



## Where's the market going?

### Where is the Perth property market going in the coming months?

Whilst some people, such as Eastern States commentators, profess to have the answer, you won't find many Perth-based professional real estate agents who are prepared to hazard a guess.

If you look at the market logically, it's difficult to understand why buyers are sitting on their hands. The election is over, the heat has been taken out of the mining tax, the European economic crisis is off the front pages and other key drivers of demand in WA, including mining activity, are at healthy levels. What's more, property prices are at more affordable levels.

### Land sales up

It's tempting to believe buyers are holding back because of interest rates or stringent bank lending requirements. However, right now we are hearing of land in the Southern Suburbs being snapped up by people wanting to build their own homes, with prices for re-sold land climbing. In some areas existing homes are now significantly cheaper than building an equivalent new home.

Many of the buyers sitting on their hands have the money to make a move and it's likely that some believe the market hasn't bottomed out yet. Astute investors will tell you it's almost impossible to precisely predict the top and bottom of any property price cycle. They will also tell you that if you choose well and hold on to a property for 5 to 7 years, there's little chance of losing money.

If the past is to act as a guide, it's likely that when the price does resume an upward course the supply of properties will decrease dramatically. During the next few months, which are traditionally the most active in the real estate market, we will be monitoring changes in the market on a daily basis. So, whether you're a buyer or seller give us a call for the latest on what's happening on the ground.

**Rick Lombardo, Principal**  
rick@realtyone.com.au  
Mob: 0419 918 888

## FOR SALE

## Applecross

## Glorious Sunsets

This property is located in one of the most sought after areas of Perth, looking over the Swan River, with its white beaches, yachts, windsurfers and wildlife. This executive home has four double bedrooms, three bathrooms, three separate living areas and a large modern kitchen and meals area. Outside there is a swimming pool and a games room for residents. Perfect for a family, an investment or a lock up and leave house, with all amenities a short stroll away.

Contact Anita Wilson 0409 374 134  
anita@realtyone.com.au



# Is this the time to buy an investment property?



**It's a question often asked: "Is this the right time to buy an investment property?"**

Time is the important element of this question. There is little doubt we are going through a soft period in the market with a good supply of properties and this invariably represents a favourable opportunity for buyers.

However, there are other important issues to consider when investing in property.

In addition to stability of income your buying strategy should focus on capital growth. Depending on your budget, endeavour to buy in areas where there is a history of stable demand. Also, look to the medium to long term as a hold situation. ALWAYS REMEMBER YOU MAKE MONEY WHEN YOU BUY, NOT WHEN YOU SELL.

Location is important. For renters proximity to good schools, public transport and shops is critical.

Claiming the maximum allowable depreciation adds to your income return on capital. Newer homes generally provide greater scope for depreciation, while also offering the benefit of lower maintenance costs.

Clearly understand your borrowing limits. A pre-arranged approval is a distinct advantage. Be sure to allow for purchase costs.

Zoning changes can affect value. Always check with the local authority in the area you are considering.

The strong outlook for the WA economy would suggest the property market could change quickly, resulting in a surge in demand. This outlook could be tempered by interest rate rises but in our view is unlikely to lead to any market downturn in the foreseeable future.

Our forecast moving into 2011 is a shortage of rental properties, pushing up rents and therefore increasing yields on rental properties.

**By John Hender, Licensee Winthrop Office**  
john.hender@realtyone.com.au  
Mob: 0418 927 046

# How Realty One solved a problem which plagued this strata complex for years

**W**hen Michele Heitkonig of Realty One conducted her first property inspection at a strata complex, she found that all was not well.

The common area laundry was a mixture of rubbish, washing machines and clothes dryers, with no assigned areas for each unit and no room to move. The storeroom was cluttered up to the ceiling with furniture, suitcases, clothing, lamp shades and rubbish.

