

steady as she goes – property market



Graham Morrison

The auction level and clearance rates are at good levels, the Reserve Bank of Australia has held interest rates in July settling Melbourne's property market into solid territory after the unsustainable heady times of last year.

REIV data states there have been around 13,000 auctions to date across Melbourne of which around 69 per cent

have sold. At the same time last year there had been around 11,000 auctions with 83 per cent sold and in 2006 there had been around 9,000 auctions with 71 per cent sold.

A point of interest is the number of properties passed in on a vendor's bid. This year we have seen 22 per cent compared with 10 per cent last year. Whilst a significant variation, it is in line with 2006 when the figure was 19 per cent and 2005 when it was 21 per cent.



Property prices have settled into a strong market.

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urgent repairs on rental properties

In Victoria, landlords are governed by Residential Tenancy legislation. Under this legislation 'urgent repairs' are defined as burst water service, blocked or broken toilet system, serious roof leak, gas leak, dangerous electrical fault, flooding or serious flood damage, serious storm or fire damage, failure or breakdown of any essential service or appliance provided by the landlord or agent for hot water, water, cooking, heating or laundering, failure or breakdown of the gas, electricity, or water supply, any fault or damage in the premises that makes the premises unsafe or insecure, an appliance, fitting or fixture which is not working properly and causes a substantial amount of water to be wasted (this can include dripping taps), a serious fault in a lift or staircase in the rented premises.

Tenants should seek advice as to whether problems are of an urgent nature and the repairs should always be reported in writing. Ideally the tenant and the landlord should agree that the repair is of an urgent nature.

Working with our Landlords, we attend to urgent repairs quickly and employ qualified tradespeople to do the work. We ensure that our Landlords are aware that Tenants have the right to commission work if the urgent repair is not done within a specified period of time...usually 24/48 hours after it is reported.

A thorough understanding of the legislation and an extensive and developed relationship with skilled and reliable tradespeople is vital in successfully managing a rental property instilling confidence in the Landlord and tenant alike.



Call in the experts.

renovate or move?

Big question, but there are some factors that could assist in your decision.

The building industry has slowed on a macro level but for residential renovations and extensions the picture is one of almost full employment. The wait for a local builder to consider your project, let alone complete it, can be many months, sometimes 6 – 12 months. While this lead time can be planned for, it often opens the door to inflated prices on the back of this high demand and a shortage of supply.

Trade unreliability and unavailability also puts enormous pressure on the time required for the completion of even the most modest project and potential costs such as renting somewhere else and builder contingency allowance all add greatly to the end cost. Add to this living in a bomb site or in lesser accommodation and the relentless and numerous decisions required at every stage of the project should be considered.

The other alternative is to consider

moving to a home that has what you want and need.

While all of the pain of renovating or building disappears, the extra costs of selling fees, stamp duty and moving costs plus the likelihood that the improved property would likely cost more all add up and may make you think twice about this path. Also you must factor in the pain and suffering involved hunting and winning the right property within your budget.

You may also be surprised to learn that the difference in price between a fully renovated home and a less than fully renovated does not fully reflect the full value of the improvements.

The cost for each can be reasonably calculated financially, but the intangibles such as inconvenience and stress may well direct your decision.

If you do find yourself with this quandary, please don't hesitate to ask one of our experienced staff to help you sort through the pros and cons.



Moving may save you more than dollars.

bye-bye gazumping – the fall of hammer is now final



At the fall of the hammer, the property is yours.

As of June 30, 2008 all public real estate auctions conducted in Victoria will be bound by a new law which prohibits gazumping or bids accepted after the fall of the hammer.

In order to instill confidence by bidders in the auction process and to protect successful bidders, the law prohibits any further bids being entertained or accepted after the fall of the hammer at auction.

Agents are required to display the new rules at every auction site for at least 30 minutes before the auction begins.

In addition to displaying the new rules, before an auctioneer calls for bids he or she must announce to bidders that the rules of the auction prohibit the auctioneer from accepting bids or offers after the property has been knocked down to the successful bidder.