

R Property Report

| | |
|--|---|
| Which should you do first—sell or buy? | 2 |
| The trouble with Median statistics | 2 |
| Recent Sales | 2 |

March 2011

Natural Disasters Sap Consumer Confidence

Buyers have had plenty to be distracted by with the floods and cyclone looming large in Queensland and the horrific earthquake in Christchurch.

While the Gold Coast has not been directly hit by any, most people have friends, family or work colleagues who have or they have been involved in the clean-up and aid efforts the Gold Coast has organised to assist hard hit regions and towns.

This has sapped buyer confidence and meant enquiry and attendances at open homes has been slow and sales volume has been low across the Gold Coast during January and February.

But the sold signs are springing up again as people get on with their lives and enter the market, upsize, down-size, relocate or invest. Those needs and desires don't go away—they just were on hold.

The Reserve Bank has left interest rates alone for the fourth straight month which is also helping rebuild Buyer confidence.

So what does this mean for buyers and sellers of property?

For Sellers:

Choose an agent that is going to sit down with you at the start and go through recent sales stats of comparable properties and suburb trends for your type of property and tell you honestly where your property sits in today's market and why.

Forget ra-ra hype and agents who just want to get a listing at any price as that will cost you time and money in the long run! The last thing you need is to spend the next 6 months with your house on the market following it down but you would be amazed how many sellers do just that.

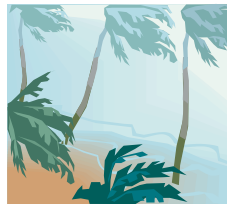
Present your property as best you can – your agent should be able to advise you. Buyers like clean, uncluttered, bright and airy homes.

Sellers need to be patient and listen to the buyer feedback. All properties have pluses and minuses and while the sellers have reconciled themselves to the minuses and just love the pluses of their home – buyers have not and see both the good and bad. But the bad goes away when the price is right!

Keep in the back of your mind that when you sell and buy on the same market you are no worse off. You may not be getting a magic price for your home but you won't be paying one at the other end either.

For Buyers:

There is a lot of property to choose from. It is a buyers market and buyers are very aware of what is a well priced property and what is over priced! Buyers are being cautious and are self limiting on the amount they want to borrow to factor in future interest rate rises. Finance is still hard to obtain so getting your finance pre-approved is the best way to go to get your offer accepted.



▶▶▶ 2 great houses for sale in top over 50's resort. . .



71/1 Treasure Island Drive, Biggera Waters

Vacant! Must be Sold!
\$310,000

- 2 big bedrooms, master with walk-in robe, ceiling fans
- New kitchen appliances
- Tiled open plan living, air con
- North facing balcony
- Immaculate inside and out
- Fab location opp Harbourtown

View photos on
www.houlihanrealty.com.au



43/1 Treasure Island Dr, Biggera waters

Owner overseas Bound!
\$339,000

- 3 bedrooms
- Secure garaging plus garden shed
- New patio over private courtyard
- Air conditioned and ceiling fans
- Huge laundry, extra powder room
- Great lifestyle on offer here

View photos on
www.houlihanrealty.com.au

Ph Janet Houlihan on 07 5531 1268 for open home times and a copy of the Sustainability Declaration.

The Trouble with Median Stats . . .



The latest house price movement figures are out showing a very healthy 2.1% increase in the Dec quarter and a whopping 5 % increase in prices across the Gold Coast in 2010.

But active Buyers and Sellers certainly know this is not the current reality. Here's why.

The median is the middle sales price if all sales prices in the period are lined up from cheapest to the most expensive.

So when the Government doubled the first home owner grant at the start of the Global Financial Crisis all the first home buyers rushed in, many bringing forward their purchase decision so as to qualify for the extra grant during the time it was on offer.

That year most sales activity was in the cheaper end of the price spectrum and the medians showed large price decreases accordingly.

In 2010 the first home owners were gone from the market and sales of prestige properties picked up slowly after a long pause during the GFC so the medians showed an upward swing.

