



# REAL ESTATE NEWS

AUTUMN EDITION 2004

PRODUCED BY MEMBERS OF THE AUSNET REAL ESTATE GROUP

WA'S TOP LISTING AND SELLING REAL ESTATE GROUP 1998/1999, 1999/2000, 2001/2002, 2002/2003\*



from the *principal*

**Glen O'Brien**

One of the biggest problems homebuyers have faced during the last two years has been the lack of choice in homes for sale.

Because of the strong activity by investors, the stock of homes for sale fell by nearly half during the middle of 2003 in many areas.

Homes were selling almost as soon as they were listed and as a result, many homebuyers simply stopped looking for a home.

The good news is that the number of homes being listed for sale is now increasing.

REIWA figures for the December 2003 quarter show a 54% increase in the number of homes available for sale, with the trend continuing during 2004.

In particular, we are finding a greater selection of homes for sale at the lower end of the market because of a decline in activity by investors. In addition, many investors are now deciding to sell their investment properties so they can capitalise on the financial gains they have achieved in recent years.

This increase in the number of more affordable homes is especially good news for first home buyers who virtually abandoned the real estate market at the end of 2003.

With the prospects that both State and Federal Governments might give first home buyers added financial incentives during the coming election year, it is anticipated that this sector of the housing market will recover strongly during the coming months.

## GLEN O'BRIEN REAL ESTATE IN DEMAND



Left to Right : Adam Carew-Reid, Stephen Fielding, Colleen Gandini



Glen O'Brien Real Estate is fast becoming one of the most recognised agencies in the City of Melville. To cater for the demand in both residential and commercial services, the team at Glen O'Brien Real Estate has expanded.

Still headed by Glen O'Brien and Ritchie Kirk who started the business in May 2003, Adam Carew-Reid has come on board with a wealth of sales experience and local area knowledge.

Adam has a winning strategy for selling real estate and this is evident in the \$5 million worth of property he has been involved in selling over the past five months. If you're looking for an agent specialising in Melville, Bicton and Alfred Cove, Adam is an excellent negotiator with an exceptional track record.

With nearly 10-years of real estate experience, Stephen Fielding has joined the team at Glen O'Brien Real Estate bringing with him a sales record in excess of \$20 million. Stephen's primary focus is Palmyra and surrounding suburbs. Homeowners who are interested in buying or selling, should contact him for experienced advice and knowledge on the benefits of these areas.

The most recent member to join our fast growing team is Colleen Gandini. In addition to her excellent local knowledge of the area, Colleen has a strong family background in real estate with her father and brother-in-law both being well-recognised industry names.

Colleen is a resident in Ardross and therefore she has her finger on the pulse when it comes to what is happening in the area.

Colleen's real estate portfolio includes Ardross and neighbouring Mount Pleasant. She currently has a list of clients seeking property in these areas, so, if you are considering selling, Colleen is the person to talk to.

The team at Glen O'Brien Real Estate is not complete without Marilyn Hawkins, property manager. Marilyn has been with the agency since its inception and as such, has a strong understanding of the business.

Marilyn's professional approach to managing properties has earned her a reputation amongst investors and tenants who appreciate her experience in the rental market.

Glen O'Brien Real Estate is a fresh, new face in the area with a team of professionals and over seventy years of combined experience. ■

### How is your suburb performing?

Source: REIWA. As at April 2004

Suburb	% Change in last 12 months	5 yr Avg Growth (p.a)	Median House Price	Highest Sale Price
Applecross	26.20%	13.40%	\$722,500	\$3,200,000
Ardross	31.60%	16.20%	\$482,500	\$625,000
Attadale	24.30%	13.30%	\$550,000	\$1,150,000
Melville	18.60%	12.30%	\$330,000	\$950,000

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## THE IMPACT OF CRIME on the Real Estate market

### SELLING YOUR HOME DURING THE WINTER MONTHS

While the summer months are traditionally the peak selling times for homes in Western Australia, homeowners should not overlook listing their home for sale during the winter.

Selling your home during the winter months has a number of advantages. There tends to be less competition from other homeowners who generally wait until Spring to sell their property. Also, potential buyers who are active in the housing market tend to be more committed and focused on purchasing a new home.

If you are considering selling your home during the winter months there are a number of key issues to consider to enhance the attraction of your home to home buyers.

#### Light

It is proven that people react more favorably to properties displayed in good light. During winter months, you have to work harder to maximise the light entering your home. The following tips should help keep your home as bright as possible.

- Hold home opens around lunch time or early afternoon when sunlight is at its peak.
- Keep windows clean.
- Use adequate wattage in light bulbs.
- Consider replacing older fluorescent lamps, which darken with use.
- Use mirrors to magnify the feeling of light and space.
- Lighten up your wall colors.
- Open curtains and blinds and turn on lights.

