



BROUGHT TO YOU BY

## Fletchers Balwyn North

9859 9561, [info@fletchers.net.au](mailto:info@fletchers.net.au)

### LOCAL PROPERTY NEWS

## KEW EAST - WINTER 2012

Dear Kew East Resident,

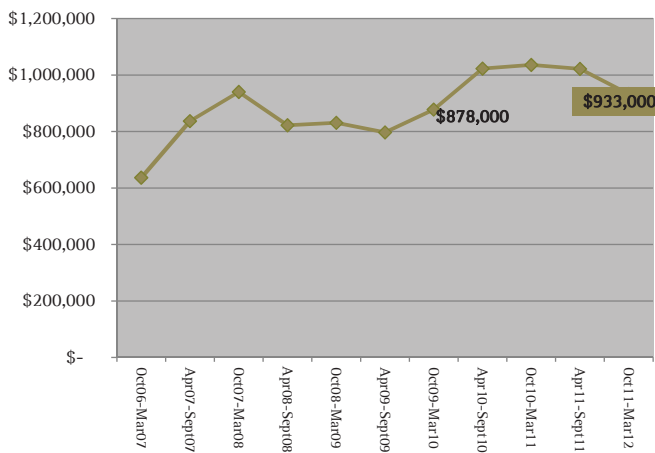
Welcome to the winter edition of Local Property News. The last few months have seen a positive market place with more buyers active in your area, which we believe will stimulate increased demand and pricing. With consumer confidence and spending expected to continue, we look forward to a stronger market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

### KEW EAST - LOCAL OVERVIEW



Source: REIV QTR Median House Pricing Report March 2012

Historically Kew East has a low number of sales and accordingly, we have used six monthly averages as an indicator of price. The last year has seen pricing come off from the highs of 2010 but this is principally due to the reduced volume, which shows property in your suburb remains tightly held. As we are seeing greater buyer interest, we expect the prevalence of more higher-end properties, which is evidenced by a number of high value properties entering the market for Fletchers.

Properties sold in Kew East  
from January 2012 - March 2012

16 approx.

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

17 approx.

Record sale price in Kew East

\$2,750,000

The median house price in Kew East

\$933,000

### COMMUNITY NOTICE BOARD

#### Boroondara Farmers Market

**When:** Third Saturday of the month  
8am - 1pm

**Where:** Pattersons Reserve  
Auburn Road, Hawthorn East  
Melways Ref: 59 E4

**What:** The Boroondara Farmers Market is the perfect chance to stock up on farm-fresh supplies and delicious treats. Entry is only \$2.

#### Hawthorn Craft Market

**When:** First Sunday of the month  
10am - 3pm

**Where:** Hawthorn Town Hall  
358 Burwood Road, Hawthorn  
Parking off Kent Street, Hawthorn

**What:** Established in 1979, the Hawthorn Craft Market is one of Melbourne's longest running makers' markets. All products are handmade by the artisans who sell them. Entry is free.

#### 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.

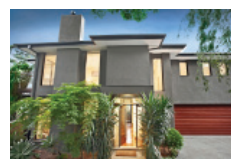
The RBA wrote in its May rate statement *“In Australia, output growth was somewhat below trend over the past year...and was affected in part by temporary factors, but also by the persistently high exchange rate. Labour market conditions softened during 2011, though the rate of unemployment has so far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

[Source: PDOL]

Address	BRs	Land Size	Type	Price
Old Burke Road	3	204 sq m approx.	Townhouse	\$820,000
Elm Grove	2	780 sq m approx.	House	\$915,000
Clyde Street	2	N/A	Unit	\$560,000
Cascade Drive	3	891 sq m approx.	House	\$1,050,000
Strathalbyn Street	2	N/A	Unit	\$540,000
Burke Road	4	836 sq m approx.	House	\$1,200,000
Ratten Avenue	3	573 sq m approx.	House	\$890,000
Boorool Road	5	630 sq m approx.	House	Undisclosed
Elm Grove	3	689 sq m approx.	House	\$1,000,000



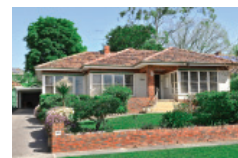
Old Burke Road



Elm Grove



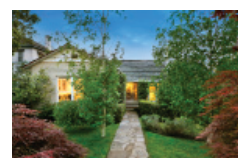
Clyde Street



Cascade Drive



Strathalbyn Street



Burke Road



Ratten Avenue



Boorool Road

Commitment

Local Knowledge

Integrity

Quality Service



Fletchers Balwyn North  
61 Doncaster Road  
Balwyn North VIC 3104

Phone: (03) 9859 9561  
Fax: (03) 9859 2552

Email: info@fletchers.net.au  
Web: fletchers.net.au



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