

Consider best use of property

WHEN considering the sale or purchase of a property asset, sellers and buyers should initially consider what the potential highest and best use of the property is. Highest and best use is an industry term that refers to exactly what it suggests, the highest value and best possible use of a particular property. Sometimes this may not be the same as the current or most obvious use and some creative thinking and careful research may be required. PRDnationwide Townsville research manager Dean Dederer said property owners should conduct some basic research to assist in this determination. "The value of a property is related to its highest and best use. The current use may not reflect the property's optimal value, therefore any potential for a use that is higher than the current use should be considered," Mr Dederer said. He said owners should investigate or ask their real estate agent some standard questions to help them decide on the highest and best use. "Asking the right questions is important. You should really ask things like, what is the current zoning of the land? What is the predominate use of surrounding properties? What is the current supply and demand of various property types? What are the current trends in the property market? What stage of the property cycle are we currently in?" Under the Townsville City Council City Plan, land use is determined by various designated zones or precincts in order to control development across the city. The main residential zones include Traditional Residential, Neighbourhood



Residential, Mixed Residential, Rural Residential, City View Slopes Residential and Medium Density Residential. Each precinct has different densities, height restrictions and allowable uses. Other precincts include industry, centres, rural and general. "Anyone with an interest in property should be familiar with the City Plan, which is accessible from the council website," Mr Dederer said. "Buyers looking to make the most out of their purchase should investigate possible uses for their property. "For example, the highest and best use of an old house on a prime Mixed Residential lot may be as a multi-unit development site. An old house on a large Traditional Residential lot may lend itself to subdivision, or an old warehouse may lend itself to a change of use into a commercial or residential building. "An option may also exist to change the zoning of the land. This can be costly and expose the owner to risk, therefore owners should seek professional advice from consultants including valuers, town planners and property development project managers," Mr Dederer said. "Optimising the value of a property can be as simple as identifying the critical attributes and communicating this effectively to the market during a sales campaign, or as complicated as obtaining development approval to change the use of the land. Test your agent's knowledge and reap the rewards."



Interest rate rise looms on the horizon

THE days of historically low interest rates could soon be over as a rebound in the economy restrains the Reserve Bank's use of the monetary scalpel. With interest rates at a 49-year low, and middle-income earners benefiting from recent Federal Government stimulus programs, inflation may return to the headlines during the coming year. An Access Economics business outlook report says interest rates will be raised again in 2010 and 2011. But economists predict there might

be more relief before the pain with another rate cut tipped before Christmas. The RBA has left interest rates unchanged for the past three months after slashing them by 425 basis points from October 2008 to April 2009. RE/MAX Excellence agents Lyn Griffiths and Rohan Banning said they expected any speculation of interest rate rises to bring forward the investment decisions for some buyers. "Most home owners have had access

to the lowest interest rates in a generation," Ms Griffiths said. "Interest rates were cut eight consecutive times which prompted a lot of people to jump into the housing market, while at the same time home owners on variable rate mortgages saved thousands of dollars. "Nobody wants interest rates to rise but it is inevitable that they can't stay at historical lows for much longer. "Now that there is talk of potential rate rises on the horizon, we expect that some people will look to bring

forward any purchases that may have been planned for later next year." Mr Banning said that more home buyers were starting to investigate the pros and cons of fixed-rate mortgages in anticipation of future rate rises. "We would advise anybody that is locking into a mortgage to consider all available options when it comes to fixing interest rates or choosing a variable rate package," Mr Banning said. "Interest rates have different impacts on owner-occupiers and

investors but certainly the lower the rates, the better the financial benefits are for most people. "It is likely that home buyers still have some time to act on any purchase decisions before any rate rises come into effect. "For that matter it will be very interesting to see what kind of impact any future rate rises or decreases have on the Townsville real estate market."



Ray White's First Home Buyers and Investors Auction Tuesday 04 August, 6:00pm – Southbank Convention Centre, Palmer Street

- Lot 1 60 St Albans Road, MOUNT LOUISA
- Lot 2 7 Anew Court, ALICE RIVER
- Lot 3 6/108 Mitchell Street, NORTH WARD
- Lot 4 6/56 Armstrong Street, HERMIT PARK
- Lot 5 49 Goldring Street, HERMIT PARK
- Lot 6 5 Carmen Close, YABULU
- Lot 7 28 Minstrel Court, BUSHLAND BEACH
- Lot 8 7 Buell Court, ALICE RIVER
- Lot 9 11 Colby Court, KELSO
- Lot 10 3/66 Tenth Street, RAILWAY ESTATE
- Lot 11 10 Andrew Crescent, CONDON
- Lot 12 5 Doncaster Way, MOUNT LOUISA
- Lot 13 134 Framara Drive, KELSO
- Lot 14 23 Gatton Street, KIRWAN
- Lot 15 5/102 Cook Street, NORTH WARD
- Lot 16 1006/75 The Strand, NORTH WARD
- Lot 17 26 Allambie Lane, KELSO
- Lot 18 150 Francis Street, WEST END
- Lot 19 109/75 The Strand, NORTH WARD
- Lot 20 15 Rosewood Avenue, KELSO
- Lot 21 86 Railway Avenue, RAILWAY ESTATE
- Lot 22 14 Alan John Street, KELSO

- Naomi Theodossio 0407 573 358
- Chris Orr 0413 642 584
- Danny Cody 0404 077 102
- Malcolm Thomson 0400 545 664
- Michael Andrews 0414 886 294
- Chris Orr 0413 642 584
- Simon Clayton 0415 196 270
- Chris Orr 0413 642 584
- Michael Andrews 0414 886 294
- Kimberley Orr 0415 038 321
- Kelly Woodroffe 0406 996 727
- Dianne Rippon 0417 003 053
- Kelly Woodroffe 0406 996 727
- Shay Bell 0410 436 924
- Kimberley Orr 0415 038 321
- Danny Cody 0404 077 102
- Kelly Woodroffe 0406 996 727
- Julie Crisp 0408 212 019
- Danny Cody 0404 077 102
- Kelly Woodroffe/Michael Andrews 0406 996 727
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