

## Picking the next hot spot

*Where will WA's next property hot spot be?*

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- How to maximize your returns
- Meet the Mark Hay admin team
- Rental vacancy rates take a dive

The past 18 months has seen Perth and WA experience the strongest property boom in over 100 years. Given this incredible growth, it can be assumed that prices will generally flatten out in the months ahead.

However, history shows us that, even in times where a market is softening, certain areas defy the trend and continue to provide higher than normal returns.

Hot spots are traditionally areas that have not been previously identified as having striking capital growth prospects. Thus, such locations are generally expected to boom and to obtain some extra capital growth in the short term. Ways to identify hot spots include assessing the proven fundamentals of location, features and transport. The price points and past trends of neighbouring suburbs or outlying areas are also important factors.

There are several WA locations that have the potential to be hot spots in 2007.

In the short to medium term, Perth's coastal suburbs still have the potential for considerable gains. Such suburbs offer ever-popular water access as well as much sought after views and access to all amenities.

Perth CBD is another area that should continue to experience good capital gains. Several large-scale projects are underway in Perth City and these combine with the existing rail link, river foreshore, East Perth and Northbridge link to enhance the already strong appeal of properties in the city.

Apartment living has become very popular in Perth and investors appreciate the increased

security and minimal garden upkeep associated with apartments. Meanwhile, lower fuel costs and easy access to the café lifestyle continue to make apartments attractive to tenants. Perth City, the river and ocean foreshore areas are all home to many new apartment developments and all look set to provide owners with accelerated growth.

Interest also continues to increase in rural lifestyle properties. Many rural locations will continue to benefit from the swell of 'gear changers' and retirees looking for a more relaxed pace of life. Toodyay, Northam and York in the Avon Region plus Mandurah, Pinjarra, Bridgetown and Donny Brook to the south are all locations tipped to show an increase in growth in the shorter term over and above the standard growth of other locations.

These areas feature character buildings, established facilities and services, quality two to five hectare lifestyle blocks and all are within a reasonable commuting distance. In addition, these regions still offer good value when compared to more expensive areas such as Margaret River and Dunsborough,

With so many potential hot spots, WA's 2007 property market still remains in the whole to be slower but positive.

#### Mark Hay

Diploma Financial Planning  
Certificate of Business (RE)

markhay

- Residential & Commercial Sales
- Investment Sales
- Portfolio Management
- Development & Project Marketing Specialist

### Property myth busters

**Myth:** You should wait for the price of property to come down before purchasing.

**Reality:** Very rarely do property prices in West Australia go down and when they do, it is only by a very small percentage. As the REIWA graph illustrates, property prices have risen steadily throughout the past 30 years, even during tough economic times such as periods of record high interest rates in the late 80s.

There really is never any better time than the present to purchase property.

# 2007 property health check

How healthy is the WA property market? As 2006 drew to a close, Eric Ripper and Peter Costello both suggested that the WA market was overheated and would bust. In addition, comments from some financial experts forecast a 30% chance of recession. By contrast, other analysts suggested that the good times would continue to roll...

With so many different view points it was hard for the general public to gauge what the health of the market actually was!

Provided nothing dramatic comes out of left field (a world crisis or severe drought for example), then the West Australian property market should continue to show steady, modest growth for 2007.

The fundamentals of full employment, huge resource related activity and the fact that 600 people are moving to Western Australia every week, all continue to push the property market forward.

Certainly high housing prices have stifled demand from the first homeowner segment of the market. Also, ongoing increasing construction costs are discouraging some developers from commencing projects.

However on the flip side, the rental demand for residential, industrial and commercial space is continuing to be pushed. While interest rates stay at historically reasonably low levels and full employment continues, 2007 should offer reasonable and steady growth.

