

Recent Sales



**11 Melville St
Hawthorn**
2 BDR Victorian Terrace
Living, Kit/meals, Bathroom
& sep laundry. ROW
SOLD at Auction
\$825,000
\$175,000 above reserve price.



**329 Lennox Street
Richmond**
Boutique Offices or Shop
Area: 127 sqm approx
Leased until 2013 with 5yr opt
SOLD via Private Sale
\$650,000
Within 2 weeks of listing

Feature Properties – Current Sales



**84 Denham Street
Hawthorn**
Single fronted 2 bedroom
terrace in exceptional
location.
Large rear garden with car
access.

ESR \$750,000



**118 Hoddle Street
Abbotsford**
Single level brick
shop/office
5 principal rooms, kitchen &
rear access.
Sold with vacant possession.

ESR \$599,000

From the director

With the beginning of spring time and warmer weather knocking on our door, the economy is now shaping up to be in the recovery mode with positive results in most sectors. Real Estate sales are in a mini boom and auction clearance rates at an all time high. In the first weekend of September in Melbourne the auction clearance rate rose to 84%, that's 20% than the same time last year. The stock market has bounced back with investor confidence back in the market. The government is set to reduce the first home owners grant which will return put pressure on the buyers to purchase prior to the grant reductions at the end of September. This is set to worsen the prospect of first home owners getting there foot in the door as interest rates are suggested to be on the rise again shortly, especially after positive market results

and retail sales growth. Many of you are now receiving your Council rate notices at the moment and in addition to the amount of rates charged a great deal of interest is generally shown in the value of the property. It is important to know however that the value determined to your home by the Council is not always the same amount you will receive if you were to sell your home tomorrow. The primary purpose of council valuation is to provide a basis for determining the property owner's contribution to the council's consolidated revenue. The council valuation should be used as only a guide and if you would like a current market appraisal for your investment property please don't hesitate to call the office and arrange an obligation free appointment with myself.

Lastly we are currently in the process of updating our website, which also contains useful information that may interest you. www.steveway.com.au I have been selling and managing commercial and residential properties for more than 26 years and am available to discuss all real estate matters with you at any time.

Yours Faithfully,
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Director
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Residential Property Investment Tips

Here are some simple yet effect tips and things to keep in mind if you are considering purchasing an investment property or if you already have one:

1. Location: For a successful investment, you must acquire the right property in the right location at the keenest possible price and with its long-term viability in mind - in both terms of good rental potential and capital growth. Things to keep in mind transport, shopping centres, sporting facilities, cleanliness of the area.
2. Buy Quality: The quality of the property is crucial. The building must be appropriate for the market. It should be well-built and have low maintenance buildings and external areas.
3. Returns: You've collected your rents (the gross return or yield) and now it's time to pay out all your investment expenses. You are then left with the net return, this figure helps you to understand how your investment is travelling. While rents may not rise so quickly, sometimes the cost of the investment fluctuates and it is this you must keep a close eye on.

Interest Rate News from news.com.au

The Reserve Bank board decided to hold the official cash rate at its 40-year low of 3 per cent for the sixth month in a row at its meeting on September the 1st. However, it is set to start pushing rates higher if, as seems increasingly likely, retail sales and jobs growth remain stron

4. Vacancies: Around 30 per cent of all Australians are renters, Vacant properties can spell real trouble for the investor and are a security risk. You should calculate on a loss of around 2 per cent c your gross possible returns for each vacant week. However, a well kept, appealing property in good condition and in the right area should not be vacant for long periods.
 5. Triggers for failure:
 - The purchase price was too high.
 - The property is in an area of low capital growth potential.
 - The property is too high maintenance.
 - The rent is too low.
 - Vacancy periods are too long or too many.
 - The loan taken out was structured wrongly.
 - Some tax deductions are missed.
- If you find the right property, buy it. Don't be put off by the economic cycle. Even in the worst recession, there is always a sub growing in value and producing good rent. If you are looking for advice please contact our office in relation to all your investment property needs.