



Jaimie's Newsletter
from the desk of
Robina Village Real Estate!

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ANYTHING!**

Phone: 07 5562 2522 (24 hrs)
Facsimile: 07 5593 1044

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Despite the fact that the winter just passed was exceedingly mild, we welcome spring for the promise of growth, freshness and hopefully a renewed optimism as to where the Gold Coast property market may be heading. Unfortunately data compiled tends to incorporate the statistics in the major capital cities with the Coast noticeably conspicuous by its absence. Thus much of what we postulate is open to conjecture.

To all interests and purposes it would be safe to say that the market, after having hit rock bottom in 2012—has gradually begun a slow crawl upwards. If we accept that residential vacancy rates are tightening, a natural consequence is upward pressure on rents. Coupled with the lowest interest rates for decades, dwelling approvals are rising and the population is increasing.

First home buyers are more active and well priced properties especially under \$500,000 are selling quickly and close to list price. Two of the most solid performers have been Robina and Palm Beach, both of which had a median house price increase to almost \$540,000. However, the median unit and townhouse price only moved by 1.5% over the December quarter where a typical Surfers Paradise apartment is still 10% less than what was paid in 2008/2009.

The scary part of this equation comes via a recent IMF report showing that Australian homes are the most expensive in the world when household incomes and rents are taken into account. It shows that rising prices have pushed two key measure of home values - the ratios of house prices to incomes and prices to rents—well above their long term average. With houses selling for four times the average household income, there appears a need to be cautious for, judged by this measure, only Belgium and Canada were found to have a higher ratio. Australian houses have long stood out as expensive when compared with other nations but detecting "over-valuation" is more art than science as other factors such as credit growth and household debt must also be taken into account.

All in all, it is our belief that safety is the most important consideration in buying a house - especially first home buyers. It is recommended that loan repayments should still be manageable with an increase of 3 percentage points that should be factored in. Otherwise the stress of finding the additional repayments may well be too much to bear.

Selling your house? How do you choose the safest, most honest way to maximise your sale price. Auction? - hardly risk free where you the seller are asked to contribute large sums of advertising money to find a buyer who more often than not utilises the relatively inexpensive and prevalent realestate.com site to search for homes. And... have you ever thought about who really pays his highest price at an auction? The under bidder, the one who comes second — the winner often would have paid more but didn't have to! Now ain't that interesting!!

What about price ranges - or "offers above"? As a buyer where does your eye fall. Having asked the question of many buyers it is not surprising when the lowest figure in the range is cited and indeed research shows that over 80% of properties sold under this con trick sell for less than the lowest price.

So - why not follow the examples of all sensible marketing groups, whether selling TV's, fridges or any comparable goods, and put an asking price so buyers can indeed compare the value. If your price is too ambitious, the only person with the real pricing knowledge (no - it's not you, nor your agent!), the buyer will soon tell you. Try it - this method of private treaty sells more houses than any other and - if your pricing is fair you can still attract multiple offers.

Happy selling!

Kind regards,

Jaimie Juriusz