



FROM THE
Principal

A GOOD TIME TO SELL BUT BEWARE OF SOME PITFALLS...

Glen O'Brien



Following the spectacular growth in property prices over the last 18 months or so and then the decline that inevitably follows, we are now finding the market has returned to a more typical growth pattern. Prices are on the rise and the time it takes to sell a home is shortening.

Recently, the balance of buyers and sellers was heavily weighted with sellers at around 20,000 properties for sale, whereas at the peak, buyers were swaying the balance, with as few as 4,500 properties available for sale at one stage. Now, the market appears to be evenly balanced and in our area, we are back to an average selling time of around 45 days on the market.

Spring is seasonally a great time to reposition yourself into a new property. If you are thinking of selling, first make sure your property is really ready to go on the market.

Besides the obvious preparation that you would normally do, you should check that you know the whereabouts of your original certificate of title, is your swimming pool compliant (see our article on the back page) check that your strata plan is up to date.

Importantly, if you have a strata title property, you should check the strata plan to ensure that the buildings are drawn



79 WINTERFOLD ROAD, HAMILTON HILL

Securely leased investment, nett rent \$43,302 p.a. 1781m² block, long established child care centre with strong tenant profile.

into the plan and that they are an accurate reflection of the actual buildings in-situ. If they are not, you could find yourself in a position where you have sold your property but settlement is delayed or the contract cancelled because there was no disclosure at the point of sale.

It can cost between \$4,000 and \$5,000 to update an existing strata plan if a new building or an extension has been added to any of the buildings on the lots. If that's the case then often it's better to convert the strata plan to "survey strata".

Unfortunately, not all Real Estate Agents will make the observation and some will not understand or even know better themselves.

If you have any burning questions about strata title, please feel free to call me or any of our team to discuss your strata property without any obligation.

How is your suburb performing?

Source: REIWA as at June 2007

Suburb	% Change in last 12 Months	5 yr Avg. Growth (p.a)	Median House Price
APPLECROSS	54.2%	20.4%	\$1,465,000
ARDROSS	26.1%	16.1%	\$750,000
ATTADALE	34.6%	18.5%	\$1,050,000
BOORAGOON	22.4%	17.5%	\$670,000
MOUNT PLEASANT	34.4%	19.1%	\$991,250
WILLAGEE	24.1%	19.8%	\$660,000

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Stock Market Volatility to Benefit Property Market

The recent volatility in the stock market may provide a silver lining for the property market over the coming year.

In the second half of 2007 there have been sharp falls and recoveries in the Australian stock market because of fears of a global recession.

The last major correction in the Australian stock market occurred twenty years ago during October 1987.

On 19 October 1987 the Australian all ordinaries index fell by more than 20% and continued falling during the remainder of 1987. Many mum-and-dad investors lost their life savings during this stock market crash.

In 1987, medium- to long-term interest rates were pushing upwards, threatening an economic slowdown, while at the same time share prices were reaching record levels. Some analysts are drawing similar comparisons with today's stock market.

What should be remembered from 1987 is that for two years following the stock market crash, property values in Australia soared as many investors came back to the stability of property.

A similar trend occurred on a smaller scale following the stock market dot-com boom/bust six years ago.

Investors will be attracted to the property market now that rents are rising strongly throughout Australia because of the decline in the number of new rental properties being constructed. In many areas of Western Australia, for example, average weekly rents have increased by more than 20% during the past year.

At the same time, property prices have begun to stabilise which means that overall rental returns will begin to increase for investors.



MIGRATION LEVELS TO BOOST PROPERTY MARKET

The latest population figures for the year ending 2006 show that Western Australia now has the fastest growing population of any state or territory in Australia.

One of the key reasons the population growth rate in Western Australia is outstripping the rest of Australia is that we are now receiving a very large number of overseas migrants to our state.

Recent figures produced by the Department of Immigration and Citizenship show that during the last six months of 2006, Western Australia accounted for 14.1% of all new settler arrivals in Australia.

This compared to 13.5% for the six months ending 2005. During the second half of 2006 nearly 10,000 overseas migrants settled in Western Australia which was slightly slower than the total number of migrants who came to WA during 1999-2000.

With nearly 160,000 migrants expected to come to Australia during the current financial year, Western Australia is well poised to attract even larger numbers of migrants because of our booming economy and lifestyle.

The large number of overseas migrants Western Australia is now receiving will have a positive impact on the property market during the coming year.

Even though rising interest rates have subdued home buyer activity in the short-term, over the longer term the increasing migration to Western Australia will result in a rising demand for homes.

In particular, the property investment market should benefit most from rising migration levels because migrants tend to rent before buying a home.

With a decline in new building starts, it is expected that a rising population will put upward pressure on rents and help reverse the downward trend in rental returns which has been occurring in the Western Australian property investment market over the past three years.

