



Glen O'Brien

from the *principal*

The outlook for the coming year in the West Australian real estate market is very positive following the recent introduction of stamp duty concessions for first home buyers.

Our company has experienced strong sales to first home buyers who are taking advantage of the significant stamp duty concessions to purchase a new home. The fact that there are now more first home buyers in the housing market benefits all property owners rather than just lower priced property owners.

A greater activity by first home buyers means that there will eventually be a ripple effect throughout the local real estate market as people who sell their homes to first home buyers upgrade to more expensive homes.

Therefore, we should begin to see a rising level of activity in the second and third home buyer market during the later part of 2004 as more people begin to upgrade their homes.

The housing market in Western Australia should also continue to perform strongly because house prices are still relatively affordable unlike many Eastern States capital cities which are undergoing a downward market correction in property prices.

In addition, the prospects for the local housing market during the coming year are also very positive because of strong levels of business investment throughout the State and low levels of unemployment.

As a result of these factors there is every likelihood that Western Australia could be the star performer of the national real estate market during 2004/2005.

GARDEN CITY CORPORATE SPACE



Garden City is not only the home to some of Perth's best shops but also has some of the city's best office accommodation.

The Riseley Corporate Centre is superbly located at the main entrance to Garden City Shopping Centre at 135 Riseley Street and offers unsurpassed exposure for clients with over 19,000 cars passing daily.

Glen O'Brien, Principal of Glen O'Brien Real Estate, is leasing the premium office space and says, "This is an excellent opportunity for businesses to take advantage of a prime

commercial real estate location at a very affordable price.

"The available space ranges from twenty square metres to two hundred giving enormous scope to the tenant that potentially might occupy the area."

Neighbouring businesses in the complex include the ANZ Bank, Home Building Society and Police and Nurses Credit Society plus a range of other professional businesses.

The five star complex offers modern interiors, a state of the art security system and secure undercover parking with additional car bays for clients at the front of the building.

The Riseley Street precinct is one of the commercial areas within the City of Melville that is being recycled into a mixed use environment where people can work and live in the same community.

For further details on leasing office space at the prestigious Riseley Corporate Centre please contact Glen O'Brien on 0418 923 123 or log onto www.glenobrien.net



How is your suburb performing?

Source: REIWA as at June 2004

| Suburb | % Change in last 12 Months | 5 yr Avg. Growth (p.a) | Median House Price | Highest Sale Price |
|------------|----------------------------|------------------------|--------------------|--------------------|
| APPLECROSS | 7.00% | 14.50% | \$800,000 | \$3,750,000 |
| ARDROSS | 31.80% | 17.70% | \$540,000 | \$865,000 |
| ATTADALE | 20.50% | 15.90% | \$632,500 | \$1,150,000 |
| MELVILLE | 32.80% | 15.50% | \$385,000 | \$950,000 |

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Glen O'Brien Real Estate

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SPLASHES OF COLOUR

Looking to update your home quickly and inexpensively?

There is no better way than with the injection of a new colour scheme to make a house feel more inviting. It's amazing how the look and feel of a home can be transformed simply through colour.

Colours, new window treatments and well-placed accessories could be all you need to attract potential buyers. Complimentary lighting will also enhance your colour scheme.

The mood and atmosphere you want to create will determine where you head from here. You might opt for tranquillity, a bright and cheerful atmosphere, or a warm and welcoming feel.

To warm your home for the cold winter months, focus on warm colours like yellow, orange and red, to create a cosy inviting feeling in your home.

Yellow helps create a pleasant environment as it is bright, warm and welcoming. An excellent choice for the entrance to your home. It can bring light and life into a dark cold room. Warm yellow lighting will create the same effect.

Orange is a "happy" colour. Some find orange too strong so colours such as terracotta, peach or amber retain some of the attributes of orange, by warming the home and may be more pleasing.

Red is a powerful, dynamic colour but can be a difficult colour to live with, because of its strength. It is best used in small amounts as an accent colour.