Currently, there is a little flat spot in the market as stock levels of available properties have tripled (ie from 4,000 six months ago to 12,000 properties currently listed for sale). Some vendors are still basking in the after glow of our boom and holding onto higher prices, while purchasers are currently swamped with choice and more options. It will take a couple of months for the market to stabilize and for prices to accurately reflect supply and demand.

In the meantime, as an investor it would be excellent practice for you to undergo your own property health check. Make the time to have your current home and/or investment properties revalued. This will enable you to review your level of purchasing power, allowing you to potentially add further properties to your portfolio in 2007.

**Mark Hay**

Diploma Financial Planning  
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## Vacancy rates: how low can they go?

As has been widely reported in the press, rental vacancy rates across the nation are low and base rents have increased. The current market has been kind and investment property owners are seeing the positive results via rental returns.

The resource boom is still attracting quality tenants wanting a CBD location and we are finding many existing tenants are renewing leases because of contract extensions. New developments such as 996 Hay Street will help cater for this demand, and are appealing to corporate clients requiring fully furnished and equipped apartments.

The office and retail sectors have also flourished and are experiencing extremely low vacancy rates. The upcoming availability of suitable space in new developments will help attract national tenants looking to secure prominent positions.

*The following cross-section of residential and commercial properties provides a snapshot of the different opportunities available in the industry:*



### East Perth Home – Haig Park Circle

Leased for \$900 per week – 4 bed, 3 bath unfurnished property with jarrah floors and stairwell, fully air-conditioned with low maintenance gardens.

### CBD Apartment – Murray Street

2 bed 1 bath fully furnished & equipped leased for \$460 per week. Perfect location for inner city workers who don't need to drive. Great facilities with pool, spa and gym. New security and fantastic city views.



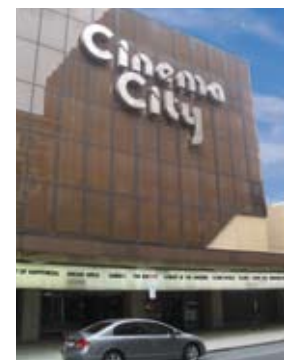
### Corporate Leasing – Hay Street

Brand new furnished and equipped apartments available mid year. Long term and corporate leases available starting at \$460 per week.

### Retail & Office – Cinema City

Short term leases at \$500/sqm includes all outgoing. Suitable for clearance shops, storage and office space. Ideal for those wanting pedestrian exposure.

The immediate outlook looks very favourable for landlords as our state continues to thrive and prosper. Low vacancy rates should continue for sometime yet, offering investors a unique window of security and opportunity.



# Property works that will work for you

Whether you're building a property to sell or planning to sell an existing property, if it's time to realise the gain in your home or investment, there are definite do's and don'ts that will help you maximise your return.



In all cases, colour is probably the biggest problem for vendors. Choosing paint colours that are fashionable or that you personally like may not always prove beneficial. For every prospective buyer who loves your aubergine feature wall, there will be ten who find it simply off-putting.

Keep potential purchasers' needs in mind when choosing paint colours. Colour comes up again and again as an objection, so keep it neutral, light and bright!

To maximise the value of your existing home or investment, choose other improvements wisely. Doing jobs that create space and improve overall presentation are always worthwhile. A neutral paint job, a spruce up, de-clutter and some attention to any broken fixtures does wonders for most properties. Work with what you've got and avoid costly expenditure that may not be appreciated or valued by prospective buyers.

If you're planning to build a property to sell, certain features are more highly valued by the current market. Ceiling heights, room size, air-conditioning, security, quality floor coverings, storage and sometimes a swimming pool are features that, although more costly to build, usually improve your bottom line.

On the flip side, features such as elaborate balustrades, expensive sound systems and unique decorative elements quite often don't improve the bottom line and may in fact decrease your final sale price.

Floor plans that provide a sense of space and light cost no more but are always appealing to any potential buyer.

Whenever you're thinking of selling, ask your real estate agent for advice. Any agent worth his or her salt will have a good sense of what the market is looking for!