Now is an opportune time to consider buying a property for investment because property prices have stabilised in the short term and investors can expect strong growth in rents over the coming years due to our surging population.





Tips on REDUCING WATER CONSUMPTION in Your Property

With summer approaching, it is a good idea to consider ways of reducing water consumption in your home. This will not only help your household budget through lower water bills but will also benefit the environment.

You can significantly reduce indoor water use by choosing water-efficient showers, toilets, taps and appliances.

An efficient shower, for example, is one of the easiest and most cost effective ways to decrease your water use.

An inefficient shower head can use more than 20 litres of water every minute while an efficient shower head will provide a high quality shower using a maximum of 9 litres every minute.

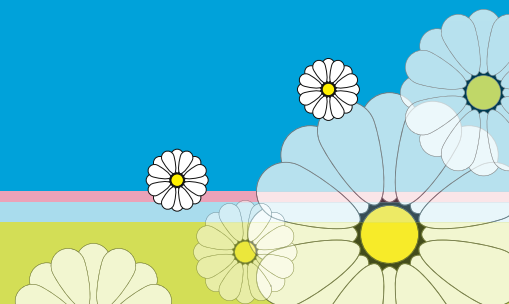
Depending on the model you choose, it is possible to get additional features such as massage, self-cleaning, and flow cut-off control.

The laundry is another good place to reduce your water consumption and is a potential source of water for your garden. There are a number of ways to improve the efficiency of your water use in the laundry such as adjusting the water level on the washing machine so it is appropriate for the size of the load. You should also try to wash only full loads of laundry and use the 'economy' cycle if you have one.

You can also minimise outdoor water use. It is believed that up to 60% of household water is used outdoors, much of which is wasted.

You can significantly cut outdoor water consumption by reducing grassy areas and planting native species. Mulching is also an essential element of a water-efficient garden. Mulching around plants saves water by preventing evaporation and reducing run-off.

It is also a good idea to water early in the morning or late in the afternoon as this allows water to penetrate before it evaporates. Watering early in the morning allows the sun to activate the water (by producing water vapour and stimulating micro-organisms) to generate the food that plants draw on during the day.





Compliance & Safety

For all of you that own real estate as either your principle residence or a rental property, there have been a few changes in recent times that you may not be aware of. One of these is the changes to pool regulations and the necessity of the owner to ensure that the pool conforms to the current regulations before the sale of the home. It is also recommended that you install RCD switches to older rental properties as a matter of safety and prevention. In the near future it will become law that hard wired smoke detectors are installed in homes before sale. This is expected to take place in the New Year. If you would like any further information on these or other topics related to your property, please feel free to call at any time and ask to speak with any one of our experienced team of Property Managers.

ADDITIONAL BOOST FOR FIRST HOME BUYERS



By Colin Lamb – Mortgage Solutions Australia

While many first home buyers may be aware of the recent concessions the state government has made in relation to stamp duties applicable to buying a home, few are even aware of

another grant available called the Home Buyers Assistance grant provided through the Real Estate and Business Agents Supervisory Board (REBA).

The Home Buyers Assistance Account is established under the Real Estate and Business Agents Act 1978 to provide first home buyers with financial support.

This scheme provides a grant of up to \$2000 for incidental expenses when first home buyers purchase an established or partially built home through a licensed real estate agent.

On 22 September 2006, the maximum purchase price criteria for the Home Buyers

Assistance Account was increased to \$400,000 in response to the rising cost of housing in Western Australia therefore, making it easier for more people to now qualify for this grant.

The scheme is funded from interest paid on real estate agents' trust accounts. The grant can be used for: registration fees, solicitor and/or conveyancing fees, valuation fees, inspection fees, establishment fees, mortgage insurance premiums and lending institution fees associated with lodging the application.

There are a number of criteria for this grant. For example, applicants must be buying their first home, which is established or partially built (not vacant land, a plan, or a 'house and land' package) and the applicant must live in the home for at least the first 12 months

For further information about this grant contact REBA on (08) 9282 0836 or visit www.reba.wa.gov.au

You could save thousands on a complete range of property finance solutions. Call Colin Lamb on 0419 944 497



Community Sponsorship

Here at Glen O'Brien Real Estate we are quietly committed to community sponsorship in the belief that it is a worth while endeavour to support the youth in our local sporting arena, along with other charities and organizations that represent a good and worthy cause.

In recent times we have shown support for the following organizations: Applecross Cricket Club, Melville Bowling Club, The local Little Athletics, Melville Cricket Club, and Joanna Morris, a young up and coming girl in the state schoolgirls basketball team.

Most recently we supported a fund raising day for Breast Cancer awareness week - a great cause that needs as much support to fight and cure this terrible disease as possible. We believe that supporting our community is a great benefit for all.



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