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Fletchers Canterbury

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## LOCAL PROPERTY NEWS

### BLACKBURN - WINTER 2012

Dear Blackburn Resident,

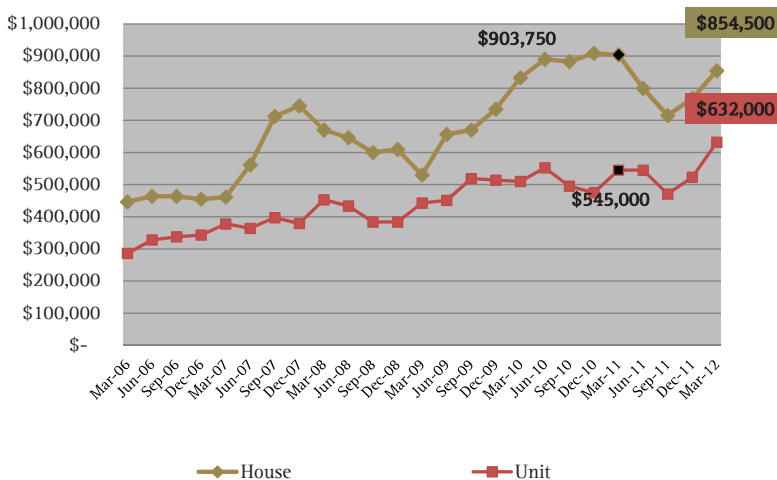
Welcome to the winter edition of Local Property News. The last few months have seen a positive market place with more buyers active in your area, which we believe will stimulate increased demand and pricing. With consumer confidence and spending expected to continue, we look forward to a stronger market in the coming months. We hope you enjoy reading about the influences behind this great news and the impact on both your home and suburb.

**REIV AWARDS FOR EXCELLENCE 2011**  
Large Residential Agency of the Year **WINNER**

**REIV AWARDS FOR EXCELLENCE 2011**  
Website Award **WINNER**  
2003, 2010 and 2011

**REIV AWARDS FOR EXCELLENCE 2011**  
Residential Salesperson of the Year **WINNER**  
2006, 2010 and 2011

#### BLACKBURN - LOCAL OVERVIEW



Source: REIV QTR Median House Pricing Report March 2012

It is comforting to see the median house price in Blackburn rebound last quarter, with an 11% increase from December. We do expect this to increase again in the June quarter, with more buyers present in the market as sellers at the upper end see opportunities to sell their property. When viewed over the longer term of five years Blackburn has grown 89%, significantly ahead of Melbourne's growth of 40%. Unit pricing has catapulted to a record level, which is a result of higher end units selling during this period.

Properties sold in Blackburn from January 2012 - March 2012

32 approx.

Number of properties currently for sale in Blackburn as at 4 May 2012

53 approx.

Record sale price in Blackburn

\$2,670,000

The median house price in Blackburn

\$854,500

#### COMMUNITY NOTICE BOARD

##### Happy Birthday Peter Rabbit

When: Saturday, 7 July 2012  
10am and 12pm

Where: Whitehorse Centre  
397 Whitehorse Road, Nunawading

What: Celebrate the 110th anniversary of Beatrix Potter's beloved classic with 'Happy Birthday Peter Rabbit'. Tickets are \$16, contact (03) 9262 6555.

##### The Wizard of Oz

When: Wednesday, 11 July 2012  
10am

Where: Whitehorse Centre  
397 Whitehorse Road, Nunawading

What: From the golden years of Hollywood, this family favourite is perfect for the young at heart. Tickets are \$7, contact (03) 9262 6555.

##### Australian Army Band

When: Wednesday, 8 August 2012  
11am

Where: Whitehorse Centre  
397 Whitehorse Road, Nunawading

What: From opera to jazz, Tchaikovsky to Lloyd Webber, this show is for lovers of beautiful music.

