



Rebecca Dunn
CEO, PROPERTY PROFILE GROUP

Welcome to the monthly Property Profile Group newsletter!

As Australia's strongest and most dynamic collection of independent real estate agencies, we publish this newsletter to inform and excite readers about the property market. Included are articles, facts and figures on industry news and helpful property-related hints and tips. As always, we value your feedback, so please be in touch with any ideas and suggestions.



2010: The strongest market in nearly 10 years

The Real Estate Institute of Victoria (REIV) recently released the 2010 annual median prices, which show that last year was the strongest year for price growth for the Melbourne residential property market since 2001.

REIV CEO Enzo Raimondo said the median price of a house increased by \$95,000 from \$465,000 in 2009 to \$560,000 in 2010 — a 20.4 per cent increase.

“The REIV 2010 medians confirm that 2010 was a very strong year for the Melbourne residential property market.

“The 20.4 per cent increase was a direct result of the economy recovering from the impact of the GFC in the early part of 2009 and the growing gap between housing construction and the growth of our population.

“Towards the end of 2010 population growth slowed and the level of housing construction increased however there is a current shortage which was created between 2005 and 2010. The key to improving affordability of housing in Melbourne is to increase the number of new homes right across the city.

“Affordability constraints resulted in suburbs priced around the median having the highest demand and recording the larger price increases. The top three suburbs for capital growth were Altona, which recorded a median of \$656,000 and an increase of 34.7 per cent; followed by Keilor East, where the median increased by 31.6 per cent to \$620,000; and Heidelberg Heights, where it increased by 30.3 per cent to \$600,000.

“There is a lot of demand for homes priced between \$400,000 and \$600,000.

“Trends over the past five years show the western suburbs increasing in popularity with Braybrook, Maidstone, Footscray West and Altona all in the top 10 growth suburbs.

“Solid growth was also recorded in regional Victoria, where the median house price increased by 10.1 per cent from \$277,000 in 2009 to \$305,000 in 2010,” Mr Raimondo concluded.

The annual medians provide a different snapshot of the market to the quarterly median prices, as they compare all the sales in 2010 with those in 2009. The quarterly median prices compare sales in a three-month period so are more likely to pick up variations over a year.

Information courtesy of the REIV



Taking the Plunge

Installing a swimming pool can certainly provide years of fun for the whole family. It can also add value to your home, making it a very worthwhile consideration.

The cheapest option is an above ground model. Today they are constructed with highly durable materials, come in all shapes and sizes and, when coupled with some smart timber decking, they can look just as good as the traditional in-ground version. Costs vary considerably but \$3,000–\$12,000 is a good guide. [To page 2](#)

From page 1 If the budget can stretch further, an in-ground pool is the ideal option. Deciding on the style and features of your new pool is the first step. For example, will you use fresh water or salt water? Is a lap pool more practical or have you always dreamed of having an “infinity” pool? The choices are endless and a professional opinion can be invaluable. The pool style should really tie in with the overall style of your home to avoid over capitalising.

Once you have decided on the size and design of your new pool the added extras need to be considered - feature tiling and garden landscaping for instance. And with safety fencing to keep children away from the pool a legal requirement, this should be given top priority. A complete in-ground pool package can cost anywhere from \$15,000 to \$100,000.

Ensure you are getting value for money is to compare several quotes. Check that the pool builder you go with is a registered and, before you sign on the dotted line, make sure you get a detailed breakdown of what is included.

It's also worth making sure you look into the ongoing cost of keeping your pool as chemicals, lighting and heating cost can all add up. Solar-powered heating and lighting can be a cheaper and more environmentally friendly and purchasing a pool cover to minimise evaporation is a must.

Units and apartments take centre stage

The 2010 property market finished on a high, signalling the end of a cautious period and causing some records to be blown out of the water.

In real estate, the focus is often on house prices as a barometer of market activity and interest with apartment prices always getting second billing. But results and trends from 2010 and early 2011 — as provided by the Real Estate Institute of Victoria show the unit and apartment market is anything but a “poor cousin”.

In December 2010, the median price of a unit/apartment in Melbourne increased by 2.6 per cent from \$468,000 in the September quarter to \$480,000. Since 2005, units have increased in median price by 57.4%. This is in line with median house price increases for the same period of 62.1%

In regional Victoria the median was stable at \$255,000 with growth over five years of 6.7%.

Inner-city suburbs dominated the areas with the highest quarter-on-quarter growth in median price. In Kensington the median increased from the September quarter by 24.6% from \$460,000 to \$573,250. It was followed by Mount Waverley, where the median increased from \$573,500 to \$635,000 — an increase of 18.1%.



Third on the list was Richmond, where the median increased by 13.7% from \$525,000 to \$597,000. Fourth and fifth on the list were Melbourne (CBD) and Hawthorn.

From a sales method perspective the outcome mirrored conditions in the detached house market. Prices of those sold at auction were stable at \$520,000 and for those sold at private sale there was an increase of 2.7% to \$450,000.

Some inner-city suburbs did stand out; however, the overall results painted a different picture as price growth was stronger in the outer suburbs than it was in the inner city. There was a 5.6% increase in the outer suburbs (over 20 km from CBD), which was higher than the 3% in the middle suburbs (10km–20 km from CBD) and the 1.9% reduction in the inner city. This suggests that buyers can find value in the inner city if they are prepared to research the market and look beyond some of the more popular suburbs.

Render it up!

It's fast, relatively inexpensive and can radically transform a tired or older house into a modern home. Yes, cement rendering is one of the most popular and effective ways to add value to a property.



There are several types of rendering finishes. The first is the smooth render finish. This look is the most popular, leaving the exterior walls of a home with a flawless surface – the original bricks and mortar are completely covered.

The second finish is the bagged render. This technique is used less frequently these days but it is still a workable option because it is cheaper and less labor intensive. The finish leaves the original bricks still visible through the texture. This kind of rendering is suitable for those on a tight budget. The third render method is the trowelled splatter finish. Bricks are hidden but a rougher, more random finish is achieved.

Rendering can certainly be tackled as a ‘do-it-yourself’ project but there is a genuine skill involved in achieving a good finish, particularly the smooth render finish. Investing in the help of an expert is usually money well spent. The cost of rendering a house varies widely. The size of the property and the time it takes to complete the job will naturally affect the price. \$20 per square metre is a very broad guide. This equates to approximately \$8000 to \$12,000 in total for an average sized three bedroom home with easy access. It's a good idea to obtain three written quotes before deciding who will do the job, and viewing previous jobs also makes good sense.

Converting a 70's brick home to a professionally rendered finish can add significant value – sometimes up to three times the cost of the rendering. It's a fantastic way to build equity in an investment property or prepare the family home to sell.