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REAL ESTATE

Peak Central

# Property Report

The latest news from First National Real Estate Peak Central

February 2017

## Welcome



**H**ere we are, into the second month of the year already. Are the days rolling on faster or are we just more preoccupied? Whatever, January seems to have gone by very quickly.

And so it was with the property market. We saw a real change of activity in December and I can tell you, the pace has continued as property sales are continuing at a quite healthy pace.

I should add that most of the activity has been in the sale of houses.

The market for apartments continues to be in the doldrums.

How long that will last is difficult to predict.

Investors are starting to come out of the woodwork now as they're realising that the market appears to have bottomed and that buying opportunities are never going to get any better.

That will probably translate to apartments as well in the near future. There is no doubt that a point has to be reached when prices are too good to ignore.

If you are a potential investor, I strongly believe there are blue skies ahead.

There are excellent buying opportunities out there, interest rates remain fantastically low and rental levels will gradually recover. The way rental levels are at the moment it is difficult to achieve much of a return immediately, but that will change in time and the long term potential for capital growth is, in my opinion, very strong.

If you're thinking of selling and buying again – do bear in mind that though prices remain relatively subdued, if you buy in the same market, you should fare well, especially if your intention is to upgrade to a more expensive property

**Richard Stacey, Principal**

## REIWA confirms market tempo has indeed strengthened

**Y**ou may recall that in our last newsletter of a month ago we reported how the tempo of property sales had improved in December.

Well, the Real Estate Institute of WA has just confirmed what we have been saying – that the level of demand has made significant improvements.

Perth's median house price held firm over the December quarter at \$520,000 which was the same as the September quarter and 5% higher than at the same time in 2015.

It is interesting to note that sales of houses priced below \$500,000 rose 12%.

This is likely to be an indicator of increased investor activity and also that of first home buyers. That's a good sign because an increase in this level of the market will mean there will be an



increase of activity in the next level up – and so the activity will percolate upwards.

It would not come as a surprise to see the tempo of Perth's property market continue to gain pace because there has been a large number of prospective buyers simply looking and holding back from buying because they have been waiting for an indication that the market was at its lowest.

## Our thanks for the many referrals

**W**e would like to extend our thanks to the many property owners who have referred other owners to our property management department.

The result has been that our property management division has had a significant increase.

We believe this is because of our greater level of success in retaining tenants – keeping investment properties occupied. The proof is that our vacancy rate continues to be below the state average.

### Dedicated team

The other reason that we seem to be having a large number of transfers from other agencies to us is that we have a dedicated team.

We have people whose sole role is to manage our client's properties, we have a dedicated trust account manager and a business development manager who undertakes appraisals rather than having the property managers take the time out for this task.

In other words, we're taking the task of property management very seriously rather than it being a mere add-on to the sales department

## More positivity than the politicians and media are saying

**Judging how the property market has been running over the past few months we believe there is more positivity in WA than what is being acknowledged by the media and the politicians seeking a 'media grab' for the coming state election.**

We're seeing plenty of people with a positive approach who have adjusted from the fact that they're not likely to be making a squillion at a mine site and have got on with life.

The contrast from what we're seeing at the moment and what is being portrayed has never, in our opinion been greater.