

## smart advertisers spend more on less

It is clear to most people that advertising a property for sale increases the number of inspections. But it is not quite so clear that using a wider range of advertising vehicles to promote the property will result in increasing the inspection rate.

Confusion arises because some less professional agents recommend a wide range of advertising vehicles that sound good to the lay consumer even though the statistics about where the purchasers come from don't actually support them. It is easier for some agents to offer to advertise in a large number of media rather than do the research that isolates where the vendor's dollar is best spent.

Most professional agents conduct bona fide local research to establish what media work best in their area. Informed vendors would do well to ask if agents have done that

research and what the results show, rather than making the assumption that the more widely (thinly!) they spread their advertising dollar, the more successful it is likely to be. While the successful media vary from location to location, the number of media that is supported by statistics is usually no more than four.

While most of the traditional advertising vehicles (window display, local paper, signboard) are still as popular as they were in pre-internet days, statistics show that the internet has modified the way most people make their first approach to the property search. In the US, eight out of ten people (in Australia and New Zealand seven out of ten) make their initial foray into the market via the Internet. After all, the net is convenient, inexpensive and wide-ranging and it allows purchasers to be anonymous until they are ready to buy.

## on the eave of change

Does your home wear its heart on its eave? Experts tell us that it is time for the eave to make a come back, due to a new political interest in climate change combined with the urgent need to harvest rainwater and lower energy costs.

The eave - the edge of the roof, often extended to provide shelter from the sun and the rain - has long been a feature of Australian houses. However in recent years it has been considered old-fashioned or not essential and therefore left out of many new home designs.

Most new homes built in the past decade have not featured an eave overhang, according to Archicentre, the building advisory service of the Royal Australian

Institute of Architects.

General Manager of Archicentre, David Hallett suggests that the inclusion of the eave in a new home design or renovation will provide important environmental and money saving outcomes from home owners including:

- The increasing of the water and solar harvesting capacity of the roof by up to twenty per cent.
- The shading of windows from direct sunlight, thereby lowering temperatures and restricting the need to use greenhouse gas-producing air conditioners.
- Protection for the home in the event of heavy storms by directing overflow away from walls.

## investors to seek cheaper housing

Property investment continues to produce excellent returns across Australia, however rental yields, currently averaging between 2% and 4%, would need to rise in order to attract investors back to the property market and alleviate rental shortages, according to REIA President, Graham Joyce. Over the year to December 2006, house rents rose from 4% in Hobart to 17.4%

in Perth. Other dwelling rents rose over the year by 3.3% in Sydney to 25% in Perth. Mortgage Choice national corporate affairs manager, Warren O'Rourke, commented that low housing affordability presents an opportunity for potential property investors if they are willing to purchase in an area with cheaper housing.

[www.apr.com.au](http://www.apr.com.au), id 171764, 14 March 2007.

## GONE WITHIN 48 HOURS

Houses are selling within days of being listed in what real estate experts say is a sure sign of a comeback in the property market. A Sunday Mail investigation found houses in some suburbs are being snapped up in less than 48 hours. Leading the pack were houses in Brisbane's Darra, Gumdale, Chandler, Burbank and Upper Brookfield; Logan City's Woodridge; and Ipswich's Goodna. "At the start of 2006 the average time to sell a property in Brisbane was 88 days and that fell to 70 days by the end of the year," said Australian Property Monitors housing expert, Michael McNamara. The Gold Coast dropped from 91 days to 89 and the Sunshine Coast fell from 115 days to 104.

The Sunday Mail, Page 32, 18 March 2007.

## NEW MORTGAGE CUTS COSTS, PROFITS

What is said to be the most innovative mortgage to hit the market in the past 15 years promises to cut the cost of buying a house by up to 20% - but the spoils will have to be shared with the bank. Under the terms of Australia's first "shared equity" mortgage, launched yesterday by the Adelaide Bank, buyers can borrow between 10% and 20% of the value of the property interest-free, but they must surrender up to 40% of any capital gains made when they exit the loan.

The Australian, Page 3, The Nation, 14 March 2007.

