



Autumn Newsletter



1 in 4
people in
Fremantle selling
homes will choose
dethridgeGROVES*

* Source: REIWA Agency
Market Share 2011

Buying & Selling in the Same Market

Property market commentary is almost always focused on the numbers although unless you are a significant property investor, many of these statistical observations may not be that helpful to the "mum & dad" buyer trying to read the market.

When buying the family home, as long as you buy and sell almost simultaneously under similar market conditions, then the state of the market is almost irrelevant. In fact, upgrading your home in a slow or falling market is beneficial because if you assume a property market has fallen say 10 per cent, your \$550,000 home might only fetch \$500,000, yet your new home previously worth \$770,000 now sells for 10 per cent less at \$700,000; a \$20,000 benefit to the buyer.

Alright, this is a crude example but in this current market, it is definitely the top end that has had to discount more than property priced around the Perth median of \$480,000. Fremantle sellers, as mentioned last week, are discounting an average of 8.8% below the initial asking price in order to sell and the pricey Western Suburbs are not far behind.

Buyers are in a holding pattern at the moment with many of them reticent to commit to a purchase perhaps fearful of further retreats in the market. If you are a first time buyer, then such reluctance is understandable but upgrading buyers ought to proceed with more confidence. It is an expected cliché, but as an investment, property has always been a long term prospect and the family home

purchased in 2010 for the median \$480,000 will (so history tells us) be selling for \$960,000 within the next decade. So even if the median falls back to say \$465,000, the expected value in ten years is still an impressive \$930,000.

Based on previous market behaviour it is somewhat inevitable that property prices will continue to rise over time and affordability constraints aside, those hesitating to buy when there is so much choice about is counter intuitive. In a rising market when people gain confidence to buy, stock levels fall as demand increases and choice becomes so constrained that many buyers are forced to buy houses inadequate to their needs. Others choose to rent whilst waiting for the right home to come to market. In 2005/6, the market was rising so fast and supply was so tight (only 5,500 houses metropolitan wide at one point when the fifteen year average is 12,000) that by the time the lease expired twelve months later, buyers were still forced to buy imperfect homes but at significantly higher prices. Fremantle's median house price, for example, rose 38 per cent in this period.

Sure, be choosy, take your time and re-visit homes on your short-list more than once but don't wait for the market to turn and for your choices to lessen.

Feature Property



Rare Offering

\$885,000

- Rare 1930's 4 x 2 family Weatherboard cottage
- Open plan lounge, dining, and sitting areas
- Kitchen overlooks north facing deck ideal for entertaining
- Green title 526sqm lot with 205sqm of habitable space

13 Central Avenue, Beaconsfield



Escape to the Valley

Best Offer Over \$749,000

- Split level large 4 bedroom, 2 bathroom family home
- Flexible layout with the convenience of working from home
- Exterior boasting grassed area & northern entertaining area
- Great investment with a short drive to Fremantle & parklands

232 South Street, White Gum Valley



All Reasonable Offers Considered

- Stunning architecturally designed 4 x 2 home
- Brilliant separation of living areas + state of the art theatre room
- 3 balconies + indoor alfresco area ideal for entertaining
- Views to garden island are amazing... Call to view today!

29 Newark Turn, North Coogee



On the Valley Border

High \$600,000's

- Modern one level rendered brick home
- Offering a lovely contemporary setting with 4 bedrooms
- Light & open plan layout featuring a newly appointed kitchen
- Undercover patio makes entertaining guests a breeze

3 Bostock Street, White Gum Valley



16 Parnell Cres, Hamilton Hill
UNDER OFFER FIRST WEEK!



4a Gosch Street, Hamilton Hill
SOLD



4/9 Healy Road, Hamilton Hill
SOLD

Thinking of Selling?

Contact me anytime for professional real estate advice or a fully researched & written FREE MARKET APPRAISAL without obligation.

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