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Peak Central

# Property Report

The latest news from First National Real Estate Peak Central

## First 6 months a mixed bag



**W**elcome to our July Property Market Report, a start to the new Financial Year, a year that I trust will be a profitable one for you.

The past 12 months have certainly offered a mixed bag of circumstances for people in the property market.

There are those who have fared exceptionally well through upgrading – buying and selling in the same market, while others have had to accept the market is as it is and while they have grimaced, they have moved on with their life.

The topic on most West Australian's thoughts when it comes to property is how long is it going to be before we have a turnaround.

According to figures compiled by CoreLogic, there has been a gradual decrease in WA property values of about 10% since December 2014. However, CoreLogic believes a change is emerging – stating that sales over 2017 are 4.3% higher than the same time a year ago.

Core Logic's analysis shows that the number of properties for sale is gradually declining - an indication that the market may be heading towards a balance between buyers and sellers.

We believe a bottom point has been reached. We're not alone with this view as investors have been coming out to buy, and as you know most investors see timing as being 'everything'.

Another interesting point: According to reports, first home buyers in WA represented 17.2% of the national total of first home buyers – but more importantly, they represented some 31.5% of the buyers in the owner-occupier sector of WA home sales.

Moves are obviously afoot; a number of forecasters are predicting a better scenario in 2018 so it will be interesting to see what the next six months of 2017 brings.

**Richard Stacey, Principal**

## Have you thought about delaying your sale and renting?

**W**ith the property market the way it is at the moment, if you're wanting to sell your home, but prices aren't meeting your needs, have you considered putting the sale on abeyance for the time being and renting?

We have several properties under the care of our Property Management Department where their owners have moved interstate – and because the market is not likely to achieve what they want, for the time being they have decided to put selling off until it strengthens.

If you're in this situation, be assured we are not the kind of agency that would try to convince you to sell. If it suits you, you can have your property properly managed by our property management personnel.

That means you can move, obtain a rental income and we will report to you from time to time as to what is happening in the market, so you can decide whether to sell or not.

You can also be assured that we will give you a realistic assessment of the likely rent that will be achieved, that the prospective tenants will be well screened before



placement and that property inspections will be undertaken regularly to ensure your home is well looked after.

As a matter of interest we achieved 35 new leases during June. Of these, 10 properties were new managements so there is movement happening in the rental market, despite the season being winter, one of the slowest periods of the year.

On a personal note, please be assured that we care greatly about your outcome in the property market. You are always welcome to contact us at any time to discuss the market and the analyses we can give you, so if renting for the time being could be a possibility for you, please call to discuss it further.

## State Govt creates new scheme for revenue raising

**T**he new State Treasurer, Ben Wyatt has recently announced that the \$15,000 First Home Owners Grant (FHOG) for newly built homes will be reduced to \$10,000 on 1 July 2017.

The reduction of \$5,000 on new build homes will make it marginally more difficult for first home buyers to get into the market, but it may influence them to buy established homes rather than new.

Consequently, it has been welcomed by the Real Estate Institute of WA.

At the time of increasing the grant to \$15,000 and making it specific for new buildings, Premier Colin Barnett said the

decision was made to give more assistance for first home buyers to enter the property market, to stimulate construction in WA's housing market and provide around 2,000 new jobs.

Another move made by the State Government has been to introduce a \$270 levy for investors whose property brings a gross annual rental value of \$24,000 or more. The levy will be linked to water rates.

Mr Wyatt has said the levy is a measure aimed at improving the State budget.

It has been condemned by REIWA on the basis that it believes it is inappropriate when there is a 6.5% vacancy rate across Perth.