



Croll
FIRST NATIONAL REAL ESTATE

REALTY ADVISOR

The latest news from your local real estate agency

Winter 2007

Lower North Shore setting the pace in property market

By Andrew Croll, Principal.



The factors that contribute to a prosperous real estate sector are looking very positive, particularly with

regards to property in and near Sydney's lower North Shore.

There's an old saying in real estate: 'Recovery in the market begins on the

coast and works its way inland'. It's certainly proving true in 2007.

Although some other parts of the greater Sydney area are just now getting over the recent property market slowdown, demand for homes and units on the lower North Shore was never seriously affected.

In March, for example, our sales activity was the highest on record. An even stronger indicator is that we had a 100% auction clearance rate in March and this market strength has continued into winter.

The March quarterly figures from Australian Property Monitors show that prices on the lower North Shore have gone up 9% over the past year, with the median house price rising from \$1.03 million to \$1.12 million in 12 months.

The economic indicators show an expanding economy with sufficient strength to keep growing well into 2008.

This strength already translating into a stronger real estate market is aided by low rates of inflation and high rates of employment.

It pays to sell now rather than later

This winter there are even more reasons to market a property in winter rather than waiting for what is often thought of as the 'spring selling season'.

There's going to be a Federal election this spring and everyone in real estate knows the market comes to a grinding halt before an election. As this year's election offers the very real prospect of a close result, people's attention will be

focused on the campaign even more than usual.

After the election there will be a flood of properties coming onto the market. This usually has the effect of slowing the market.

We have a number of serious buyers looking for properties to purchase right now, so this is truly the best time to list your property for sale.

Because we specialise in properties on the lower North Shore and surrounding areas we're able to provide vendors and those wishing to purchase a property in this area with advice based on years of experience as well as our very up to date knowledge.

Please feel free to ring me anytime for a confidential discussion on (02) 9908 1955 or 0409 530 133.

Enjoy a unique and spacious lifestyle

16 Grafton Street, CREMORNE \$1.39 million



This spacious freestanding brick residence features bright, immaculately-maintained interior with excellent potential for those seeking to further renovate or extend.

With tropical gardens and a picturesque bushland outlook, it's just metres from Primrose Park, public transport and Cammeray Golf Course. It also offers the rare luxury of fast, traffic light-free access to the CBD.

The home includes two double bedrooms with built-ins, immense separate studio or third bedroom with a private entrance and ensuite, a stylish skylit bathroom, laundry and a generous timber kitchen with European appliances.

There's also a large lounge, sunroom, elegant formal dining room and a casual dining area extending out to a vast covered entertaining space. With additional parking for up to three vehicles.



Australian home buyers better off - says the Reserve Bank

Like to know how Australia's Reserve Bank views the situation of the Australian householder?

This information from the Bank's March review of Australia's financial system is very different from what you're likely to read or hear in most mainstream media because it's not negative. It's a positive story!

The Reserve Bank sees the interest rate rises last year as not having stretched most households.

Its figures show fewer people have fallen behind on their mortgage payments than in the 1990s.

Furthermore, more than half of Australia's home borrowers are paying their home loans off faster than their lending institution requires.

The Bank says that rising wages and jobs growth have left people better off, despite the rise in interest rates.

"The household sector remains in a good financial shape, which is not surprising given the ongoing strength of the economy. There are few signs that the household sector is struggling to meet higher debt-servicing costs," it said.

Among some of its findings are:

- A relatively high share of households reported their personal finances to be better than the case a year ago.
- There has been no change in the number of people paying more than half their income to support their mortgages; held at 5.5% for the past three years.

- There were only a few isolated areas where people had difficulty with their payments, such as western Sydney, where a disproportionate number of households took loans worth almost as much as their houses.

- The number of people falling behind in mortgage repayments rose between 2004 and last year, but the number has remained at 0.31% of all borrowers.

