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Autumn 2011



INTOUCH

The Official Property Scene Newsletter

Market Challenge for 2011

The property market we are presently experiencing is clearly one that the salespersons in our Property Scene Sales team have labelled as a "Buyers Market". There are currently 18,000 on the market in Perth, some 6,000 more than the average at any time which has traditionally been about 12,000 properties. In other words buyers have a wide choice when purchasing and only the keenly priced properties are selling.

The market has been this way for most of 2010 and it is expected to be this way for the remainder of 2011. Stewart Darby, REIWA's Director of Research believes the market will not begin seeing growth again until the stock on the market drops below 12,000. This he cannot see happening within the next 15 months.

Gavin Hegney of the Hegney Property Group states that three factors will affect the rate at which the property market in Perth returns to growth. They are the rental market, interest rates and industry skill shortages.

The rental market has a direct effect on the sales market. A rising rental market stemming from a drop in the vacancy rate will stimulate the sale market. When we have low investor purchases, reducing the number of new rental properties available rents are forced upward. Eventually tenants begin to think "if I have to pay that amount of rent, I might as well buy something."

The second unknown is with interest rates. The Reserve Bank chose not to increase rates in April, for the fifth month in succession. Today the expectation is for one or two rate rises in the second half of 2011. Whilst the rising rates cause cash flow issues for some, we believe that the fear of interest rates increasing stops the market, together with a belief by others that rising rates will also produce falling values. In this sense we need to see interest rates flatten before the market begins to grow again.

The third factor to effect growth is the perceived skills shortage as a result of increased capital investment in the resource sector. If this sector takes workers from the construction industry, we will most likely be faced with rising building costs. The flow on effect from this will be upward pressure on values.

It has long been known that markets go from boom to bust within a matter of months but the path back to a boom is much slower and drawn out. History of previous property cycles clearly indicates this. As is always the case in any market, there remain specific exceptions. This is where opportunity is found. That is the challenge for buyers and sellers in 2011.



Terry Watt
Managing Director/Licensee



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Private Paradise!



**CONTACT
SIMON WOODALL
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**Naval Parade
OCEAN REEF
Priced at \$989,000
Open By Appointment**

Great opportunity to secure fantastic home in a magnificent location. Set on a large 892sqm block is this spacious 4 bed, 3 bath + powder room home. Features open plan kitchen, dining and family areas. Large games, separate lounge and entertainer's theatre. Also includes balcony with sweeping ocean views, outdoor entertaining area with sparkling pool and spa, ducted air-con plus extra parking for boat or caravan. Wonderful opportunity! Call Simon to arrange a viewing.



Open by Appointment 9 Crivelli Parkway ASHBY

\$459,000+

RETIRES OR FIRST HOME BUYERS

This spacious 3 bedroom 2 bath a/c home with quality fixtures and fittings is perfect for FHBs, investors or retirees. Features, lounge room, good sized family room, and casual meals. Outside is an Alfresco area and a grassed area. Located in a quiet street, opposite park.
Terry Watt 0423 827 861



Call Stewart to view 12 Fernhill Avenue CARRAMAR

\$550,000+

SPLASH INTO SUMMER

This stunning family home comes with a sensational below ground pool with pool cover, spacious main living areas, separate games/family room, ducted air con, home theatre room, study/5th bdrm, patio covered outdoor entertaining area, 667sqm block, walking distance to Carramar golf course.
Stewart Neilson 0407 085 470



Call Ron to view 14 Transit Way MULLALOO

\$540,000-\$560,000

IDEAL INVESTMENT PROPERTY!

If you're looking for the perfect investment property that truly does tick all of the boxes, then look no further, a 4 bdrm 2 bth a/c home in much sought after Mullaloo. Well located in a prime coastal suburb, low maintenance, quality property and fantastic long term tenant who would love to stay.
Ron Barns 0414 660 198



Call Pamela to view 5 Rosea Way Banksia Grove

\$370,000

GREAT START

Lovely 4 bedroom 2 bath air conditioned home, with theatre room and family living area. A cozy home with a beautiful kitchen including Stainless Steel appliances. Built in 2009 on a quiet street, close to schools, shops and public trans.
Pamela McLean 0434 422 636



Call Jeff to view 62 Delgado Parade ILUKA

Asking \$829k

DOUBLE STOREY AT SINGLE STOREY PRICE

Competitively priced low maintenance dbl storey 4x2 home keenly priced. Layout suitable for families with older children. Upstairs has minor bdrms, main bthm & a living area. Downstairs has sep lounge/theatre, big galley kitchen, o/plan cas living, master bdrm, ensuite + powder room.
Jeff Cook 0411 634 575



Open by Appointment 14 Carnforth Road BUTLER

From \$415,000

FIRST HOME BUYERS OR INVESTORS !!!

This 4 bedroom 2 bathroom home has a huge garden and room for a pool. Walking distance to primary school. Call now as this is a great investment opportunity.
Charmaine 0416 966 810



Economic Wrap

The waters may have subsided, but the economic impact of the recent floor disaster is likely to be felt for some time.

Economists predict that the Queensland and northern New South Wales floods will knock around one percent off the Australian economy in the December and March quarters. However, rebuilding should see at least half of this recouped by year's end.

Given the extent of the flooding, damage to public infrastructure such as roads, railways, bridges, electricity and water supply could easily top \$10 billion.

