



Welcome to the monthly Tim Dwyer Real Estate newsletter!

As part of our commitment to you, our clients and local community, we electronically publish this newsletter to inform and excite readers about the property market. Included are articles, facts and figures on industry news and helpful property-related hints and tips.

As always, we value your feedback, so please be in touch with any ideas and suggestions.

Enjoy!

Tim Dwyer › Director

Housing Market Softens Slightly

Latest Real Estate Institute of Victoria (REIV) figures indicate a slight correction in Melbourne's overall median house price. The median dropped from \$567,500 in June to \$551,000 in September. This represents a correction of 2.8% over the quarter. The result was similar in the unit and apartment market, where the median dropped by 2.3% from \$467,000 to \$465,500.

Concerns about international economy and negative consumer sentiment have undoubtedly played a part in the lower median prices as well as reduced demand in some areas.

Despite the recent trend of lower demand in the more expensive parts of the city, demand in the more affordable areas, middle and outer suburbs has remained strong. Suburbs such as Hawthorn and Balwyn for example, have experienced good capital growth over the preceding 12 months. Upward population growth over the last five years has help to boost demand in these neighborhoods.

In regional Victoria, demand has largely mirrored that in Melbourne, with the median price of a house dropping 3.1% to \$310,000 in the September quarter from \$320,000 in the June quarter. Of the main regional centres, Geelong has recorded a very healthy increase of 5.7% to a median house price of \$390,000. In Ballarat prices were stable, with the median still sitting at \$285,000.



Home loan market hots up

The official interest rate in Australia has remained steady at 4.75% since November 2010 and economists predict little movement through to the end of 2011. As a result, there is significant competition in the home loan market place. Many lenders are heavily promoting all kinds of financial deals to entice clients to take out new loans or re-mortgage with them. When considering these options — and many experts are encouraging us to do so — it's imperative to research thoroughly and always read the fine print. Because like most things in life, if it sounds too good to be true, it usually is.

Honeymoon rate mortgages, for example, which are also known as introductory mortgages, often tempt home owners with a low rate for the first few years of the loan. These luring rates, or "bait rates" as they are sometimes called, are available on both fixed and variable loans. They usually still allow some tailoring to suit individual needs whilst easing into the regular repayments. However, the honeymoon rate can be quick to change. Many home owners don't realise that the rate they'll be stuck with later on isn't the lowest in the market, and the overall saving over time does not stack up. Also, if a payment is missed, the honeymoon rate can quickly climb. There are plenty of positives when it comes to cheaper loan options, the key is to ensure that the rules of the loan actually meet most or all of your requirements.



Another extremely important and highly topical point to consider when taking out a new loan or refinancing an existing one is to investigate the fees involved if you want to exit that loan. Lenders can charge loan holders tens of thousands of dollars to get out of a mortgage contract, especially fixed rate loans. Lenders can also hit their customers with a new set of terms and conditions if they add to their existing loan for renovation works or investment purposes.

A mortgage broker, who is a professional in the area of money lending, is a good person to discuss refinancing a home or investment property loan with. Careful consideration is vital.



Home pool safety

Swimming pools are great fun in the summer months and we all know little ones love the water. The campaign to fence Australian swimming pools, which began in earnest in 1991, has saved the lives of many toddlers and children. In all states and territories of Australia, in most situations, providing a safety barrier or fence is not only sensible, it's the law.

Fortunately, the choices available in pool fencing are numerous. This means the look of your garden landscaping need not be compromised. On the contrary, your fence can enhance your entire outdoor area whilst providing peace of mind if you have children or grandchildren who regularly swim or play outdoors. For a modern look, glass screening is ultra chic. Alternatively, a steel fence structure with clever planting and screening can blend well with a less contemporary style of home.

It's vitally important to ensure your pool fence meets all safety standards. If you have recently purchased a new home with a swimming pool this especially important. Unfortunately children are still drowning in home swimming pools where fences exist. This is often due to poor maintenance.

As well as ensuring your pool or spa is properly fenced, active supervision is imperative. It only takes a second for a child to silently slip into the water and drown. Swimming pools provide hours of fun for the whole family and can teach children to respect the water and play safely. Make sure your family is safe and enjoy cooling off this summer.

For further information visit www.watersafety.vic.gov.au

Thinking of buying or selling? Contact Tim Dwyer today.

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