



A warning for property sellers...

By David Evans, Principal



Welcome to the first edition of our **Property Market Report for 2015, one in which I feel that I should issue a warning to people who are keen to sell a property in the near future.**

The property market is undergoing a transition from running hot for the last two years to a period of stabilising.

There are now far more properties on the market for buyers to choose from. The consequence of the change in market conditions is that you have to approach selling differently to be sure of achieving a strong price.

It is really important to appreciate that in this type of market your best price is likely to be achieved within the first 30 days of entering

the market. This means it is essential to price your property very close to what it is likely to sell for - from the onset of selling.

The approach of trying to sell at an over-the-top price (as you can try in a rising market) and then bringing it back over a number of weeks is not the correct strategy in this type of market.

Market prices remain firm, but thanks to the internet and the ability to compare, buyers are simply not attracted to properties that do not represent value.

So sell astutely – price your property realistically and you'll get a good price.

If you would like an indication of the likely selling price of your property in the current market, call one of our offices. We're happy to give an accurate, up-to-date indication based on recent sales in your area.

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RENTAL MARKET REPORT

Does your rental property comply with the new laws on security?

The deadline for upgrading the security of rental properties comes into effect mid-way through this year.

The requirement for upgrading security came into effect with the major changes to the Residential Tenancy Act which was brought into being on July 1, 2013.

The changes in the Tenancy Act in regards to security gave property owners until July 1 2015 to comply.

THE REQUIREMENTS:

Main entry door: The minimum security is a deadlock or key lockable security screen door that complies with Australian Standard 5039-2008.

All other external doors: A deadlock, or if a deadlock cannot be installed, a patio bolt lock, or key lockable security screen door complying with AS 5039-2008.

Windows: Fitted with a lock that prevents the window from being opened from the outside. If there are louvres, the lock mechanism must be operable.

EXTERNAL LIGHTING:

The minimum requirement is for an electric light, operable from the inside to be installed at or near the main entry. If the property is a flat or apartment the lighting is the responsibility of the strata body.

Rental property owners need to be aware that compliance is compulsory and that the regulations have provisions of fines if compliance is not met.



Introducing: Leonie Storm

Property Manager

An aspect of Property Management we're always mindful of is that experienced personnel are vital in this field.

That's why we rate our new Property Manager, Leonie Storm, so highly as she has worked in this industry for 11 years.

Leonie has an exceptionally broad level of experience, having worked in this field throughout most of the Perth metro area. As a consequence she's ideally suited to give sound advice to property investors as well as knowing how to help and guide tenants.

One area that Leonie is particularly conscious of is the importance of keeping a property occupied. She stresses that in the

current market where vacancies are rising owners need to be aware that good tenants are like gold so it's important they're recognised as such and everything that's realistically possible to attract and retain them be done.

She urges owners whose properties do not have air-conditioning to think seriously about installing it before the end of this financial year.

"I know it's an expense but tenants give it such a level of preference - it's worth the investment," she said.



Introducing: Kevin Brincat

Rockingham Principal

Kevin, a partner in the David Evans Rockingham office, began his career in real estate 15 years ago .

After doing his time as a sales representative at our Whitfords office and gaining his principal's licence, he managed the Joondalup office sales for several years before taking the plunge to become a partner in setting up the new David Evans Real Estate Rockingham office.

He's never looked back as the office has been the group's top performer in the number



of sales achieved for the last five years.

Kevin sees a bright future for the office as he is extremely positive about the future growth potential of Rockingham.

“Right now there's some fabulous buying opportunities down here. There's more properties on the market than there has been for a while, so to achieve a sale, sellers have to contain their ambitions and be realistic with their prices, “ he said.

He added that firm prices are being achieved but with some 30% more properties on the market at present, buyers have the opportunity for choice.

Predictions of further interest rate cuts

The big news in property at the moment is the recent reduction in interest rates and the growing level of anticipation of a further reduction to come.

Reserve Bank Governor, Glenn Stevens, indicated in his February statement that a further cut might be considered.

His announcement followed the earlier prediction made by Dr Shane Oliver, Chief Economist with AMP Capital, of a cut in interest rates early in the year and a 50% chance of another reduction in the June quarter.

The first prediction was a winner. Let's hope he's right with the second.

While the need for stimulating the economy may not be an overall good news factor, it has to be seen that way if you're thinking of buying a property because low interest rates

give greater purchasing scope as well as lower repayments.

