



Diamond Valley PROPERTY UPDATE

SUMMER 2017

THE BUCKINGHAM AND COMPANY NEWSLETTER

Welcome to the Buckingham & Company Estate Agents Quarterly Newsletter. This newsletter will keep you informed with valuable real estate property information and advice, whether you are selling, buying or investing.

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Market growth moderates

In good news for homebuyers, the citywide median house price growth moderated in the September quarter as new policy initiatives increased sale volumes at the lower end of the market.

New REIV data shows the metropolitan Melbourne house price recorded its lowest increase in almost two years, up just 0.7 per cent in the September quarter to \$817,000.

REIV Acting President Richard Simpson said the moderation was attributable to 44 per cent of all sales in the September quarter being below \$600,000.

“In the June quarter we saw vendors with houses around that \$600,000 price point hold off selling in order to capitalise on greater competition from first homebuyers.”

“These incentives have certainly worked with first homebuyers accounting for 18.3 per cent of all new home loans in August - the highest since September 2013.”

“Despite the moderation, the market remains strong with the Melbourne median house price up a remarkable 14 per cent on the same period last year. We’re also seeing buyer demand continue to outstrip supply and a high level of vendor confidence.”

Outer Melbourne dominated the top 20 growth suburbs this quarter as buyers looked for affordable entry points to the market.

The seaside suburb of Dromana was the city’s best performing with its median house price increasing 15 per cent on June figures to \$790,250. Sunbury, Ringwood East and

Diamond Creek also experienced double-digit quarterly growth.

“Given the strength of the market at present, buyers are looking for new growth areas which offer value without the need to compromise on amenities or infrastructure.”

“Increased competition for homes further from the city is boosting the median house price in many of these areas, with all of the city’s most affordable suburbs experiencing significant annual growth.”

Mr Simpson added that the city’s inner ring recorded the strongest growth of any region in the September quarter with its median

house price increasing 1.5 per cent to just over \$1.5 million.

“Buyer demand within 10km of the CBD remains strong, which is being supported by a shortage of quality stock.”

Apartment prices were also impacted by the Government’s first homebuyer initiatives with the citywide median falling for the first time in six quarters, down 2.5 per cent to \$587,000.

Meanwhile, house prices in regional Victoria increased for the third consecutive quarter, up 1.2 per cent to \$385,000.

YOUR LOCAL DEMOGRAPHIC MEDIAN HOUSE PRICES IN THE DIAMOND VALLEY

Suburb	Last Year Sept 2016	Last Quarter June 2017	This Quarter Sept 2017	Quarter Change	Annual Change
BRIAR HILL *			\$830,000		12.5%
DIAMOND CREEK	\$693,875	\$726,444	\$813,100	11.9%	13.3%
DOREEN	\$530,000	\$545,100	\$580,000	6.4%	12.0%
ELTHAM	\$830,000	\$861,000	\$945,000	9.8%	9.2%
ELTHAM NORTH*	\$772,500	\$917,500	\$920,000	0.3%	9.9%
GREENSBOROUGH	\$722,500	\$814,000	\$869,000	6.8%	12.6%
HURSTBRIDGE*	\$637,500	\$696,500	\$735,000	5.5%	18.9%
LOWER PLENTY*	\$925,000	\$1,024,000	\$971,000	-5.2%	21.7%
MACLEOD*	\$775,000	\$968,500	\$1,024,250	5.8%	17.8%
MONTMORENCY	\$752,000	\$860,000	\$850,000	-1.2%	12.1%
WATSONIA*		\$835,000	\$843,000	1.0%	22.4%
WATSONIA NORTH*		\$722,125	\$825,000	14.2%	5.0%
YALLAMBIE*		\$821,500	\$800,250	-2.6%	12.2%
YARRAMBAT*			\$1,063,000		26.7%

Figures as at September Quarter 2017 REIV.
*Indicates that less than 30 sales were recorded during the quarter period.
NOTE: Annual change is based on rolling annual figure.



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Why Australians really renovate & decorate

Over half, in fact, 55% of Australians who renovate or decorate their homes are looking to add value to their properties, according to realestate.com.au's latest Consumer Intentions Study.

Around 45% of those surveyed believe their decorating and renovating efforts will increase the value of their property

by between \$20,000 and \$100,000.

The September survey also indicated that the most common areas people planned to decorate or renovate were the bathroom, kitchen or outdoor entertaining areas.

About 54% of the 1107 Australians surveyed were simply looking to maintain and update their properties.

Where to start with renovating to sell?

While TV shows like The Block or Love It or List It make renovating properties for profit look easy, which areas of a home should an owner tackle first?

Doing up the bathroom or kitchen is a good place to start says the Reno Chick's Cathy Morrissey.

"Most certainly the bathroom and kitchen are key areas to focus on, as long as they are renovated within budget," she says.

"However, the homeowner must know

their numbers on their house so that they don't over capitalise by spending too much money."

Improving the outdoor area is definitely important when selling a property.

"Spending some well-earned cash on your front yard has been known to bring upwards of \$20,000 just by making some simple and low-cost improvements," says Morrissey.

"Clean down all paths and driveways with a gurney. Use paving paint to create a fresh,

new look without having to spend too much money. A good garden layout with a well maintained lawn will give potential buyers the best possible first impression."

However on the whole, when renovating to sell, Morrissey advises against focusing on just one particular area.

"I wouldn't heavily focus on just one area. I've bought half-finished homes for under value because a home is valued on the entire home, not just one part," she says.

"People pick out faults, that's how we talk down a price of a home. So if you only attend to just one part of the house you run the risk of actually losing money."

The REIV has launched an online petition calling on the Andrews' Government to amend proposed changes to Victoria's rental laws.

The '**Rentfair is Unfair**' petition will highlight the level of concern in the marketplace with reform of the Residential Tenancies Act set to remove important landlord rights, including the ability to consent to pets and to minor property modifications. Landlords will also find their right to end a tenancy further restricted.

The changes would also reduce a property owners' security with bonds capped at the equivalent of four weeks' rent for all homes rented for less than \$760 a week.

Online petition to give landlords a voice

REIV President Richard Simpson said the views and rights of the supply side had been ignored with landlords left without a voice.

"Landlords have a significant financial asset at stake and it's important that they retain the right to choose whether they accept pets or if the tenant is allowed to make modifications to the property, particularly as these factors can impact on the value of their investment."

"Balanced legislation is crucial in ensuring the private rental market is sustainable, now and into the future, especially given enforcement of the legislation through VCAT overwhelmingly favours tenants."

"The Government is trying to provide tenants with better protections but by reducing landlord rights and their security, it's going to result in greater screening of applicants and increased rents. Some landlords have indicated that they will remove their investment property from the private rental market if these reforms are passed."

The petition will later be received and raised in Parliament by Heidi Victoria, Shadow Minister for Consumer Affairs.

"The REIV has been encouraged by support from both the Opposition and a number of upper house crossbenchers in challenging the proposed reforms."

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