



GET REAL-estate



What's up Scott?

So it's been quite a standout winter for me. Quite a few milestones and firsts. Where to begin? Ok, firstly SO glad winter is over. I don't have a heap of insulation on me (AKA body fat) so I feel the cold. Plus being a scooter rider and cyclist means I'm always exposed to the elements. Ok, whinge over now onto the rest. I left WA for the first time in 6 years this month. That's right, I actually took the weekend off from work (shock, horror) and went to a good friends wedding in country Victoria. What a weekend! The atmosphere was really relaxed and enjoyable. There were families, couple and singles all just having a good time and celebrating these two fantastic people coming together. Many of the guests "glamped". For those of you unaware glamping is glamorous camping. We had really nice teepee style tents fitted out with luxurious bedding and they were quite spacious.

The wedding ceremony itself and the reception afterwards were brilliant. Which brings me to my second "first" of the weekend where I ate a meal cooked by someone else. It's been a good 10 years or so since I've done this so quite a milestone to trust someone else to cook. The fact that it was 10 hour slow roasted pork and lamb on the spit definitely helped as it was delicious. I think I finished off half a pig myself (I had ridden a nice 90km bike ride that day so really needed it).

Another first for me but one I would not encourage on others is that I got shingles. Yup, when I came back from Victoria I had a bit of a rash on my head. I initially thought this was just where I had been attacked by a maggie while riding my bike or because I had basically lived for the past weekend with my beanie on (country Vic is cold) but when I went to the doc he informed me of the lovely little virus slowly infesting my head, face and eyelid. Now I say lovely but what I really mean is horrid, painful, itchy, sickening virus that I would not wish on my worst enemy. It is possibly the most painful thing I have experienced (coming from a guy who falls off his bike like it's going out of fashion this is quite a call). Not just the rash and burning but a virus like flu at the same time. Yea, it really likes to kick you when you're down. Good news is it is very unlikely to ever return. Bad news is 1 in 3 people get it so watch out!

Well this issue has some cracking good articles. A bit of an update on the Perth inner city market kicks things off followed by an interesting article and an important one for anyone considering selling or buying a \$2m+ property on page 2. On page 3 you will find some buyers in the local area and what they are looking for followed by 5 questions buyers should ask themselves when buying a home.

FAST FACTS

- Latest demographic data shows that Australia's population grew by 1.4 per cent for the year ended 31 December 2015. Western Australia grew by 1.2 per cent during this period adding 31,000 people to the state's population. In comparison, South Australia, Tasmania and Northern Territory grew between 0.3 and 0.7 per cent. Almost half of WA's growth is attributed to Net Overseas Migration indicating that Western Australia remains internationally attractive as a place to live and work (Source: ABS).
- The rental vacancy rate in Perth showed clear signs of improvement falling from 6 per cent in the December quarter to 5.6 per cent in the March quarter. Despite the fall in vacancy rates, the median rental price has continued to fall to \$395 per week – lower than at any point since 2011. This is an 18 per cent price drop since June 2013 (Source: REIWA).
- On 5 July, the Reserve Bank of Australia left the cash rate at 1.75 per cent where it has remained since 3 May 2016. This is the lowest official cash rate Australia has seen since World War II (Source: RBA).

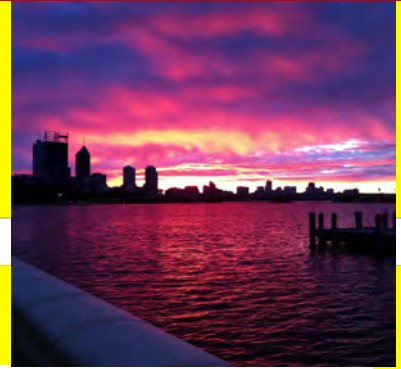
Perth real estate market Inner city local market update

reiwa.com's analysis of Perth's inner city local property market comprises 13 suburbs* and is based on the four week period to 11 July 2016.