Balancing strong colours with neutrals is important especially if you are intending to sell your home. Bring in the stronger with artwork, accessories and floor rugs which you can take with you when you sell. Your aim is to create one focal point in a room, which attracts attention.

Remember, use colours which blend with what is already there and will appeal to a wide range of tastes. The key to success is "Keep it simple".

Together we can create the exact look you desire.



Contact Lifestyle Interiors
• office hours : 9295 0469
• mobile : 0417 182 030

TIPS *on buying*

Many thousands of first home buyers throughout Western Australia will be looking to purchase a home because of the new stamp duty concessions. We have listed some key points you should consider when buying your first home...

1. Don't make a panic decision

Most people decide to buy a home purely on emotion and not for rational reasons. In the real estate market the strongest emotion is panic because most homebuyers believe that they might lose out on buying a home and often buy a home that is not suited to their needs.

There are still several thousand properties for sale in WA and people are deciding to sell their homes every week so don't panic when buying a home.

2. Compare home prices

Check out the prices of homes within a suburb and between neighbouring suburbs. You may find significant differences in property prices within a 1 kilometre radius of the area you are looking in.

3. Property Values

For a small fee, you can check the actual selling price of homes over a period of time through information supplied by the office of the Valuer General. This information is very useful if you're buying a home unit in a large apartment complex.

SPECIAL OFFER from Lifestyle Interiors

With your busy life its sometimes hard to find the time to co-ordinate all the elements required to decorate your home successfully. Lifestyle Interiors can assist you. An Interior Consultant will guide you through the many decisions that you have to make when selecting colours, finishes and furnishings to enhance your home, with a minimum of fuss.

All readers who mention this newsletter will receive a 2 hour consultation including a 3-4 page report for only \$125 (inc. GST). That's a saving of over \$50!



your first home

4. Local Real Estate Agent

The best properties in the area are sold very quickly because they are well priced. A reputable local real estate agent can be of great assistance in alerting you quickly to any new properties in your price range that might come onto the market.

5. Security

Security is now becoming a major issue for homeowners. When selecting a home you should make sure it has good security features as this will help to enhance the resale price of a home.

6. Decide where you want to live

It may be obvious, but carefully decide where you want to live. A good tip is to write down the features in a home you really want. Think about how you would like to live your daily life. Picture your activities and how you want to spend your time. The right type of home will come to you. Do you like to entertain large groups of people? Focusing on your greatest needs will help you and your real estate agent find the best home for you.

7. Do your research

When visiting homes for sale, it is a good idea to make some written notes during the inspection and compare these notes at a

later stage. You should also get information about recent sales in the local area so you can compare the selling prices of homes.

8. Infrastructure Developments

Check if the local area you are considering might benefit from new infrastructure improvements. For example, the opening of railway stations along the new southern rail link should boost property values in the immediate surrounding areas.

9. Improvements

If there are any improvements to the home make sure the previous owners have obtained the necessary government and council approvals. If you purchase a home which has not had these approvals then you may be forced to remove them at your own cost.

10. Make your offer the most attractive

If you have the opportunity to bid on a home with multiple offers, make sure yours is the most attractive offer. Let the seller know how much you like the home, how prepared you are to buy it and that you will make for an easy transaction. Keep contingencies to a minimum and seek finance pre-approval. Make it clear that you are ready to move toward closing.



**Don't panic.
Take some time, think
about how you would like
to live your daily life...**

buying an investment property

Following the start of the new financial year on 1 July 2004, many people are considering buying an investment property.

Investing in real estate has proven to be a secure long term investment for most people. There are a number of issues investors should consider when buying an investment property because it is very different to purchasing an owner occupier home.

One key issue is who is going to live in the property because securing a tenant is critical in servicing the home loan. The investment property should be located close to schools, shops and transport to attract the highest number of tenants.

The rental return of the investment property is also important. There is a very simple technique to determine the rental return of an investment property. The investor simply gets the weekly-anticipated rent, multiplies this figure by 52 to get the income for the year and then divides that sum by the purchase price.

