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INVEST IN STRENGTHENING PROPERTY MARKET

Now is the time to invest in Cremorne's strengthening property market, to capitalise on the momentum that has slowly been building all year says First National Real Estate's *2013 Property Market Outlook Mid Year Update*.

The *Outlook*, released this week, is based on a survey of the 400+ member network and draws on their experience at a grass roots level, providing insight to what member agents anticipate the market will do in their area for the remainder of 2013.

"Sydney's Cremorne property market is set to improve for the remainder of 2013, with strengthening market conditions on the back of a stabilising market in the first half of the year," Mr Andrew Thomas, Principal, First National Real Estate Cremorne, said.

"Underpinning the market will be lower interest rates, buyer confidence and a reduction in the number of properties for sale."

According to the *Outlook*, property prices across the sectors of houses and apartment/strata for the region are expected to increase, driven by supply shortages for houses and strong demand for apartment/strata properties.

"The market up to \$2 million will remain strong, although higher end properties may need a price adjustment to come into line with market expectations," Mr Thomas said.

"Land prices are expected to stabilise over this period due the rising cost of building."

Key performance indicators show the average number of days a property is on the market will fall over the coming six months, while there will be an increase in sales – following the market turning for the better, earlier this year.

Even though affordability is currently very high, Mr Thomas believes more is required to see transaction volumes return to more normal levels including better fiscal management of Australia's economy.

"It is also incumbent on the Australian government to support Australia's property market over the coming six to 12 months. It should consider introducing more incentives for buyers in general, but especially Upgraders," Mr Thomas said.

The rental market is expected to perform well into the second half of the year, with vacancy rates tightening further as a result of a lack of quality properties for lease. Weekly rental prices are expected to rise due to the ongoing shortage of supply placing upward pressure on them.

First home buyers are expected to represent the strongest growth in activity over the coming six months, driven by a shortage of lower end properties in the region and buyers clearly outstripping sellers.

Mr Thomas expects interest rates to remain unchanged over the rest of the year, which he says, will see increased vendor activity.

The ongoing historic low interest rates are also expected to see a rise in the number of people applying for fixed rate mortgages.

“Mortgage-holders will be keen to lock in their interest rates for financial security in the future, before rates inevitably rise again,” Mr Thomas said.

The Middle market segment is expected to show the most activity in the coming six months. Solar PV power will be the most sought after energy efficient feature of a residential property in the region.

Issued by: First National Real Estate. For further information or to receive a copy of the *2013 Property Market Outlook*, contact Andrew Thomas, Principal, First National Real Estate Cremorne on 02 9904 1234 or 0421 28 1234