

## Market slows but prices remain stable – positive signs for Spring

By David Evans, Principal



**T**hough it has been taking

longer to achieve a sale compared

to how the market was 6-9 months ago, people interested in selling their property in the near future should note that strong prices for most properties are still being achieved.

The market tempo has slowed with the number of days being taken to achieve a sale generally lengthening, but we've been through Winter and the market always slows in this period.

The turnover in property sales across the Perth metropolitan area has been almost identical to the same time last year.

### Prices.

Prices in the quarter leading up to the end of June were exceptionally stable and they've been much the same during July and August.

It should, however, be mentioned that the strongest market has been for properties up to about \$600,000. The market has definitely been slower for higher priced property.

We expect the tempo of sales from later September leading up to Christmas will



pick up because confidence seems to be recovering following the rapid decline as a result of the Federal Government budget.

Furthermore, interest rates remain on hold at their very low level and seem likely to remain low for some time to come.

### Spring market.

There's usually an increase in properties coming onto the market in the Spring period but this should be offset by more buyers entering the market. This means the flat, stable market should continue a while longer, giving good prices to those people in the mode for selling.

**If you would like an appraisal on what your property will fetch in this market – call us. Our team will be happy to help.**

# 9409 7577

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# RENTAL MARKET REPORT

## Costly mistake being made by tenants in period of high vacancies

**P**erth's rental property vacancy rate rose significantly over winter to its highest level for several years.

Late July last year there were 4,128 vacant properties. At the same time this year there were 6,023 properties vacant – an increase close to 50% taking the vacancy rate to 4.1%.



This makes it the worst possible time for tenants to break their lease.

We've recently seen tenants break their lease because they've bought a property, not realising they're responsible for the rent to the lease conclusion.

If another tenant can be found, but not prepared to pay the same level of rent, the outgoing tenant has to make up the difference.

The best strategy for a tenant wanting to break lease as a result of buying a home is to arrange for their purchase to settle just before the lease conclusion.

The scenario across Perth is that rental returns have decreased by about 15%.

The glimmer of better news is that activity usually increases in the period from late September to the end of January, so hopefully, there will be some reduction in the vacancies.

## Introducing: Jean Mallinder

**J**ean Mallinder is one of our senior property managers within the team operating from the Wangara head office.

Jean is a highly experienced property manager, having been with us in this role since 1990.

She had several years experience before joining us, including a couple of years working in the industry in Karratha.

With respect to the tough time that property management is currently undergoing as a result of the high vacancies, she said that though she doesn't like recommending rental reductions to her property investors it is

important to be mindful of the fact that the key to successful investment is to keep a property occupied by a good quality tenant.

It is better to suffer a reduction in rent than have a property vacant for months on end.

She said it was fortunate that most investors are astute and will often suggest a rental reduction themselves.

She added, it was worth remembering that she and the team keep a close eye on market trends so that when an opportunity arises to return the rent to previous levels they will indeed recommend it.



# Introducing: Anne Lawson

**A**nne Lawson is the principal of our busy Joondalup office situated within Lakeside Joondalup Shopping City.

It's an exciting time for this office because of the expansion of the shopping centre to include Myers.

Already there's an annual traffic count of 9.3 million people visiting the centre so there's great expectations of this increasing substantially as more people take advantage of the department store being in Joondalup rather than having to go to Karrinyup for department store shopping.

The huge amount of passing traffic gives fantastic exposure to properties listed for sale



in our office which is located at the centre's Western entry.

Anne has been a member of the David Evans Real Estate sales team for the past 14 years and the manager of the Joondalup office for the past two years.

She completed her triennial certificate in real estate to enable her to take on the role of being both office manager and licensee.

Anne says she has an absolute passion for real estate.

"It's a fabulous feeling of helping people into the most important purchase they're likely to make – and I've now been in the business long enough to help many of my first home customers into their second home so it's been really a great experience," she said.

## If you want to sell soon be realistic with your price

**E**very real estate agent will tell you this: **Realistic pricing is the key to achieving a sale.**

In a stable market, like we have at the moment, if you price your property ahead of where the market is at, you're likely to have it sitting there without much interest for a considerable period of time. This is because it's unlikely that the market will rise to where your price is at.

So in the current market it is important to be spot on with the price.

In a strong market that's rising you can price ahead of where it's at because prices will come up to you.

By contrast, when the market cycle reaches the point of prices retreating, if you're wanting to achieve a quick sale, it's best to price your

property just under current market value.

This is because you must make your property appear to be a good buy so that someone will purchase it for a reasonable price before the price falls even further.

