



BROUGHT TO YOU BY

Fletchers Balwyn North

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LOCAL PROPERTY NEWS

BULLEEN - WINTER 2012

Dear Bulleen Resident,

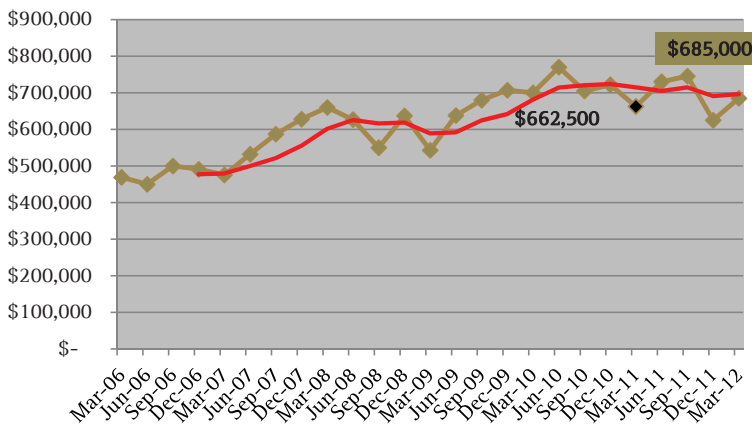
Welcome to the winter edition of Local Property News. The last few months have seen a positive market place with more buyers active in your area, which we believe will stimulate increased demand and pricing. With consumer confidence and spending expected to continue, we look forward to a stronger market in the coming months. We hope you enjoy reading about the influences behind this great news and the impact on both your home and suburb.

REIV AWARDS
FOR EXCELLENCE 2011
Large Residential Agency of the Year **WINNER**

REIV AWARDS
FOR EXCELLENCE 2011
Website Award **WINNER**
2003, 2010 and 2011

REIV AWARDS
FOR EXCELLENCE 2011
Residential Salesperson of the Year **WINNER**
2006, 2010 and 2011

BULLEEN - LOCAL OVERVIEW



Source: REIV QTR Median House Pricing Report March 2012

The median house price in Bulleen has shown a large degree of fluctuation over the last three years. The anomalies of using median pricing as a key indicator of value were evident in Bulleen's December pricing with the lower number of sales, which has been addressed in the March period. When observing the trend line of the average house price of the preceding four quarters, the result shows strong stability in the market. As we are seeing greater buyer interest we expect the prevalence of more higher end properties to enter the market, placing upward pressure on pricing through increased demand.

Properties sold in Bulleen
from January 2012 - March 2012

21 approx.

Number of properties currently for sale
in Bulleen as at 4 May 2012

38 approx.

Record sale price in Bulleen

\$2,039,888

The median house price in Bulleen

\$685,000

COMMUNITY NOTICE BOARD

Boomer Book Club

When: Thursday, 26 July 2012
1pm

Where: Coffee Connection
20 Tunstall Square, Doncaster East

What: Join the Boomer Book Club for its meetings on the fourth Thursday of every month. Contact (03) 9840 9323 to book in for this session - it's free!

Rabbit Hole

When: 27,28 July and 2,3,4,9,10,11 August 2012 at 8.15pm
29 July and 5 August 2012 at 5.15pm

Where: Doncaster Playhouse
679 Doncaster Road, Doncaster

What: Becca and Howie Corbett have everything a family could want, until a life-shattering accident turns their world upside down. 'Rabbit Hole' charts their bittersweet search for comfort.

Preparing for the Summer Harvest

When: Thursday, 23 August 2012
7pm - 9pm

Where: Bulleen Art & Garden
6 Manningham Road West, Bulleen

What: It may be cold outside, but now is the time to start planning and preparing your soil for the summer harvest.

Dvorak's Requiem

When: Saturday, 8 September 2012
2.30pm - 5pm

Where: Sacred Heart Church
116 Cotham Road, Kew

What: The Clough Choristers proudly present Dvorak's *Requiem*. Tickets cost \$30 for adults or \$25 for concession. Contact (03) 9458 1797 to book. Tickets also at the door.