## Erit Livshitz

General Manager and Business Development

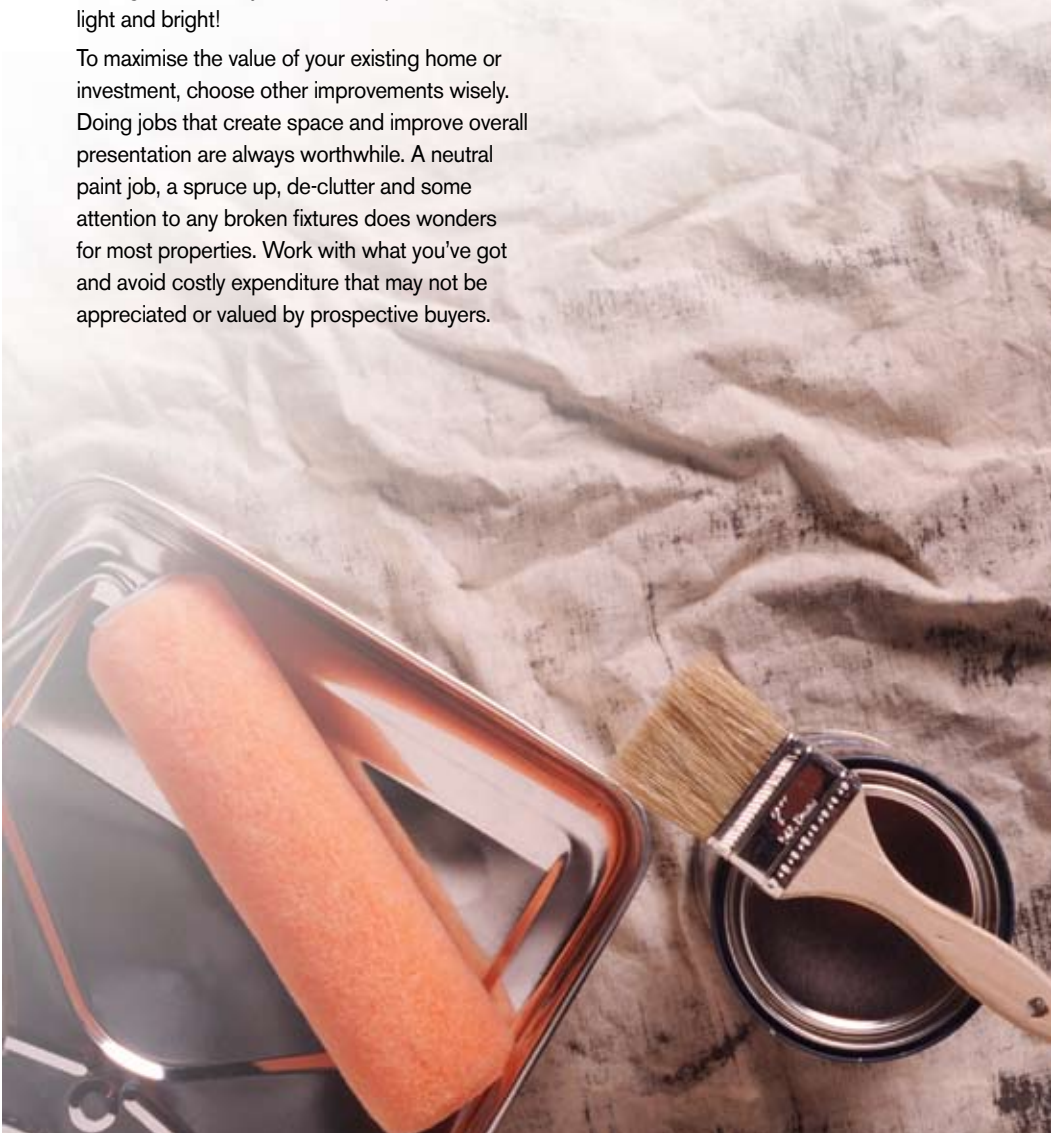
# Making it happen: the Mark Hay admin team

