Windsor's residential sales come from established clients. These are people who have contacted the agency in the past, who are on the personal contact lists and databases of the business and the agents who work within the

business. They may also be registered on Edwards Windsor's Buyers Club.

Edwards Windsor Enquiry vs Buyers



These are the buyers you would not know about if the agency wasn't skilled in its recording practices (ie. only having one phone number - the office number - on all marketing sources); having the office open 7 days a week until 7 pm, and having an after hours personalised pager service.

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## Hobart Office Market Overview

The Hobart office market is small in comparison to mainland capital cities. The total stock of office accommodation in Hobart, according to the Property Council Australia January 2010 Office Market Report, is 346,787 sqm.

As a consequence Hobart's office market is volatile to supply fluctuations, although traditionally supply has been demand driven, with new office accommodation primarily resulting from pre-commitments by major tenants, with little speculative development.



The State and Commonwealth Governments have a major influence within the Tasmanian office market, with public sector occupying by far the majority of accommodations, both owner occupiers and tenants. In excess of 75% of offices within Hobart are occupied by Government tenants.

Governments influence impacts most heavily on the 'A' grade sector of the market, with Government departments and instrumentalities occupying better quality office accommodation, especially the Commonwealth Government.

Most Government department's accommodation requirements remain at relatively high workspace ratios, and this is an underlying weakness of the office market.

A trend is evolving within the public sector towards a more efficient use of space, and this is starting to impact on demand for office accommodation rentals and ultimately values.

### Construction Activity Increases

Over the past few years, Hobart has experienced construction activity for the first time since the early 1990's. The new building's have increased the stock level, with several of the tenants occupying new space vacating inferior 'B' grade

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# Selling Your Rental Property

*Are you thinking about selling your rental property or would you like to know the current market value?*

When selling your rental property it is important to carefully manage the communication process with the tenants to ensure that they work with you to assist in selling the property.

**Engaging your managing agent to sell the property** will ensure that the sale and rental management process can be carefully managed to ensure a successful sale result.

**CALL OUR OFFICE TODAY ON  
6234 5500  
FOR A COMPLIMENTARY,  
NO-OBLIGATION SALE  
APPRAISAL**



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accommodation, which has resulted in an increase in vacancies within this category, together with downward pressure on rentals for B grade space.

Several sites in the Hobart CBD have planning approval for offices, plus many others for which the owners are preparing plans for development of offices.

Two new projects are due to commence later this year. 4,500sqm at 44 Argyle Street and approximately 15,000sqm at the Parliamentary precinct, at the rear of Parliament House. Neither of these are likely to have a negative impact on the market, as Argyle Street most likely will be leased by the Health Department, as part of the refurbishing of the Royal Hobart Hospital, and new accommodation at the Parliamentary precinct is to accommodate tenants who are currently on the existing site.

In our opinion no further construction of

office accommodation will commence without a major pre-commitment, which should ensure the vacancy rate in 'A' grade space does not dramatically increase.

### Vacancy Rates

The PCA's Market Report for January 2010 indicates the overall vacancy in the Hobart CBD was 3.7%, reflecting an increase of just over 1% from January 2008.

Major increases in vacancies were in the 'B' and 'C' grade space, which increased 2.4% and 3.3% respectively, whilst the 'A' grade vacancy reduced by 1%.

'A' grade office space has historically been the strongest sector of the market, and with only 4,223sqm vacant within this sector as at January 2010, we expect this vacancy will continue to be low, although currently demand from the State and Commonwealth Governments and the Private Sector is limited.

*Source: Property Council of Australia*



## Hadleys Grand Mercure 69 Serviced Apartments

Edwards Windsor are pleased to offer for sale the **Hadley's Grand Mercure Apartments**, which will be a landmark hotel development, of the like that has never been seen in the Hobart City centre.



The **Hadley's Grand Mercure Apartments** complex is an eight level development, with the serviced apartments being offered for sale contained within levels 3 to 8, and comprising a variety of one bedroom and twin key apartments, some with balconies and private rooftop spa and BBQ areas.

### An Investment Opportunity

Inner City Serviced Apartments, with guaranteed 8% per annum net return (for the first 2 years), operated by world leading hotel group Accor.

The opportunity exists to acquire twin key and single apartments on levels 3 to 7, and one bedroom apartments on level 8.

Each apartment will be subject to a lease for a period of 25 years, plus options, with Accor Hotel Group operating the apartments under the **Grand Mercure** brand.

The lease agreement will provide the owners with a rental return of 50% of the income generated from each apartment.

During the first 2 years of the management agreement, a guaranteed minimum annual net rent of 8% of the purchase price will be provided for the apartments on levels 3 to 7, after allowance for the owner's outgoing responsibilities.

For further information, visit our website:

[www.hadleysapartments.com.au](http://www.hadleysapartments.com.au)

# Property Tax Allowances

## What are Property Tax Allowances?

Property tax allowances (depreciation) provide an opportunity for owners of income producing property to reduce their taxable income, thus reducing the tax payable and increasing the return on investment.

### So what allowances are available for my investment?

There are 2 allowances that can be claimed:

### Depreciating Assets (Capital Allowances - Division 40 ITAA 1997)

These are items that depreciate quickly like carpets, fire services, air conditioning units, lifts, hot water units and white goods etc. Generally owners may be eligible to claim between 5% - 25% of the property's cost as depreciating assets (plant and equipment).

### Building Allowance (Capital Works - Division 43 ITAA 1997)

Depending on when the property was constructed, you may be able to claim a deduction for the original construction costs excluding the cost of all depreciating assets (plant and equipment) and non eligible items (eg. land).

