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# NEWS FROM RICHARD BAILEY

## Launceston Market Wrap

The last three months have been very busy in the Launceston real estate market with sales numbers at a very high level but unfortunately, apart from an odd exception, prices have remained fairly stable. Activity has been strong through most price ranges, with investors and first home buyers particularly strong in the \$170,000 to \$270,000 range, while second and third home buyers are mainly attracted to the \$300,000 to \$500,000 bracket.

We have also seen a few sales at the top end with grand homes like 36 Lyttleton Street in East Launceston selling in excess of \$1.1m and a much newer home at 4 Home Point selling for \$1.2m. Most of the investors are looking for yields of at least 7% gross and are keen on properties already tenanted. With vacancy rates less than 2%, we explain to investors that owner occupied houses are fine to buy because they will be rented quickly.

With the Melbourne and Sydney markets "on fire" we are starting to see significant increases in interstate investor enquiry, although a lot of this enquiry is bargain hunting in the early stages. While interest and repayment rates are so low, it is seen as a great opportunity to buy a positively geared investment property and there are many local and existing investors who are either starting or adding to their property portfolio.

In brief, if sales continue at this level, most scribes seem to think there should be some price movement by the end of the year. Here is hoping!



## A Favourite Recipe - Beef & Coconut Curry

**PREPARATION TIME:** 10 Minutes

**COOKING TIME:** 20 Minutes

### INGREDIENTS

- 600 g beef strips (rump, round or oyster blade)
- 2 cups green beans, cut into 4cm lengths
- 1 sunflower oil
- ½ cup desiccated coconut
- ½ cup massaman curry paste
- 1 tbsp fish sauce
- 2 tsp tamarind paste
- 2 tbsp grated palm sugar (or brown sugar)
- lime wedges, to serve
- roast cauliflower florets, to serve
- roast pumpkin wedges, to serve
- steamed basmati rice, to serve

### METHOD

1. Preheat a wide saucepan until hot, toss beef strips in oil and cook in 3-4 batches until golden. Remove beef.
2. Add coconut and toast until golden, reduce heat to medium, add curry paste and stir until fragrant.
3. Add beef strips, fish sauce, tamarind, palm sugar, ½ cup water and green beans, cook for 5-10 minutes until beef is cooked and sauce has thickened.
4. Serve with steamed rice, lime wedges, roast pumpkin and cauliflower.

### ESSENTIAL TIPS

- Tamarind paste is available in the Asian section of most supermarkets, or you can substitute lime juice instead.
- Substitute light coconut milk for desiccated coconut for a smoother texture.
- Check seasoning of curry at the end. Add extra fish sauce for more salt, more palm sugar for sweetness and tamarind or lime for sourness.
- Try other curry pastes: red curry, panang, yellow curry, green curry paste.

## Indicative Home Loan Repayments



AMOUNT	AT 4.25%	AT 4.54%	AT 4.74%	AT 4.94%	AT 5.14%
\$150,000	\$170	\$176	\$180	\$185	\$189
\$200,000	\$227	\$235	\$240	\$246	\$252
\$250,000	\$284	\$294	\$301	\$308	\$315
\$300,000	\$341	\$352	\$361	\$369	\$378
\$400,000	\$454	\$470	\$481	\$492	\$503
\$500,000	\$568	\$587	\$601	\$615	\$629
\$750,000	\$851	\$881	\$902	\$923	\$944
\$1,000,000	\$1135	\$1175	\$1202	\$1230	\$1259

NOTE: Weekly repayments based on principal and interest over a 30 year loan repayments are an indication only and are subject to lender's acceptance and conditions.

## Low Rates a Bonus for Owners

Australians have exploited super-low home-loan interest rates to surge \$212 billion in front on repayments, an extra \$26 billion compared to just two years ago. The aggregate "mortgage buffer" has risen to 16% of outstanding loan balances. This is up from 14% in 2013 and 11% prior to the GFC, according to the latest Reserve Bank of Australia analysis of Australian Prudential Regulation Authority data. And it's not just a cashed-up few who are decimating debts.

Figures from the nation's second-largest lender Westpac reveal just how widespread the trend has become. The proportion of customers ahead of schedule has jumped from 59% in 2012 to 73% in late 2014. Australian Bankers' Association chief executive Steven Munchenberg says that "making bigger than necessary repayments reduces the term of a loan and therefore saves interest. For example the total cost of a \$500,000 loan paid back in 28 years is \$32,000 lower than taking 30 years".

## Why your first offer maybe your best offer!

One of the greatest challenges for a vendor is deciding whether to accept an early offer on their property or whether holding out for a better price is a better strategy.

Research shows the longer a home stays on the market, the more heavily it is likely to be discounted, meaning a quick sale is a good sale for the vendor's wallet. The trends are fairly consistent, with quick sales experiencing low levels of discounting, while properties that sit on the market for a longer time typically see excessive levels of discount.

Real estate analysis firm RP Data said over the past 5 years, homes that sold in less than 30 days recorded an average vendor discount of 3.9%, 30-60 days averaged a discount of 5.2% while sales after more than 120 days on the market were discounted by 10.1%.

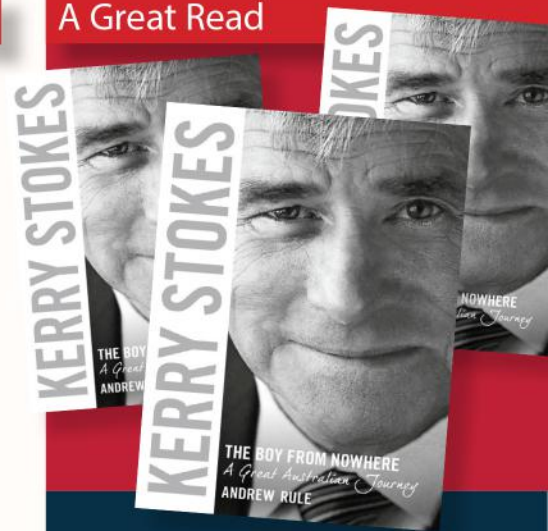
Properties are most likely to receive offers when newly listed for sale, this is why it's imperative that your agent provides you with strong market evidence to ensure your initial marketing price is set correctly.

## Buyers Tip

Having your finance already in place, enables you to hold a huge advantage. For example, recently one of our homes for sale attracted two offers, one was unconditional (finance approved) and the other was \$5,500 more but conditional upon finance being approved.

When both offers were submitted to the vendor, they took \$5,500 less because it was unconditional. I would suggest having a meeting with your bank or a reputable broker to work out how much you can borrow. Need some help, I know a couple of excellent brokers.

## A Great Read



The compelling and inspirational story of the rags to riches life of Kerry Stokes, a remarkable Australian.

Kerry Stokes is a remarkable Australian. Not because he is one of Australia's wealthiest and most powerful people, but because of what he overcame to get there and because he has endured when others didn't. His success and his rise have intrigued the business world for decades but there is so much more to him than multi-million dollar deals or mergers.

Behind the laconic front is a human story as tough and touching as a Dickens tale: Oliver Twist with great self-expectations. It is the story of a poor boy who stared down poverty, ignorance and the stigma of his illegitimate birth to achieve great wealth and fulfilment. He's a backstreets battler who has become a power player. It's a compelling and inspiring story that, until now, he has not told. His story fascinates all the more because he has spent most of his life guarding it. But now he's telling it, to one of Australia's great storytellers.

It's a great Australian journey.

*"If at first you don't succeed, try to hide your astonishment!"*

**Harry F. Banks**

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