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REAL ESTATE

Peak Central

Property Report

The latest news from First National Real Estate Peak Central

Sales continue to improve



We have really had to work for them, but by crikey sales are indeed happening.

We have now had several good months of sales –

and in fact, it was particularly heartening to have one property in Victoria Park sold at the first opening.

Shades of the old days?

Far from it unfortunately, as the personnel in our sales team have had to work hard on the phones to achieve them because the reality is that though February sales across Perth improved by 8% over January, buyers are still quite tentative.

We have taken the approach of every prospective buyer enquiry being logged, and the approach is that if the buyer is not interested in the property shown, then we'll follow up and if possible, offer them something else from our listings.

We feel that's a better alternative than them going elsewhere.

By phoning and telling them that we have another property that could suit them, they're being made to feel special.

And I have to say that it has been working.

We had a very good month – just had to work a lot harder to achieve it.

The sales have been to a mix of buyers – several first home buyers, a couple of second home buyers and one or two investors so we have had a number of sellers happy to be able to move on to their next project.

According to REIWA sales across Perth were up in February while the first week in March saw a downturn of about 27%. I don't know if other agencies are using the approach we have adopted in sales so it will be interesting to see what eventuates this month.

Whatever, if you have a property listed with us, you can be assured we will be giving it our utmost in achieving a sale for you.

Richard Stacey, Principal

Rental market report:

A busy month for us despite the news being not so good for Perth, overall

With 29 leases being achieved and 10 new properties being taken on board to manage for their owners, we have to say that we were reasonably pleased with how the rental market fared in February.

In fact if you don't count the new managements, our vacancy rate is down to 3% which is well below what the average is in Perth at present.

The growth of our portfolio – as a result of the success we have been having is likely to result in us putting on another Property Manager in a few months because the secret to getting the good results we're enjoying is to have a specialist team.

Our team is backed by a team support person – a full time person who supports the remainder of the team, by taking over inspection schedules when a person is on leave so nothing is left on the table in the event of holidays or a person being absent due to illness.

Median rentals

While we have to report that rental levels remain soft, according to REIWA they're 7% above the same time last year. The median for houses is currently \$375/ week and for units, \$340/ week.

Much to our surprise, REIWA reported that leasing activity actually declined in February – though it lifted 5% in the



preceding three months.

One happy note is that despite the decline in February, the leasing levels compared with February 2016 were up by 7% so overall, the rental market seems to be tightening a little across Perth – compared to last year's performance

Snooze and you'll lose!

To my way of thinking the market is murmuring to prospective buyers – 'you snooze and you'll lose' because the tempo is gradually improving.

Some buyers are being misled by the median price.

Perth's median price in February went down by about \$2,000 giving some

people the impression that the market is continuing to recede.

The reality is that there is a predominance of lower priced houses selling which tends to skew the median down.

We think that those who are waiting for the market to bottom in an attempt to buy at the cheapest are about to miss the boat.