**Working efficiently behind the scenes, the Mark Hay admin team are a cohesive group whose joint efforts provide outstanding support to the sales staff.**

The whole admin team ensure all day-to-day functions of one of Perth's most successful real estate agencies occur with a minimum of fuss. Capable, reliable and hard working, the admin team know that communication occurs when it's supposed to, and always through the appropriate channels. They competently manage the many processes and procedures involved in property transactions, ensuring the smooth flow of information between sales staff and clients and also oversee the busy schedules of managers and executives.

There's an old saying, which says that teamwork divides the task and doubles the success. This could not be truer than in the case of the Mark Hay administration staff, where teamwork pays a critical role.

Whether it's marketing a property, processing a settlement, or just making sure things are done one time and done right the first time, everyday the Mark Hay admin team works effectively together. Nothing is ever too much trouble for the competent, reliable and hard-working Mark Hay admin team!



# Property Gallery



## Bridgetown

### 166 Manor Ridge

Bargain block, exclusive street with trees and views over the Blackwood Valley. Build anytime on this rural 2176sqm home site.

**\$135,000**



## Perth

### 875 Wellington Street

Blue chip location opposite Harbour Town, 1brm apart with car bay, b/g pool.

**\$179,000**

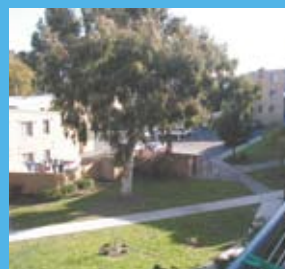


## Perth

### 21/138 Adelaide Terrace

Super modern studio apart in highly sought after complex with sparkling pool.

**\$199 - \$209,000**

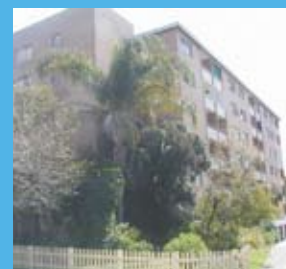


## Rivervale

### 66 Great Eastern Highway

Ideally located 1brm apartment on the Golden Mile close to transport/river and the city.

**From \$209,000**



## West Leederville

### 1/40 Cambridge Street

Little ripper, ground floor apart close to t/port and cafes of Oxford Street. Great location for investor/owner occupier.

**\$219,000**



## Perth

### 12 Victoria Ave

Corporate inner city, freshly refurbished light and bright one bedroom apartment.

**\$259,000**



## East Perth

### 10/35 Goderich Street

This is the perfect inner city hideaway, two bedroom apartment in secure complex with pool and u/c parking.

**\$369,000**



## Mt Lawley

### 7/21 Storthes Street

This 2x1 features timber floors, renovated modern kitchen and massive c/yard plus rare lock-up garage.

**\$379,000**



## Perth

### 418 Murray Street

Near new 2x1 apart in central city location, complex features pool, gym and spa.

**From \$395,000**



## Bridgetown

### Grange Road

52.6ha backs onto State Forest located just off the beaten track from Bridgetown.

**\$395,000**



## Ellenbrook

### 62 Mornington Parkway

Fantastic opportunity to secure this green title property returning a 6.2% net return.

**\$450,000**



## Pemberton

### Wetherall Road

Elevated tranquil forest greets as you enter the 41ha property with a riverfront pasture.

**\$595,000**



## Perth

### 996 Hay Street

Brand new, luxury 2x1 aparts with twin person spa and floor to ceiling windows.

**\$611,000**



## Riverton

### 17 Tyre Ave

Two storey character 4x2 home plus study and parents retreat and views to park and surrounds.

**\$695,000**



## Perth

### 82 - 84 King Street

Simply stunning 2x2 apart with c/bay featuring French style architecture throughout.

**\$820,000**