

Fairlight's Real Estate Agent Since 1997

Source RP Data Property Pulse 30 May 2008

Properties Listed For Sale

The number of new residential listings entering the Australian property market has dropped below the 12-month average for the first time since the Christmas / New Year period. This is an encouraging sign for the market, as total stock levels have been mounting since the beginning of the year. There are currently in the order of 125,000 residential properties for sale in comparison to most of 2007 when the market was operating at stock levels in the order of 80,000 properties on the market at any one time.

Source-extracts from RP Data Property Pulse 23 May 2008

Time To Buy?

For those potential buyers with their finances in order, the current market conditions provide some fantastic investment opportunities.

Property vendors experienced jubilant times during 2007. Properties typically sold within a month of being listed, there was minimal negotiation on their asking price and the competition amongst buyers pushed real estate values into double digit growth. It was a sellers market.

Market conditions are different now. Properties are taking longer to sell, there is more movement on the asking price of properties in the market and stock levels are mounting due to decreased levels of buyers activity. It is now a buyers market.

A quote from Warren buffet, the worlds richest man and renowned investor, sums up the buyers market perfectly: "Be wary when others are greedy, and greedy when others are wary". I think we can safely say that the market is quite wary at the moment; investment levels in Australian real estate market haven't been this low since the end of 2006.

With less market activity, potential buyers now have less competition. This means more time to research the market, select appropriate properties and negotiate on the purchase price. In addition, stock levels in the market are mounting, providing a wide range of housing options and prices. In essence, this is a buyers market, where buyers hold the upper hand.

The other encouraging sign for investors is that rental returns are now showing the first signs of improvement since late 2006.

Buyers who have their finances in order should be rubbing their hands together at the opportunities that abound in the market today.

Vendors, on the other hand, need to become re-accustomed to the change in market conditions. For those owners who are considering placing their property in the market, here are a few tips that may assist with obtaining the best possible price for your property:

- ▲ Most importantly, be reasonable in your asking price. Gone are the days of factoring in tomorrow's prices for today's sale
- ▲ Market the property well—when there are fewer buyers in the market you need to make your property stand out from the crowd and grab the attention of the market place
- ▲ Consider alternatives to auctioning the property—auctions work well when there is competition amongst bidders, something that cannot be guaranteed during a buyers market. If you are against a private treaty sale try an expression of interest or tender campaign
- ▲ Negotiation skills are very important under these market conditions because there are likely to be some cheeky offers. Select a real estate agent with a proven negotiation ability.

Agent's Comments

We whole heartedly agree with this article when the author says, it is an exceptional time to look at purchasing residential real estate. In particular, for those purchasers looking to buy an investment property, who will be relying on rent receipts to assist paying their mortgage. Nevertheless, when looking at the market we see, not all suburbs are under the same stress and some are still showing signs of enduring strength.

We also note that the time to buy may not last long. As you can see from the first article in today's newsletter, there are early signs the number of new properties coming onto the market has started to decline. Experience tells us the market can change quickly. We only have to look as far back as August 2007 to see the number of properties on the market climb in the space of 4 weeks from around 80,000 to over 100,000 and continue to climb above 120,000 in successive weeks & months

Source domain.com.au newsletter 2 June 2008

Sydney Auction Results

On the weekend of Saturday, 31 May 2008 262 properties were put to auction in the Sydney real estate market. The results were as follows:

	3 May	31 May
Total Auctions	289	262
Sold	173	161
Withdrawn from Auction	37	35
Clearance	53%	54%

9/127 Bower Street, Manly
Bower Street 1 Bedder!



Fantastic opportunity to buy into Manly's premiere street at a basement priced entry level. It may only be small at 25 square metres but in real estate position is everything. Located at the top of the stairs, which lead up from South Steyne Beach, this top floor one bedroom unit is a stroll around to Fairybower for a quick dip in the ocean reserve and a leisurely coffee on the way home. Catch the ferry to work or better still to the Opera House for a special night out.

Don't be fooled, this unit may only be a small 1 bedder but it represents much better value than many similar sized and priced properties currently on the market, which have far less potential to be improved or upgraded.

The fortunate purchaser of this property will acquire a great singles pad, a fantastic Sydney weekend retreat or a solid long term investment, which will see strong rental returns and consistent capital growth.

For Sale

Over \$289,000

Inspection

Saturday's 1:00 -1:30 pm
 Wednesday's 4:00 - 4:45 pm
 or by appointment at other times

Contact

Shane Spence

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If you have any queries regarding this newsletter, please contact Shane Spence on 0412 226 722.