



BROUGHT TO YOU BY

Fletchers Doncaster East

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LOCAL PROPERTY NEWS

DONVALE - WINTER 2012

Dear Donvale Resident,

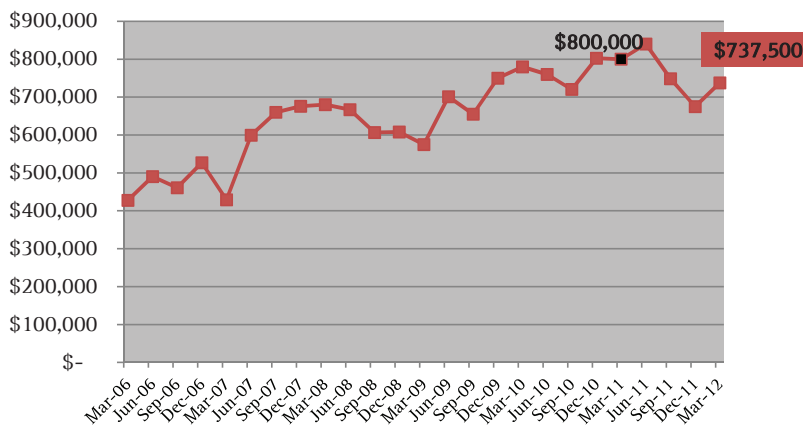
Welcome to the winter edition of Local Property News. The last few months have seen a positive market place with more buyers active in your area, which we believe will stimulate increased demand and pricing. With consumer confidence and spending expected to continue, we look forward to a stronger market 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

DONVALE - LOCAL OVERVIEW



Source: REIV QTR Median House Pricing Report March 2012

It is comforting to see the median house price in Donvale rebound last quarter, with a 9.3% increase from December. We do expect Donvale's median house price to increase again in the June quarter, with more buyers present in the market as sellers at the upper end seeing greater opportunities to sell their property. When viewed over the longer term of five years Donvale has grown 70%, which is substantially higher than greater Melbourne (40%).

Properties sold in Donvale
from January 2012 - March 2012

33 approx.

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

54 approx.

Record sale price in Donvale

\$2,700,000

The median house price in Donvale

\$737,500

COMMUNITY NOTICE BOARD

Nunawading Market

When: Fourth Sunday of each month
9am - 2pm

Where: Whitehorse Civic Centre
397 Whitehorse Road, Nunawading

What: Nunawading Market's motto is to 'Make It, Bake It, Grow It', offering a diverse range of goods including clothing, toys, fresh produce, jewellery and gifts.

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.

Australian Army Band

When: Wednesday, 8 August 2012
11am

Where: Whitehorse Centre
397 Whitehorse Road, Nunawading

What: From opera to jazz, Tchaikovsky to Lloyd Webber. For music lovers.

All for Kids Market

When: Saturday, 18 August 2012
9am - 1pm

Where: NewHope Baptist Church
3-7 Springfield Road, Blackburn North

What: Grab a near perfect pre-loved bargain, or find that elusive new or handmade gift from our creative and talented 'mumpreneurs'. Cafe, face painting and more! Only \$3 entry and kids free! Visit www.allforkidsmarket.com.au

“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.

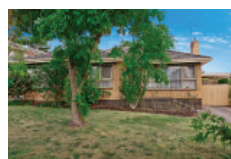
The RBA wrote in its May rate statement *“In Australia, output growth was somewhat below trend over the past year...and was affected in part by temporary factors, but also by the persistently high exchange rate. Labour market conditions softened during 2011, though the rate of unemployment has so far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

[Source: PDOL]

Address	BRs	Land Size	Type	Price
Glika Street	4	630 sq m approx.	House	Undisclosed
Wright Avenue	2	637 sq m approx.	House	\$520,000
Argyle Street	3	250 sq m approx.	House	\$726,000
Garden Road	3	5,526 sq m approx.	House	Undisclosed
William Street	3	310 sq m approx.	Townhouse	Undisclosed
Wembley Gardens	3	854 sq m approx.	House	\$846,000
Doncaster Road	3	603 sq m approx.	House	\$729,500
Old Warrandyte Road	4	1,660 sq m approx.	House	\$1,100,000
Doncaster Road	3	769 sq m approx.	House	\$800,000



Glika Street



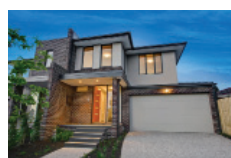
Wright Avenue



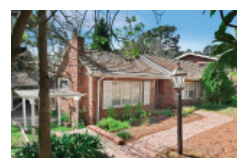
Argyle Street



Garden Road



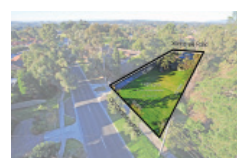
William Street



Wembley Gardens



Doncaster Road



Old Warrandyte Road

Commitment

Local Knowledge

Integrity

Quality Service



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