

Welcome to our newsletter, we are continuously looking for ways that we can improve our service and client relationships. We have put together this newsletter which we hope will be of interest to you. We will as always endeavor to keep you informed.

JULY 2009

In the Newsletter

- Feature Property
- Meet the team
- From the director
- Interest rates news
- Tax time tips
- News from the Real Estate Institute of Victoria
- CPI update
- Suburb profile



Feature Property



47 Lincoln Street, Richmond

AUCTION: Saturday 11th July at 11am

Period family home or

Development site (STCA)

Freshly painted double fronted period home.
Comprising 4 bedrooms, living room,
kitchen/meals, north facing rear yard.

Land Size: 9.63m x 29.15m

SOLD above reserve
\$700,000

Meet the team

- **Steven Pantelios** - DIRECTOR/LICENSED ESTATE AGENT

Steve has followed in his father's footsteps, he has developed into one of the most experienced real estate agents in the inner city area. Steve has spent over 26 years acquiring a vast wealth of knowledge in commercial and residential sales, leasing and property management. A Specialist in all real estate matters who has achieved excellent results for his clients.

- **Dennis Pantelios** - SALES MANAGER & COMPANY FOUNDER

Dennis established Steveway Real Estate in the early 70's as a family business building up a network of many satisfied customers. Today Dennis still has an active role on the business and continues to provide his skills and knowledge to all sales/leasing within the company.

- **Boris Bogushevski** - RESIDENTIAL PROPERTY MANAGER

We have welcomed Boris back to property management after leaving the company for approximately 2 years. Boris is a licensed estate agent with over 10 years of real estate experience. He works closely with Steven in all areas of the day to day residential property management needs.

- **Megan Beard** - ADMINISTRATION

Megan is a licensed agents representative and joined Steveway In January 2009 as the trust accountant, office administrator and assistant to all. Megan has come from a property management and accounting background, she has quickly developed as one of the family.

- **Melissa Bant** - RECEPTION

Melissa is our smiley young face at reception and is always eager to help with any of your queries.

From the director

Dear Valued Client,

The property market in Melbourne has continued to defy expectations with all suburbs performing particularly well over the last quarter. Interest rates are at record lows for near 50 years which has created an increase in values from apartments to commercial investments. The residential property market is proving to be full of opportunities for people looking to upgrade, downsize or invest. So buyers who were adopting a wait and see approach last year have now re-entered the market and are acting decisively. Renewed interest in property is not confined to first home buyer. The vast majority of the properties sold are both investors and occupiers.



The number of prospective buyer enquiries are far exceeding the levels seen last year. However, despite renewed interest from home buyers, investors and even expatriates taking advantage of a lower Australian dollar, there is a significant lack of supply of property for sale at present.

Multiple bidders are also pushing prices well beyond reserve in many cases and resulting in auction success rate, which have remained at over 80 percent for the year to date.

Provided people are realistic about the price they expect for their property, it is now an ideal time to sell. So if you would like a current market appraisal for your investment property or advice on any property related issue please don't hesitate to contact me.

Yours Faithfully,
Steven Pantelios
Director
Licensed Estate Agent
0417 311 006
steven@steveway.com.au

Interest Rates News

The Reserve Bank has left interest rates unchanged at 3 per cent for the third straight month.

Although the central bank was widely tipped to keep the official cash rate at a 49-year low, economists say borrowers can expect a little more good news by the end of the year as rising costs and creeping unemployment put pressure on the Reserve to help out with another cut.

The table to the right shows a comparison of the RBA interest rates in the orange and the Bank rates in the grey from 1990 to today.

Information taken from money.com.au and news.com.au



Tax & Your Investment Property

When it comes to property investments and tax there are 3 main things to be aware of: -

- 1. Negative Gearing** is when the annual cost of your investment is more than your return. Basically, when the cost of maintaining your property and paying the interest on your loan is more than the rental income you get from it, you are negatively geared. When this happens the government allows you to deduct the costs of your property from your gross income.
- 2. Tax Deductions** are items you can claim expenses relating to your rental property for the period your property was available for rent. Advertising for tenants, agents fees and commission., interest payments and loan fees, Council rates, land tax and strata fees, Depreciation of items such as stoves, fridges and furniture, Repairs, maintenance, pest control and gardening, Building and landlords insurance, Stationery, phone costs and any travel to inspect the property.
- 3. Capital Gains** tax is a tax on the profit you've made on the property. So it's based on the difference between what you sell it for and what it cost you (the purchase price plus anything you have spent on capital improvements or renovations).

Within the next few weeks you will receive your financial statement for the 2008-2009 financial year via mail. If you do not receive it please don't hesitate to give the office a call on 9429 4883.

We always recommend speaking to your accountant for any tax advise relating to your investment property.
Information taken from aussie.com.au



News from the REIV

Consistently strong outcomes from residential property sales in June have demonstrated how strong demand and confidence are in the local property market.

This year started slowly with buyers and sellers very cautious, concerned about the overall economic environment. But this has changed.

In February this year 1369 auctions were reported, with 1001 sold, resulting in a clearance rate of 73 per cent.

This compares with the month of June, when 1669 auctions were reported, with 1426 sold, giving a clearance rate of 85 per cent.

Not only has demand increased, so has the number of homes auctioned. This also compares favourably with the same four weekends in June 2007, when 2500 private sales were reported, compared with 2916 this year.

Taken from REIV.com.au

CPI

March Quarter 2009

- rose 0.1% in the March quarter 2009, compared with a fall of 0.3% in the December quarter 2008.
- rose 2.5% through the year to March quarter 2009, compared to an annual rise of 3.7% to December quarter 2008.
June Quarter figures not yet released.

Information & graph from abs.gov.au

Weighted average of eight capital cities

	Dec Qtr 2008 to Mar Qtr 2009 % change	Mar Qtr 2008 to Mar Qtr 2009 % change
Food	2.2	5.7
Alcohol and tobacco	1.0	5.7
Clothing and footwear	-0.5	2.1
Housing	0.9	5.5
Household contents and services	0.8	1.9
Health	4.4	5.3
Transportation	-1.5	-4.6
Communication	0.4	1.0
Recreation	-1.1	0.5
Education	5.4	5.0
Financial and insurance services	-6.3	-1.4
All groups	0.1	2.5
All groups excluding Housing and Financial and insurance services	0.8	2.1

SUBURB PROFILE—Richmond 2 km south-east from Melbourne's central business district. Best known for its bargain designer and seconds shopping along Bridge Road and Swan Street, vibrant Richmond is also the place to go for Greek or Vietnamese food, languid all-day breakfasts and great live music.

Median House Prices: \$627,500 Median Unit Prices: \$ 282,750

Population: 24, 112

(0-19 years 16%, 20-39years 48%, 40-59years 22% and 60+years 14%)

Properties: Rented 49%, Fully Owned 25% and Purchasing 18%

Information from domain.com.au

All information in this newsletter is to be used as a guide only for further advice please contact the office on 9429 4883.

