



BROUGHT TO YOU BY

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LOCAL PROPERTY NEWS

GLEN IRIS - WINTER 2012

Dear Glen Iris Resident,

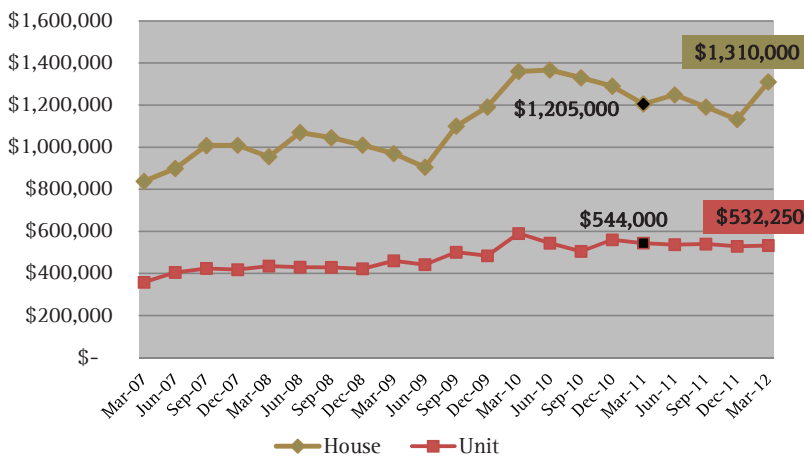
Welcome to the winter edition of Local Property News. The last few months have seen a positive market place with more buyers active in your area, which we believe will stimulate increased demand and pricing. With consumer confidence and spending expected to continue, we look forward to a stronger market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

GLEN IRIS - LOCAL OVERVIEW



Source: REIV QTR Median House Pricing Report March 2012

It is comforting to see the median house price in Glen Iris rebound last quarter, with a 15.7% increase from December to near record levels. We do expect the median house price to maintain a stable level in the June quarter with more buyers present in the market, as sellers at the upper end continue to see opportunities to enter the market. When viewed over the longer term of five years, Glen Iris has grown 56%, ahead of Melbourne's growth of 40%. Unit pricing has maintained a stable level over the last 18 months and this trend is expected to continue with possible upside with the greater buyer activity.

Properties sold in Glen Iris
from January 2012 - March 2012

77 approx.

Number of properties currently for sale
in Glen Iris as at 14 May 2012

66 approx.

Record sale price* in Glen Iris
*Disclosed prices only

\$3,500,000

The median house price in Glen Iris

\$1,310,000

COMMUNITY NOTICE BOARD

All for Kids Market

When: Saturday, 30 June 2012
9am - 1pm

Where: The Crossway Centre
2 Vision Drive, Burwood East

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

Reidel Master Class

When: Friday, 27 July 2012
7pm - 9pm

Where: Armadale Cellars
813-817 High Street, Armadale

What: This Masterclass allows you to experience a tutored tasting at Armadale Cellars and to taste four wines in glasses you keep! The cost is \$149.00, contact (03) 9509 3055 for more information.

Malvern Baby & Kid's Market

When: Sunday, 19 August 2012
9am - 1pm

Where: Malvern Town Hall
Cnr Glenferrie Road & High Street, Malvern
Melways Ref: 59 C8

What: For excellent quality, pre-loved goods by great brands at bargain prices. Admission is \$4 (kids free)!

Camberwell Sunday Market

When: Every Sunday
7am - 12.30pm

Where: Station Street car park, Camberwell
Melways Ref: 45 J12

What: Going strong since 1976, you never know what you'll find at the Camberwell Sunday Market!

“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.

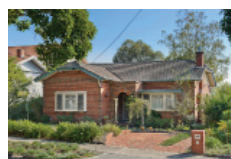
The RBA wrote in its May rate statement *“In Australia, output growth was somewhat below trend over the past year...and was affected in part by temporary factors, but also by the persistently high exchange rate. Labour market conditions softened during 2011, though the rate of unemployment has so far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

[Source: PDOL]

Address	BRs	Land Size	Type	Price
Beryl Street	3	720 sq m approx.	House	\$1,010,000
Queens Parade	3	645 sq m approx.	House	\$1,521,000
Webb Street	2	818 sq m approx.	House	\$1,085,000
Station Avenue	4	579 sq m approx.	House	\$1,004,100
Hillside Parade	3	245 sq m approx.	House	Undisclosed
Iris Road	3	341 sq m approx.	Townhouse	\$960,000
Osborne Avenue	3	N/A	Townhouse	\$681,000
Queens Parade	4	655 sq m approx.	House	Undisclosed
Lithgow Street	2	N/A	Unit	\$535,000



Beryl Street



Queens Parade



Webb Street



Station Avenue



Hillside Parade



Iris Road



Osborne Avenue



Queens Parade

Commitment

Local Knowledge

Integrity

Quality Service



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