

first home buyers, the time is nigh!



Peter Kleeman

Prices have levelled out from the boom times of last year, interest rates have been cut a whole one percent and according to Rory Robertson, Macquarie interest-rate strategist, "The RBA seems likely to cut its cash rate all the way back to 4.25% within two years". Rents are through the roof and the state and federal governments are bending over backwards to give you cash to fund your first home... so, what are you waiting for?

Don't think that the First Home Buyers Grant and the First Home Saver Account schemes will be around forever, as they are politically based programs used ostensibly to stimulate the housing industry or curry favor with voters.

Peter Kleeman of Morrison Kleeman says, "It cannot be understated the

outstanding opportunity these schemes present to first home buyers in this current climate... my advice to first home buyers is to make your move now if you possibly can".

The schemes available – the basics

The First Home Buyers Grant:

Santa Rudd has dug deep into his bag of bucks and committed an unprecedented amount of money to first home buyers... see table below.

For further information see: www.firsthome.gov.au and select your state or territory.

First Home Saver Account

On 4 February 2008, the Federal Government launched the First Home Saver Accounts to encourage and assist first home buyers to save for, and purchase, their first home via a combination of low taxes and government contributions.



First home buyers, run don't walk to home purchase.

Contributions – For eligible, first home purchasers, the Federal Government will contribute 17% of the first \$5,000 (indexed) of individual contributions made each year.

Taxation - Contributions will not be subject to tax. Investment earnings (or interest) will be taxed at a rate of only 15 per cent. Withdrawals will be tax free if applied to the purchase of a home to live in.

For further information see: www.homesaver.treasury.gov.au and select your state or territory.

Addition to First Home Buyers Grant:

Premiere Brumby announced on radio recently that first home buyers could receive an additional \$2000 for construction of a new home, and an additional \$3000 if the home was in the regions.

As this publication goes to print there's talk of stamp duty reductions for first home buyers as well.

Contract Date	Conditions	First Home Owner Grant	New First Home Owner Boost	First Home Bonus*	First Home Owner Regional Bonus*
From 14 October 2008 to 30 June 2009 *This information has been taken from the Prime Minister's Media Release dated 14 Oct 2008. This information is subject to formal approval.	Established homes only	\$7,000	\$7,000	\$3,000	\$0.00
	Newly constructed homes in Metropolitan Victoria only	\$7,000	\$14,000	\$5,000	\$0.00
	Newly constructed homes in Regional Victoria only	\$7,000	\$14,000	\$5,000	\$3,000

Morrison Kleeman Estate Agents Pty Ltd

968 Main Rd, Eltham 3095. Phone (03) 9431 2444

2/86 Grimshaw Street, Greensborough 3088. Phone (03) 9435 7666

Email: sales@morrisonkleeman.com.au

Internet: www.morrisonkleeman.com.au

what to make of the property market signals

The Reserve Bank of Australia has just lopped off one whole percent off the cash rate, the share market has retracted and share market investors are looking to park their money, building approvals are down, the clearance rate is steady while many areas are showing stable prices. With the start of the Spring selling season what does this mean for the property market?

What's moving property prices?

Rory Robertson, Macquarie interest-rate strategist stated just before the RBA announced the cut "Overall, my guess remains that the RBA's cash rate is on the way down from 7% to 6% to 5% and towards 4%. The RBA seems likely to cut its cash rate all the way back to 4.25% within two years."

Most property market commentators believe that 2007 was an unsustainable



There are plenty of signs to read... but what do they mean?

boom year for Melbourne property and after the cooling of prices early in the year we should see some stability of prices with little growth. REIV CEO Enzo Raimondo said the latest median price

for a detached home in Melbourne has recovered much of the ground lost in the March quarter, increasing by 4.9 per cent from \$430,000 to \$451,000 in the June quarter. Recent anecdotal evidence would suggest that the September median prices would have dipped slightly across Melbourne, while suburbs within 10 kilometers of the city should remain fairly stable.

Graham Morrison, Director of Morrison Kleeman says, "While you could expect to see the property market retract in light of the economic struggles around the world, Australian and indeed Melbourne property prices, are showing resilience.

Advice to sellers is along the lines of... we know that prices are good now even relative to the heady heights of last year, but the world economic turmoil casts doubt on whatever the next 18 months may bring.

modern property sales is more about dispensing knowledge

Our approach to property sales has evolved and advanced greatly in the last decade with greater emphasis on quality information and knowledge being made available to the marketplace and clients.

Understanding the property market and how this affects property types – having a good understanding of the property market is fundamental to advising clients on property transactions. We

provide and understand historical and current data, buying trends and buyer profiles.

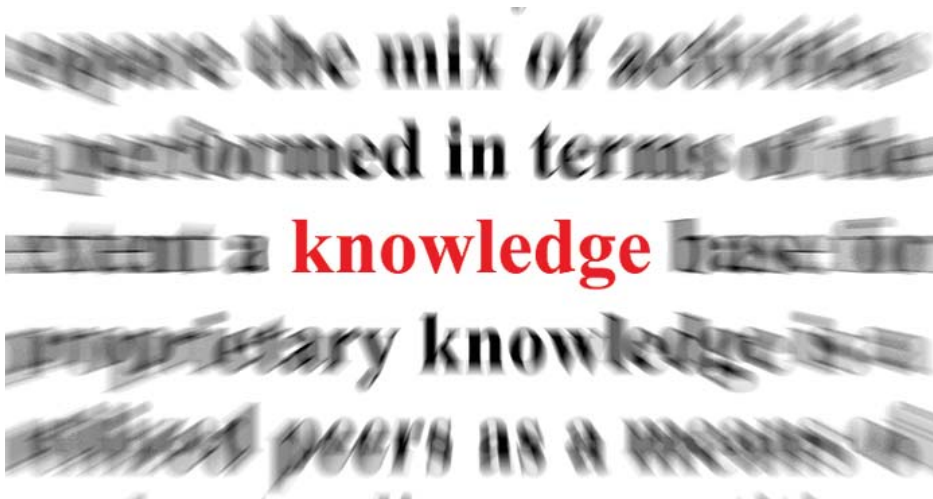
Vendor pre sale consultation – when time permits, we meet with our vendors some months before a sale campaign commences to plan and discuss how to best achieve the highest net return. Results can be improved greatly by this forward planning, especially regarding improvements, styling and gardens.

Buyer advice – We work closely with buyers matching their wants with suitable property available. We have a standing offer to buyers for a free consultation and work with them to develop a relevant and reasonable expectation on what they can achieve in the market of the day.

Knowing your property – having a qualified agent who knows your home intimately is vital when selling your property. We instill in our sales staff the need to fully acquaint themselves with the vendor's property enabling them to respond to any buyer enquiry.

Database marketing - from every source available we add buyer information to our burgeoning buyer database. We inform buyers on our database when a suitable property becomes available. This contact can take many forms such as telephone, email, text message, letter and direct mail.

We believe the cornerstone of our business success is arming buyers and sellers alike with quality information on all aspects of the selling/buying process and most importantly, the market, before they consider making a purchase or sale.



The more you know, the better the potential decision you make.