

ST IVES REALTY

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LICENSEE: BLAXLAND PTY LTD

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FROM THE MANAGERS DESK

Manager Marketing & Sales Angus Kukura

Welcome to this autumn edition of the St Ives Realty Newsletter. In this issue we discuss the benefits to Property Investors of refurbishing their properties. We also look at some of the difficulties associated with negotiating a property sale and why it is important that you have experienced negotiators such as **St Ives Realty** acting on your behalf. Speaking of experienced negotiators, we also welcome Steve Eldridge to our team – Steve's profile is on page 2 and I commend his services to you. We are fortunate indeed to have someone with his level of experience and exemplary customer service joining our team.

Having spent a couple of weeks in Asia recently highlights to me just how lucky we are in this great state of Western Australia. One of the by products of urbanization in these growing nations to our north is pollution. Unfortunately, local weather pressure systems do not assist and in several major centres that I visited, the smog was so bad that visibility was down to around six or seven kilometers and I was unable to see the sky once in 12 days.

Driving to a meeting this morning I was traveling south along West Coast Highway and could see Rottneest clearly. Is it any wonder that most of the 15,000 new residents moving into Western Australia each year decide to settle here? Which of course places increased pressure on our market –especially the rental market which we believe is the tightest it has been for some years.

I wrote in our last newsletter that I felt we would see growth slow to more sustainable levels. Since then we have had quarterly increases of 7% and 2.3%. The urbanization I mentioned taking place in the Sub Continent and China has not suddenly disappeared. It is interesting to me that so few 'experts' have not come to terms with the fact we are part of a global community. I believe the Reserve Banks decision not to lift interest rates at their February meeting will also inject confidence into the market place. I place great importance on the health of the first home buyers market and can only ad my call to our government to reassess their decision to wait until the May budget to release details of any cut in stamp duty for this sector.

CONGRATULATIONS TO OUR CAVES HOUSE WINNERS

Mr & Mrs Woodland were very surprised to receive a call informing them that they had just won a weekender at the fabulous Caves House in the Honeymoon Suite no less! Well done for subscribing to our Newsletter!



Mr & Mrs Woodland, are congratulated by Denis Macfarlane.

JUST IN CASE

If you are one of our subscribers and are receiving this newsletter either electronically or in the post and do not wish to receive further issues, please email sales@stivesgroup.com.au or give Kerry a call on 9387 7977 to be removed from our data base.

PRELIMINARY PROPERTY INDICATORS – DEC QTR 2006

	Dec Qtr 2006 (p)	Change 3 months	Change 12 months
Perth Median House Price	\$460,000	2.3%	36.9%
Sales Volume	-15%		
Stock of Listings	11,400	8,800 (+29%)	7,300 (+56%)
Average Selling Days	47 days	+15 day	+9 days
Median Weekly Rent – All Dwellings	\$260	4.0%	18.2%
House	\$270	3.8%	17.4%
Units	\$250	4.2%	25.0%

WELCOME STEVE ELDRIDGE



Sales Manager South, Denis Macfarlane (L) welcomes Steve Eldridge to the St Ives team.

We are pleased to announce Steve Eldridge has joined our company. Steve's career in Real Estate started in the mid seventies progressing from salesman to office management and on to sales manager over several offices with a staff of sixty representatives. Over the years he has been involved with land development, business broking and most aspects of Real Estate.

Steve believes his personal values blend completely with the values of the St Ives Group which are to always do what is right and do what we say we will do when we say we will do it.

Steve looks forward to meeting with you to assist you with any aspect of your Real Estate needs. Please feel free to call or email Steve on 9387 7977 or 0414 859 195 or seldridge@stivesgroup.com.au

Experience At Work

When you list your property with St Ives Realty you tap into the collective experience of the entire sales team who meet regularly to discuss not only the state of the market but review and discuss every single listing held by our agency. It is beginning to filter through that the return to a more 'normal' market is exposing some lesser experienced agents abilities.

We have said this many times over - it costs no more to have a truly dedicated professional St Ives Realty negotiator working on your behalf. Let our collective knowledge formulate and implement the best possible marketing plan for your property.