The Bank says it also found that low-income people had improved their financial position the most, with their equity in their homes rising by 10 percentage points.

If you're thinking of investing... Take note!

Vacancy rates for rental properties across Australia remain at remarkably low levels with the consequence rents are still rising and are predicted to rise considerably further.

According to the Real Estate Institute of Australia, the median price of rents rose by more than 4% in 2006 to be ahead of the nation's CPI index.

Vacancy rates are currently as follows:

Adelaide	1.6%
Melbourne	1.7%
Perth	1.8%
Canberra	2.0%
Sydney	1.9%
Hobart	2.2%
Brisbane	2.1%
Darwin	2.2%



Economic forecaster, BIS Shrapnel predicts rents to rise by up to 40% over the next five years due to housing shortages across the country.

The company says housing starts will fall for the third successive year because of land release shortages.

Housing starts this year are tipped to drop 9% in Victoria and South Australia, 8% in the Northern Territory, 6% in Tasmania, 5% in the ACT, 4% in Western Australia, and 3% in NSW and Queensland.

"With the supply of new dwellings decreasing, rental markets will tighten even further in 2007 and 2008, rental levels will rise and returns on investment for investors will rise."

The trend

Record levels on the percentage of mortgages given to investors has occurred in March and April this year.

According to the AFG Mortgage Index March recorded 32.9% while April topped at 33.8%.

On a state basis, WA 47.9%; NSW 35.8%; QLD 32.0%; SA 28.5%; VIC 22.6%

Property growth - March Quarter

According to the latest Australian Bureau of Statistic figures, the median price of established homes saw the following percentage changes in the 2007 March quarter:

Sydney -0.4%; Melbourne 1.5%; Brisbane 2.9%; Adelaide 1.7%; Perth 2.1%; Hobart 3.8%; Darwin 2.8%; Canberra 1.2%.

NB: RP figures for Sydney indicate + 1.1%

Changes in the last 12 months:

Sydney 1.5%; Melbourne 7.4%; Brisbane 10.2%; Adelaide 6.1%; Perth 32.1%; Hobart 10.5%; Darwin 15.0%; Canberra 9.0%



Is your front garden dreary?

Native plants are the way to go...

"THERE ARE MORE THAN 2,000 VARIETIES OF NATIVE PLANTS AVAILABLE THROUGH SPECIALIST NATIVE PLANT NURSERIES TO SUIT VIRTUALLY ALL TYPES OF GARDENS AND SITUATIONS."



Photo: Yellow eucalyptus tree blossom

Have you ever driven along a suburban street and thought how uninspired and similar looking many home front gardens are? And then you come to a really nice front garden that makes the property a real stand-out in the street?

An attractive front garden is something that adds significant appeal and value to a property, well beyond what it costs to install.

But with water shortages and lower rainfalls taking their toll, many people view achieving an attractive garden as nearly impossible, unless they put in an enormous amount of work and go to the expense of installing a bore to provide a constant stream of water.

But it doesn't have to be that way, especially if you think beyond the traditional European style of cottage garden and lawn. When you think about it, lawns in particular don't make much sense.

Firstly, the kids tend to play in the back yard rather than on the front lawn so is there a need for a front lawn?

Secondly, most lawns if they're to present well soak up water and fertiliser like the stuff is going out of fashion (which it is). Furthermore they require time and money to maintain.

The trend over coming years, according to garden experts, will be to rip up the front lawn, replacing it with something easier to keep attractive - after all there are few things that look worse than a pale, poorly watered, poorly fertilised lawn.

Native plants need less maintenance

In order to replace the dreary, yellowing lawn it's worth discovering nurseries specialising in Australian native plants. There are native plants ideal for home gardens that are not only hardier and more drought tolerant but have the

added benefit of requiring less maintenance. Furthermore, they attract native birdlife better than anything else.