Michele, who recently joined Realty One as Strata Manager, completed a written property report together with photographs for the Strata Corporation's AGM with recommendations on how to get the area cleaned up. At the AGM the owners complained about the constant rubbish and clutter in both the laundry and storeroom area as well as problems related to the use of wheelie bins. All of these matters had been an issue in this complex for a number of years.

After discussing Michele's recommendations and action plan, the council of owners agreed to get the issues resolved once and for all. Thereafter there was regular communication on the clean up between Michele and the council of owners. Letters were sent by Realty One to owners and tenants to implement recommendations designed to facilitate better control of washing and rubbish removal operations.



With the council of owners working as a team, and all owners complying with the plan prior to the deadline, an amazing transformation took place. The laundry area is now clutter free with room for all to walk around. The storeroom is spacious and there is an allocated space for each owner/tenant of each lot. Since then Michele has been onsite monitoring progress and rendering assistance six times

Says Michele, "For a problem that had been ongoing for over three years, this issue is now resolved thanks to the communication and assistance of all at the strata complex."

Michele, who is employed by Realty One Strata Department as the Strata Manager has extensive legal and real estate experience.

Michele's experience, qualifications and commitment to honesty, ethics and total quality management provide her with a sound understanding of client requirements and a commitment to delivering the highest levels of satisfaction and service.



## See you at the Jacaranda Festival

**We look forward to your visit during the Jacaranda Festival in the Applecross Village on November 27.**

You will find our office right at the heart of the day's festivities (across the road from The Good Grocer).

As was the case last year, we will be handing out free shopping bags, balloons for the kids and there will be the traditional Realty One jelly bean competition with a great prize.

Last year, there was a constant stream of visitors to our office looking to get a free balloon or the company's popular shopping bags. The more ambitious could be seen pondering how many jelly beans there were in the jar. The prize was a brand new bicycle.

### Property Median Price Trends

	Median Price Yr to June '10	Quarterly change in annual median	Annual change 1 yr	Ave annual % change 5 years	Ave annual % change 10 years
Alfred Cove	\$665,000	-4.0%	-2.6%	8.6%	10.4%
Applecross	\$1,472,500	5.2%	28.0%	11.4%	11.0%
Ardross	\$875,000	0.0%	9.1%	11.4%	11.7%
Attadale	\$1,050,000	12.6%	10.5%	10.6%	10.8%
Bateman	\$646,750	3.5%	8.2%	12.7%	12.7%
Bicton	\$870,000	1.5%	6.4%	12.0%	11.1%
Booragoon	\$760,000	1.6%	2.4%	11.8%	11.0%
Brentwood	\$581,500	1.5%	3.8%	10.1%	11.0%
Bull Creek	\$635,000	5.6%	17.6%	13.2%	11.8%
E.Fremantle	\$1,000,000	0.3%	4.2%	10.8%	11.1%
Kardinya	\$598,500	3.2%	19.7%	12.5%	12.0%
Melville	\$715,000	2.0%	12.6%	11.2%	12.1%
Mt Pleasant	\$1,005,000	5.1%	9.4%	12.3%	11.0%
Murdoch	\$711,250	12.9%	9.4%	11.6%	11.2%
Myaree	\$623,000	-1.0%	11.3%	12.0%	12.1%
Palmyra	\$619,000	4.6%	12.5%	12.2%	11.8%
Willagee	\$490,000	1.0%	8.2%	12.2%	12.9%
Winthrop	\$800,000	0.0%	-0.6%	10.3%	9.9%

## Now - submit your planning or building application online

**Are you preparing to submit an application to the City of Melville to build or renovate a property? Did you know that you can now lodge your Planning or Building applications online?**

Using the online lodgment process you will be able to attach your plans and documents; pay all your fees and charges; and you can check the status of your application whenever you like.

Check the Melville Council website for details and if you're considering sub-dividing or undertaking a major renovation and would like to discuss your options call us at Realty One.

