

Duffy Forsyth July 2009
Client Newsletter

Landlords your Financial
Statements will follow



Eddie McGuire used to say
“what a week it has been in football’
Well I have to say
“what a weekend it has been in real estate”.

Saturday opened up with the Herald Sun publishing falls of 30% for Brighton properties. by nightfall the TV news stated a real estate boom with an auction clearance rate in excess of 80% for the third consecutive week. The Sunday Age mirrored these thoughts. However no one knows why.

Perhaps the auction clearance rate is so high as there are fewer homes listed for sale using this method with the private sale ratio being the highest it has been in years. The death of the dummy bidder coupled with better home selection may explain some of these results. Add in the expected end to the first home buyers grant and the urgency associated with the need to purchase to lock in up to \$40,000 of beneficial grants and you can understand another possible factor. Maybe everyone has become used to the pessimistic reports and have decided to get on with life.

It all adds up to the possibility of gaining an excellent result if your home is on the market today.

What will happen in Spring? I am not prepared to dust off the crystal ball, but I suspect that we will maintain a steady Increase providing there is not a glut of properties reaching the market.



Kevin Rudd's agreement with the banks to carry forward for one year, those who were facing foreclosure in May/June of 2009, may mean that we will see another season of pre foreclosure sales in the April/ May of 2010.

It all means that now is a great time to

- 1) trade up market. The top end is more affected than the middle market.
- 2) land bank—purchase now for that development that you are planning for in a few years time. Rental returns are better and this cash flow coupled with low interest rates may make this an ideal time to purchase and land bank.



The newspapers are full of reports of tenants lining up for the chance to lease a property. Activity in the inner suburbs is great, however discussions with local associates reflects a very different picture from Gardenvale, south along the Bay. We are finding that there are fewer available tenants and anything in excess of \$1,000 per week is struggling. The Relocation Consultants that we are in contact with report that there is very little inward traffic with significant numbers exiting Australia. Obviously this all is related to the global economic crisis.



The internet remains the dominant marketing tool for both sales and leasing. Realestate.com.au has recently introduced an "Open For Inspection" list, so now all the opens are available on the net — this will be another nail in the Saturday Age as their Domain "Open for Inspection" was a significant reason for using the classified section—this need has now been removed. The electronic age is fast upon us; however we are firm believers in the interpersonal relationship so we will continue to aim to provide personalized and individually planned service delivery which we believe you desire. We see the electronic age as a tool to use, not as a replacement for good old customer service.



Google goes real estate: great news for all of us. Google has entered the real estate electronic world. Now via MyHome.com.au we can upload sales and rental listings free of charge (I am sure this will change in the future). The only draw back for us is that our usual bulk loader service (realestateview.com.au) is refusing to load to this site so we are having to manually load all your listings. We will watch the response rate. Hopefully Goggle will break the dominance of realestate.com.au in the Victorian market.

For those of you who can be tempted — a stable market and low interest rates with the best rental market in the inner city area for a long time may provide the chance to increase your portfolio. We are happy to assist you in this project and will provide a rental assessment of any property you, or any friends that may be considering purchasing.



On a personal note I am looking forward to meeting my second grandchild, due to arrive in September.

I am so enjoying having my family close by— Matt cooks up some delicious dinners, with wines to match, Carly has been bitten by the sewing bug and Indi and I just enjoy playing together— although she is becoming quite the junior chef.



In this competitive world we would like to say a big thank you for your continued support. You are the proof that big is not always better and we really appreciate your business. Please do not hesitate to contact me to discuss any of your real estate requirements.

Best wishes

Anne & the Duffy Forsyth Team