



Professionals

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Get The Facts First!

In comparison to the volatility of the real estate market of late 08/09, the Australian property market is in good shape. Indicators and forecasts for the year ahead signal a relatively solid and consistent year. However, sensible property related decisions should be based on research combined with advice from professionals in the field who understand the local market. Those wishing to buy, sell, invest or rent are welcome to consult staff at their local Professionals office for a free, no obligation discussion on how to best maximize their position. In the meantime, here's a snapshot of how things are shaping up.

With the reduction of first home buyer activity since late 2009, investors are back in the market. They are enjoying less competition for houses, particularly at the lower end, as well as interest rates that are still relatively low. Over the last ten years, variable mortgage interest rates have averaged 7.26%, demonstrating that rates are still well below average and are likely to remain so into 2010. Investor activity is expected to increase further throughout the year, as are the numbers of 'upgraders' acquiring bigger or better homes to accommodate growing families. Consumer confidence, according to RP Data, remains high and speculation suggests that unemployment is rising, which will support interest in the property market.

Property prices are expected to continue to rise throughout 2010 according to Australian Property Monitors who also suggest that rising interest rates are unlikely to affect prices until late 2010

or 2011. Price growth is expected to be more moderate than last year, although medium to long-term growth prospects remain healthy.

The upper end of the market is demonstrating improved confidence among premium property buyers. According to RP Data, the first 10 months of 2009 saw the nation's most expensive markets increase in value by 11.9%. This reflects a higher level of growth than at the middle end, where prices grew by 10%, and a much higher level than at the more affordable end, where prices increased by 8.5% over the same time frame. Values in the top end are now once again at record levels, having superseded their previous peak in February 2008 by 2.4%.

An ongoing undersupply of housing, according to RP Data, will be magnified by strong housing demand fuelled by population growth - the result of an Australian baby boom combined with the nation's highest level of migration on record. Population growth is expected to remain high. The ongoing imbalance between supply and demand, in addition to placing vendors in a strong position, may well see rental yields, improve as rents start to grow once again.



Hot Tip:

An agent who charges lower fees might also provide a lesser service. This may result in extra stress, frustration and time, along with the risk of your property remaining on the market for a long time or achieving a poor price. When choosing an agent, fees should be considered – along with your observations about their level of professionalism while making inquiries and their affiliation with a reputable, known and trusted brand.

Time for a Summer Time Tune Up?



Ignoring basic home maintenance issues can lead to very costly problems, according to Archicentre, the building advisory service of the Australian Institute of Architects. With fire prevention a top priority, roofs and guttering, which can be a deadly fire hazard if filled with dried leaves and sticks are of prime concern. In addition, summer thunderstorms bring heavy rain, high winds, and the potential to dislodge tiles, fill gutters with debris, and loosen roof sheeting, according to Archicentre's ACT & NSW State Manager, Angus Kell.

Efficient drainage and protecting your home from leaks is also paramount for avoiding flooding, the risk of wall collapse, and the danger of having water come into contact with electrical systems and appliances. Mr. Kell also warns against climbing onto wet, slippery roofs to clear debris, and recommends hiring professional tradespeople.

Here are a few other top tips for a summer time home tune up:

- Ensure guttering is free from debris to reduce fire hazards and facilitate correct water drainage. Consider installing a gutter guard to deflect falling leaves and sticks.

- Have the roof professionally checked for broken tiles or slates, loose iron and flashing leaks.

- Ensure downpipes are clear of blockages so water flows into the

storm water drain or tank system rather than under the home.

- Check around and beneath the home for excessive water pooling or dampness.

- Remove any rubbish that's close to the home and check for slippery, damp paths, steps or driveways.

- Ensure all flammable and potentially dangerous materials are safely stored away.

- Check the interior of the home for cracks, any mould spots and signs of dampness.

- Check all window and door seals for temperature control and repair any dripping taps.

- Check that power points are working properly. Outlets with scorch marks should be replaced by a certified, registered electrician.

- Have timber decking and verandas, including hand rails, professionally checked for structural safety.

- Check the operation of the swimming pool safety gate and security of fencing.

- Ensure you and your family have a fire plan in place. For further information, see www.archicentre.com.au and www.cfa.vic.gov.au/residents/home/index.htm.

Free Home Insulation – A Win-Win Situation

As part of the Australian Government's Energy Efficiency Home Package, eligible home-owners, landlords and tenants can receive ceiling insulation grants worth up to \$1,200.

Households can enjoy the comfort of a cooler home in summer and a warmer environment in winter, while simultaneously cutting energy usage and saving up to 40% per year on utility bills. The incentive was developed to not only make homes more energy efficient, but to also stimulate the economy and create jobs. Here are a few key facts:

- You must be an Australian citizen aged over 18 years, must not have accessed the Solar Hot Water rebate, and your dwelling must not have been completed or renovated after 2003.

- The property must not have, or have very little insulation.

- If the total cost of installation is less than \$1,200, you will pay nothing. This will be the case for most households. If the cost is more than \$1,200, you pay the difference.

- The insulation must be installed by an approved installer. Two independent quotes from two such businesses must be provided. An Installer Provider Register is available at the website listed below.

- The program runs until the 31st of December 2011, unless the program's funds have been exhausted sooner.

- The process is very easy and straightforward. (Eligible tenants must submit a permission letter signed by either the landlord or real estate agent.)

For further information, see www.environment.gov.au/energyefficiency/insulation.

