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REAL ESTATE

Peak Central

Property Report

The latest news from First National Real Estate Peak Central

Welcome



Welcome to the first edition of our newsletter for 2017.

I trust the festive season was a good one for you, the headaches have gone and you're now wide eyed and bushy tailed ready for a ripping 2017!

That note of enthusiasm is going to continue in this edition as 2016 ended with a fantastic flourish for our agency.

Sales were particularly strong in December which convinces me that Perth's somewhat depressed property market has bottomed and the buying opportunities for the recalcitrant buyers are not going to get any better.

I think there's a good chance that the many prospective buyers out there who have been waiting for the market to bottom so they can get the best buy possible will be making their decisions very soon and we will see overall market activity continue to improve.

This is despite the pundits predicting a flat market for the remainder of 2016-17 with Perth's median price expected to fall another 0.5% before stabilising and leading to a gradual recovery through 2017-18.

With a State Government election due in March it is to be hoped that the parties will not be pushing for any further increases in land tax rates or property transfer stamp duty.

Interesting to note - the Real Estate Institute of W.A. is advocating

- No increases to stamp duty or land tax rates;
- A commitment to a state tax review to establish a long term tax reform agenda;
- An exemption to seniors wishing to downsize or resize their property;
- An exemption for off-the-plan transactions to help encourage infill targets.

It will be interesting to see what transpires. Land tax has had a hammering in recent years so hopefully it will not be seen any more as a means of improving the state government's budget woes..

Richard Stacey, Principal

Property analyst says Perth market showing signs of passing the low point

According to CoreLogic, a company that analyses property values on an 'Hedonic Home Value Index', Perth's property market values improved by 2.8% for the final quarter of 2016.

This included a 1.4% improvement in December.

It rates the overall performance of the median price for the past year as houses having fallen by 4.3% while the median price of units decreased by 3.2%.

Its assessment of the Perth property market having moved into positive territory does not surprise us as we have been busy throughout the quarter, especially in December.

It should be added that we are seeing at the beginning of the year, a lot of interest which may well convert to being another positive quarter.

Interestingly, CoreLogic's assessment of rental yields has Perth yielding 3.6% per annum for houses which is .5% above the national average and 4.2% for units (.1% above the national average).

CoreLogic's assessment of the national property market since the Global Financial Crisis has Sydney's dwelling values having almost doubled, rising by 97.5% since January 2009, Melbourne's increased by 83.5%, Canberra by 32.6%, Darwin 23.9%, Hobart 7.9%, Adelaide 17.3%, Brisbane 14.4% and Perth 8.0%.

The Hedonic Home Value Index is claimed as being the most accurate means of assessing what is happening in a market as the calculations are made using sales data combined with information about the attributes of individual properties such as the number of bedrooms and bathrooms, land area and geographical context of the dwellings. By separating each property sold into its various formational and locational attributes it claims to have a more accurate means of following trends.

Further details: www.corelogic.com.au



Rental market starts the year with strong interest

Well priced rental property is continuing to attract a surge of interest from prospective tenants.

We displayed a property for lease during the first week of the New Year to have 15 people through it.

This follows on from a positive trend last year that saw our property management team achieving success in attracting tenants for a considerable number of properties.

The key to successful letting of properties has been the fact that owners have appreciated the situation of the rental market and have been prepared to adjust their rental levels to retain and attract tenants rather than risk having their property vacant for a number of weeks before facing the inevitability of reducing the rent.

This realistic approach of rental property owners has taken into account the fact that Perth's rental market has well and truly transitioned from the heady days of the mining construction phase and is undergoing a period of supply exceeding demand before population growth gets it back to a period of normality which will be somewhere between where we are now and what it was like in 2013/2014.

This will see rentals rising again to give owners a better yield. Interestingly, the rental yield once the strongest in Australia is still marginally above the national average but trailing that of Canberra, Hobart, Adelaide and Brisbane.