Theoretically a stable market is a very good time to make a move. This is because it enables you to sell and not have the drama of property prices racing ahead before you make your next purchase.



# SUBURB WATCH

	Median to June '14	Qtly change	Annual change	Median Rental
Ashby	\$515,000	0.0%	5.4%	\$488
Balcatta	\$545,000	0.0%	3.3%	\$420
Baldivis	\$470,000	0.0%	6.8%	\$440
Balga	\$430,500	1.3%	14.8%	\$400
Ballajura	\$480,000	2.1 %	10.0%	\$450
Banksia Grove	\$420,000	.0.0%	7.4%	\$435
Beldon	\$501,000	-0.4%	6.6%	\$420
Bullsbrook	\$360,000	-1.4%	0.0%	\$450
Butler	\$435,000	1.2%	2.6%	\$415
Carine	\$813,750	1.1%	2.7%	\$600
Carramar	\$522,500	-0.5%	0.5%	\$515
Clarkson	\$435,000	1.2%	6.2%	\$430
Connolly	\$702,500	0.4%	13.3%	\$615
Cooloongup	\$328,000	0.9%	7.5%	\$350
Craigie	\$500,000	1.8%	9.9%	\$420
Currabine	\$560,000	-0.2%	1.8%	\$490
Darch	\$602,000	-0.3%	3.8%	\$540
Duncraig	\$701,000	0.9%	4.6%	\$550
Edgewater	\$542,375	-0.9%	0.5%	\$520
Girrawheen	\$415,000	5.1%	15.3%	\$385
Greenwood	\$563,500	1.3%	6.3%	\$480
Hammersley	\$574,250	-0.6%	8.3%	\$410
Heathridge	\$505,000	1.0%	9.2%	\$430
Hillarys	\$835,500	1.0%	3.1%	\$665
Hocking	\$535,000	0.9%	7.0%	\$510
Iluka	\$865,000	-0.1%	4.2%	\$800
Joondalup	\$549,000	-0.2%	6.4%	\$453
Kallaroo	\$676,000	-8.5%	-11.6%	\$500
Kingsley	\$600,000	0.8%	3.2%	\$540
Kinross	\$540,000	0.2%	5.5%	\$480
Landsdale	\$589,500	0.8%	5.3%	\$540

	Median to June '14	Qtly change	Annual change	Median Rental
Leda	\$330,000	0.3%	4.8%	\$370
Madeley	\$580,000	-2.5%	-4.9%	\$520
Mandurah	\$321,750	0.5%	7.3%	\$320
Marangaroo	\$470,000	2.2%	10.1%	\$468
Merriwa	\$380,000	0.6%	7.2%	\$410
Mindarie	\$670,000	3.1%	-1.5%	\$600
Mirrabooka	\$420,000	2.4%	14.3%	\$410
Mullaloo	\$697,500	0.9%	2.6%	\$530
Nollamara	\$470,000	1.1%	10.6%	\$435
Ocean Reef	\$788,500	-0.8%	5.1%	\$648
Padbury	\$560,000	1.8%	7.7%	\$450
Pearsall	\$500,000	0.1%	3.5%	\$475
Port Kennedy	\$398,250	-0.2%	3.4%	\$410
Quinns Rocks	\$500,000	-2.0%	2.0%	\$445
Ridgewood	\$430,000	1.2%	3.6%	\$410
Rockingham	\$436,500	0.3%	9.9%	\$370
Safety Bay	\$435,000	2.4%	11.2%	\$370
Shoalwater	\$515,000	0.6%	14.4%	\$390
Secret Harbour	\$485,000	1.6%	7.1%	\$450
Sinagra	\$480,000	0.0%	0.3%	\$500
Sorrento	\$989,000	-0.1%	8.7%	\$650
Tapping	\$540,000	0.0%	4.1%	\$520
Two Rocks	\$415,000	4.0%	7.8%	\$350
Waikiki	\$390,500	0.1%	4.8%	\$380
Wanneroo	\$469,500	2.1%	6.2%	\$433
Warnbro	\$370,000	1.4%	6.0%	\$380
Warwick	\$595,000	3.4%	12.3%	\$475
Westminster	\$450,000	1.1%	8.4%	\$425
Woodvale	\$660,000	0.0%	4.4%	\$560
Yanchep	\$445,000	2.3%	6.3%	\$410

Source: REIWA

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

	<b>Head Office</b>	<b>9409 7577</b>		
Joondalup	9300 3933	Wanneroo	9405 1999	
Ocean Keys	9407 8988	Warwick	9246 3777	
Rockingham	9529 2033	Whitfords	9401 4411	