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Property Report

The latest news from First National Real Estate Peak Central

Well this is it, time to be merry and full of cheer.

I'm pleased to say being cheery is not difficult at the moment because things in the world of real estate are definitely brighter than this time last year and the outlook is much better than at the end of 2015.

Happily, buyers are returning to the market, rental vacancy levels are reducing and we have experienced the joy this year of a considerable number of property management clients referring us to others.

That has given us a lot of positive cheer because it means clients are valuing us, and let's face it, there's not much better in life than someone appreciating you.

2017 certainly wasn't a year for most people in property – be it home owners, home sellers, or an investor to record in their annals as being a great year. However, in time to come those who bought in 2017 are going to have a very different slant on things.

To give you an idea: in December 2014, Perth's median price was $551,500. Today it is $525,000 – up from the bottom point of $510,000. Those who bought at the lowest point are going to make close to 10% on their investment – simply by the market returning to normality, so 2017 will undoubtedly turn out to a positive one for them.

From our point of view we have a lot to be thankful for.

We're still in business. We have many fabulous clients and we're looking towards 2018 as being a better, more prosperous year for us and for our clients.

So what more could we wish for – other than to wish you and your family the very best for Christmas and a happy, successful 2018.

Richard Stacey, Principal

Market continues to show growth

Property sales and rental markets are continuing to show signs of improvement to set an encouraging sign for 2018.

According to REIWA, Perth's median house price has risen to $525,000 while the overall median rent price remained at $350 per week.

The median house price is now 1.9% above where it was in September while the median rent of $350/week has not changed since April, - the longest period of stable price since 2013.

An interesting aspect to come out of the recent market statistics is that first home buyers in the owner-occupier market represented 36.2% of sales. That number was an increase of 17.9% compared to the same time last year.

WA had the second highest rate of first home buyer participation in the country despite the State Government reducing their contribution to first home buyers earlier this year.

While first home buyers do not constitute a large percentage of our sales, they did in fact purchase two properties through us in recent weeks.

With respect to the rental market, our Property Management Department took on 11 new managements and negotiated 18 new leases during the course of the past month to be a positive indication of things to come in the New Year, a traditionally, busy period for rentals

Expectations for 2018

Most forecasters believe interest rates will stay as they are throughout 2018 and Perth property prices to stay roughly where they are for another year as there is still a substantial number to clear before the market cycle is driven upwards.

The tempo of sales may well increase as forecasters are predicting prices to move upwards from the end of 2018. That means fewer properties on the market, so the trend of increasing sales momentum seems likely to continue.

Office holiday closure:

Our office will be closed Thursday December 21, re-opening January 2nd.

Something 'bullish' for a change

Like to hear something 'bullish' for a change – that just might set your heart pumping?

According to a forecast in a recent edition of the publication, 'The Daily Reckoning Australia' quoting a claim by renowned investment bankers, Goldman Sachs there's another mining boom on its way.

While the last one was primarily driven by demand from China, this time, the publication says, it will be driven by a lack of supply.

Goldman Sachs believes the next mining boom is going to be brought on by the fact that spending on exploration has touched a 30 year low which is predicted to become a problem when existing mining operations run-down.

According to the publication, 60% of the world's top 100 mines were built last century and their reserves have been running down for a long time now.

The thinking behind the prediction is that the lag times on getting mines up and running is enormous so that whatever supply is available will be: quote: 'bid up and drenching mining companies in money'.

No doubt you're wondering when this is going to happen. The exact timing wasn't mentioned – though the writer did say he expected commodity prices to move within two years.

All that money floating around will surely be good news for property.