



In my view

Those who chose to read the second last paragraph in a press release on the latest Bankwest/Mortgage and Finance Association (MFAA) Home Finance Index would have come across a finding of great interest to WA residents.

Of all states and territories, Western Australian residents are the best performing when it comes to loan repayments.

This news followed hard on the release of the Housing Industry Association (HIA)/Commonwealth Bank housing affordability index which saw capital city affordability improve modestly in Brisbane and Perth, rising 0.5% and 0.1% respectively in the December quarter.

This was in stark contrast to other Australian capital cities with housing affordability in the December quarter dropping by 5.5% in Sydney, 3.4% in Canberra and 3.4% in Adelaide.

Earlier, in a statement to Parliament after the February interest rate announcement, the Governor of the Reserve Bank, Glenn Stevens said it was reasonable to assume interest rates wouldn't change for "some time".

No expectation of major hike

More recently, Gail Kelly, CEO of Westpac said she expected interest rates to continue to be on hold for the next several months. "Possibly, September time, I would see the potential for another interest rate change and I think that would be 25 basis points up."

In a surprise finding, 77% of investors in a recent survey saw it as a good time to purchase an investment property, citing steadier house prices, higher rental incomes and rental demand as key drivers for their decision, according to the Bankwest/Mortgage and Finance Association (MFAA) Home Finance Index.

So, it seems that contrary to what you'll read in the press, the overwhelming majority of property owners are managing their mortgages and investors are showing renewed confidence in property. And the future looks encouraging - with further confidence boosting resource announcements, such as the Wheatstone project, expected later this year.

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FOR SALE

Address

Dreams do come true



A secluded sanctuary cascading over 2 levels, this delightful family home adjoining Wireless Hill park boasts a spectacular position in a premier street. Designed to optimise on views with river glimpses, space and sunlight, its panoramic gaze sweeps across the jacaranda tree lined streetscape enriching a lifestyle that beckons. This home offers all the benefits of modern living with 4 bedrooms, study, informal and formal living areas, and rooftop sundeck. It is surrounded by lovely gardens on a 1026sqm block with 2-lot potential.

Enjoy the benefits this prize location offers all within a short distance of Garden City, the Riseley Street cafe precinct and river.

Contact Marlene Drummond Smith 0418 276 308 marlene@realtyone.com.au

Renewed investor activity on the horizon as rental market tightens



There are clear indications in the Perth property market of a looming shortage of rental accommodation, suggesting that rents will continue to increase in the foreseeable future.

A depressed housing and construction market, particularly for first home buyers, is causing a surge in demand at the lower end, pushing up rents for the most basic of accommodation.

Further fuelled by strong population growth, higher rents are now filtering through to all levels of the home rental market. This should be of concern to government given the accelerating economic activity and the anticipated growth of our resources industry.

With increasing rentals and a relatively stable interest rate outlook, investors will be looking closely at our established housing

market. It's currently a good buyers' market and there are many opportunities for investors to hand-pick their properties and look forward to higher than normal rental returns.

Investors should, however, remember our previous commentary: there are many important considerations when acquiring investment property and a good start would be to first discuss your investment strategy with your local real estate agent.

Whilst the general outlook for the market is flat, there is a growing opinion that a turnaround will begin to emerge towards the end of the year. In the meantime, however, the window of opportunity for investors could not be more open.

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Did you know?

You no longer have to pay stamp duty ahead of settlement

Good news on the home buying front.

As of March 1 homebuyers no longer have to pay stamp duty until their property purchase is settled, provided the purchaser's settlement agent processes the transaction through the Office of State Revenue's online duty system.

In the past, home buyers have had to pay the stamp duty before anything else. Now they will be able to delay payment until the property is settled.

The old rules placed an additional burden on buyers who often had to incur borrowing costs to pay duty in advance of settlement. They had to do this because lenders required an endorsed transfer document to proceed with settlement.

