

## melbourne property market on a roll

Latest REIV data shows that the Melbourne auction market is the most buoyant it has been for many years.

Looking in detail since the start of the auction season, the results indicate that 14 of the 16 weekends had clearance rates in excess of 80 per cent.

Comparable REIV data indicates that at no time in the last four years have any two weekends resulted in a clearance rate in excess of 80 per cent, yet the last five weeks of this year have seen just that.



Graham Morrison

Graham Morrison says, "The climate of continuing low interest rates, low supply of property to sell, and the continuing high migration of people to Victoria (70,000 net gain in the past year) have been contributing factors to

strong price levels since the start of the year".

So far this year there have been 9271 properties sold at auction, 18 percent more than the same time last year when there had been 7803. Whilst this is evidence of a strong auction market it must be remembered that only 30 per cent of all properties are sold at auction and they tend to be in the most desirable locations, generally in the inner city and bayside suburbs.

Overall the Melbourne property market is strong. However there are currently two distinct markets in Melbourne, with a general rule being that the extremely popular inner city and bayside areas are attracting higher levels of demand compared to outer suburbs. This is reflected in price growth, with areas of high demand experiencing greater price growth than outer areas.

Source REIV



Low property sale supply is driving prices up.

**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](mailto:sales@morrisonkleeman.com.au)

Internet: [www.morrisonkleeman.com.au](http://www.morrisonkleeman.com.au)

Our members, directors, offices and employees do not give any warranty as to the accuracy, reliability or completeness of any information provided in this newsletter and shall not be liable for any loss or damage suffered as a result of anyone relying on information provided in this newsletter. We recommend that you seek advice from your own financial, taxation and legal advisors before entering into financial or other transaction.

## REIV survey reveals buyer's preferences

Climate change and the current drought are having an impact on buyers preferences with 93 per cent of people surveyed saying that water and energy saving features were important factors for them when buying a home.

REIV CEO Enzo Raimondo said that the survey showed the most important property characteristics amongst buyers with location and proximity to facilities such as shops, transport and parkland being more important to buyers than the size of the land or number of bedrooms," Mr Raimondo said.

If you were looking for a property to purchase – which of the following would be the most important thing you would look for? Which is second?

TOTAL*	1ST PRIORITY
Price	26
Location	21
Proximity of facilities (eg. shops, transport, schools)	18
Condition of property	12
Value of property as an investment	12
Size of land	5
Number of bedrooms	5
Room to entertain	1
Garage access	1
Swimming pool	0

\*Research conducted by the Australian Research Group Pty Ltd, using a nationally representative sample of 1,000 interviews from 1 to 3 June 2007. Percentages may not add to 100 due to rounding.



Rainwater tanks are on every buyer's list.

# rental market vacancy rate, how low can it go?



*Rental properties - many happy returns.*

The last time the Melbourne residential vacancy rate was this low it was the early 80's. The REIV has released its rental vacancy figures for the month of March, which show that the Melbourne rental market remains tighter than at any other time in the past 25 years.

Enzo Raimondo, REIV CEO said that during the last twelve months the rental vacancy rate in Melbourne has not risen above 1.7 per cent.

"Data collected from REIV agents for March 2007 shows no indication of a relaxation of the tight rental market. There is virtually no change from last month's record low with Melbourne's rental vacancy rate at 1.2 per cent.

"The last time we saw twelve consecutive months with a vacancy rate around 1.5 per cent was 1981, 82 & 83 when the vacancy rate ranged between 1.0 and 1.3 per cent.

"The tight situation is being experienced in all parts of Melbourne, the inner city has a vacancy rate of 1 per cent, the middle ring of suburbs is 1.4



*Michelle Skerritt*

per cent and outer suburbs 1.2 per cent.

"As a community we urgently need to find ways to encourage more investment in the housing market. If this tight market continues the upward pressure on rents will be very strong.

"The recent announcement by the Victorian State Government of half a billion dollars for 2350 public housing dwellings to be developed over the next four years will help many families find secure and affordable homes.

### **Investors, what are you waiting for?**

With vacancy rates and interest rates this low and careful assessment of the property market, the prospect of new investor's getting close to a neutrally geared property in five years is possible with growth beyond this moving into positive territory. Add to this the projected capital growth in Melbourne property and the negative gearing benefits initially, the investment outlook is solid.

Landlords can also afford to be choosy in this market and can issue leases to their benefit in terms of length of lease, type of tenant and most importantly the level of rental.

The rental market is hot at the moment and we need more properties to meet the demands of our clients. Our vacancy rate is below 1% and we are letting on average 10 properties a month.

Please phone Michelle Skerritt on 9431 2444 or 0408 136 951 to discuss any of your Property Management needs.

# the low down on finance

Getting the best deal and the right loan is a big deal and a good decision can save you thousands.

Wouldn't it be helpful if you could have a reliable, trusted way of comparing loans rather than deciphering selective, statistical, marketing pitches and adverspeak? ...now there is!

The Australian Securities and Investments Commission advises prospective borrowers to check websites produced by reputable information providers such as Cannex.

This web site offers information that strips away the marketing amour and reveals the nuts and bolts of loans. Cannex recently launched the RateCity ([www.ratecity.com.au](http://www.ratecity.com.au)) consumer website, which provides comparison tools and tips, as well as recommendations on products, such as those with no exit penalties.

Meanwhile, the Mortgage & Finance Association of Australia has just launched the educational consumer website ([www.essentialsofborrowing.com.au](http://www.essentialsofborrowing.com.au)), which provides information on loan basics, first-home buying, refinancing and managing a mortgage.

Shopping around for the right loan is important and, with the internet, has never been easier.



*Daniel Hustwaite*

If you require any assistance with a new or existing home loan please don't hesitate to phone Daniel Hustwaite from Morrison Kleeman Financial Services on 9431 2444 or 0400 022 711.