#### Heating

Your home should be warm and inviting. If you have heating in your home make sure that it is working during home opens and the air temperature in the home is at a comfortable level.

If you have natural fires, consider operating them during the home open to give your home added atmosphere. It is also worth investing in internal flower arrangements to enhance the atmosphere of the home during the winter months.

#### Street Appeal

Make sure your gardens are well presented during the winter months as the street appeal of the property is generally a big selling point for a home. Fertilize your lawns regularly to keep them green, keep them well trimmed and strategically place plants in the garden which bloom during the winter months.

*Your house needs to be warm and friendly so people want to walk through the door.*

A recent survey by the ABS found that 10.4% (1 in 10) households have had a direct experience of crime. It also found that only 66% (around 6 in 10) people in Western Australia felt safe in their home after dark.

As a result of the rising concern about personal safety and crime, more home buyers are looking for better levels of home security when buying a home.

A good example of this trend is the growing popularity of homes with garages due to the large number of cars stolen from homeowners properties.

While car theft rates have been falling, homeowners do not want to attract criminals to their home simply because they do not have a garage or adequate fencing and security lighting.

The issue of garages is even more important for families that have grown-up children who also have cars. A typical family with grownup children can have three to four cars.

As a result, more and more second and third home families are now seeking homes with double and even triple garages so they have protected parking space for at least three cars.

This issue of having a garage is also important for homeowners when they insure newer model cars because insurance companies favour car owners who have a garage.

A decade ago, garages were viewed as a luxury item in Western Australian

homes and most homeowners were content with carports. Today, a typical family prefers a home with a garage as well as the standard two bathrooms, three to four bedrooms and family/games rooms.

Homebuyers are also favouring properties with an alarm system, security grills on the windows, and security doors because of their concerns over home security.

The same trend is occurring in the rental market with prospective tenants giving preference to properties with higher levels of home security.

This issue of home security and the rental market was highlighted by figures produced for the US Department of Justice which revealed that rented households were burglarized at rates 79 percent higher than owned households.

Rented households experienced 210 property crimes per 1,000 households throughout the United States, while owned households experienced only 146 property crimes per 1,000 households during 2001.

The figures also show rental households experience almost twice the rate of motor vehicle theft than in owner occupier property. Trends are similar in Australia.

Our advice is for you to lock up, make your house as safe as possible and consider security aspects when putting your home up for sale to maximize the selling features of your home.



*rising crime concerns, means more homebuyers are seeking homes with lock up garages*



# RESOURCES BOOM

## to underpin WA housing market up-turn

The booming resources sector is expected to give the Western Australia housing market a significant boost over the coming year.

In Western Australia, resources is the most important industry sector and has a major impact on the State economy and employment levels.

The December 2003 Access Economics Investment Monitor, shows that the total current and potential project investment in WA was valued at \$80.9 billion.

The report also shows that the mining and metals sector continues to be a key strength of the WA economy accounting for \$45.3 billion of current and potential projects. Significantly, WA has a substantial 45.6 per cent share of national projects in this sector.

The latest resources project to be given approval is BHP Billiton's \$2 billion Ravensthorpe nickel project. The project

is expected to generate \$9 million in royalties annually, and create 1,000 jobs during construction and 300 permanent jobs once the mine is operational.

This massive investment in new mining as well as oil and gas projects is resulting in growing employment opportunities throughout the State. The unemployment rate in Western

**increased confidence & disposable income is creating a positive impact on the housing market**

Australia fell to around 5.6% during early 2004 because of emerging employment opportunities.

Whenever the resources sector booms in Western Australia there has been a direct positive flow-on for the housing market. For example, the first major resources boom during the 1960's resulted in a massive increase in the

Perth metropolitan area as well as the development and expansion of major regional centres particularly in the north west of the State.

The housing sector is based on confidence and a strong State economy means that homeowners as well as investors have added confidence in making major financial decisions such as buying a new property.

The growing number of highly paid employees in the resources sector in Western Australia also means that there are now a large number of people with disposable income to invest in real estate.

As a result of this trend, Ausnet member offices throughout Western Australia are reporting that more people who are employed in the resources sector are deciding to invest in real estate. This trend is likely to increase as new resource projects begin operation. ■

## OUR AUSNET MEMBERSHIP & Your Rewards

*So how do you get all these Ausnet benefits? Just call the number on the front of this newsletter for your free appraisal or to simply discuss a real estate solution to suit your needs.*

For over seven years, members of Ausnet, a Network of some of WA's finest Independently owned Real Estate offices, have been delivering excellence in real estate services. Currently the Network has 28 'Local & Independent' real estate agents located throughout WA, and is still growing.

