Ray White®

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Property Market Update Lower North Shore

April 2013

National News

The weekend before Easter is generally referred to in the media as Super Saturday. It´s not hard to see why. Often, campaigns are brought forward so that their momentum heading into the auction isn´t broken by a long weekend, hence the spike in listings. This year, Super Saturday certainly lived up to its name. There were over 700 auctions presented to the Sydney market of which well over 70% sold under the hammer. Both the volume and the clearance rate are perfect illustrations of a market in excellent health.

The week immediately after Easter is usually a little more subdued. Especially in flatter markets, vendors can be nervous about scheduling a campaign through Easter and into the school holidays. Not this year. Interestingly, there were 465 properties scheduled for auction, for the Saturday after Easter, which almost double the amount of the previous year. It is perfectly clear that vendors are feeling more relaxed and comfortable about the prospects for a quick, easy and rewarding sale.

It is important to remember that the rise in activity levels is not uniformly distributed throughout the market. It is true, that some sectors of Sydney are coming to the boil however others are still thawing. For example, vendors of apartments in Sydney lifted their asking prices by a massive 3.4% over the 3 months to March. This tells us, that especially in more affordable market segments, that there is a significant firming at play. Vendors, in these sectors, are increasingly being able to wrest back control of what has been a buyers´ market for many years now. On the other hand, the less excitable premium and luxury sectors have stabilised and are encouragingly more active with more transactions occurring in this space. In these sectors, signs of strong capital growth are still proving elusive despite the market moving in the right direction.

Of course, it is hard to ignore the positive influence that low borrowing rates must have on the market. After all, the increased borrowing power for buyers puts money in their pockets. For example, in what are astonishingly cheap rates, numerous banks have been offering 4.99% for the first two years. Unsurprisingly, these deals have seen the biggest up-take of fixed loans in years - with up to a third of all new loans now fixed. Surely, recent speculation that this easing cycle has finished and the next rate movement may well be up, will fuel the ongoing popularity of fixed rate loans.

Director's Desk

We´re absolutely thrilled to have delivered to our vendors some outstanding results in the last few months. Clearly, markets respond to falling interest rates, by rippling from the more affordable segments upwards. Today´s market is no different.

On the whole, the Sydney market has delivered some impressive numbers albeit the lower and middle markets are doing the heavy lifting. Vendor discounting has been reigned in from 6.3% last year to just 5.8% and capital growth over the last quarter is running at about 2%. Tight stock levels will maintain the momentum with 17% fewer properties listed on the Sydney market than a year ago.

This will continue to concentrate demand and will inevitably work its way through to the luxury sector. Our Sales and Property Management teams know that a moving market requires skill, insight and expertise which they possess in spades.

Please don´t hesitate to call.

Peter Matthews - Managing Director

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Property Management News
Sydney Rental Market

In addition to strong local demand, it has been obvious that the appetite for property investment in this area by foreigners is growing. In fact, new FIRB rules, which came into effect from November 25th, will assist in opening up our luxury market. The new rules will allow foreigners, with more than $5M to invest, to apply for temporary residency visas for themselves and family without the restrictions such as the English language test.

In Sydney, there are closer to 9,000 vacant properties compared to 8,000 last year. As the sales market recovers it is natural that vacancy rates will continue to ease as some tenants will leave the rental market in search of their first home. There is no denying however, that the dynamic of the market is changing and we need to be respectful of the growing market influence of tenants.

Leasing Summary
March 2013

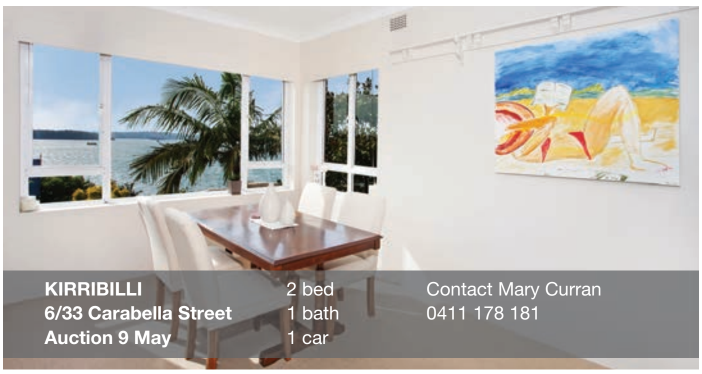
The last month has been very strong for leasing at Ray White Lower North Shore;

- 59 properties leased
- rental range $265 - $2700
- increases in rent for this period - 36 properties
- vacancy rate 1.3%

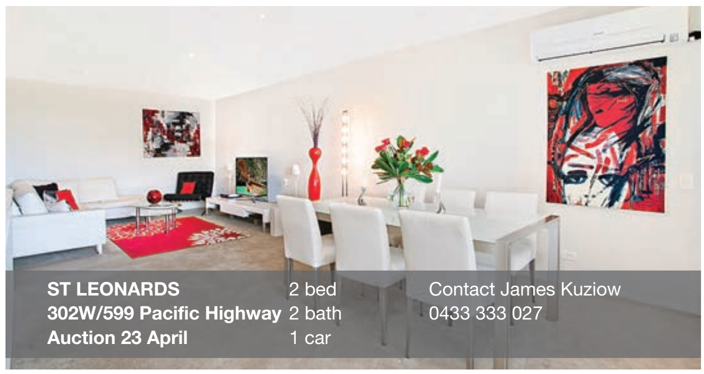
Ray White Lower North Shore's Portfolio Managers and full time Leasing Consultants work hard to maximise landlord's returns on investments.

For more information please contact Nic Yates on (02) 9953 7333.

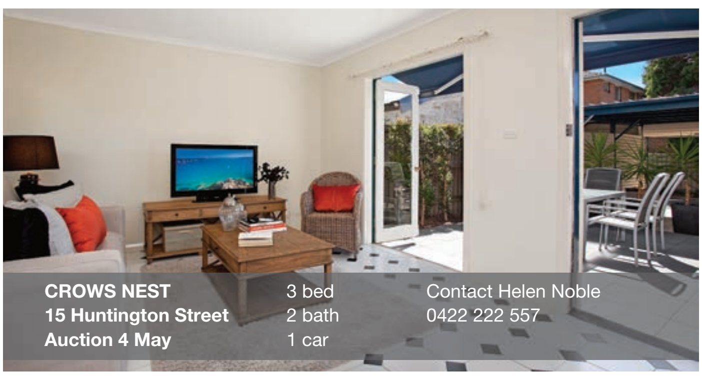
For Sale - Feature Sale Properties



KIRRIBILLI
6/33 Carabella Street
Auction 9 May
2 bed
1 bath
1 car
Contact Mary Curran
0411 178 181



ST LEONARDS
302W/599 Pacific Highway
Auction 23 April
2 bed
2 bath
1 car
Contact James Kuziow
0433 333 027



CROWS NEST
15 Huntington Street
Auction 4 May
3 bed
2 bath
1 car
Contact Helen Noble
0422 222 557

ARTARMON
22 Sydney Street
For sale
3 bed
1 bath
1 car
Contact Danny Grant
0404 821 155