# Insuring your investment

## Failing to re-examine your options could be costing you more than you think!

**O**ptimising the return on your property is the key to success in property investment.

One important way of maximising your return is to always keep your costs in check. When it comes to minimising costs one area that is often overlooked by investors is insurance.

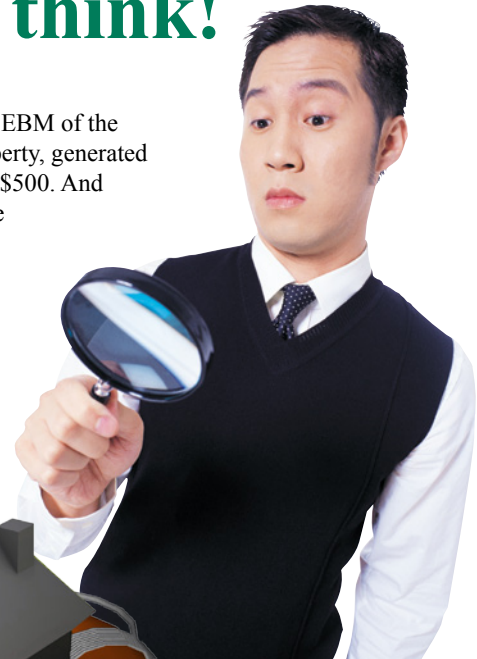
Many don't bother to re-examine their building, contents or landlords insurance because they think they already have the best deal or believe it would be too much of a hassle to make a change.

A recent Perth case study clearly shows that sticking to what you've had for years, could be eating into your return every year.

In this particular case, Realty One asked brokers, EBM to run a rule over the cost of existing building insurance for six investment properties owned by one of Realty One's property management clients. The result – EBM was able to save the client an amount of \$953.92!

In another case, an examination by EBM of the insurance on a single investment property, generated a total saving for the investor of over \$500. And at the same time the investor found he would in future have public liability cover of up to \$30 million instead of the previous limit of just \$5 million.

Why not talk to us at Realty One if you'd like to take another look at your insurance coverage and we'll put you in touch with the right people at EBM to look into your particular case.



## Council to meet on Canning Bridge Precinct proposal



**A report on the final vision for the Canning Bridge Precinct is being considered by the Cities of Melville and South Perth during the October round of Council meetings and then by the Western Australian Planning Commission in November.**

The final vision will come under scrutiny at the Ordinary Meeting of the Melville Council to be held on October 19, 2010 at the City of Melville Civic Centre, 10 Almondbury Road, Booragoon.

Residents are invited to attend the Council meeting. For more information please call 1300 635 845.

## Realty One takes action to reduce its carbon footprint

**Australian Sustainable Action (ASA) has completed an energy audit for Realty One.**

As a result of the Level 1 Energy Audit, Realty One now has an Energy Reduction Road Map to reduce its annual electricity consumption (and its associated carbon footprint) by 27%.

That equates to an approximate annual saving of \$4,880 per year. This is the CO<sub>2</sub> equivalent of preventing 9,197 litres of petrol from being consumed by a motor vehicle.

With our offices on the pathway to reducing our carbon footprint by 27%, we have the future option of commissioning a Level 2 or 3 Energy Audit, which will enable further cuts in energy consumption.

Realty One's goal is to become 100% carbon neutral.

Call us if you'd like to do the same and we'll put you in touch with the people at ASA.



*"Rick Lombardo has been our real estate guide since before we bought our first investment property through him in 1996. He played a major role in advising us of good investment opportunities when we first entered the market and in later years. His advice has proven excellent, as the speed and success of the recent sale of our property attests. Realty One also managed our investment property for fifteen years in a painless and worry-free manner. We would recommend Rick without reservation to anyone looking for sound professional advice." Jan Gothard and Charlie Fox*

# FOR SALE



## Marmion Street, Booragoon PARKLAND VILLAS

Almost free-standing retirement villa for over 55's with formal lounge, kitchen, large bedroom, store room, air-conditioning, carport and lifestyle facilities. Incredible value! Register your interest now!