This covers the structure and fabric of a building including the footings, concrete and steelwork, blockwork, roof, cold water services, electrical cabling, floor tiling and similar items.

Rates for building allowance and structural improvements are 0, 2.5% or 4% dependent on the use of the building and commencement date of construction.

For further information and depreciation advice, visit the Napier Blakeley website, [www.napierblakeley.com](http://www.napierblakeley.com)

*Information sourced from Napier Blakeley.*

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Using these systems we can record all enquiry, as it comes to one central contact position, and does not get lost by having to be recorded by numerous individuals through their mobile phones. Thus the office is in control of the enquiry and is able to administer, and sort for future reference, allowing us to access a further source of genuine buyers.

Have you ever wondered why we don't put mobile phone numbers on our signs and ads - now you know.



**Our philosophy is simple.** Have one main phone number for our business, market only this one contact source, ensure the office is open and people are available 7 days a week to take enquiry and process this source internally for future reference. Then, in the future, when properties become available for sale, potential buyers previously recorded by our centralised marketing efforts can be matched to these properties and a sale can be made.



When you choose to sell your property, or deal with a business that does not make the business itself the prominent contact source, you run the risk of narrowing the potential buyer pool for your property.

**FOR SALE**

## Hadley's Grand Mercure

SERVICED APARTMENTS  
HOBART - TASMANIA



- Inner City serviced apartments, with guaranteed 8% net return.
- Operated by Accor Hotels, a world leading hotel group.
- Priced from \$245,000.
- Unsurpassed investment in the Centre of Hobart

To view final plans, obtain a sales contract, discuss any aspect of the development, and acquire ownership of part of Hadleys Grand Mercure, contact the selling agent on 6234 5500

or visit the website: [www.hadleysapartments.com.au](http://www.hadleysapartments.com.au)



# Suburb in Review - Sandy Bay



Sandy Bay is accessible via Sandy Bay Road, which runs from Davey Street in the city all the way to Tarooma where it becomes the Channel Highway. Before the construction of the Southern Outlet, the road was the primary route to and from Kingston. It is also accessible via Regent Street, which bypasses the shopping district and goes direct to the University and Lower Sandy Bay.

Sandy Bay is located immediately south of the Hobart CBD, sitting majestically on the banks of the Derwent River, and adjoining the historic Battery Point waterfront area.

The suburb is home to a diverse array of residences, from large, historical and period homes, state of the art modern residences, through to a variety of units/flats. It is the site of the Hobart campus of the University of Tasmania, Fahan School, The Hutchins School and Mount Carmel College, which results in a large student population in the area.

Australia's first legal casino, Wrest Point Hotel Casino, was opened in 1973 at the site of the former *Wrest Point Riviera* hotel.

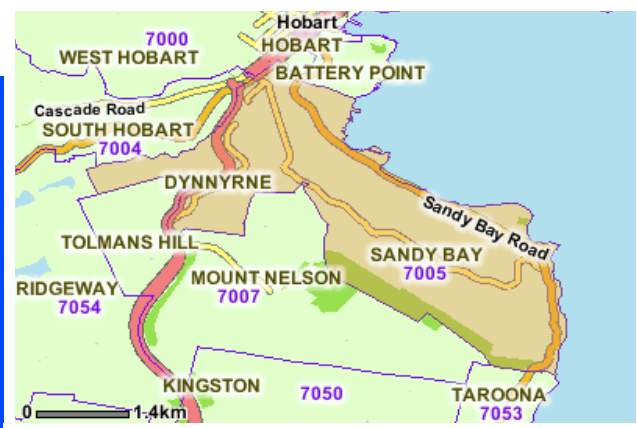
A famous former resident of Sandy Bay was Australian film actor Errol Flynn. Sandy Bay is bounded by the Derwent River, and the main beach is Nutgrove Beach.

There is considerable diversity within the suburb, with 10% of the population based around the University of Tasmania.

- Total Population (2006):<sup>1</sup> 12,427 people
- Average Age of Residents (2006):<sup>1</sup> 37 years
- Industry of Occupation is mostly: Professionals
- Total No. of Dwellings (2006):<sup>1</sup> 5,627
- Average Household Size (2006):<sup>1</sup> 2.3
- No. of residences fully owned/being purchased (2006):<sup>1</sup> 3,039
- No. of Rental Properties (2006):<sup>1</sup> 1,518
- Median House Price (Jun 09):<sup>2</sup> \$667,500

<sup>1</sup> Australian Bureau of Statistics - 2006 Census

<sup>2</sup> REIT Statistics, December 2009



Are you in  
**LOVE**  
with your job?

Have you ever thought to  
yourself

*"I deserve more than this"*

- More Challenge
- More Excitement
- More Freedom
- More Income

If so, you could be  
ideally suited for

**A REAL CAREER with  
REAL BENEFITS in  
REAL ESTATE**

**GUARANTEED  
\$77,000 ANNUAL  
SALARY PACKAGE**  
(no experience preferred)

If you don't love your job, why not consider making a change to what is now one of the most rewarding and exciting jobs in the world. Real Estate.

If you are one of the many thousands who work hard and are fed up with the dull routine of an ordinary job, we urge you to consider making a change.

If you would like more details on a sales career, please call for an information booklet with full details and an application form.

Thank you.

**Edwards Windsor - Commercial and Residential Property Specialists**

**Our Mission** To provide the best real estate service in Australia, based on the highest standard of ethics, values and client care. In doing so, we will earn the loyalty and trust of our clients and customers who will become our lifelong clients and friends, because we always place their interests ahead of our own. This is our mission. We will live up to it in everything we do. Our success will always be measured by the happiness and loyalty of our clients.