The new arrangements will also extend the time allowed for paying stamp duty in some cases where settlement occurs well after purchasers have signed up - such as where property is purchased off-the-plan or where settlement is awaiting the issue of a new title.

An alarming April Fool's Day story

Listening to sound advice is a good idea.

It was something Realty One Principal, Rick Lombardo was to rediscover in no uncertain terms while lying in his bed at 11.30pm on April Fool's Day.

In case you didn't know, April 1 was designated as the day you should check and if necessary change the battery in your smoke alarm.

Well, while Rick lay there peacefully about to drop off he was rudely aroused by the

wailing of the smoke alarm, which is what happens when the battery is flat.

Admonishing himself for his failure to change the battery which he had purchased earlier that day in preparation, Rick had to get up, scrounge around for a torch and find something to stand on so that he could remove the battery and give himself a chance of some sleep.

No prizes for guessing: 'What's the first thing Rick will do on April Fool's Day 2012?'

Property Median Price Trends

	Median Price Yr to Dec '10	Quarterly change in annual median	Annual change 1 yr	Ave annual % change 5 years	Ave annual % change 10 years
Alfred Cove	\$671,250	-3.4%	-2.7%	8.5%	10.3%
Applecross	\$1,410,000	-6.6%	5.0%	9.5%	10.0%
Ardross	\$875,000	0.0%	0.0%	10.2%	11.3%
Attadale	\$1,140,000	8.6%	21.6%	9.6%	11.6%
Bateman	\$658,500	-2.3%	6.6%	11.6%	12.7%
Bicton	\$885,000	1.5%	8.6%	10.8%	11.1%
Booragoon	\$780,000	0.0%	4.3%	9.8%	11.6%
Brentwood	\$640,000	2.8%	11.3%	11.0%	11.9%
Bull Creek	\$618,000	-1.1%	6.5%	10.2%	11.7%
E.Fremantle	\$1,100,000	3.8%	12.1%	11.4%	11.8%
Kardinya	\$585,500	0.9%	5.2%	9.3%	11.3%
Melville	\$776,000	-1.1%	17.6%	12.0%	12.6%
Mt Pleasant	\$1,150,000	5.6%	24.3%	12.1%	11.8%
Murdoch	\$725,000	3.2%	18.9%	10.1%	10.8%
Myaree	\$632,500	-0.4%	3.7%	11.4%	12.2%
Palmyra	\$652,500	-0.4%	13.5%	12.7%	11.5%
Willagee	\$505,000	-1.0%	8.0%	11.0%	12.6%
Winthrop	\$842,500	2.1%	7.3%	9.7%	10.2%

Strata Property Owners

Things you should be aware of

Common Property and Exclusive Use

The biggest issue in strata properties is who owns what. Very often there is an enclosed courtyard or balcony and it is presumed that the owner of the lot opening onto it has complete ownership. Owners should check the Strata Plan before making this assumption as very often it is common property and is owned by the Strata Company.

Floorboards

Don't assume you can replace carpeted areas with floor boards in non-wet areas. Most Strata Companies have By-Laws which require that Strata Company approval is sought before floor boards are laid. Disputes of this nature can end up in the State Administrative Tribunal and are costly.

Parking Bays

It might be a 3 bedroom unit but it may only have one car bay. Potential buyers and tenants need to be reminded about this. Visitor's Bays are just that and are not available for long-term, regular use by residents.

Underground power for Ardross West

The Office of Energy has selected Ardross West to be included in Round 5 of the State Underground Power Program, which is scheduled for completion by 2014.

The Ardross West area can be broadly defined as that part of Ardross which is West of Riseley Street. It consists of about 800 properties.

Ardross West was selected from nine proposals submitted by the City of Melville to the Office of Energy. Also accepted to proceed for assessment were Ardross East, North Bicton and two projects in Melville, south of Kitchener Road. Attadale North was recently chosen to be included in Round 4 of the program.

