



WINTER EDITION

# NEWS REAL ESTATE

PRODUCED BY MEMBERS OF THE AUSNET REAL ESTATE GROUP

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

## FROM THE PRINCIPAL

There has been some discussion in recent months that the housing market in Western Australia might be overheating because of the very high demand for real estate.

When reviewing the issue of an overheated housing market, it is important to consider how affordable housing prices are for homebuyers.

While house prices have jumped significantly over the past twelve months, property in this State is competitively priced.

The reality is, that house prices in Western Australia still remain amongst the most affordable in Australia. They have not experienced the huge increase in prices that has occurred in other States.

For example, in Perth the median house price at the end of 2002 was \$194,400 compared to \$450,000 for Sydney and \$335,000 for Melbourne. House prices in Perth rose at only half the rate of Sydney (+28.6%) during the last calendar year.

With interest rates expected to remain stable and at low rates, house prices in Western Australia still remain affordable and this is why the housing market should continue to remain vibrant.

In addition, the local housing market should be given a boost by the growing number of people moving to this State from overseas with more than 17,000 migrants moving here every year.

Confidence still remains very high and this is underlined by the fact that investors now account for over 20% of all homebuyers.



Glen O'Brien

The outlook for the housing market still remains positive and both homebuyers and home sellers should look forward to a very active period during the coming months.



## DEMAND IS OUTSTRIPPING SUPPLY

*Property values are continuing to rise as the Western Australian housing market remains strong.*

Homebuyer confidence in the Perth metropolitan area reached a ten-year peak in May this year with the number of housing sales reaching a high that has not been seen since the housing boom in 1993/94.

Closer to home, the high demand for real estate in Applecross, Ardross and Mount Pleasant is pushing property values up. In March 2003, the median price of an established home in Applecross rose by over 25% to \$675,260 compared with the same time last year.

Glen O'Brien, Principal of Glen O'Brien Real Estate, is capitalising on the growth in the real estate market deciding to venture out on his own after being in the industry for the past 14 years – eleven of which he has worked in the Applecross area.

Glen said, "The property market has been travelling well over the past three years to the point that now demand is outstripping supply."

The number of properties for sale in the area is down and many properties are being snapped up before even hitting the market. Currently, around 3.2% of all properties in Applecross are for sale. In a softer market that figure can reach up to 6.5%.

"Applecross and its neighbouring suburbs are high growth areas and as such attract investors looking for a balance tipped towards capital growth as opposed to yield," said Glen.

"Coupled with sustained low interest rates, my prediction is for the market to remain strong in 2003."

## How is your suburb performing?

Source: REIWA, May 2003

Suburb	% Change in the last 12 months	5 year Average Annual Growth Rate	Median House Price	Highest Sale Price
Applecross	25.10%	11.80%	\$675,260	\$2,875,000
Ardross	13.00%	10.40%	\$370,174	\$860,000
Mt Pleasant	12.40%	9.10%	\$405,000	\$1,150,000
Attadale	22.90%	10.80%	\$485,982	\$1,890,000

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## FIRST IMPReSSiONS

*The home that stands out is the home that sells!*

### WA's Best Kept Real Estate Secret

Ausnet is a Network of Independently owned Real Estate offices in Western Australia. The Group was launched on December 18 1996, and commenced trading in January 1997. It has since grown to include some of WA's finest Real Estate Agents. Currently the Network has 30 offices located throughout WA, and is still growing.

The Group has experienced amazing success in its short history. It has won Awards through REIWA as the top listing and selling Real Estate Network in WA for 3 out of the past 4 years, and is well placed this year to make it 4 out of the last 5. These awards are based on listings and sales made via REIWA's multiple listing service. Collectively Ausnet members sold real estate worth in excess of \$1 billion dollars last financial year.

From humble beginnings, the Ausnet Real Estate Group and its subsidiary companies Mortgage Solutions Australia and Landmark Settlements, has become one of the fastest growing real estate services companies in Australia. The "one stop shop" approach has been seen as a huge advantage for busy people who simply don't have the time or the inclination to be dealing with any number of real estate offices, banks or Settlement Agencies. The whole process can now be taken care of under the one roof, saving you time and money.

**Phone Ausnet on 9443 6455 for more information.**



## first impressions count



### Appeal

Most buyers will decide whether or not to view your home from its outside appeal. Neaten up those lawn edges, do a 'weed and feed' and pop on the mulch. The grass will look greener and even empty borders will have that 'cared for' look.



### clutter

There is a fine balance between removing clutter and making the house look stark. The trick is to remove the messy bits and leave enough for that 'lived in' and 'cared for' look.



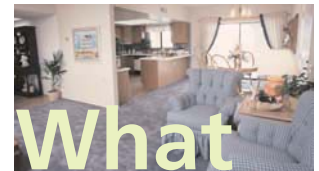
### up the tiles

Kitchens and bathrooms do need special treatment. These are the areas that are most personal to your buyer. They do need to be clean and functional. Remove all clutter; make sure all the fiddly bits are clean, around the taps, in the corners of cupboards, the plugholes, and the grout between the tiles and under the fridge! Please keep in mind that buyers will often look into kitchen cupboards and vanities to see if the sink or taps leak!



### inside

Overall impressions will be affected by smell and light. Put the dog and the trainers outside and change the 60watt bulbs for a couple of bigger ones.