Sales activity and property for sale

During this four week period reported sales lifted four per cent across Perth's inner city suburbs with local property sales sitting at 119 across houses, units and land.

This number is up 13 per cent compared to the same time last year and can be broken down into 40 house sales, 77 unit sales and two land sales.



Top selling suburbs

Perth	25
East Perth	20
West Perth	18
Mount Lawley	13
North Perth	12

The number of properties for sale in Perth's inner city area decreased by four per cent to 715 over the last four weeks. This number is nine per cent below the listings figure of 784 recorded at the same time last year. The average number of days to sell a property in the inner city local market decreased by two days in the three months to June 2016.

Rental market

The total number of leased properties (houses and units) in the four weeks to 11 July increased by nine per cent to 392, which is virtually stable when compared to the leasing figure of 390 recorded at the same time last year.

Rental listings in the inner city local market area increased eight per cent in the four weeks to 11 July and are 20 per cent higher than at the same time last year.

The local area's median rent for the three months to June 2016 came in at \$430 per week - a drop of \$40 per week on the median rent for the three months to June 2015.

Top leased suburbs

East Perth	101
Perth	90
West Perth	46
Mount Lawley	41

Buyers beware, sellers prepare

ATO requires clearance certificate for sales over \$2 million

The Australian Taxation Office (ATO) has introduced a new rule which affects investors who plan to purchase or sell a property with a market value of \$2 million or more.

Announced in 2013 and legislated this year, the change was introduced to ensure foreign residents meet their capital gains tax (CGT) obligations. Effective from the 1st of July 2016, the new withholding rule requires Australian residents who are selling a property with a market value of \$2 million or more to obtain a clearance certificate from the ATO. The certificate confirms a 10 per cent withholding amount does not need to be withheld from the transaction.

Obtain a clearance certificate as early as possible, as it must be provided to the purchaser prior to settlement.

If a seller does not produce a clearance certificate, the purchaser will be required to withhold 10 per cent of the sale price and pay this to the ATO. Vendors are encouraged to obtain the clearance certificate as early as possible as it must be provided to the purchaser prior to settlement. Sellers who fail to produce the certificate and purchasers who don't receive them are both at risk of being required to pay severe penalties to the ATO for any false or misleading declarations made.

Sellers can obtain a clearance certificate by downloading the relevant form from the ATO website. Once obtained, the certificate is valid for twelve months from the date of issue.

FIND ME A PROPERTY!!!

I have a number of clients who have all asked me to keep a look out for a property for them. Here is a short list of a few of those clients' requests and their budget.

Western suburbs single level properties that can be renovated.	Budget \$2,000,000
1st HOME BUYERS mainly looking for new apartments	Budget \$550,000
Large commercial/residential property close to the CBD	Budget \$2,000,000+
Well located, easy care house in a quiet area Claremont/Nedlands.	Budget \$2,000,000
Apartments: CBD location 2 or 3 bed, good rental return	Budget \$850,000
CBD location 1 bed with car bay	Budget \$400,000
Claremont/Nedlands 1 or 2 beds with car bays	Budget \$600,000
CBD bedsit/1bed first home and rental	Budget \$300,000
"Renovators special" Claremont and surrounds	Budget \$1,100,000
Easy care downsizer in city and surrounds. Well located.	Budget \$1,000,000
Renovated townhouse, Subiaco to Fremantle 2/3 bed.	Budget \$1,000,000
Development blocks. With or without houses	Budget any
Large family house 3 bed + study or 4 beds. Mt Lawley and surrounds.	Budget \$1,300,000
Modern townhouse or apartment, 2 or 3 bed, within 5km of CBD	Budget \$1,000,000
Highgate, Leederville and West Perth area. House/townhouse.	Budget \$800,000

5 Questions to ask yourself before buying a home

Owning your own home is often referred to as the Great Australian Dream, but with any major purchase, comes a laundry list of responsibilities. If you're not buying to invest but buying to live in, the stability of staying in one place often means a loss of flexibility and with the opportunity to build equity comes more financial responsibilities.

