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REAL ESTATE

Peak Central

Property Report

The latest news from First National Real Estate Peak Central

Still tough going...



Welcome to our property report of August in which I have to tell you that achieving sales in the Perth property market has yet to become easier.

That does not mean sales aren't happening. They're happening – quite a lot of them in fact, but it has been really tough going to get them over the line.

The challenge is that many buyers are somewhat naively trying to almost steal a property. Because the market has been slow there is the idea that they can expect even more discounting when they make, in some instance, absurd offers.

Getting buyers to see reality and to appreciate that most sellers have met what we believe is where the market is at and for the buyers to realise that they are obtaining value has been quite a task in some instances.

Fortunately there are intelligent, aware buyers out there, but others are taking a lot of convincing.

While we have sellers who are keen to sell and buy in this market there are, however, some people who would like to achieve a sale but they're simply not in a financial position to sell for what the market is achieving. We're recommending that they hold off for another year or so and if they absolutely must make a move, that they leave their property with us to rent out for the time being.

At least this way the property is being held for another day when the market strengthens, and in the meantime rent is being obtained to contribute or cover the mortgage payments.

It's not an easy world at the moment for those who need to sell, but it will change again to the benefit of the seller. At present it's a sell and buy market – you sell for what you can get and buy well.

Richard Stacey, Principal

REIWA reports good buying in top level suburbs

The Real Estate Institute of W.A. has recently reported improved affordability in some of Perth's million dollar suburbs.

Their report illustrates the fact that upper echelon property has had to undergo a greater level of adjustment in the Perth property market over recent years.

It is further evidence to what we have been saying for the past 18 months – for those people in the happy situation of having a strong level of equity in their home, there has never been a better opportunity to upgrade to a higher level property.

The Institute has cited the following as examples:

Peppermint Grove: April 2012 median price \$3,750,000; April 2017 median price \$3,350,000

Applecross: April 2012 median price \$1,380,000; April 2017 \$1,155,000

North Coogee: April 2012 median price \$1,250,000; April 2017 \$1,155,000

City Beach: April 2012 median price \$1,715,000; April 2017 \$1,637,500

Nedlands: April 2012 median price \$1,507,500; April 2017 \$1,462,500

Interestingly, in 2012 it was taking an average of 120 days to sell a Peppermint Grove property. It is currently taking 90 days.

Whilst few of us are in the luxurious position of taking advantage of the market in the above localities, it does illustrate the point that there are opportunities if you have the confidence and ability to sell and buy in this market – and wait for the profits which will occur when the market recovers.



There are still good quality tenants to be found

Despite reports of the rental market being flat we're finding that there are good prospective tenants, keen to obtain a home to lease.

Sure, they're aware that rentals are well below the heady mining boom construction phase days, but nevertheless demand is there if the rental level is set right.

Our property management division achieved 24 leasing's during July with nine new managements being secured.

Our thanks to the new management clients

who have shown their faith in us by taking us on as their property managers and to the very kind clients who have referred other property owners to us. We do appreciate it.

It is really nice to have the glowing testimonials that you have given our staff. It makes us feel great knowing that our clients are aware of the market realities and that we're doing our utmost to get the best we can for them.

To read these testimonials please visit our Facebook page.