The Group has been awarded the accolade of 'Top listing and Selling Real Estate Network in WA' for 3 out of the past 4 years by the REIWA Multiple Listing Service Awards, and is well placed this year to make it 4 out of the last 5. Collectively Ausnet members sold real estate worth in excess of \$1 billion dollars last financial year – a great testimony to the performance you can expect when you list your home for sale with an Ausnet member agent.

Further to outstanding sales performance, backed by leading edge training and support services, you can also enjoy the added benefits of direct access to a range of property finance solutions and first class settlement services

through Ausnet's two subsidiary companies : Mortgage Solutions Australia (who have written over \$300 Million in residential home loans since 2001) AND Landmark Settlements Australia (who have settled close to \$200 million worth of Real Estate in less than a year).

So whether you are buying, selling, renting or investing, the whole process can now be taken care of under the one roof, saving you time and money. Plus, you get the peace of mind knowing that you have the complete support of a wholly WA owned group of integrated companies with a proven track record in performance and service.

This "one stop shop" approach has been a huge advantage for busy people who want results but simply don't have the time or the inclination to be dealing with any number of real estate offices, banks or Settlement Agencies.



**AUSTRALIA'S INDEPENDENT REAL ESTATE GROUP**



Article by Colin Lamb



choosing the  
**BEST**  
INVESTMENT  
HOME LOAN



Following recent rises in interest rates, investors now have to carefully consider their home loan options as this determines their ability to finance the purchase of the right investment property. Many investors do not understand that financing an investment loan is very different from an owner occupier home loan.

Mortgage Solutions have organised the refinancing of a large number of home loans for investors who have not selected the best kind of home loan due to limited knowledge in this area.

Choosing the wrong type of investment home loan could result in paying higher interest rates, additional fees and even penalty payments that may add up to several thousands of dollars.

Another important issue investors have to consider is how long they plan to own the property. The time frame of ownership is a key question because unlike owner occupied properties, investors are more likely to sell an investment property due to changing financial circumstances rather than sell their own home.

The investor should firstly decide how long they expect to hold the investment

property. If they believe that it will only be for a short period of time then they should select a budget style variable interest home loan with minimum start-up and no exit fees.

This kind of home loan is popular with investors wanting to buy an investment property for the purposes of renovating and selling. Short-term investors also favour interest only home loans rather than principal and interest home loans, which are the traditional owner-occupier style home loan product.

Flexibility is another key issue. Even if the investor believes that they will hold onto the property for a longer period of time, they should ensure that the home loan product gives them maximum flexibility and that there are no special penalty fees if they wish to sell their property earlier than planned.

Flexibility is also important for investors wanting to build a portfolio of investment properties. That is why line of credit home loans have become very popular in recent years as investors can purchase additional properties through a single line of credit home loan without the expense of applying for a new home loan every time they want to purchase a new investment property. ■



# RENTAL REALITY

Over the past few months many investors have seen the rental market soften, however for those with properties in Applecross and its surrounding suburbs, demand has continued to remain stable.

Marilyn Hawkins, Property Manager for Glen O'Brien Real Estate, says, "One of the main attractions to renting in the area is the close proximity to the Perth CBD, public transportation and the river.

"The rental vacancy rate in February was considered 'normal' at 3.1% whereas in the previous year it was almost one percent higher."

Exclusive villa and apartment properties are a growing market in Applecross, Melville and Bicton and situated less than 10 kilometres from the Perth CBD, they are popular with investors seeking a rental that is in demand.

A key to property investment in the current climate is to receive sound advice from reputable professionals.

Glen O'Brien Real Estate says that investors entering the property market now may not be fortunate enough to get the big overnight gains that were being achieved in recent times, however, a well thought out investment will still deliver long-term rewards.

The agency is mindful of offering accurate advice to investors and recommends that potential investors take into consideration the effects of an increase in interest rates or the financial burden that may occur if a property is vacant for any period of time.

The team at Glen O'Brien Real Estate are seeing high demand in quality investment properties that will be resilient in the market and deliver a steady financial reward.

Mt Pleasant is recorded as being one of the largest growth areas in Perth with a 36.5% increase in housing prices.

**YOU COULD SAVE THOUSANDS**  
on a complete range of property finance solutions!  
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[www.glenobrien.net](http://www.glenobrien.net)

Suite 5, 770 Canning Hwy APPLECROSS WA 6153  
F: (08) 9316 3922 E: [go@glenobrien.net](mailto:go@glenobrien.net)



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