Suburbs in the spotlight

Murdoch and Winthrop property prices have held up well in a quiet market

The suburbs of Murdoch and Winthrop derive their names from two of WA's best known pioneers of university education in the State.

Murdoch was named in 1974 after Sir Walter Murdoch, a chancellor of the University of Western Australia from 1943 to 1947 and the man after whom Murdoch University is named.

It's a small suburb with less than 1000 dwellings, according to the 2006 census, but is well endowed with State and private schools, the University and St John of God Hospital, while the major new Fiona Stanley Hospital is at an advanced stage of construction. The suburb benefits from its excellent transport links and proximity to the CBD.

Higher density living on the horizon

The Fiona Stanley Hospital, along with plans to establish a vibrant higher density activity centre in the precinct of the Murdoch Rail Station, is expected to have a major impact on residential property in the vicinity, well before the hospital opens in 2014. The greatest intensity of activities is planned for an area within 400m from the rail station.

As a result of its proximity to the university, the median age of residents is a low 29 while the number of rental properties is close to 20%. 73% of homes are owner occupied.

Counter cyclical growth

In recent years Murdoch house prices have seldom matched trends in the Perth Metro median price. During 2008, the Perth median price was down while Murdoch's median price was up and in 2009 exactly the reverse happened. In 2010 when Perth median price rose modestly, Murdoch showed relatively strong growth.

This counter-cyclical tendency makes it hazardous to apply trends in the Perth Metro property market to Murdoch. Another problem when looking at Murdoch's quarterly median prices is that the figures are based on small



Construction of the \$2 billion Fiona Stanley Hospital at Murdoch is proceeding on schedule. The hospital is expected to have a significant impact on the local residential property market well before it opens in 2014.

sales volumes – from 13 to 34 homes a year over the past five years. This inevitably leads to distortions in the median price.

Keeping this in mind, it would appear that Murdoch has recovered most of the fall in median price which the suburb experienced in 2009.

Winthrop favoured by families

Situated 11km from the Perth GPO, Winthrop was originally part of the Applecross Pine Plantation, which was owned by the University of Western Australia from 1904. It was named Winthrop in 1977 by the City of Melville in commemoration of Sir John Winthrop Hackett, the first Chancellor of the University of WA.

Though it has more than twice as many residential dwellings as Murdoch, Winthrop mirrors its neighbouring suburb in many ways. It enjoys access to good educational facilities, benefits from excellent transport links and is close to the CBD, major shopping centres and entertainment and recreational facilities, including the Piney Lakes Reserve.

Winthrop is very much a suburb for families and the median age is much higher than in Murdoch at 37 years. More than 90% of homes are owner occupied, with only 8% rented out.

With regard to median price trends over the past few years, Winthrop has roughly matched Murdoch's counter cyclical behaviour in relation to the Perth median price.

Reflecting the desirability of the suburb among families, Winthrop's median price continued to grow in post boom 2008 at a time when the Perth median price was firmly down, creating a situation where it actually reached its peak early in 2009 – long after the end of the boom.

Up on previous peak

The most recent figures have shown it exceeding its previous peak, though with lower sales volumes it may be a bit early to place any reliance on such figures.

Because of a lack of space we have not gone into detail about the current property market in Winthrop and Murdoch. To find out what's happening right now call us at 9313 9100.

A win-win situation for tenants with pets and property owners?

Every year many pets are given up because their owners move into rental properties that bar animals.

Now REIWA is working on a pet lease agreement which hopefully will protect property owners while at the same time giving

tenants with pets more choice in the rentals market.

Watch this space for more news on this welcome development which should ensure a win-win situation for property owners and tenants with pets.

"Thank you Kylie of Realty One for looking after our property so well. You have been very helpful and always kept an open line of communication with us. Thanks for accommodating our requirements."
R Aggarwal & R Chopra.

"Varley and Rebecca, again, thank you for your assistance; it is very much appreciated. Realty One certainly go above and beyond for their clients." J Newman.