The final figure will be your rent return. Multiply this by 100 if you want a percentage rate. For example, \$120 per week rent on a \$100,000 property gives a 6.2% rent return. (ie: $\$120 \times 52 = \$6,240$, divided by $\$100,000 = 0.062$, multiplied by $100 = 6.2\%$).

At the end of the year you will have received back 6.2% gross return on your \$100,000 purchase price. If you do this for each of your alternative property choices you will quickly see which one is the best investment.

Property investors should also consider the land content of the investment property rather than the structure of the home. It is important to remember that land appreciates in value and buildings depreciate in value. A property which has a land content of more than 75% has a greater chance of appreciating at a higher rate than a property where most of the value of the property is in the building.

Investors should also consider buying a property where there is a broad range of property owners rather than just investors. If the area has a significant number of owner occupied homes it means that the potential pool of people wanting to buy your investment property in the future will be much higher than a property that just appeals to investors.

It is also worth remembering the longer you hold onto an investment property the higher the returns and the lower the risks.

OLD LAND NEW HOMES

Until recently, new homes were largely built in new suburbs but with the trend to move to more established areas like Applecross, we are seeing an increase in home building in the older suburbs too.

The increase in the value of land in Applecross, Ardross, Melville, Mt. Pleasant and Attadale is a major factor contributing to the replacement of an older home. (The term 'land value' is used when the price of a property is based on the actual land as opposed to the dwelling that sits on it.)

The trend to rebuild in Perth started in areas like Applecross and Peppermint Grove, but can now be seen in other established suburbs across the metropolitan area.

It is often difficult to put a value to these properties which is why it is essential to be advised by an agent with sound experience of the area.

The team at Glen O'Brien Real Estate have been selling property in Applecross, Ardross, Melville, Mt. Pleasant and Attadale for many years, and their experience and knowledge of these suburbs, coupled with information on future developments and proposed commercial growth, will ensure that your property is priced right.

The increasing number of new or near new properties coming onto the market in more established areas is now providing a benchmark for the real estate industry making valuing these properties not as complicated.

Glen O'Brien suggests, "Newer homes in Applecross and Attadale may represent a good opportunity for homebuyers wanting a more modern home in the area".

"With land values rising, its likely to cost less to purchase a near new property than to build a home from scratch."

To contact the team at Glen O'Brien Real Estate call 9316 3911 or visit their offices at 770 Canning Highway, Applecross.



The best of both worlds.
new homes
in established
areas

Article by Colin Lamb



what to do when **Interest Rates BEGIN TO RISE**

During the end of last year the Reserve Bank raised official interest rates by 0.5% and there is an expectation that they may rise next year due to the strengthening world economy.

With the average home loan in Western Australia now over \$160,000, any further rises in interest rates could place added financial pressure on new borrowers and existing homeowners.

If you believe that you may have problems servicing your home loan then speak to your financial institution first rather than falling behind in your repayments. You may find that the borrower will be sympathetic to your situation and help you to deal with increased interest rate payments.

One simple solution to consider is to extend the life of the loan by making smaller repayments. Work with your financial institution to develop a suitable way to service the home loan and avoid unnecessary stress caused by concerns over rising interest rates.

You should also decide which home loan best suits your financial situation. For example, if you are running on a tight home budget, consider choosing

a 'no frills' or budget style home loan. These home loans can offer a 0.5% interest rate saving and still allow you to pay off your home loan faster.

If you have a number of home loans with different financial institutions then consider packaging the loans with one lender. A growing number of financial institutions now offer significant interest rate savings based on the size of loan that a customer has with them.

However, the best way to save money on interest rates is by making higher repayments. Now is the time to focus on your household budget and channel any unnecessary spending into your home loan. Putting an extra \$50.00 a week into an average home loan can save thousands of dollars in interest payments over the life of a home loan.

Another option if you want some financial certainty is to consider fixing part of your home loan. This 'split' home loan gives you the financial security that interest payments for a portion of your home loan will not increase while also taking advantage of falls in interest rates because part of the home loan is set at a variable home loan rate. ■

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Call your local expert 9316 3911

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