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## More purchasers

David Evans sales staff have hundreds of purchasers who are ready to buy immediately. This is supported by the fact that David Evans finalised well over 1000 successful sales in 2006

## More performance

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REAL ESTATE

September 2007

# News



## What you need to do to secure a successful sale

By David Evans, Principal

**You may well be aware that in a stabilising market it's important for you to attract quality 'early' buyers to your property.**

What is not generally known is that currently many lenders are now being more conservative in considering loan applications. This makes it doubly important to target buyers who have the means to see a deal through.

Because qualified buyers interested in your area are so important you should ensure your chosen agency is a local market leader and has a regularly updated list of current buyers.

### Getting the price right

Experience has shown that in today's market it is these qualified prospects as well as other 'early' buyers that are your best chance of selling your home relatively quickly and at the right price.

To attract 'early' buyers to your home you have to get the price right. Experience has shown that most buyers will just walk away if they believe your price is too high. Almost all will not even bother to make a lower offer.

And because they have already rejected your property, few of them will come back even if you lower your price after a couple of months. They will just look elsewhere.

So unless you want the hassle of having home opens for months on end, price your property realistically. An agent with integrity and experience in the local area will help you achieve the best possible price and ensure your home is presented attractively to those early buyers. In today's market it's increasingly about presentation, presentation, presentation.



*The real estate market is still active and well presented properties in good locations continue to fetch good prices. This home close to the beach in West View Boulevard, Mullaloo recently broke the million dollar barrier, selling for \$1.095m. It was sold by our consultant, Denise Chapman.*

## HOW IS YOUR SUBURB PERFORMING?

Source: REIWA as at June 2007

Suburb	% change last 12 months	5 yr Average Growth (p.a.)	Median House Price last 12 months	Highest Sale Price last 12 months
Clarkson	34.3%	23.9%	\$380,000	\$600,000
Hillarys	19.0%	19.4%	\$750,000	\$2,600,000
Joondalup	26.0%	20.3%	\$485,000	\$972,000
Wanneroo	28.4%	22.8%	\$385,000	\$1,253,000
Warwick	28.4%	19.3%	\$450,000	\$749,000

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**INSIDE**

- Maximising your return means getting the balance right
- Strong demand for Joondalup city units
- Off-the-plan - think local

# Maximising your return means getting the balance right

By Gus Norman Property Manager



**In the light of newspaper reports property owners may be tempted to believe that maximising rental return in today's low vacancy**

**environment is simply a matter of raising the rent, preferably by a sizeable amount.**

For even if the current tenant vacates the premises, because of a substantial rental increase, there will always be tenants prepared to pay the higher price.

This argument overlooks a factor critical to successful property investment.

To maximise your return you need to arrive at a balance between a well priced rental and a responsible long term tenant.

Make no mistake - a good long term tenant is worth his/her weight in gold.

Raising your rent by a big amount without considering that balance could end up costing you more than you gain from the additional monthly income.

In contrast, if you research the market in the area and then implement more modest increases more frequently, you will stand a much better chance of not losing a good tenant. Most good tenants will understand that rentals will increase in today's market. They

will not react well if the increase places your premises beyond the going market rate in your area. This means you should research the market before implementing an increase.

## It's worth keeping a good tenant

The tenant should be given ample notice and any legitimate concerns which he/she has about the premises should be addressed.

This will clearly indicate to the tenant that you value him/her. If you don't take these steps you could end up with revolving door occupancy.

Do you really want to lose a good tenant who looks after your property just because you opted for an extra rent of \$20/week?

And let's not forget the cost of changing tenants - costs such as letting fees, inspection fees, the cost of advertising, any maintenance work and the loss of rental income whilst vacant.

In the end, far from maximising your return, your unwarranted increase could have the opposite effect. Of course getting the balance right takes time and expertise.

If you're not satisfied with your current property management call us and we'll explain how we can help maximise your returns.

The tranquil Piccadilly Circle development.



## Strong demand for Joondalup city units



By Kevin Brincat,  
Joondalup Branch Manager

**Amid continued strong demand, there has been a significant change in the market for units in Joondalup**

Recently residential units in Piccadilly Circle Joondalup, which our consultant Doug Wrigley sold off-the-plan 18 months ago, went to settlement. An examination of the buyers in this mixed use development shows that all but one were investors.

Now, however, the demand is mainly coming from first home buyers, couples and singles who want to live in the units themselves. It is true to say that right now first home owner interest in the area has reached new peaks.

First home owners, singles and couples are attracted to central Joondalup because for as little as \$350,000 they can get a unit in an area with a real buzz and with shopping, education, medical, leisure and entertainment facilities close at hand.

While some have moved to Joondalup to be near their jobs, many just like the lifestyle in the city with its pubs and cafes.

This has also proved beneficial for current and future investors in the area because there is a strong demand for accommodation from prospective younger tenants. If you own a unit in this area this could be the time to cash in your equity. So give us a call and we will gladly discuss your options with you.

## Off-the-plan Should you rather be thinking local?

Right now the local newspapers seem to be flooded with adverts offering investors the prospect of superior rental returns on off-the-plan apartment projects located in Melbourne, Sydney and Brisbane

While many of these offers may seem attractive it is always important to think twice before investing your money in an off-the-plan project in an unfamiliar location.

In the first place because of your lack of knowledge of the market in a distant capital city you may well end up investing in a project that just doesn't stack up.

If, on the other hand, you purchase off-the-plan in Perth it will be a lot easier for you to do all the research you need to do before making a commitment, such as comparing prices, checking out the developer and establishing the rental history and demand in the area.

In all likelihood you will enjoy the additional benefit of already having some knowledge of the area.

In the end there are a few golden rules to follow - get independent advice, understand the fine print and remember success in property investment is all about location, location, location.