FOR SALE



Applecross

ASTUTE BUYERS/ INVESTORS

Discover the beauty of this 3 bedroom, 2 bathroom home close to the River. Featuring spacious master bedroom with ensuite, formal lounge and dining overlooking the front garden and new galley kitchen with plenty of cupboard space and dishwasher and lovely pergola. Call Kim Gamba 0417 918 252. kim@realtyone.com.au.



Jandakot

SOMETHING SPECIAL

You will be delighted by this 5 bedroom, 2 bathroom, tri-level family home with activity room. Extensive open plan chic living and dining area that can open out to the outdoor semi-enclosed alfresco area. Streamlined modern kitchen. An entertainer's delight. Call Marlene Drummond Smith 0418 276 308. marlene@realtyone.com.au



Palmyra

BRAND NEW

Stunning 3 bedroom, 2 bathroom brand new home. Features include: kitchen, lounge, laundry, porch, garage/store room and alfresco area. Main bedroom has ensuite and second bedroom with semi ensuite. Total area of 191.2 sqm. View today. Call Peter Taliangis 0431 417 345. peter.t@realtyone.com.au



Bull Creek

BEAUTIFULLY PRESENTED

4 bedroom, plus study family home set in lush reticulated gardens opposite a lovely bush reserve. Features include; family room, games room, lounge and formal dining. Outdoor entertainment and attractive gazebo area are situated in the backyard. Walk to Rossmoyne High School or All Saints College. Call John Hender 0418 927 046. john.hender@realtyone.com.au



FOR SALE

Applecross

COMFORT & LIFESTYLE!

Comfort and lifestyle are generously provided for in this 4x2 home with its cavernous light-filled lounge and its enormous family room. The kitchen dynamically relates to both venues and to the formal dining area, as well as having its own meals area. The family room leads out to a major alfresco precinct stretching across the lawn to a bowered gazebo and bbq area. Other features include; double garage, workshop/study, air conditioning and reticulation. All so close to the River! Call Clyde Bant 0418 225 226. clyde@realtyone.com.au

Property Management Case Study

Realty One's strict tenant arrear procedures earn tenant's praise

Realty One's strict adherence to procedures has been commended by many of our Property Management clients. And recently it was the reason why one of our tenants referred an investor friend to us to manage his property.

Asked to suggest a good property manager, the tenant, who owns a small portfolio of properties, told his friend Realty One implemented strict procedures with rent arrears and actively educated its tenants on the need to pay rental in advance.

The friend contacted Realty One for a proposal and professional advice. As a result, Realty One secured the friend's management

and was successful in finding a tenant within the first week of the property being marketed "for rent".

At Realty One Property Management, all key performance indicators (KPIs) are on the table at the weekly team meeting. Strict systems and procedures are adhered to by all property managers in a friendly and professional environment offering owners the ultimate service and peace of mind of receiving regular rental income.

Call Adriana Mann on 9313 9111 or 0402 787 874 if you would like to receive the same service.

adriana@realtyone.com.au

RCD and Smoke Alarm deadline looms

State legislation requires RCDs to be installed by 8 August 2011 and mains powered smoke alarms to be fitted by 1 October 2011 in all residential property rented or sold.

A person failing to fit RCDs or smoke alarms in accordance with the regulations may incur heavy penalties.

It is also a requirement that the RCDs and smoke alarms are regularly maintained to

ensure they remain in working order.

Should your property not comply with legislation, you are at risk of not being covered by your insurance company for any claim relating to an electricity fault and, or, fire.

As your managing agent, Realty One can arrange for the installation and, or, maintenance of these appliances. Just give us a call on 9313 9111 and we'll get things going.

"Varley Tweddle from Realty One Applecross provided excellent service and made the difference in getting a sale compared to the effort by a previous real estate agent, who out of loyalty was offered the property first."
Richard De Knock.