Yet until the true cost of the damage is calculated, economists widely believe the Reserve Bank of Australia (RBA) will keep rates on hold, which is good news for borrowers.

AMP chief economist Shane Oliver says the RBA will be more concerned with the negative impact the floods may have on the economic growth than in increasing rates.

As such, he expects the RBA Board to leave the cash rate at 4.75 percent until Q3, when positive inflation – generated by the mining sector – starts to push upwards.

At present, the mining boom remains alive and well. And if anything, the boom is strengthening with the remnants of trade continuing to rise. The impact is

feeding through the economy via higher wealth levels and dividend payments, higher employment, higher tax receipts and higher business investment.

Mining investment, which accounts for 4 percent of Australians' GDP, is set to add around 1.5 percentage points to Australian economic growth this financial year and 2.5 percentage points to growth for the 2011-12 financial year, according to ABS business investment intentions data.

Overall this suggests an environment of reasonable – albeit still somewhat disparate – economic growth, consistent with around 15 percent profit growth.

So, while the floods may result in soft economic growth in the near term, from mid-year onwards this is a risk that the economy will start to overheat. This is a result of reconstruction following the floods and a boost in replacement spending by consumers combined with a surge in mining investment.

This will lead the RBA to resume tightening, which may result in the lifting of the cash rate.

With potential risk hikes towards the end of the year borrowers should now be thinking about how this will impact their capacity to meet mortgage repayments and what steps need to be undertaken to help relieve any stress.

Feel free to give us a call to discuss your situation – I'd be happy to run some serious scenarios and explore whether there may be a more appropriate home loan for your circumstances and financial goals.



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Sale Number Five for Jeff and More to Go

A sign of a good agent is one who is called back again and again to manage a family's real estate business. Pictured to the right are Jeff Cook of Property Scene and his long term client Mark Halls celebrating the sale of Mark and his wife Amanda's property in Russell Road Madeley. This is the fifth property Jeff has sold for Mark and Amanda since their business relationship began in 2003.

According to Mark, "Jeff is very straight up and down. I haven't found anyone more honest in the real estate business. He is all for the customer."

Mark says "Jeff is easy to talk to and very friendly. He always crosses the t's and dots the i's."

We at Property Scene love doing business with loyal long term clients. In a vocation that can sometimes be full of disappointments and setbacks, bringing about a successful outcome for loyal clients like the Halls is vitally important to Jeff and Property Scene.



OUR TEAM



TERRY WATT

Terry Watt is an owner and the Licensee of Property Scene. He has 12 years experience in the real estate industry and a multi award winner. He has a large database of loyal clients who have experienced his very meticulous and personable service. He has a Degree in Communications and 20 years experience in marketing and advertising.



JEFF COOK

Jeff has been successfully selling real estate in the northern suburbs since 1997. By valuing his clients' needs he has been rewarded with a very high percentage of repeat and referral business. Jeff's success is based on providing a professional service combining knowledge, experience, integrity, and plain hard work.



SIMON WOODALL

Simon is a successful real estate salesperson who has a strong band of loyal clients. He brings a wealth of marketing, and management skills to Property Scene. Simon was number one or number two in the State Rookie Sales Awards for several months in 2007/08. He is a performer and a genuine "down to earth" guy.



CHARMAINE JACOBS

Charmaine is an experienced real estate salesperson. She shares an excellent relationship with her buyers and sellers who appreciate her no nonsense, "down to earth" approach, her honesty and her ability to get things done.



PAMELA MCLEAN

Pamela moved from Canada 3 years ago and is enjoying both the lifestyle and weather here in Perth. Pamela has recently joined Property Scene as a Licensed Sales Representative, and has a great passion for real estate. Although she is new to the Real Estate industry, she carries with her 14 years of corporate sales negotiation and closing skills.



STEWART NEILSON

Having worked as a senior software developer for a number of years, Stewart brings a wealth of experience in understanding new technology and negotiation to real estate. Stewart is an excellent communicator who relates to people from all walks of life, employing his astute negotiation skills to consistently deliver outstanding results for his clients.



RON BARNES

Having started his real estate career in mid 2001, Ron soon started building a huge base of satisfied clients that always come back and refer family and friends. Ron has continued to expand as a salesperson, and as a result his sales graph is continually growing. He strongly believes that each sale he makes provides him with a new experience that can only help with any future negotiations.



CHRISTINE CAREY

With seven years experience in the real estate industry in sales, administration and property management Christine has an outstanding relationship with her owners, who appreciate her no nonsense approach, attention to detail and excellent communication skills.



MADDIE ZDUN

Maddie has joined Property Scene as a Property Manager in March 2011. She has been a Property Manager for 5 years having worked with Century 21 in Mandurah and Century 21/Wentworth in Hilllarys. She has much to offer the Landlords of Property Scene with her thorough knowledge of the industry and reputation for customer service



NANKIE ACKERMANN

Nankie has been Property Scene's longest serving employee. As the company's Trust Accountant and Bookkeeper she has maintained impeccable records over the last six years and works wonderfully with our suppliers and owners.



MARINA MORKOS

Marina, our current Receptionist/Sales Administrator. She is excited about the prospect of becoming a Real estate salesperson and is working towards becoming a Sales Associate in our team.



ISHY LATHEEF

Ishfa is our Receptionist/Assistant Property Manager and a very valuable member of our wonderful Property Management Department. She grew up in the beautiful Maldives and has a Bachelor of Business and Property Managers qualification behind her.