



## Are property prices on the rise again?

By David Evans, Principal

**T**he announcement by REIWA that median property sale prices in the June quarter grew by 4.6% has prompted some to ask whether the market is poised for significant growth over the coming months.

I'm no prophet, but having lived through previous recessions it is true that we are currently seeing the first signs of an improvement in confidence in the market.

This is shown by an increase in sales and a decline in the number of properties for sale to 12,800 at the end of June.

REIWA's president, Rob Druitt says the June quarter median price increase is partially the result of second home buyers trading up. He believes the rise could be a little bubble.

Pointing to the 1991-1992 recession, he says there was a strong pickup in the market for six months in 1993 followed by a fairly stagnant market for the next three years.

While none of us really can forecast the future, I don't expect the increased demand to lead to galloping prices in the near term, partly because of the brake being applied by affordability issues and tighter lender requirements. It's more likely that for a period, prices will either fluctuate or increase marginally. Of course different suburbs will perform differently.



In an indication of the improvement in demand for more costly homes, this property in Woodvale recently sold for more than \$800,000, within a week of being put on auction. Two further properties also sold under the hammer.

Recently, BIS Shrapnel said it expected the WA median house price to go up by 12% in the period from 2010 to 2012. Time will tell.

One thing is certain. There are buyers around and well priced and presented homes are selling. For the first time in a while we are experiencing a shortage of listings.

### Median House Prices

Source: REIWA

	Yr to Sep 08	Yr to Dec 08	Yr to Mar 09	Yr to Jun 09	% change 5 years
Clarkson	\$385,000	\$375,000	\$379,500	\$380,000	15.8%
Hillarys	\$720,000	\$720,000	\$700,000	\$715,000	8.8%
Joondalup	\$472,500	\$462,500	\$470,000	\$470,000	11.2%
Rockingham	\$370,000	\$344,000	\$325,000	\$340,000	10.1%
Wanneroo	\$385,000	\$381,250	\$375,000	\$377,000	14.1%
Warwick	\$455,000	\$445,000	\$470,000	\$455,500	13.1%

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## INSIDE

Rental properties can also benefit from the ceiling insulation grant

Daily price monitoring maximises chances of success



# Rental properties can also benefit from the ceiling insulation grant

**T**he Australian Government is currently offering up to \$1000 a house to help people install ceiling insulation in existing rental properties.

The offer is available for properties that are not currently insulated or have ceiling insulation that is of 'negligible effectiveness'.

In practical terms this means you may only claim for new insulation if the R value of the home is 0.5 or less.

The R value is a measure of the thermal efficiency of the insulation.

The higher the R value the more resistant the insulation is to heat flowing into and out of the home.

Landlords or the tenants may apply for the assistance package. However, if tenants apply they must get written consent from their landlord prior to installing the ceiling insulation.

Whoever makes the application must obtain a written quotation from an authorised installer that is listed on the Government website.



## Meet Lauren

**Lauren Etheridge started off with David Evans Real Estate two years ago as an assistant property manager.**

After spending six months at Head Office, she grabbed the chance to move closer to home, joining the company's Clarkson Rental Office. She worked alongside Belynda and Karyn, the property managers at Clarkson, for about a year before taking advantage of the opportunity to manage her own rent roll in the Clarkson Office.

### March Quarter Rents (Source: REIWA)

Metro vacancy rate: 3.5%.

Median house rental: \$360/week (-2.7%).

Median unit/apartment rental: \$350/week (No change).

Overall Perth rental: \$360/week (No change).

# Daily price monitoring maximises chances of success



**Mike Eldridge**  
**Branch Manager**

**I**t's been around for 20 years under the leadership of the same person so there

is little doubt that when it comes to knowledge of the local real estate market few can match the expertise found at David Evans' Whitfords Office.

Prominently located in the Whitfords Shopping Centre, the office is run by long-time manager, Mike Eldridge who is supported by a team of 11 property consultants.

Its main focus is on suburbs extending from Ocean Reef in the north to the Freeway in the East and to Duncraig and Sorrento in the south.

## **What's selling now?**

So what are things looking like in this area of the market right now? Says Mike, "We are finding that the well publicised strong demand for homes worth less than \$500,000 is starting to flow though to higher priced properties.

"This is clearly indicated by the fact that we recently had four offers within the first week of listing a property in Hillarys at \$879,000.

"In another recent case the first home open for a Hillarys



## **Whitfords branch office**

property drew no fewer than 50 potential buyers - a figure that would have been unthinkable just six months ago."

For Mike local knowledge is critical at this stage of the property cycle. "While there are fewer homes for sale right now, buyers still have a lot of choice.

This makes correct pricing critical. With property values having changed in recent months, purely relying on historical sales figures is not good enough.

Our consultants know and monitor the local market on a daily basis in order to arrive at a realistic asking price in today's market," he added.

## **DID YOU KNOW?**

**The average number of selling days in the Perth Metro area fell by seven days in the June Quarter to 70 days.**

However, according to REIWA, the north-east part of the Wanneroo area recorded a far superior decline of 16 days to an average of just 54 days.



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