The St Ives Team discussing market trends

Property Investors Benefit by Refurbishing



Speak to Kathy Iaria about your investment property

Our Property Manager Kathy Iaria has been busy since joining St Ives Realty 18 months ago. Aside from the normal day to day administrative duties associated with managing a portfolio of properties, Kathy has been working closely with many of our Property Investors refurbishing their rental properties.

It is interesting that many owners have been receptive to Kathy's suggestion that they look at updating their rental homes. Especially during this time of low vacancy rates. Recently we have had three owners refurbish with outstanding results. Not only were we able to ask for a higher rent but we attracted a far better client - one that is generally looking for more long term accommodation.

Comparing the cost associated with these simple, but effective refurbishments and the before and after rent return is compelling evidence that all Property Investors should at least audit their properties and seek the advice of Kathy to maximise their returns (not to mention the tax deductions available). Much of the refurbishment cost's can be reduced if owners are able to carry out some of the basic work themselves.

An example of cost & typical work involved.

Pictured below is a bedsit, one bathroom, one kitchen. Previously rented for \$95 per week. Following renovations rent increased to \$140 per week. We did general maintenance (which included removal of old carpets and fixed furniture, new bathroom cabinet and towel rails, flyscreens etc) , new carpets/vinyl, new upright stove/oven, new verticals and painting throughout . Total cost \$8787.75



BEFORE



AFTER

Paint, Verticals and carpet transformed this room

Don't Stalemate Negotiations

Negotiating a property sale requires managing the dialogue between seller and buyer so that the communication lines stay open until mutually satisfactory price and terms are reached. Considerable skill is required on the agent's part as the emotional involvement of the parties taking part in the dialogue makes objectivity difficult for them. What should sellers and buyers do to reduce their subjectivity and maximise the chance of a sale taking place?



Neil & Gemma Bolton from St Ives Realty pointing out the finer details to negotiate the best possible price.

The hard part is that sellers often think that moving from their original asking price means they are "losing money", while buyers are afraid of "going too high" in the heat of the moment.

It helps to remember that market value for any property cannot be scientifically established or arbitrarily insisted on - **particularly in the current Perth residential marketplace**. Neither the seller's "I won't take any less than....." or the buyer's "This is my final offer" actually determine the price. The price only becomes a reality when two parties agree to it and exchange contracts at law.

In the course of negotiation, the vendor's desire to get the highest price is offset against the buyer's desire not to pay too much. The point or price that is neither too little nor too much is arrived at by small (usually!) adjustments until the two parties arrive at a solution they find mutually satisfactory.

Ultimatums usually bring negotiations to an end. After all, it is not a negotiation when one party says: "This is what I want." It is easy to forget that market forces dictate prices and sellers who say: "We need \$x to buy what we want" and buyers who say: "This is my one and only offer, take it or leave it." need to ask themselves whether they have based their figures on analysis of past selling prices for similar houses, and not on their own wishful thinking. Whether you're a buyer or a seller, leaving a window open for negotiation usually means you won't get the door closed on the sale.

Where the balance of power lies in negotiations depends on the market. In a sellers' market, sellers can and do make ultimatums and hold out for dream prices, while in a buyers' market it is the buyers who have the upper hand in any negotiations. Sellers who refuse to negotiate because they don't like a buyer's initial offer never find out the highest price their would-be buyer is prepared to pay. (Sometimes even the buyer doesn't know until they have negotiated their way there!) Even if the highest offer a buyer makes is unacceptable, at least it provides a point of comparison for future offers. In the current market, a confident, highly skilled, **St Ives Realty** negotiator will maximize your chances of achieving the best possible price for your property.

Northern Suburbs Triumph Over Southern Rivals



Manager, Marketing & Sales Angus Kukura presents the St Ives Cup to Denis Katunarich

A record number of 176 bowlers contested the annual St Ives Cup at the Cambridge Bowling Club over the 21st and 22nd January 2007.

Whilst individual teams play for cash prizes - fierce rivalry between

Northern and Southern representative teams dominates the weekend. Denis Katunarich - one of our states finest bowlers, was very happy to accept the St Ives Cup as captain of the victorious Northern Suburban Team.

