



Huge increase in market tempo creates excitement for 2013

By David Evans, Principal

I'm pleased to report the year has started on a bright note for property owners as the tempo of property sales has really picked up as a result of a substantial increase in demand.



As reported in our last edition, the market was improving in the latter half of 2012 to the point that in November, sales across Perth were 47% higher than in November 2011.

The level of demand has continued into 2013, mainly driven by first home buyers.

To give you an idea of what's happening, the Wanneroo home pictured was listed by our team on a Thursday. It was shown to 20 people over the weekend, with three offers being received.

It shows how well presented homes when they're correctly priced will sell quickly.

Properties priced below the \$550,000 level are attracting enormous interest which means that in the near future the tempo of sales should start to percolate upwards as those who sold buy their next property.

Property prices:

At present prices are fairly stable with just small increases. The overall median price for houses in the Perth metropolitan area has risen to \$495,000 which is still 4.2% below peak of several years ago. This translates to a negative of -0.1% average annual growth over the last five years. **Continued on page 2.**

Median House Prices	Median to Dec '12	Qtly change to Median	Annual change 1 yr	Ave annual change for 5 yrs	Ave annual change for 10 yrs
Clarkson	\$390,000	1.3%	2.6%	-0.3%	11.1%
Hillarys	\$762,500	0.3%	4.2%	-0.5%	8.6%
Joondalup	\$498,000	2.7%	6.0%	0.1%	9.2%
Ocean Reef	\$696,250	-0.5%	-0.5%	0.2%	8.8%
Rockingham	\$377,750	-0.5%	-1.9%	-1.8%	10.4%
Wanneroo	\$410,000	1.2%	2.5%	1.1%	10.6%
Warwick	\$487,000	1.5%	-3.9%	1.5%	9.5%
Safety Bay	\$380,000	3.5%	2.7%	-1.6%	9.0%

Source: REIWA

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Property investors

Is it a good time to invest in property?



One of the attractive aspects of investing in property in Perth is that the vacancy rate of rental property is remarkably low. It is sitting on 1.9% having risen from 1.8%.

According to figures provided by RP Data, Perth's median weekly rental price for houses rose to \$504 over the course of 2012. That's an amazing 13.1%. The median rental for units is \$440 per week, having risen by 10.8%.

These increases are despite the tempo slowing a fraction in the last quarter to result in the rental levels remaining stable.

The March quarter tends to be the busiest period of the year for leasing property so it will be interesting to see what the figures reveal in a few months.

Investing in property priced at around the Perth median price level is likely to give you a yield somewhere between 4.5% and 5.5% and the potential for long term capital growth seems pretty good so you'd have to say, it's still a good time for property investment.

If property investment is a possibility for you, you're most welcome to call me for advice on the subject.

Meet Peta O'Callaghan, Property Manager, Ocean Keys

Peta has worked in our Property Management Division for the past five years and is keen to obtain additional properties to manage because of the high level of tenant enquiries being received by her office.

She welcomes your enquiries about property management and can be contacted on 0488 188 100



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For some people this represents disappointment, for others it represents a brilliant opportunity as the trend at the moment is very much stronger for lower priced property than those at higher levels. This makes it a perfect time for people who have equity in their home to upgrade because if you sell now you'll get a good price and be able to buy well in the next level up.

This situation won't last forever, so in the words of Robin Williams in the movie, 'Dead Poets Society' – Carp Diem, which translated means, 'Sieve the Day!'

Enhance the chances of selling your home for a great price

People start their house hunting in a logical state of mind having specifics as to what they want, how much they'll pay and where they want it. Ultimately, however, most buy for emotional reasons such as lifestyle and image, with decisions governed by a feeling for a particular house leading to the conclusion of belonging there.

With this in mind your task as a home seller is to present your home in a manner that offers a level of ambience that will appeal to the home's potential buyer.

This entails presentation. Well-presented homes have a greater chance of selling quickly and achieving top dollar. It's not

unusual in some localities to see a \$10,000 variance between identical style homes – all because of presentation.

We're not suggesting you turn an old home into a display home, but by knowing what to do you can greatly enhance a home's appeal with just minor adjustments.

We have an extremely useful free report on the subject of home presentation. We can email a pdf or send you a printed copy so if you're thinking of selling, call us.



Meet Robert Miloseski, Branch Manager, Whitfords

Robert has been our branch manager at the Warwick office since March 2005 and has recently moved to the Whitfords office.

He has a wealth of real estate sales and management experience to advise people interested in selling property or investing. Furthermore, if you're thinking of a career in real estate or if you're a sales consultant looking for a change in team, please call Robert as he's the ideal person to help you. Tel 0408 030 888.



The next 3 years could be interesting

The next three years have been forecast as a major recovery period for property prices in Perth, Brisbane and Sydney.

Forecasting service BIS Shrapnel has predicted median house prices over the next three years to grow by 22% in Perth, 20% in Brisbane and 17% in Sydney.

BIS Shrapnel said that in addition to first home buyers returning to the market,

lower interest rates and more overseas migrants coming to live in Australia were also indications that negative factors that pushed house prices down in 2010 and 2011 were turning around.

The recovery is expected to gain traction through 2013 as continued growth in resource investment spending flows to other sectors of the economy, leading to greater sales volumes and further pick-up in price growth over 2013/14 and into 2014/15.

We do it better because we've been doing it longer!



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