



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

Melbourne Market Update

The Real Estate Institute of Victoria has just released their June quarter median house prices. The data shows that the median price of a house in Melbourne has remained steady at \$535,000.

REIV CEO Enzo Raimondo echoes industry sentiment by saying both buyers and sellers are approaching the market in a conservative manner. This caution is translating into a lower number of sales than we've seen previously in stronger markets and as has resulted in no real price growth since the beginning of 2012.

Healthy demand was recorded, however, in suburbs such as Langwarrin, Cheltenham, Newport, Pakenham and Reservoir. Of those Pakenham is the only one where values are almost at an all time high. Demand in both Balwyn and Malvern East has also strongly improved and values are now almost at the peak recorded in 2010, according to the REIV figures.

A recent history of Melbourne's median house and apartment prices shows the negative impact of the GFC towards the end of 2008 and the rapid recovery in 2009.. The market peaked in late 2010 and in the last year prices have generally remained stable.

Melbourne's overall rental vacancy rate was 2% in the June quarter, which was a reduction on the 2.2% recorded in the March quarter. This still showed improvement in the availability of rental homes compared to a year ago, when the vacancy rate was down at 1.8%.



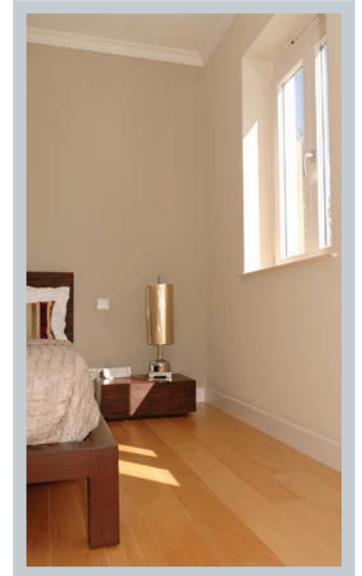
The Facts about Floating Floorboards

Timber floating floors are now being used in many homes across Australia. Some of us are still 'in the dark' however, about what they are exactly and how they can be used.

A floating timber floor is simply any type of wood floor that has not been nailed, glued or otherwise attached to a subfloor. Packaged ready to lay, timber floating floors are made from attaching a layer of soft or hardwood to a high density fibreboard substrate. The boards usually come prefinished to make laying the floor simple and fast. Many timber floating boards can still be sanded back and refinished if necessary (in a similar way to traditional real floorboards) but usually only once or twice before the top layer becomes too thin.

The real beauty of this kind of flooring is that it can be placed over pretty much any type of existing floor – tiles, concrete, plywood, particleboard or cork. The existing flooring simply needs to be level. Property investors can quickly change the entire look of an apartment or house by installing floating floorboards. It's also an economical way to re-floor, with DIY enthusiasts saving even more money by installing it themselves.

Price and ease of installation are two big reasons why floating boards have become so popular. Another is the striking way they look. Floating timber floors can reproduce the look of any timber you wish from jarrah to merbau and from oak to pine, the choices are plentiful and the finished look is no less impressive than real structural timber floorboards. There's even fake timber floating laminate floors for the really budget conscious which can still look like the real deal. So if you're thinking of a renovation rescue at your place or you're preparing your home to sell, maybe some floating flooring is the way to spruce things up!



Early Buyer Possession

Possession of a home usually changes from seller to buyer at settlement, but in some cases a home buyer asks the seller to grant possession before settlement takes place. A common situation whereby early possession is requested is when the buyer must move from their current home before a loan can be processed. Vendors make the final decision as to whether an early buyer possession is allowed.

If, as a vendor, you do agree to early buyer possession, it should be handled with a written agreement that describes the duties and responsibilities of both parties. Most real estate agents have access to a standard contract addendum that covers early buyer possession. Or, if you prefer, a solicitor can draft the document.



Considerations for Early Buyer Possession

- Wording should include details about what will happen if the sale does not settle on time – or never settles. How much time do buyers have to vacate? And what will happen if they don't?
- How much rent will the buyers pay and when is it due? What is the bond?
- Buyers should agree they will not modify the home without the consent of the owner. If settlement doesn't take place, buyers should pay to return the home to its former condition.
- Utilities should be the responsibility of the buyers, with all accounts in the buyers' names.
- Home sellers still own the home, so insurance for the structure and any items remaining is the seller's responsibility. Buyers must insure their personal items.
- Standard forms usually include a statement releasing sellers from liability if something negative happens to buyers while they are living in the house.
- Will pets be allowed?