Medians are useful but they need to be understood in context and are just 1 indicator of what is happening in the market.

The reality is price growth was fantastic in 2007 and when the GFC struck in 2008 growth halted and clawed back some of those gains.

Recent Sales

Robert St, Labrador
\$335,000 2 bedroom unit with some Broadwater views

Riverwood Drive, Ashmore
\$475,000 4 bedroom, 3 bathroom duplex

Treasure Island Dr, Biggera Waters **\$350,000** 3 bedroom, home in over 50's resort.

▶▶▶ What comes first – chicken or egg?

Which should you do first—sell or buy?

This is a dilemma for many people because they want to make sure they will be able to find exactly the right home and only shift once.

There is no easy answer – both have disadvantages. **Lets look at buying before you sell:**

1. You may have overestimated your current property's worth and not end up getting the price you have budgeted on.
2. The vendor would prefer an unconditional contract and may insert a sunset clause which gives them the right to sell it to a cash buyer should they come along before you have sold so you miss out on the dream home any way.
3. Your property may not sell within the time frame.

One way around this dilemma is to take out a relocation loan which gives you 6 months to sell your home and

you only pay interest on the end debt (while you hold both properties the interest on the first home is capitalised into the loan so you don't have to make a double payment.)

Now looking at selling before you buy:

1. You may not be able to find your dream home before your sale becomes final.
2. You may have to move twice or put your belongings in storage.
3. Suitable rentals may be hard to find especially ones that will allow pets.
4. You may end up rushing into buying a property that is not quite what you wanted and end up selling it sooner than you intended and thereby having all the

stress and costs associated with selling and buying all over again – conveyancing, haulage, agents fees, advertising, stamp duty etc.

I have had clients that have done it both ways with success.



Fast Property News . . .

- January 2011 saw the **worst ever** property dive after the disasters. According to RP Data it is the biggest monthly slide in Australia wide property sales ever. Brisbane fell 2.3%.
- Vacant **land values fell** 13% across the whole of the Gold Coast in 2010 , following a 5.7% fall in 2009 (Source RP Data.)
- **Over 35 years old?** Under the Responsible Lending Guidelines in the new National Consumer Credit laws, many applicants (even those refinancing) are in danger of being rejected by banks if a borrower could not show how they would fully repay the loan by the statutory retirement age without selling their primary place of residence. Because that could legally put them in poverty! Our advice: get a pre-approval



Here's what Janet's clients said . . .

TESTIMONIAL

Dear Janet, We wish to express our sincere thanks to you for your outstanding effort in selling our property. We would thoroughly recommend you for your professionalism and honesty and for your saying "Never Give Up!" Many, many thanks Janet."

17/1 Treasure Island Dr, Biggera Wtrs
Marion and George Savory

TESTIMONIAL

"We heard of Janet's ability to sell property in Harbourside Gardens. We approached her to sell our property in September. 5 weeks later it was sold! Her work ethic was first class. We would recommend Janet Houlihan to anyone wishing to sell."

45/1 Treasure Island Dr Biggera Wtrs
Jean and Peter Sutcliffe

TESTIMONIAL

"Having recently purchased a property through Janet I found her, to be extremely thorough, easily approachable and available at all times. She was very professional and regular communication enabled the buying process to be completely stress free. Janet was always willing to talk and assist in every way possible. Thank you Janet"

2/26 Riverwood Drive, Ashmore
Alicia Hill (Buyer)

THANKS!

TESTIMONIAL

"Janet is terrific, great service and help with the sale. She sold our home in 1 day to a buyer she had been working with for months . . . many thanks."

2/26 Riverwood Dr, Ashmore
Peter and Marg Lachman (Seller)

DISCLAIMER: Buying or selling a property is a major decision. The information in this newsletter is for background information only, and you should always consult your advisors before signing contracts or making any major financial commitments.

If you no longer wish to receive communication from us, please let us know (see contact details over).