##### All for Kids Market

When: Saturday, 18 August 2012  
9am - 1pm

Where: NewHope Baptist Church  
3-7 Springfield Road, Blackburn North

What: Grab a near perfect pre-loved bargain, or find that elusive new or handmade gift from our creative and talented 'mumpreneurs', for the little people in your life. Cafe, face painting and more! Only \$3 entry and kids free! Visit [www.allforkidsmarket.com.au](http://www.allforkidsmarket.com.au)

*“The property market moves in cycles and now we are in one of stability, with overall median house prices showing no real growth. The median house price in metropolitan Melbourne was \$535,000, representing a minor increase of 0.9 per cent from a revised December quarter median of \$530,000”, says REIV CEO Enzo Raimondo.*

Whilst this is a reflection of what we are experiencing in our key areas, as most of our suburbs remained static over the last 12 months, we are seeing a refreshing trend of increased buyer activity. Clearly, this is a positive sign that seems to be fueled by recent interest rate cuts which helps stimulate all sections of the market, including first home buyers. Further to this, our local market is demonstrating very strong signs of recovery with auction clearance rates over the last two months well above those seen across greater Melbourne, showing buyers are becoming particularly active in our area. This augurs well for the future as we expect the latest May interest rate cut to further stimulate buyer interest.

Traditionally, winter is seen as a slower period for real estate but as the supply of property remains at realistic levels and buyer demand grows, we expect an upward pressure on pricing and well priced property to sell quickly. If you are looking at buying or selling property soon we see the period ahead as a good time as there are potential gains to be had for both parties. Buyers who act quickly may be able to upgrade or buy into an area that they could not previously afford and sellers can feel more positive about the increase in buyer activity.

A further sign of recovery is the number of high end properties returning to the marketplace. Recently we achieved a record sale price for a modern home in the suburb of Mont Albert North and we have a number of other higher priced properties coming up for sale that we also expect will produce record results. This resurgence of quality new stock and positivity driven by higher attendances at inspections certainly provides us with market confidence going into winter.

In this edition we shall cover two key questions that are very relevant to our real estate market.

1. How do interest rates influence the market?

Quite simply, lower interest rates enable us to spend more thereby circulating cash into our economy. Increased cash flow means that people are more inclined to spend and/or save. Cash also builds consumer confidence and tends to have a domino effect on spending. Assuming the local and national economy remains intact, as it is currently, it will lead to increased activity in the real estate market. The return in confidence does not occur overnight and there is usually a three month lag following any interest rate shifts, whether up or down. In our market we are particularly buoyed by the Reserve Bank of Australia’s (RBA) decision to substantially reduce the cash rate and as the banks follow suit we expect a further injection of buying confidence.

2. What are the drivers of an interest rate cut?

The RBA looks at a number of economic indices when deciding whether to change interest rates on the premise that the stronger the economy the less likely a rate cut. As we operate in a two speed economy that is also fueled by the mining sector, in deciding to reduce interest rates the RBA took the precautionary stance that our economy needs some stimulus, particularly given the influence of the high Australian dollar on exports that is negatively impacting our manufacturing sector.

The RBA wrote in its May rate statement *“In Australia, output growth was somewhat below trend over the past year...and was affected in part by temporary factors, but also by the persistently high exchange rate. Labour market conditions softened during 2011, though the rate of unemployment has so far remained little changed at a low level.”*

This all means that the RBA sees some potential challenges ahead and so have moved to build more confidence in some of our more volatile sectors being retail, manufacturing and the property market. As consumers we also thank the banks for following the RBA’s lead and passing on the rate cuts.

RECENT FLETCHERS SALES IN BLACKBURN

[Source: PDOL]

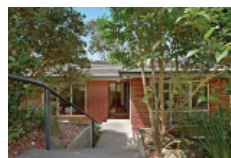
Address	BRs	Land Size	Type	Price
Laurel Grove North	3	780 sq m approx.	House	\$895,000
Patricia Road	3	270 sq m approx.	Townhouse	\$770,000
Alandale Street	2	584 sq m approx.	House	\$600,000
Linum Street	4	894 sq m approx.	House	Undisclosed
Ernest Street	3	N/A	Unit	\$518,000
Pakenham Street	3	173 sq m approx.	Townhouse	\$650,000
Gwenda Avenue	3	1,382 sq m approx.	House	\$1,075,000
Ernest Street	2	646 sq m approx.	House	Undisclosed
Laurel Grove North	3	650 sq m approx.	House	\$871,500



Laurel Grove North



Patricia Road



Alandale Street



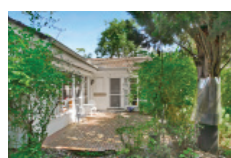
Linum Street



Ernest Street



Pakenham Street



Gwenda Avenue



Ernest Street

Commitment

Local Knowledge

Integrity

Quality Service



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