Call Paul Menezes 0413 817 857  
paul@realtyone.com.au



## Kitchener Road, Melville SUPERIOR TOWNHOUSE

This street-front, two-storey, three bedroom, two bathroom townhouse has spacious living areas including a super-size lounge/dining and a very attractive meals/family precinct adjoining the kitchen. It features two private courtyards, a double lock-up garage and its own store room. All repainted and re-carpeted.

Call Clyde Bant 0418 225 226  
clyde@realtyone.com.au



## Mill Point Road, South Perth

### TOP INVESTMENT

Superb fully furnished and equipped 1st floor apartment in secure complex. Spacious open plan living, modern kitchen, bathroom/laundry combo and river glimpses off balcony. Minutes from Mends Street shops, cafes and restaurants and only a short stroll to the river.

Call John Nigrone 0419 909 156  
john@realtyone.com.au



## Hackett Pass, Winthrop

### CHEAPEST HOME IN WINTHROP

Superbly finished 3 bedroom, 1 bathroom home. Features include; Modern kitchen, spacious lounge/dining room, master bedroom with spacious walk-in robe, alfresco area and manicured gardens. All bedrooms have been freshly painted and fitted with new carpets. Don't miss your chance to secure this home today!

Call Peter Taliangis 0431 417 345  
peter.t@realtyone.com.au



## FOR SALE Ocean Drive, North Coogee BEACH FRONT APARTMENT

You will get a seagull's view of South Beach and its Norfolk Pines from this luxury apartment in The Islands at Coogee's South Beach. Enjoy the Indian Ocean outlook with Garden, Carnac and Rottnest Island as a backdrop. Only metres from the water's edge. Direct access to the beach. The vibrant Fremantle cafe strip is only a short distance by CAT Bus. The three bedroom, three bathroom apartment has a luxury fit-out with European appliances. There are two large balconies and two undercover car bays. Resort-type amenities include a swimming pool and adjacent entertainment and gym facilities.

Call Rick Lombardo 0419 918 888. rick@realtyone.com.au



# How a recent review identified massive additional depreciation deductions for this investor

## A property investor sent four recently obtained depreciation reports to BMT Tax Depreciation for analysis.

BMT's review of the reports clearly showed the investor had lost out on deductions with all four properties.

Missing from the report on one of the properties were a range hood, oven, bathroom accessories, door closers and smoke alarms. In addition, some plant and equipment was missing and some items were undervalued, with installation costs and consultants' fees left out.

The other three properties repeated some of these errors but there were other shortcomings such as using the incorrect effective life of assets and undervaluing depreciation on the building structure.

In some cases calculations were incomplete

making them difficult to justify to the ATO and fixtures and fittings weren't itemised – resulting in a failure to benefit from higher depreciation rates applicable to some of the items.

When this investor asked BMT to prepare four new reports, the result was little short of staggering.

The investor found he would enjoy the benefit of additional depreciation deductions on the four properties of ...hold your breath ...\$122,871. The additional depreciation deductions for the individual properties ranged from \$7,136 to a breathtaking \$61,640.

But it's not just about money. It's also about peace of mind. If you don't get those deductions right, you could find yourself wasting valuable time answering persistent queries from the ATO.

# Are you an experienced sales rep or property manager?

As Realty One continues to grow into the expanding market we are on the lookout for experienced sales representatives and property managers.

If you're looking to continue your career in a highly regarded agency that will give you all the support you need to operate effectively, give Rick a call on 0419 918 888.

rick@realtyone.com.au

*"Thank you John Nigrone. Words cannot express your professionalism. You not only sold both houses quickly for us but also at prices we couldn't have imagined. A huge thank you also to Carla Lacchese, Ashleigh Ribeiro and all the staff involved at Realty One"* Paul and Adriana