“The property market moves in cycles and now we are in one of stability, with overall median house prices showing no real growth. The median house price in metropolitan Melbourne was \$535,000, representing a minor increase of 0.9 per cent from a revised December quarter median of \$530,000”, says REIV CEO Enzo Raimondo.

Whilst this is a reflection of what we are experiencing in our key areas, as most of our suburbs remained static over the last 12 months, we are seeing a refreshing trend of increased buyer activity. Clearly, this is a positive sign that seems to be fueled by recent interest rate cuts which helps stimulate all sections of the market, including first home buyers. Further to this, our local market is demonstrating very strong signs of recovery with auction clearance rates over the last two months well above those seen across greater Melbourne, showing buyers are becoming particularly active in our area. This augurs well for the future as we expect the latest May interest rate cut to further stimulate buyer interest.

Traditionally, winter is seen as a slower period for real estate but as the supply of property remains at realistic levels and buyer demand grows, we expect an upward pressure on pricing and well priced property to sell quickly. If you are looking at buying or selling property soon we see the period ahead as a good time as there are potential gains to be had for both parties. Buyers who act quickly may be able to upgrade or buy into an area that they could not previously afford and sellers can feel more positive about the increase in buyer activity.

A further sign of recovery is the number of high end properties returning to the marketplace. Recently we achieved a record sale price for a modern home in the suburb of Mont Albert North and we have a number of other higher priced properties coming up for sale that we also expect will produce record results. This resurgence of quality new stock and positivity driven by higher attendances at inspections certainly provides us with market confidence going into winter.

In this edition we shall cover two key questions that are very relevant to our real estate market.

1. How do interest rates influence the market?

Quite simply, lower interest rates enable us to spend more thereby circulating cash into our economy. Increased cash flow means that people are more inclined to spend and/or save. Cash also builds consumer confidence and tends to have a domino effect on spending. Assuming the local and national economy remains intact, as it is currently, it will lead to increased activity in the real estate market. The return in confidence does not occur overnight and there is usually a three month lag following any interest rate shifts, whether up or down. In our market we are particularly buoyed by the Reserve Bank of Australia’s (RBA) decision to substantially reduce the cash rate and as the banks follow suit we expect a further injection of buying confidence.

2. What are the drivers of an interest rate cut?

The RBA looks at a number of economic indices when deciding whether to change interest rates on the premise that the stronger the economy the less likely a rate cut. As we operate in a two speed economy that is also fueled by the mining sector, in deciding to reduce interest rates the RBA took the precautionary stance that our economy needs some stimulus, particularly given the influence of the high Australian dollar on exports that is negatively impacting our manufacturing sector.

The RBA wrote in its May rate statement *“In Australia, output growth was somewhat below trend over the past year...and was affected in part by temporary factors, but also by the persistently high exchange rate. Labour market conditions softened during 2011, though the rate of unemployment has so far remained little changed at a low level.”*

This all means that the RBA sees some potential challenges ahead and so have moved to build more confidence in some of our more volatile sectors being retail, manufacturing and the property market. As consumers we also thank the banks for following the RBA’s lead and passing on the rate cuts.

RECENT FLETCHERS SALES IN BULLEEN

[Source: PDOL]

Address	BRs	Land Size	Type	Price
Helene Street	3	610 sq m approx.	House	\$630,000
Tobruk Street	5	726 sq m approx.	House	\$715,000
Barak Street	3	647 sq m approx.	House	\$665,000
Claremont Lane	4	951 sq m approx.	House	\$820,000
Hillside Road	3	776 sq m approx.	House	Undisclosed
Estelle Street	3	560 sq m approx.	House	\$550,000
Gilbert Street	3	728 sq m approx.	House	\$761,000
Willow Bend	4	730 sq m approx.	House	\$700,000
Cameo Court	6	662 sq m approx.	House	\$1,060,000



Helene Street



Tobruk Street



Barak Street



Claremont Lane



Hillside Road



Estelle Street



Gilbert Street



Willow Bend

Commitment

Local Knowledge

Integrity

Quality Service



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