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Peak Central

# Property Report

The latest news from First National Real Estate Peak Central

August 2016



**W**elcome to another monthly property market report, one in which I have to say: I am looking forward to the end of this winter!

Furthermore, the assurances from the banking sector that the reduction will be passed on, is good news too.

Apart from the fact that it has been miserably cold and wet for more days than I think is usual, the tempo of property sales continues to be far from exciting. Definitely in winter doldrums!

Winter hibernation tends to come to an end and activity usually picks up in the spring so it will be interesting to see what happens this year.

On a brighter note, there has been an increase in the rate of enquiries, but with 14,374 properties listed on the Perth market as at July 26, the conversion rate is pretty darned slow.

Prospective buyers are taking their time to snap up the very good buying opportunities that are currently available.

The total number of listings recorded in the week ending July 26 was 2% lower than four weeks ago and 4% higher than at the same time last year.

One item of interest was the Reserve Bank's decision to cut the cash rate again to 1.50%.

It will be interesting to see what bearing it has on market activity.

Lowered interest rates theoretically result in property prices being sustained or rising because it increases the borrowing scope of buyers while the reverse is true when interest rates rise.

Interest rates surely can't go down much further, so buyers really should be leaping with joy and coming out of the woodwork.

Maybe they will when the sun comes out.

**Richard Stacey, Principal**

## How to ensure you get the best price for your home

**I**t's the most common mistake in the book. Ask people who haven't looked into the 'dos and don'ts' of selling a home and they're likely to say, under-pricing would be the worst mistake that they could possibly make.

Not so, the most common mistake that causes properties to finish up with an under-priced sale is over-pricing it in the first place.

Being overly ambitious or being led astray by an agent who gives false hopes on the price, possibly to win the listing, is the worst thing that can be done because buyers are savvy these days.

An over-priced property sits on the market for a long time and, invariably the only way to regain interest after it has been rejected by buyers, is to lower the price to make it a bargain.

### How to find a bargain

If you want a bargain – find an over-priced property and wait patiently for the price to be adjusted!

The moral of the story – always use an agent who is familiar with local prices and who provides price evidence of comparable properties.



When it comes to price, it is also important to give serious consideration to the first offer – if it's reasonable. The first offer is often the best, so don't reject it on the basis that better ones are bound to come along.

And thirdly, presentation counts.

This aspect should never be overlooked, yet it often is. To put people on the right track, we have a free report on home presentation that can save them from a down-marked price because of presentation faults.

It's available as a pdf or in print version. Call us and we'll be happy to send you a copy.

## Rental market report

**T**here's a definite danger of our Property Management Division getting swollen heads because they're again achieving success in leasing rental properties while everyone else has been saying it's terrible, terrible!

We achieved success in renting 14 properties in August which follows the leasing of 21 in June and 29 in May.

While 14 may not sound very high, REIWA reported that at the end of July, rental properties for lease in Perth increased to 11,507 which is 4% higher than four weeks ago and 34% higher than the same time last year.

We believe we would have done better had it not be for the school holidays.

While, it hasn't been easy to maintain forward

momentum in keeping our vacancy rate to a respectable level, the fact is we're very low compared with other agencies who seem to be struggling – hence the reason for our leasing team being somewhat cock-a-hoop.