So let's look at five questions to ask yourself before you make the leap into ownership. These should help you decide if it's the right time to buy your dream home.

1. Do you plan to stay put?

Before any serious commitment, you need to think ahead to the not so distant future and know you will still want the same things in 5 years' time. There's an old rule of thumb suggesting that buying makes sense if you plan to stay in the one place for at least three to five years. Mainly because of the transaction costs involved in buying a home.

When you factor in costs like stamp duty (around 5% of the purchase price of your property), loan costs and the expense of moving, not to mention all of the miscellaneous items like fresh paint and new curtains, these easily add up to many thousands of dollars. And when it's time to sell, there's once again another set of costs.

With all these hits to your bank account, it may well take staying put a few years to break even when all is said and done. And are you ready to tie yourself down to a particular home in a particular city? Depending on your future plans, what you do for a living and the job market in your area, you may be better off with the flexibility of renting.

2. Do your finances stack up?

If you're already dreading the mailman's arrival with your overflow of bills, buying a home may only compound your money woes.

Ideally, you've saved at least 10 per cent for a deposit but keep in mind you'll have to pay lenders mortgage insurance if your deposit is less than 20 per cent of the purchase price.

If you've struggled to save a deposit, then you probably aren't in the position to buy your own home just yet. Instead try to improve your financial situation, before buying your first property.

3. What does it really cost?

If you're on solid financial ground and ready to make a longer-term commitment, the next step is to get a realistic estimate of what you can expect to spend and how that number breaks down every month.

You can get a basic estimate by plugging in the details into a mortgage calculator. While this is a good starting point, it doesn't tell you the whole picture.

For your own home, when you start repaying your mortgage, a small (initially tiny) portion of your mortgage will go towards paying down the principal. Over time, of course, the total amount borrowed reduces and you begin to make inroads in the reduction of the loan.

4. What are the extra expenses?

Don't forget that there are many additional costs of home ownership that unseasoned buyers tend to overlook. As a renter, you may not see the expenses you never have to pay as tenants, and it's not only rates and insurances.

If you buy an apartment or townhouse, for example, you will need to pay body corporate or owner's corporation fees – usually every quarter. This additional levy, which pays for costs of shared infrastructure and amenities, can add hundreds of dollars to your monthly expense, and it's not uncommon for owners to be hit with once-off levies for projects not covered in the budget.

When it comes to houses, most single income homeowners will need to budget money and time for routine maintenance costs, as well as big-ticket projects, such as paint jobs and new roofs. You have to be ready to take on all the things that come with ownership, because it's not for everyone.

5. What's happening in your market?

When considering buying your first home, it's important to understand what is happening in your local property market. The market varies greatly from one city to the next – for example the strength of Sydney versus the weakness of Perth over recent times – so it pays to understand where in the cycle your market is sitting. Auction results are a great way to compare other like for like properties in the market.

While some will suggest you don't want to buy at the peak of the market, if you're intending to hold for the long-term then you should aim to buy whenever you can, regardless of the property cycle, because it's better to do something than nothing!

The upside

Buying your own home is one of the best financial decisions you could make. Most Australians who bought a home and slowly paid it off over the years have found it is the biggest store of their wealth due to the long-term ongoing capital appreciation of well-located residential real estate in Australia.

For many buyers, that's a good enough reason to get off the fence and into the housing market sooner rather than later. However, it is important to go into this financial commitment of a new home with your eyes wide open.

Irish Joke of the month

(Sorry if you're Irish, you know I love you all)

Two Irishmen named Pat and Murphy saw a sign saying, "Tree Fellers Wanted." Murphy said to Pat, "If only Seamus had been with us, we'd have got that job."

Wow! Bad joke. Sorry to put you guys through that. Hope you are ok.

