



Glen O'Brien

from the Principal...

# LANDLORDS & BUYERS DICTATE TERMS

## AT THE EXPENSE OF SELLERS & RENTERS

From 1 July buyers can expect to pay slightly less stamp duty. This should trigger a moderate but brief increase in sales activity. Sale prices in our area have slipped since the beginning of the year with most of the activity coming from 'mums and dads' buying and selling in the same market. The investors and developers seem to be sitting on the fence waiting to see what the next movement in interest rates will be. My feeling is that if we do see another upward movement, prices could slip even further and there will be some smart buying by cashed up investors.

Whilst most Agents are complaining about the current state of the market, Mike Allen is just getting on with the job. This month Mike sold another five properties. Tina Wilton sold three and our new super sales rep, Andy Walton put his first sale together after only two weeks in real estate. Together our modest sales team sold 13 properties for the month of June.

Our small independent agency which commenced

trading in May 2003 with just myself and two others has now grown to be one of the larger real estate agencies in the area, employing 15 people and managing over 300 commercial and residential properties.

The key staff at Glen O'Brien Real Estate have grown along with the business and with the addition of Bernice Goddard and staff, we hope to grow our business even more. We have continued to invest in the refining of our systems and procedures and have employed the services of external consultants to help us develop our property management business and to ensure that our Landlords are receiving the very best service and advice when it comes to asset management.

If you currently use the services of a Real Estate Agent and you are not entirely happy with the results you are getting, please feel free to contact me directly without obligation and in strict confidence.

### DO YOU KNOW WHAT YOUR PROPERTY IS REALLY WORTH?

Get the right advice before you sell.  
Call Glen O'Brien Real Estate for your free & expert sales appraisal on...

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### How is your suburb performing?

Source: REIWA year to March 2008

Suburb	% Change in last 12 Months	5 yr Avg. Growth (p.a)	Median House Price
APPLECROSS	4.4%	16.0%	\$1,410,000
ARDROSS	0.9%	14.0%	\$780,000
ATTADALE	22.4%	19.6%	\$1,200,000
BOORAGOON	7.5%	16.0%	\$715,000
MOUNT PLEASANT	7.6%	20.2%	\$1,021,944
WILLAGEE	8.7%	18.5%	\$462,000

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# THE INTERNET

## a key tool in real estate

### STATE HOUSEHOLDS' ACCESS TO THE INTERNET

2006-07 Financial Year - Source: ABS

New South Wales	64%
Victoria	63%
Queensland	65%
South Australia	57%
Western Australia	66%

Using the internet is now a must for property owners planning to sell their home or find a tenant for a rental property.

The reality is that people in nearly seven out of ten homes in Western Australia now use the internet and that figure is rising.

Australian Bureau of Statistics figures show that during the 2006-07 financial year, 66% of all households in Western Australia had access to a home computer, which is higher than New South Wales, Victoria, Queensland, South Australia and Tasmania.

The rate of household access to the

internet is rising rapidly in Western Australia. Back in 2000, just 34% of all households in the state had access to the internet.

Western Australia also has the highest rate of households with access to a computer of any state in Australia with the ABS survey finding that 76% of all local households have access to a computer somewhere.

More households use the internet at home to research services such as those provided in the real estate market. Consumers are increasingly using the internet because it saves time researching products whilst in the convenience and safety of their own home.

This trend is expected to grow because the internet will offer a cheaper alternative to driving around different areas and paying for the rising cost of petrol.

For example, most property buyers and renters view details of properties on the internet before making a decision to buy or lease. Prospective buyers or renters using the internet could just as easily come from different parts of Western Australia, interstate or overseas.

In this era of modern communications having a strong presence on the internet is a key factor in successfully marketing a property to the widest possible audience.

## New stamp duty incentives to buy a home

The State Government recently announced major stamp duty concessions for property buyers - effective from 1 July 2008.

The amount of stamp duty concessions depends on the value of the property.

These stamp duty concessions will result in stamp duty rates falling by around 15% or nearly \$3000 for an average house worth \$457,000.

For a house worth \$300,000, the stamp duty falls by 17.4% or \$1865 and for a house worth \$800,000, the stamp duty falls by 12.4% or \$4585.

These major stamp duty concessions should give a big boost to the local real estate market during the coming months.