St Ives Realty has sponsored this event since 2001 and for the first time this year's event was coordinated by our Sales Manager North, Neil Bolton who is also a long time member of the club. Neil reports that this event is considered to be one of the state's most prestigious tournaments and with the combination of the new Cambridge

Bowling Club premises, superbly presented greens and the record number of bowlers, the 2007 event will foster even more interest in the years to come.



Neil and Gemma Bolton are also keen supporters of the Ladies Triples Championship at the club and are pictured with the 2007 winning team of - from left Audrey Chrystal, Margaret Campbell & Annette Dettman

Our Investment Pays Dividends



Our investment in subscribing to the countries most powerful real estate websites (such as realestate.com and reiwa.com) is paying handsome dividends. An example of the benefits our association with these sites deliver is the reduction in our advertising costs. This is particularly so with our Property Management Division who fills all vacancies direct from our website. In doing so we are delivering real savings to our valued clients. All Property Consultants report interest in properties they list on the web follows within minutes of uploading the details. We take a long term view to e-Commerce. As an example this very newsletter is distributed to some 500 email subscribers.

Another important difference between St Ives Realty and many suburban realtors is the fact we do not carry hundreds of listings. We pride ourselves on the fact that we deliver superior one on one service. We never forget to look after any of our clients and will never make you feel as though you are just a number. Give us a call and experience the St Ives Realty difference.



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REALTY
30 YEARS

www.stivesrealty.com.au

9387 7977 – NORTH
9330 7477 – SOUTH
9582 8790 – MANDURAH

ALFRESCO FEATURES IN BIG DEMAND

As Western Australia's long, hot, dry summer drags on, most people will take advantage of the generous weather and balmy nights outside of their homes. Patios, decking, French windows, barbeques and the like are now highly sought after and available in all manner of style and prices.

'Alfresco', from the Italian, 'in the fresh air', is ideally suited to our climate and enhanced by our recent adoption of daylight saving. At some point in the 1990s the alfresco entertainment area became a standard feature in many new homes and renovations and their appeal and lavishness has only grown since then.

This is an important development for people who want to maximize the resale potential of a new or renovated home.

Ideally an alfresco theme is designed to combine the outdoor and indoor areas of a home in a seamless fashion. St Ives Realty agents report that an appealing outdoor area has become a strong selling feature which for some buyers is as equally important to them as the indoor area.

The irony to this trend is that the land area in modern homes is shrinking and the big backyard has given way to bigger homes instead. However, smaller outdoor

areas are getting much more use now that busy home owners don't have the time to tend to large yards. In other words, size has given way to quality. And with our water shortage here in the West, this trend simply makes good sense.

The message in this for people who are building or renovating, is that what

space. Important factors to keep in mind include protection from glare and direct sun, shelter from the wind, adequate space for chairs and a table and a preparation and serving area for food and drink. If space and funds permit, you might also include large pot plants, a television area or maybe a spa.



ATTRACTIVE & ALLURING = \$\$\$

you do with your outdoor area is more important than how much land you have. The contemporary alfresco design can range from a simple all-weather patio that leads directly from the living area to an elaborate structure that might incorporate some standard indoor features, such as a BBQ cooktop, sink and refrigerator. A typical alfresco structure is generally a continuation of the main roofline. The ideal is to create a livable and comfortable outdoor

Having gone to all this trouble it then helps to screen your alfresco living space from the garden shed, garage and clothes line for an aesthetic finish. The impact of a quality alfresco area in a home should not be underestimated. This is evidenced by the number of homes for sale which are promoted almost solely on this basis and often the photo which catches the eye of the buyer will be the smart presentation of a home's outdoor living area.

Observatory Update

In our last newsletter we released information on the upcoming marketing of our newest development, Observatory Apartments in West Perth (www.observatoryapartments.com). No doubt the market was impressed by the quality and location of the development, however the application of a sound marketing plan underpinned our success and all units were quickly sold. Marketing of your home will be treated no differently. We will offer you a comprehensive marketing plan and implement that plan to secure you the best possible price for your property.



Observatory Apartments