

RealEstateNews

INFORMATION TO HELP YOU WHEN BUYING, SELLING OR RENTING | Issue 41 |

WHAT WILL THE HOUSING MARKET

LOOK LIKE IN

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Recently SOLD!

As we all know the media thrives on bad news and at present there is a lot of uneasiness about the Australian housing market. Some believe that we are set for a crash while others are saying the future for housing looks bright.

The alarmists are predicting a property crash because house prices seem to have risen too high and may appear unaffordable. But just because they seem high or unaffordable to some it doesn't mean the property market is about to collapse.

The rise and fall of house prices is largely determined by the relationship between supply of housing and demand from home buyers and invariably, affordability.

Predicting the future of the property market is always difficult. The factors that will have an impact on our market in 2016 are:

Population growth – one of the main drivers for property values has always been demand. Australia's population is still growing faster than any other country in the developed world.

Interest rates – are likely to remain low in 2016 with the possibility of going even lower. Low interest rates means borrowers can afford the repayments on their housing loans which results in less defaults on mortgages. Did you know that half of all the homes in Australia have no debt against them? They are owned outright!



Employment – unemployment levels are steady and currently sit under 6%. This stability in employment leads to increasing consumer confidence.

New regulations – were introduced by APRA mid-year to slow down the growth of the investor market. This has translated into tougher lending conditions for investors. Banks will now only lend at best, 70% to 80% (LVR) for investment loans, and are also charging investors a higher interest rate.

Australian Dollar – is likely to stay low with a high probability that it may even fall further. This will make property more affordable for expats and foreign investors.

The Australian economy – although it is slowing and appears to be in some trouble it's still reasonably healthy compared to most other countries. ■

BY PAUL KOUNNAS



Renovating to Sell

BY GARY PITTARD

Minor repairs

If there is any unfinished work inside the property – such as skirting boards that have been removed – fix these things. If there are any obvious minor repairs – such as door handles missing or broken hooks – fix these too. Repair all irritating things that are likely to catch the eyes of buyers.

Be very careful if you do any painting. Painting one dull room can suddenly make other unpainted rooms look dull too. Before you know it you have a major painting job on your hands; this could lead to replacing the carpets, even the tiles in the bathroom. Suddenly you are involved in a very expensive renovation.

The cleanliness and the mood are most important but all expense needs careful consideration. Will you get the money back?

Ask your agent's opinion.

The best advice is to do all you can to make your property feel like a home. Make it sparkle without making it too immaculate or clinical.

Some sellers create a show home. In doing so, they create a cold sterile effect. Homes with warmth are the most attractive and appealing.



The value of major improvements

If you spend enough money in making the property more attractive, you will usually make it easier to find a buyer.

But you need to find middle ground. It makes no sense if the cost of the improvements is too high – often it would be more cost effective to reduce your asking price.

Most major improvements are personal and do not add the value you expect. An example is a swimming pool. If you pay \$30,000 for a pool, the pool salesperson may tell you this increases the value of your property. But if the buyers don't want a pool you will not get back what you paid.

Most improvements often return only half their cost upon sale.

You may have to wait years to find a buyer with the same personal taste as you.

If your property needs major renovation, it may be better to avoid the expense of renovation and instead select a lower asking price.

Many buyers want to renovate a property to suit their own taste. While minor improvements can give you a great return on your selling price, major improvements are often a big mistake.

Either spend a little bit of money to sell your property or spend a lot of money and stay there.

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Recently SOLD

Sold \$21,000 over asking price



18 Haig Street Bulli \$860,000

No marketing costs to sellers



4/328 Crown Street Wollongong \$260,000

\$16,000 over asking price



102 St Johns Avenue Mangerton \$615,000

No marketing costs to sellers



5/41 Mountain Road Austinmer \$637,500

No marketing costs to sellers



1/261 Rothery Street Corrimal \$415,000

Sold in 6 days



32 William Street Bulli \$800,000

No marketing costs to sellers



23 Girvan Crescent Corrimal \$685,000

\$20,000 over asking price



36 Horne Street Port Kembla \$600,000

No marketing costs to sellers



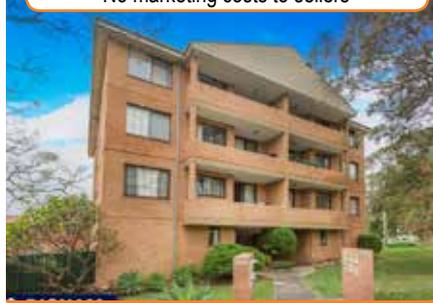
3/7 David Street West Wollongong \$330,000

\$16,000 over asking price



6 Lismore Street Bellambi \$615,000

No marketing costs to sellers



8/70-74 Smith Street Wollongong \$404,000

\$26,000 over asking price



9/38 Duke Street Woonona \$525,000

No marketing costs to sellers



6/2A Kulgoa Road Woonona \$515,000

Sold in 1 day for record price



11/3 Mountbatten Street Corrimal \$615,000

Sold in 4 days



14/12 Waterloo Street Bulli \$445,000

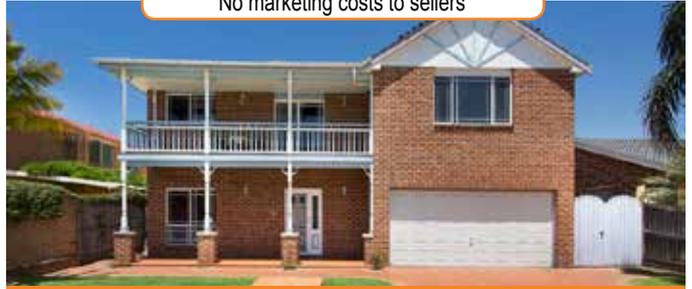
Recently SOLD

\$15,000 over asking price



40 Alanson Avenue Bulli \$805,000

No marketing costs to sellers



4 Pat Geraghty Place Woonona \$891,000

No marketing costs to sellers



15 Cater Street Coledale Contact Agent

No marketing costs to sellers



89 Popes Road Woonona \$805,000

Record sale price for East Corrimal



48 Parker Road East Corrimal \$830,000

Sold in 1 day



732 Lawrence Hargrave Drive Coledale \$1,070,000

\$65,000 over asking price



15 Alfred Street Woonona \$1,000,000

Sold \$120,000 over asking price



20 Jaraga Cct Thirroul \$1,720,000

Record sale price



604/1 Grand Court Fairy Meadow \$1,152,000

\$36,000 over asking price



24 Buttenshaw Drive Coledale \$935,000



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