

As we head further into winter, we consider the uncertainties surrounding the market, both locally and internationally. We also discuss what current opportunities are available when buying and selling a home, and finally, what direction we can expect for the future. ~ Kerri Hancock

Property News

Property market direction?

With winter bringing falling temperatures to Melbourne, the supply of property has slowed and auction clearance rates have stabilised at around 55%. The past 6 months have seen a number of occurrences which have somewhat dampened consumer and business sentiment locally, including natural disasters in Australia and economic crises in Europe and the US.

On the other hand, our 1 in 100 year mining boom has been creating strong economic conditions. The terms of trade for April was \$2.3 billion, up \$716 million from March. This is the result of gold, coal and rural goods being exported to Asian countries such as China and Korea.

However, there are reports of weakness in retail and non-mining sectors. Consumer confidence is at a two year low, which has been reflected in near record savings levels and falling residential home loan approvals.

Local agents are reporting that the real estate market has slowed in buyer and seller activity

and that it is 'patchy'. The number of sales transactions are 23% lower than they were the same time last year. Agents are also reporting that quality, well priced homes and units, are still seeing a good number of inspections and are achieving prices well above the vendor's expectation. Those properties passed in on auction day are often being sold within a week or two.

Stability in the US and Europe should return in the next few months, bringing with it an increase to consumer and business confidence. Interest rates are likely to remain on hold for the rest of 2011 but are expected to rise in 2012. Spring should see an increase in the number of properties coming on the market. Expect shrewd vendors to be carefully timing the sale of their home.



Did You Know ...?

Should I buy now?

By Peter Sarmas (Grad Dip. Property)
Street News

The property market has certainly changed; we are no longer experiencing the booming conditions of the past two years, but a more subdued and 'balanced market'. Serious vendors have adjusted to current market values, while buyers have become more cautious and undecided. But is this justified and should you be actively buying in these conditions?

According to the REIV, Melbourne median house prices have fallen from \$601,500 in the December 2010 quarter to \$590,000 in the June 2011 quarter, a difference of 1.8%. In regional Victoria median prices actually grew by 8.5% this year and 1.6% for the quarter to \$325,000. The last two years have seen strong buyer activity, with many properties attracting numerous inspections and multiple bidders. Buyers have been complaining about being outbid and

many saw property prices rise outside their reach. Recent poor consumer sentiment though is providing some of the best buying conditions since the Global Financial Crisis in 2009. Reduced buyer numbers are creating opportunities to purchase properties at a discounted rate, but timing is critical.

Buying and selling a home is a big decision and, when done in the same market, can be cost effective. Do your homework and know your market. Base your decision on facts and what you can afford to repay on your mortgage; allow for future interest rate rises. Finally, seek expert property and financial advice to help with your decision.



Agent Profile



Bayview Real Estate is a small specialized boutique agency, ideally located in the Main Street of Mordialloc. As such we can offer a completely personalized, one on one service to you. The agent who begins your sale will see it through to the happy conclusion of settlement.

When you entrust your property to Bayview Real Estate you can do so confidently knowing that we will act as your partner to ensure a successful outcome. We understand that buying and selling a property is a major life experience - it is likely to be one of the largest financial decisions you make.

Kerri has a reputation for consistently exceeding clients expectations and obtaining outstanding results. Kerri understands the importance of customer service and her greatest satisfaction is seeing her vendors delight with the results she achieves.

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If you would like more information, please call on one of the following numbers:
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Regards,

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