Furthermore, it must give added confidence to the notion that interest rates are likely to stay low for a considerable time to come. And of course this all translates into being welcome news for property sellers because when there's confident buyers around there's good prices to be achieved.

We hope you make the most of the opportunities that these low interest rates offer!



SUBURB WATCH

	Median to Dec '14	Qtly change	Annual change	Median Rental
Ashby	\$515,000	0.0%	1.0%	\$460
Balcatta	\$545,000	-0.9%	0.0%	\$420
Baldivis	\$460,000	-1.1%	0.0%	\$423
Balga	\$440,000	-1.1%	7.3%	\$373
Ballajura	\$492,000	0.9%	7.2%	\$430
Banksia Grove	\$425,000	0.0%	3.7%	\$430
Beldon	\$515,000	1.0%	3.2%	\$450
Bullsbrook	\$3658000	-3.8%	-1.9%	\$450
Butler	\$440,000	0.0%	3.2%	\$400
Carine	\$830,000	0.0%	2.5%	\$660
Carramar	\$530,000	-0.3%	0.0%	\$500
Clarkson	\$440,000	1.1%	3.5%	\$420
Connolly	\$700,000	0.0%	3.7 %	\$419
Cooloongup	\$335,000	1.5%	4.7%	\$350
Craigie	\$510,000	0.4%	6.1%	\$415
Currabine	\$577,750	0.3%	6.3%	\$480
Darch	\$610,000	0.8%	2.5%	\$520
Duncraig	\$730,000	1.4%	6.6%	\$520
Edgewater	\$560,000	0.0%	2.3%	\$450
Girrawheen	\$430,000	1.9%	13.2%	\$370
Greenwood	\$580,000	0.4%	7.4%	\$490
Hammersley	\$565,000	0.7%	4.1%	\$455
Heathridge	\$510,000	0.0%	4.5%	\$430
Hillarys	\$855,500	-0.5%	3.0%	\$590
Hocking	\$540,000	0.0%	3.4%	\$490
Iluka	\$851,500	-2.7%	-2.4%	\$758
Joondalup	\$572,500	2.7%	7.3%	\$450
Kallaroo	\$710,000	0.0%	-2.9%	\$510
Kingsley	\$629,000	2.7%	6.6%	\$560
Kinross	\$550,000	0.9%	4.8%	\$460
Landsdale	\$591,000	-0.1%	2.8%	\$530

	Median to Dec '14	Qtly change	Annual change	Median Rental
Leda	\$338,000	0.1%	4.0%	\$380
Madeley	\$597,500	0.4%	0.4%	\$480
Mandurah	\$335,000	1.5%	6.3%	\$320
Marangaroo	\$477,500	0.5%	5.6%	\$430
Merriwa	\$386,000	0.1%	4.3%	\$390
Mindarie	\$730,000	2.8%	9.0%	\$625
Mirrabooka	\$440,000	1.9%	10.0%	\$400
Mullaloo	\$725,000	0.1%	5.4%	\$565
Nollamara	\$475,000	-0.7%	5.6%	\$418
Ocean Reef	\$771,000	-2.4%	-1.8%	\$613
Padbury	\$568,750	0.7%	5.3%	\$420
Pearsall	\$495,000	0.5%	0.0%	\$450
Port Kennedy	\$410,000	0.0%	3.8%	\$400
Quinns Rocks	\$495,000	-2.9%	-1.0%	\$435
Ridgewood	\$435,000	0.0%	2.8%	\$405
Rockingham	\$436,500	0.0%	3.9%	\$380
Safety Bay	\$435,000	1.2%	4.3%	\$360
Shoalwater	\$500,000	-3.5%	7.1%	\$400
Secret Harbour	\$486,000	0.0%	3.4%	\$450
Sinagra	\$500,000	0.0%	3.1%	\$463
Sorrento	\$965,000	-4.5%	-2.0%	\$710
Tapping	\$540,000	-0.1%	1.3%	\$500
Two Rocks	\$413,500	-1.5%	2.9%	\$375
Waikiki	\$395,000	-2.9%	1.3%	\$375
Wanneroo	\$475,000	1.1%	3.9%	\$420
Warnbro	\$379,000	-0.3%	6.5%	\$380
Warwick	\$635,000	4.1%	13.4%	\$500
Westminster	\$459,000	0.4%	8.1%	\$395
Woodvale	\$686,250	0.9%	6.9%	\$530
Yanchep	\$469,500	3.6%	11.3%	\$390

Source: REIWA

For an estimate on the likely selling price of your property in today's market call your local branch today...

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