### is this room?

It's very hard for a buyer to imagine watching the TV in the lounge if it's full of computers, desks and office equipment! For selling purposes rooms need to function the right way. Bedrooms should be bedrooms, that may mean restacking your storage boxes into the area where the bed should be with a doona over the top! Or borrowing a plastic outdoor table and dressing it up as a dining table to show off a meals area. Rooms should be functional and not over furnished.



### & weeds

Driveways, carports and garages covered with oil stains (even if they belong to your visitors) suggest to a buyer that this owner doesn't worry about cleaning up or maintaining their car!! In other words the house may not be properly maintained. Weeds in the brick paving have the same effect!

*Please remember you are not selling a show house, you are selling a home, and that is what the buyer wants to see. A clean, functional, well maintained home with a nice atmosphere.*



## is becoming more important for local housing market

It is now a significant fact that overseas migration is now the driving force behind the population growth in Western Australia.

During the 2001/2002 financial year, there were more overseas migrants moving into Western Australia than the natural population growth rate of the State.

More than 17,000 overseas migrants moved into Western Australia during the 2001/2002 financial year compared to a rise of 13,000 in the natural population.

This is a trend that has been increasing in recent years when you consider that overseas migrants accounted for 13,993 new residents in 1999/2000 or equal to the natural

population growth rate at that time.

It is a trend that is occurring throughout Australia with most States in Australia now becoming more dependent on overseas migration for their population growth rate.

During the 2002-2003 year, this rate of overseas migration into Western Australia is expected to increase significantly following the decision by the Federal Government to increase the 2002-03 skilled migration program to up to 110,000 people, which is the highest intake in a over decade.

This rising rate of overseas migration will have a positive impact on the local real estate

market because these overseas migrants will need accommodation.

As a result, this influx of migrants will result in a rising demand for both rental as well as owner occupied homes in the coming years.

In particular, it will have a positive impact on the rental market because most of these overseas migrants choose to rent a home before deciding to purchase a property at a later stage.

Another positive trend is that these overseas migrants will bring disposable income to purchase other goods and services and this in turn will give an overall boost to the State economy.

### Components of Population Change (2001-2002)

State	Net Overseas Migration	Natural Increase
New South Wales	51,340	37,584
Victoria	34,249	27,324
Queensland	24,866	24,335
South Australia	4,481	5,887
Western Australia	17,307	13,030
Tasmania	482	2,139

Source : Australian Demographic Statistics ABS Cat 3101.0

Colin Lamb



## "No Frills" in Fashion

Article by Colin Lamb

Getting expert help in choosing a loan package that best suits your individual needs is now more important than ever. With competition comes choice and hence confusion as there are now more than 600 loan packages available. Offset accounts, lines of credit, fee free credit cards, internet banking, cheque books and gold cards thrown in. The sweeteners are seemingly endless.

However, many people are now turning their back on these 'Bells and Whistles' and opting for a back to basics home loan. This is a base variable loan that includes no gimmicks just a low interest rate, currently between 5.95% and 6.06%. This type of facility is best suited to loans \$250,000 and under. As loans of this size do not attract a professional discount, extras such as an offset account will come at the price of a higher interest rate, namely 6.57%.

The benefits of a no frills home loan is

best demonstrated when you consider a loan of \$200,000. The borrower with an offset account at the higher rate would need at least \$10,000 in the offset account every day of the year to break even with a no frills loan of the same size and not a cent in the bank.

As most people do not have that amount of money sitting in an account regularly it stands to reason that the no frills loan has become more popular amongst people who simply want to extinguish their debt with periodical payments over a set time.

Furthermore, most no frills loans have a pseudo-offset account in the form of a redraw. Put simply, for a nominal fee you can withdraw surplus repayments of \$1000 and above from your loan.

With the property market still surging many first time property investors are entering the market. Securing a loan that suits your individual needs is the best way to secure your investment.

**You could save thousands on a complete range of property finance solutions!** Just call Colin Lamb on 0419 944 497.

## RETIRE WITH REAL ESTATE

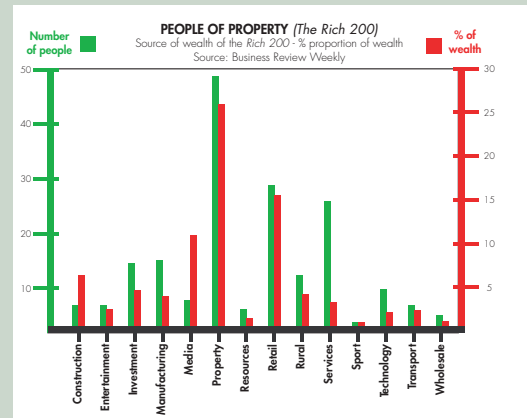
If you've ever wondered how Australia's wealthiest people have made their money then look no further than your front door.

The latest statistics from BRW magazine show that over two-thirds of the country's 200 richest people made their money in real estate.

Property investors are dominating Australia's market and Applecross, Ardross and Mount Pleasant are prime examples of this with investors purchasing around one in four of the properties sold.

Glen O'Brien says, "Investors are vigilant in their pursuit of purchasing properties with good investment potential and many are being sold within 24-hours of hitting the market."

The other factor to consider when investing is occupancy levels.



"Many renters have left the market in the last few years to join the growing group of first home buyers, but now the rental market in the area is also starting to strengthen," said Glen.

The real estate market has been travelling well over the past three years with a prolonged incline in the property cycle and interest rates remaining low, the market is expected to remain steady.

For further information on property availability or investment in the area contact Glen O'Brien Real Estate on 9316 3911.

**WA's Top Listing & Selling Real Estate Group**  
1998/1999, 1999/2000, 2001/2002\*



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