## TIME FOR SUBURBS TO GROW UP

Brisbane residents will need to get used to the idea of high rise developments in their suburbs, an urban planning expert has said. Queensland University of Technology Associate Professor Phil Heywood said Brisbane would need increased densities to match its changing demographics. "Over half of Australian households are now one-person and two-person households." Professor Heywood said. "So there's a real case for having some smaller households and some higher-density households in parts of Brisbane."

[www.brisbanetimes.com.au](http://www.brisbanetimes.com.au)-  
19 March 2007.

## are you a buyer or a builder?

The pristine freshness of a new home has huge appeal for most people, though in reality, more “pre-loved” homes change hands each year than actually get built from scratch. So what are the advantages that make people forgo their love of the brand-new and immaculate and settle for the second-hand?

Firstly, the unpredictability of the unknown is minimised. Assuming that all the pre-purchase conveyancing and building inspections are passed, what buyers see is what they get. The dreams and schemes involved in building a new home often have an element of the unrealised and even unrealistic about them – so that the final product often falls short of expectation – a scenario that is less likely to occur when the selection stage involves bricks and mortar rather than sheets of draftsman’s paper.

Even the costs are more predictable. You can see at a glance what is included for the price, and the opportunity to deviate from the budget is reduced. During building, it is easier to be rash with small amounts that add up: tiles you fall in love with that are dearer than the amount first allowed, kitchen fittings, bathroom fittings even landscaping – all the places along the way where the temptation of something bigger and better quality is just over on another aisle.

Building is also time-consuming. Usually home buyers expect to have input on the design and all the fixtures and fittings where possible – but choosing takes time including lots of consultation and discussion with experts. And even when the house is finally done, there is still the landscaping. Many home builders do this

themselves to save money – but find the imposition on their leisure time far greater than they anticipated.

It is certainly true that when buying an existing property there is no opportunity to have input into colour schemes, designs, floor-plan other than to vote with your feet and keep looking till you find one as close to what you had in mind as possible. And if you do decide to renovate or extend at some stage, you will find that the overall cost per square metre is greater than building from scratch. Older houses especially will have higher level of maintenance, and this must be factored in.

There will always be those who cannot resist the allure of the brand spanking new, but for the majority, buying an existing home gives them greater control during what is a stressful period of their lives.

## walk, talk and sell

Most agents are good talkers – but do their follow up actions bear out what they say after they made their first impression?

It’s not always easy for vendors to know whether an agent is going to deliver. Gut feelings and an eye for character help as they do in any situation where trust is involved. Is the agent standing in your living room really interested in you and your house? Or is it just another sales pitch? Do they take the time to get to know your needs and your property? A client told one of our sales consultants that she entrusted her with the sale of her home because most of the other agents she called in (didn’t even bother to walk in the back garden to have a look when making their initial visit to

appraise their home. Our consultant, on the other hand, impressed the client by going out in the rain in her, as the client put it, “beautiful shoes.”) Of course the client was impressed with the professionalism of the marketing programme the consultant was offering, but in the end she felt she had an agent for whom she was more than just another commission.

The agent who will do the best job of selling your property will be the one who takes the time to build rapport with you.

If they don’t know what you want how can they give it to you?

Those who race through the inspection of

your home are not inundated with clients as they would have you to believe. Rather, they are bad planners – why did they come in the first place if they didn’t have time? Or they are simply not the thorough type. If they don’t pay attention to detail now when trying to win your business how interested will they be once they have won it?

It is worth talking to others you know who have recently bought or sold a home.

They are likely to know which agents have a good reputation or why not ask your prospective agent for references? A professional agent will be only too happy to provide testimonials they have received from happy clients.

## residential market to improve

According to the latest Ashe Morgan Winthrop Property Investors Survey, over 66% of surveyed property professionals expect to see an improvement in the residential property market over the next six months, the strongest result for the residential sector in the survey’s history. The most bullish residential property markets

during the next six months are likely to be Victoria and Queensland, where an equal total of 74.3% of all respondents are expecting an improved outlook. Across all markets, the results showed Queensland as the most favourable market for property investors, with 35.5% reporting it as their location of choice. Meanwhile, most

investors believe that the Western Australian market is approaching its peak. Property investors’ biggest demand on governments is to reduce the stamp duty on property sales, with a total of 45.7% of all respondents taking this stance.

www.agpr.com.au, 30 March 2007