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REAL ESTATE

Peak Central

Property Report

The latest news from First National Real Estate Peak Central



Welcome to our June 2016 property market report.

There's no getting away from the

fact that it's been a tough market for selling property, but the news does appear to be getting better.

There's a general consensus of opinion that the market is showing signs of having hit the bottom and is just bumping along rather than making a revival.

People are buying after becoming convinced of the value of well-priced, well-presented homes, but typical of this stage of a property market cycle, there are prospective buyers sitting on the fence hoping for further price reductions.

A market revival won't occur until the numbers of properties available are reduced by more people committing to a purchase.

An election campaign always slows activity as many people feel there's an element of uncertainty but this will inevitably pass and activity will resume.

With the market bumping along on the bottom, there's the potential of capital growth in the long term as and when this cycle goes through the process of regaining its momentum.

Richard Stacey, Principal

If you're able and keen to upgrade now is the time to make your move!

This might come as a surprise, but the current quiet housing market is a great opportunity to upgrade to a bigger, better home if you've built up equity in your existing home.

So how does that work in a depressed market?

If your home was worth \$350,000 a year ago, but is now down by 5%, you may only get \$332,500 for it now.

However, if you're buying a home worth \$600,000 a year ago, it's now worth \$570,000.

So you're down \$17,500 on the sale and \$30,000 better off on the purchase, which sounds reasonable but you actually fare better than this because higher priced properties tend to be reduced by a greater percentage than lower priced properties. What's more, the reduced price means you pay less stamp duty.

A number of finance brokers have reported that home upgraders are representing a substantial percentage of the loans, especially as interest rate reductions increase purchaser buying capacity.

29 PROPERTIES LEASED LAST MONTH

Despite the rental market being in a quieter time than the first quarter of the year, our office's Property Management Division has been remarkably busy.

In addition to normal property supervision and inspection duties, we have obtained tenants to fill 29 vacancies.

That's quite a success rate, considering the rental market has been slow.

Fortunately our property management clients have accepted the market scenario of supply exceeding demand, so we've been able to offer the properties at a marketable rental level and get them occupied..

Demand is very strongly cost driven and interest is without doubt strongest near to nodes such as Cockburn Central that are well endowed with amenities and public transport.

PROPERTY OF THE MONTH **58 Frederic Street, Wanneroo**

This 2177 sqm property offering development opportunities for up to 12 home units has to be among the best we've seen for some time.

It is superbly located – a short walk from Wanneroo Central Shopping Centre, parks, Lake Joondalup and not far to a nearby school.



The property currently has a 3bedroom, 2 bathroom house making it an ideal holding property that can earn a rental income while planning is underway.

Priced at a realistic \$1.45m, it should not remain on the market for long.

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