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Peak Central

Property Report

The latest news from First National Real Estate Peak Central



Welcome to our first Property Market Report for 2018, one in which I'm feeling quite optimistic for the coming year's property market.

December 2017 finished the year well and I'm getting the feeling that there is greater positivity than there has been for the past 12 to 18 months.

The mining sector seems to be having somewhat of a resurgence with several new mines being approved, and from what I understand, the population trend has swung back to arrivals in W.A. exceeding departures again.

We had a good month in sales, buyer enquiries were the strongest for quite a while and we leased 18 properties.

The leasing figure was less than some earlier months, but when you consider that there are really only three effective working weeks in December – and what's more, there are not many people who want to be in moving mode or unpacking boxes over Christmas.

We'll see far more activity in rentals from mid-January to early February.

The final quarter of the year saw our Property Management personnel with 32 new managements to look after. This was fabulous as growth in this area is important as it enables us to consolidate and then add to our team of property management specialists.

One final point: the Real Estate Institute of WA reported that as at the beginning of January the number of properties for sale was 11% lower than four weeks ago and 6% lower than the same time last year.

There were 9,094 properties for rent. 2% less than 4 weeks ago and 14% lower than the same time last year.

This gradual decline is exactly what we want and is evidence that the pendulum is slowly swinging in the right direction.

Richard Stacey, Principal

2018 likely to see a more active property market

We're expecting 2018 to be a busy year because it simply makes sense for three areas of activity in the property market to come together.

First up, with the market having turned in the last quarter to show clear evidence that the bottom price point has come and gone, there is likely to be a far greater level of activity from first home buyers and investors.

Thanks to the extraordinarily low interest rates remaining, and overall home values being roughly 11% less than the peak of 2014, first home buyers are not likely to see better affordability ever again – or at least, for many years to come.

Secondly, according to CoreLogic's analysis, rental returns grew by 3.8% on houses and 4.3% on units in 2017 to be an encouraging sign for investors.

First Home Buyers and most investors are likely to focus on the lower end of the property market which will create the sales needed for those who are keen to take the opportunity presented in this market to upgrade.

The top end of the Perth property market was undoubtedly the worst hit by the market downturn and it still presents a fabulous opportunity for people at all levels of the market to make a move upwards.



A recovering market - this is the time when property market super heroes are made

We expect to see an increase in all three areas of activity in the market this year with the result that by the end of year the median price movements will be back in the black.

CoreLogic's senior property analyst, Cameron Kusher made the point in a recent report that Perth has seen a massive amount of new home construction with relatively little construction in new home units – unlike many of the other capital cities across Australia.

The end result of this is that by Perth avoiding the apartment glut that has occurred in other capital cities, values of home units have stabilised and should see an upwards movement in values this year as well.

Real Estate scam attempt foiled

A scam attempt to steal more than \$200,000 from the settlement of a property is a warning for property purchasers to look out for fraud attempts.

The buyers, who were in the process of purchasing a home in Mandurah had received an email claiming to be their conveyancer, asking them to deposit funds into a bank account to finalise a house purchase.

They noticed the email address was slightly different from that of their conveyancer, and on making contact with them, discovered that they had been sent a fake email.

Consumer Protection acting commissioner, David Hillyard, said the buyers would have been the

losers if they had not been so astute.

He said that being suspicious about any email seeking money and double-checking authenticity was good practice, especially when large amounts were involved.

It is likely that the scammers had hacked into an email account, obtained information of a transaction being underway, then cloned the email addresses to have the funds put into a bank account under their control.

He added that it was essential for buyers, sellers, real estate agents and conveyancers, to double check email addresses and bank accounts before sending or authorising the transfer of funds.