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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.



## Summer market looking hot!

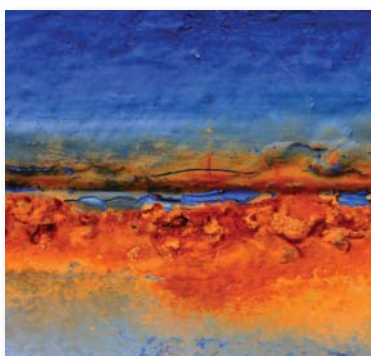
At the end of the September quarter Melbourne's median house price sits at \$565,000. This follows an 18 month period of unprecedented growth. Real Estate of Victoria (REIV) figures show that since March 2009 the median price has increased by a staggering \$160,000, or around 30 per cent. This exceptional increase, partly driven by a rapidly growing population, has had both positive and negative impact for many Melbournians.

First home owners, for example, become disadvantaged when prices go up at this pace. And the gradual decline in extra government incentives has added to their woes. The basic bonus of \$7000, introduced 10 years ago, has not risen in accordance with rising stamp duty and other purchasing expenses. It now covers less of the purchaser's expenses than ever before.

However, the encouraging news is that there are still suburban pockets with affordable properties representing good value for first time buyers. Thorough research and sensible advice from agents means first home buyers can still own their own homes without over committing themselves. And first home owners who chose to buy a newly constructed home can still receive up to \$13,000 in additional bonuses.

Property investors are one group of buyers who are certainly reaping the benefits of this exceptional growth period. Vacancy rates remain at record low levels allowing investors to profit from both strong capital growth as well as solid rental returns.

Current indicators point to a possible leveling off of the market over the coming months. This suggests the market is more balanced with a good supply of stock and a healthy demand. One thing is for sure — there's always continual movement and change in the real estate world.



## Smart about art

When the painting you paid a fortune to have shipped back from Venice fails to match your new home's style or decor, you can store it away until next time you move, or, more practically, hang it regardless.

These days, you can get away with a colourful print in even a period home – so long as it doesn't outshine the pressed metal. A good rule is to keep any piece proportionate to the space. In a high ceilinged home, bigger is better, while a modern apartment may do better with a series of smaller pieces. [To page 2](#)

**From page 1** Also strive to keep a painting or print at least half the width of the furniture below. If the piece de resistance falls short, marry it with some smaller pieces. For maximum impact, the focus of a standalone piece should be at eye level, or about 1.5 metres from the floor. Ensure the bottom edge is no more than 40 centimetres from the top of the furniture.

With today's non-intrusive picture hooks, you can afford to test drive different spots. A stairwell often craves colour, and the wall above the fireplace is prime portrait territory. Even the space above a door can become a gallery.

There are many great places in and around Melbourne selling affordable, original art. Or, if you're feeling creative, why not pick up a canvas and some paints and set about creating your own "one-off" masterpiece!

## Keeping it cool this summer

To avoid a stampede and potential impulse buy when the mercury rises, it pays to at least consider the type of cooling you might need before summer sets in.

The first quandary is whether to install separate air-conditioning units or a central system. Discrete units suit segmented houses, where you may only want to cool certain rooms, while central cooling complements open-plan homes.

You'll also need to choose between an evaporative air cooler, reverse-cycle air-conditioner or a ducted, refrigerated cooling.

While evaporative coolers are adequate for mild, dry heat, they struggle in humid or scorching climates. They are also high water users, which may pose a problem as water restrictions fluctuate. But essentially, after the initial investment to purchase the unit and have the system of ducts installed, they offer the most affordable cooling. Evaporative coolers draw air from outside the house (some windows and doors will need to remain open), push it through a series of filters cooled by water, and circulate it back down into each room.

If your home retains heat, or you want to install several outlets under one system, consider refrigerated cooling which operates from one unit through multiple ceiling ducts and can be "zoned" to cool selected sections of the home.

Reverse-cycle air conditioning offers year-round comfort by converting from cooler to heater at the flick of a switch.



Although it brings even 40-plus temperatures under control, it may also increase your electricity bill!

All cooling systems are enhanced by the strategic installation of fans within the home. They disperse the cool air ensuring you get the maximum benefit from your system and help reduce overall costs.

## Buying 'Off the Plan'

Buying property prior to its completion or before the construction has even begun is known as buying 'off the plan'. Buyers who look to purchase this way have often researched an area or a particular project before exchanging contracts.



There are many obvious advantages of this practice. For instance, a vendor can secure pre-commitments which guarantee the viability of the project and, in a rising market, a purchaser can secure the property at today's prices. There are also significant tax breaks and stamp duty savings when buying off the plan – particularly here in Melbourne. Here, stamp duty is calculated based on the land value and the value of construction that has occurred on the land. Property investor buying off the plan can save tens of thousands of dollars if they purchase before the construction of a development has started.

Other advantages to buying off the plan include a fixed price contract for the property purchase and delayed settlement allowing the buyer to save for a greater deposit and plan for future mortgage repayments.

One common concern when buying off the plan is not being able to see the finished product. Buyers may be unsure if the quality if the development will meet their expectations. However, this worry can be minimised by the potential purchaser by undertaking extensive research on both the location of the development and the developer and other parties involved in the development, such as the architects. A company such as Archicentre is a building advisory service of the Royal Australian Institute of Architects. It can provide advice on plans including an opinion on whether the rooms are of a reasonable size, the quality of the fixtures and fittings and the layout. A complete understanding and acceptance of the contract before signing is also paramount.