In particular, lower stamp duty should encourage more existing property owners to upgrade their home as high stamp duty has been a disincentive for people

considering buying a more expensive property. Instead of upgrading to another property, many existing property owners have undertaken home renovations to avoid paying the high rate of stamp duty.

These stamp duty concessions should result in a major rebound in the local property market during the second half of 2008.

Already, property buyers are becoming more active in the local real estate market. House prices are becoming more competitive due to the increasing number of properties listed for sale.

The greater choice for property buyers is underlined by the latest REIWA figures which show that over the past two years the number of properties listed for sale in Western Australia has jumped from around 5000 properties to over 17,000.



# How to pick a bargain property

The current real estate market is now favouring property buyers because of the large number of properties currently for sale in Western Australia.

Even though interest rates are high, the reality is that it has never been a better time to purchase a home as owners are now prepared to negotiate on price in order to achieve a sale.

With house prices falling in some areas, it is a good time for astute property buyers to pick a 'bargain property'.

One of the best ways to find a bargain is to pick an area where you want to purchase a home and study the market over a period of time.

Check the sales figures for properties in the local area and this will give you a clear indication of the real value of local real estate.

Once you have determined your budget, select a location in the area which you believe offers the best capital growth over the longer term.

Generally, you should follow the golden rule of real estate and buy 'the worst house on the best street'. Houses that are poorly maintained but in a good area can be sold for much less than their true market value which offers a strong potential of high capital growth once improvements are completed.

Other factors that might influence future capital growth include the construction of infrastructure such as shopping centres, schools and public transport facilities. Plans for high density housing in the area may also boost the value of the property.

Past trends are a good indication of future price in the real estate

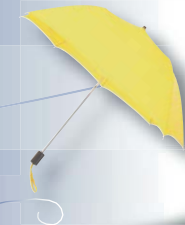
market. A good tip is to check with REIWA which has figures going back 10 years for the annual growth in median house prices for most areas in Western Australia.

Visit properties in your selected area and try to determine which seller is prepared to offer the biggest discount on what you believe is the market value of the property.

Because of high interest rates, some property owners are suffering mortgage stress and may be among the most motivated to negotiate their selling price.

By following a methodical process such as this you are sure to find a real 'bargain property'. ■





# PRICE FLEXIBILITY

## the key to selling your home

More and more property owners in Western Australia are finding it difficult to sell their home because they have not adjusted their selling price expectations.

Many property owners believe their homes are still valued at around the same level as the recent property boom without taking into account that the housing market has changed significantly in recent months.

High interest rates and the rising cost of living has limited what first-time property buyers can afford to spend on purchasing a

property. The decline in first-home buyers has now had an effect on the overall property market.

If you are a home owner who is considering selling your home to purchase another property, you need to be aware that you are in the same position as all other property sellers. You may get a little less than you planned for your home but you may also save on the purchase price.

Selling your home in the current housing market means that you have to be flexible with pricing. Whether you are planning to upgrade or downgrade to another property, you will find that generally, the overall market value of other properties has changed relative to your home.

It is worth checking the current value of properties with local agents if you want to purchase a home. If the agent advises that property prices have fallen by \$30,000 you will have greater flexibility in setting a more realistic selling price for your property.

Overpricing your home relative to other properties means that you may be unable to sell your property quickly which could upset your plan to move to another property.

# ARE YOU SUFFERING FROM MORTGAGE STRESS?

By Colin Lamb – Mortgage Solutions Australia



A growing number of mortgage holders are finding it more difficult to make their monthly repayments because of rising interest rates and the increasing cost of living including higher food and petrol prices.

This trend was underlined by a recent survey of almost one million Australian mortgages by Fitch Ratings which found 1.88% were at least 30

days in arrears, up from 1.56% six months earlier.

If you are suffering mortgage stress you should speak to one of our qualified mortgage brokers about the financial options that could be available to you.

One solution may be to refinance your existing loan as your current loan may not suit your personal financial situation. If you are running on a tight home budget, consider choosing a 'no frills' or budget-style home loan. These home loans can offer considerable interest rate savings and still allow the borrower to pay off the home loan faster.

If you have multiple loans in your family such as home, car, and personal loans, these could be refinanced into a single, larger loan that may deliver much lower monthly repayments.

In addition, you may also wish to consider extending the life of your loan by making smaller repayments. This can be achieved by refinancing your loan back to a new 30 year term, thereby substantially reducing your existing monthly commitments.

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



For all your Real Estate needs...

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