Many people tend to regard native plants as the leaf littering, gutter filling, branch dropping gum trees but a little investigation reveals there's a wonderful range from climbers to shrubs, ground covers, plants for hedges and bushy feature plants far removed from these types of problem generators.

There are more than 2,000 varieties of native plants available through specialist native plant nurseries to suit virtually all types of gardens and situations.

They're worth checking out. Most home owners will be surprised at what can be achieved including the traditional cottage garden effect.

There are many native plants ideally suited to this style of home garden theme.

Ask the experts!



Investor's Specials

By Fran Turner

The following are great opportunities for investors and owner/occupiers alike. Here's a selection of the many properties we have available.

Delightful Garden Setting
1/60 Wycombe Road NEUTRAL BAY
\$605,000

Just Listed - Set amidst gardens and trees, a stylish, older style apartment with a bygone era charm that retains many original features including an open fireplace and high ceilings.

It is one of only 4 grand apartments in the building.

Features include a separate entrance hallway, 2 bedrooms, sitting areas, a spacious living room, beautifully renovated bathroom and a large eat-in kitchen.

Leased parking is available in the adjoining building.

Situated just a stone's throw to the ferry, shops, cafes, restaurants and the picturesque harbour-front walkway.

It also offers bus transport at the front door.

Studio with Style
111/128 Sailors Bay Road NORTHBRIDGE
\$299,000



Bright, airy, near new 62sqm studio apartment with designer inspired colours, kitchen, bathroom, light fittings and carpet.

Contemporary design

with concealed storage space, workstation, laundry and fold away bed allowing for a spacious floor plan.

The living area opens to a large covered balcony which is ideal for outdoor living. With security parking space. Leased to good tenant for \$290pw, this is the perfect City base, trendy first home or ideal investment.

Immense new family home

85 Reynolds Street CREMORNE
Around \$1,950,000

Brand new freestanding home in exceptional setting, within close reach of Neutral Bay's shops, restaurants and transport.

A supremely spacious three level home with stylish contemporary finishes. Includes five double bedrooms, three additional bathrooms, and guest WC. Gourmet granite kitchen appointed with quality European appliances.

Also offers a casual dining area, expansive living room, covered terrace entertaining space and a large family room with an adjoining kitchenette.

Fully-featured property also boasts district views, parquet floors, built-in wardrobes, reverse-cycle air-conditioning, security alarm, rear lane access, secure automatic garage and vast basement with workshop, WC and wine cellar.



Property management without hassles



By Gary Bixley
Associate Director,
Property Management

There are really just three key factors to successful property investment: (a) buy at the right price, (b) finance it with the best financial arrangement possible, and (c) manage it properly.

The quality of property management is something that should never be overlooked by any investor and is a key reason why the task should be handled by a professional property management service.

We offer a mature Property Management Team (the average age is just under 40).

This stability is just one reason our rent roll has grown by over 10% in the past 12 months.

And our Neutral Bay shopfront is one of the area's best-known sources of information about properties for rent.

Using a Property Management Service keeps you and your tenants at arm's length, establishing a good business relationship with no hassles for you to deal with.

We'll be happy to show you why our owners enjoy peace of mind and financial security, knowing their investment is being well looked-after.

Quality contemporary apartment
13/116 Cabramatta Road
CREMORNE \$559,000

Exceptional apartment in the stylish "Baringa" complex, this second-floor security apartment offers a spacious open-plan layout with contemporary finishes.

Double bedroom with built-in wardrobes and balcony, plus separate home office or second bedroom, modern bathroom, concealed laundry



and a sleek kitchen with granite benchtops and stainless steel Smeg dishwasher, oven and gas cooktop.

Open-plan living and dining room stretches out to a sunny balcony, all near the heart of Cremorne.

Ph: (02) 9908 1955

Should you require more information on any topic relating to real estate we'll be more than pleased to assist...

The information contained within this newsletter is of an advisory nature only and due to constantly changing rules we advise you to contact us before making any formal real estate decisions.