The doctor was puzzled and said, "I'm sorry, Mr. O'Flannery, but I can't diagnose your trouble. It must be drink." "Don't worry about it Dr. Cullen," said O'Flaherty. "I'll come back when you're sober."



This Contains Adult Material. Read It, Delete It, But Don't Give Me Any Crap About It!

Real Estate prices are bouncing back...



Please address all complaints to scott@scottbj.com.au ©

Questions to ask your agent

- How will you advertise my property? How much will it cost?
- Where will you advertise my property?
- What internet sites do you use?
- Do we need a for sale sign?
- Are home opens worthwhile?
- Do you work 24/7? If not, when are you available?
- Will you personally handle the inspections and negotiations or will I be dealing with someone else? If so, who?
- If you fail to meet any of your commitments what can I expect in return?
- How often do you report progress to me?
- How long do you expect me to sign up for?
- Can I cancel my contract if I'm not happy?
- If I cancel the contract or you don't sell my property in the time specified. How much will I owe you?
- Do you let other agents introduce buyers?
- Will that cost more if they sell it?
- What if I find a buyer?
- Are you a member of the Real Estate Institute? Is it recommended to deal with REI members?

Suburb of the month: Yokine

Yokine's primary growth period began after the Second World War with development almost fully complete by the late 1970s. Yokine's property landscape reflects this 30 year period, with everything from brick developments, to timber-framed houses, international homes and even modern architecture lining the streets.

Life in Yokine

Parks and reserves are a dominant aspect of Yokine, with facilities for lawn bowls and tennis, as well as sporting ovals and a community recreation centre within these public areas. The Western Australian Golf Club is a defining feature of the suburb for residents and visitors alike. Also of note are two local schools, a senior campus, and Dog Swamp and Flinders Square shopping centre.

Growth Rates	1 Year	5 Years	10 Years
Yokine	2.3%	2.4%	5.9%
Perth Metro Region	-1.8%	1.7%	5.9%

2011 CENSUS SUMMARY	YOKINE	PERTH
Population - Usually Resident	10,613	1,645,573
Median Age of Residents (Years)	37	35
Average Household Size (persons)	2.00	2.55
Total Households	4,743	604,425
Number of Occupied Dwellings *	5,294	595,499
Number of Unoccupied Dwellings	556	57,529
Median Weekly Household Income	\$1,206	\$1,481
Median Monthly Mortgage Repayment	\$1,609	\$2,008
Median Weekly Rent	\$300	\$327

Scott's Spots

SOLD OUT!

More properties needed for clients looking to buy.

4/25 Beatty Avenue, East Victoria Park
From \$439,000
Fantastic first home or investment. Absolute bargain.



8/69 Malcolm Street, West Perth
SOLD
Boutique building, huge internal area, resort facilities and river glimpses



16S/9 Parker Street, South Perth
\$749,000
Breathtaking apartment and Breathtaking Views



64 Etwell Street, East Victoria Park
EOI
Fantastic development site with great ongoing returns



208/112 Mounts Bay Road, Perth
SOLD
Great rental apartment in the heart of Perth.



35/308 Stirling Street, Perth
SOLD
Inner city investment or hip city base.



55/98 Terrace Road, East Perth
From \$840,000
A location and apartment to die for.
SOLD

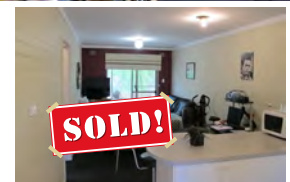
3/69 Malcolm Street, West Perth
SOLD
Top quality, top of the hill, top location, top views. 4 BEDS!



24/34 Davies Road, Claremont
SOLD
A home amongst the gum trees, with lots of plum trees



3/1 Sekem St, North Perth
SOLD CASH
The old Sekem factory.



4/1 Chatsworth Terrace, Claremont
SOLD
A screaming bargain.



35 Windsor Street, Perth
SOLD