There are times when buyer possession before settlement can help both parties. If you feel it's a good move, simply proceed with caution. And always seek legal advice if you have any doubts about the written agreement.

Thinking of buying or selling? Contact Tim Dwyer today.

Census 2011 and the Structure of Home Ownership



The data gathered from the 2011 census has been able to shed interesting light on the current structure of home ownership in Australia and how it has changed over time.

In the 1961 census, the metropolitan area of Melbourne had 518,476 occupied dwellings,

compare with 1.49 million last year. Whilst this is an expected increase in numbers given our growing population, it is the nature and level of ownership, divided between owners and renters, that shows an interesting shift.

In 1961, 73% of homes were either owned outright or being bought. This percentage dropped to 70% in 2001 and 67% in 2011. Not only has the proportion dropped but these figures show that the change has been accelerating.

Even more noteworthy is the balance between those who own their home outright and those paying off a mortgage. In 1961, a total of 42% of homes were owned outright. Over the next 40 years that measure did not change substantially. Then, between 2001 and 2006 it fell to 33% and then in 2011 to 31%. In just a decade Melbourne has become a city whereby those with mortgages outnumber those who own their homes outright.

Other 2011 Census data revealed the following stats: the average household comprises 2.6 people, the median weekly household income is \$1333, the median monthly mortgage repayments are \$1810 and the median age across Melbourne is 36 years.

Data sourced from the REIV and Australian Bureau of Statistics.

Low Interest Rates – Are you Taking Full Advantage?

The mortgage crunch in Australia has eased recently as interest rates drop to new lows. This is excellent news for many home owners and investors who had previously been riding a wave of soaring mortgage repayments and increased credit card debt. As a result of the drop in interest rates many money lenders are promoting a range of financial deals to entice us to take out new loans or re-mortgage with them. Is it time you re-assessed the mortgage contract you have?

Generally speaking it's a very good idea to 'see what's out there' in the market place every five years or so. Obviously, if you have locked in a fixed interest rate it may not be a practical option unless you are prepared to pay exit fees for breaking that contract. These fees often negate any benefit gained from a new deal.



In the current low interest rate climate however, it is certainly worth investigating your home loan options if only to ensure you are getting the lowest interest rate for your loan type. And if you think you are being overcharged, don't be afraid to speak to your mortgage provider immediately.

Other valid reasons for refinancing are:

1. When you want to consolidate your debts by rolling all your debts into your home loan.
2. When you're paying for features you don't need or no longer use.
3. You wish to switch lenders.
4. You wish to borrow further funds against the equity that has built up in your home for renovations or a new car.
5. You want to switch from a variable rate to a fixed rate
6. Your financial situation has changed since you took out your original home loan.

Researching home loan choices takes time and financial jargon can sometimes be confusing. Be very careful to read the fine print when taking out a new loan or refinancing. To ensure you are making the right choice, you may want to consider professional advice from a mortgage broker. And finally, always consider the possibility of interest rates rising again in the not too distant future and try to budget accordingly.

Neighbourhood Watch

Most people will have heard of the Neighbourhood Watch scheme. It is the community based crime prevention program which aims to improve the quality of life within a neighbourhood by minimising preventable crime and promoting closer community ties. The program relies on the community and the Police working together in a partnership to achieve these aims.

Based on similar community programmes operating in the Unites States and Canada, Neighbourhood Watch began in Australia in 1983 in the outer Melbourne suburb of Kananook. It was initiated when it became clear that police alone could not control the rising rate of crime. Other states across Australia quickly followed suit, and today it's the largest community based crime prevention program in the Southern Hemisphere.

The programme has been so successful in reducing crime that in Victoria alone there are now 1300 neighbourhood Watch areas servicing both city and rural locations and covering approximately 900,000 households.

Neighbourhood Watch has also benefited communities by increasing resident's awareness and knowledge, and enabling

better home security and increased personal safety. Most importantly, the programme encourages a sense of responsibility between neighbours and communities. Regular meetings, functions, events and activities enable neighbours to establish closer ties. If you have moved to a new area or would simply like to get involved in the programme, visit the Neighbourhood Watch Victoria website or check out their page Facebook for details on how to participate.



Achieving results in Ashburton and surrounds

