



# NEWS

September 2009

## A Resilient Australian Property Market

**With so many positive signs on the property horizon, it is easy to see why Australia has long been known as the lucky country. While some overseas property markets continue to flounder, the Australian market strengthens. The latest Australian Bureau of Statistics figures confirm both the resilience of Australian housing, and the positive impact of the combined actions of the government and the Reserve Bank of Australia in response to the global financial crisis.**

Australia's national median house price for established homes increased by 4.2% in the June 2009 quarter. Over the past 12 months, and spanning the height of the wider economic crisis, it decreased by only a very modest 1.4%. Increased house values are not only being recorded in the lower and middle markets. The top end of the market is, according to RP Data, improving with early evidence suggesting the value of Australia's premium property market is following the broader market into a recovery.

In addition to stronger house prices, which is welcome news for vendors taking advantage of a busy spring selling season, competition and demand for properties remains strong. First home buyers are keen to purchase before the reduction to the First Home Owner Grant at the end of September, while investor confidence and activity has increased over the June quarter. This is due to several factors including strong rental yields that, according to the REIA, increased nationally by 1.4% for the quarter, and a bumper 7.2% for the year.

National auction clearance rates have also been strong, with a marked improvement recorded in June, according to RP Data. On average over the month, 70% of auctions recorded a positive outcome compared with 46% at the end of 2008. Tim Lawless, RP Data's National Research Director, attributes the improved rates to a number of factors. "Market conditions have improved," he said. "With property prices showing modest growth, consumers are more optimistic about the economy, and vendors have become more realistic about their expectations."

Many favourable factors have converged in the lead up to a traditionally busy selling season, providing promising opportunities for vendors, purchasers and investors. In addition, the Reserve Bank's August decision to keep the cash rate at 3% has interest rates at a 45 year low, providing an excellent opportunity for those wishing to relocate or upgrade to a bigger or better home.



### Quick Tip

On October 1 the First Home Owner Grant Boost which doubled the First Home Owners Grant to \$14,000 for established homes and tripled to \$21,000 for new homes, will be halved. Eligible first home buyers will receive \$10,500 and \$14,000 respectively. The boost will no longer be available from January 1st, 2010, with the First Home Owner Grant, whether for an existing or new home, reverting back to its original \$7,000. For further information on the availability and conditions of various state and federal incentives, see [www.firsthome.gov.au](http://www.firsthome.gov.au) and select your state.

# Spring Forward & Step Up Your Sale Price



There is *selling your home*, then there's *really selling your home*! A passive or blasé approach to any sale, whether property or otherwise, will procure an ordinary result. An informed, proactive approach may well lead to a faster sale and a bigger sale price. With the arrival of the busy spring selling season combined with a unique set of promising market conditions, vendors are urged to reap the rewards of maximising three key strategies:

- **Accurate Pricing:** Vendors can have unrealistic expectations of their property's worth. It has in many cases been their much-loved home for many years. However, an over priced home risks remaining on the market for a long time and appearing stale. It is far better to study recent sales of similar properties in the area, the current market, and associated level of demand for your property type and location. An objective appraisal of the

property's value is crucial. Pricing strategies (listing with a price, a price range, or no price at all) vary according to your individual needs and time frame and should be decided accordingly.

- **Targeted Marketing:** You can't sell a secret! While a marketing campaign should have extensive reach, it should also specifically target the buyers with the most interest in your type of property. Professionals carefully and individually tailor a campaign that best suits both your requirements and your budget. Your agent can also advise on whether your property might be better suited to sale by auction or private treaty.

- **Pristine Presentation:** The importance of presenting your property in its best light, both externally and internally, cannot be overstated. A sense of spaciousness is key and can be optimised with both natural and artificial lighting, carefully placed mirrors, and a 'less is more' approach to its contents during inspections. Potential purchasers are attracted to a 'clean slate', which leaves room for painting a picture of how their new home might look. Your agent can advise on numerous, relatively inexpensive ways to maximise both your property's appeal and value.

Selling your home is a big step. The most effective strategies will procure the best results. Your local Professionals agent draws on extensive experience and resources to maximise your sales success and can advise further on winning strategies.

## Green is the new Gold!

Building or renovating while incorporating energy-efficient systems could well be substantially increasing the re-sale value of homes, especially as energy and water costs are set to jump dramatically. Consider extra insulation, rainwater tanks (which attract government rebates), energy-efficient lighting, solar hot water, low flow taps and appliances, grey water recycling, and six-star rated appliances.

Simple energy saving solutions are also easy to incorporate into everyday lives in everyday households and businesses. While saving substantial money on energy costs, you'll also be helping conserve our environment. Switch to green power. It might cost an extra \$5 per week, but making other energy-efficient changes easily absorbs the cost. Leave the car at home, car pool, walk any reasonable distances (getting fit in the process!), or take public transport. Here are a few other golden rules:

- Take shorter showers.
- Seal all gaps around doors and windows.
- Switch appliances off at the wall.
- Switch to energy saving light globes and switch off unnecessary lights.
- Wait for a full load before washing clothes and use cold water.
- Air dry clothes instead of using the dryer.
- Ensure fridge seals are intact and close the door quickly.
- Don't turn the heater up. Put on a jumper!

For more home and business energy saving solutions, see [www.energysave.energyaustralia.com.au](http://www.energysave.energyaustralia.com.au).



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