



Rose Bay



“Despite the recent rollercoaster ride in financial markets, we’re looking forward to a strong spring.”

Alex Hart, Principal

State of the market

Our June/July newsletter discussed the uncertainty around the state of the market. Would things improve, get worse, or stay the same? Indicators pointed to a gradually strengthening market.

What can we say? Just as things were beginning to pick up, we’ve seen a rollercoaster in global financial markets, which has created massive uncertainty and pessimism worldwide.

The factors pointing to a strengthening Sydney market just two months ago haven’t changed – in fact, there is now more chance of interest rates remaining low. However, we don’t have to tell you that the global situation is making everyone feel more nervous about the future, despite what the Government and many experts are telling us. Buyer confidence is a fragile thing – if people feel a niggles of doubt about where things are heading, they’re likely to behave with extra caution.

Despite this, we’ve had a strong month in sales, with all of our properties except one selling before or at auction for good prices. Australian Property Monitors report that auction clearance rates have remained steady, despite the global turmoil. In fact, Sydney’s auction clearance rate on the weekend immediately following the share market turmoil was 60.5 per cent compared with 54.3 per cent the previous weekend, which was almost par with the 64.2 per cent for the same weekend last year. So the buyers are still out there, and properties are changing hands, but many vendors have had to reduce their price expectations in the process.

2011 auction clearance rates

Jan	Feb	Mar	Apr	May	Jun	Jul
40%	58%	55%	53%	54%	53%	54%

Property management update

We’ve had a successful month in leasing, with most of our properties leasing very quickly to quality tenants. Properties priced between \$500 and \$600 in the beachside suburbs are attracting the most interest, and this will increasingly become the case in the lead up to summer.

The past few months have seen more rental stock become available, as indicated by increased vacancy rates in inner Sydney during June and July (see below). Tenants have become more selective about price and presentation as a result.

If you’re having problems leasing a property in the east right now, it is worth reviewing the asking rent or investing in some improvements. Make sure your advertising is effective, with good quality photography and accompanying text. There are a number of steps we can take to ensure success in this regard, including priority listings on the main rental websites and regular auto-emails to prospective tenants.

Snapshot of Sydney vacancy rates 2011*

	Jan	Feb	Mar	Apr	May	Jun	Jul
Sydney	1.5	1.1	1.1	1.2	1.4	1.5	1.5
Inner (0-10km from CBD)	1.2	1.2	1.1	0.9	1.1	1.4	1.5
Middle (10-25km from CBD)	1.9	1.2	1.1	1.4	1.5	1.3	1.5
Outer (>25km from CBD)	1.4	1.1	1.2	1.4	1.5	1.7	1.6

* REINSW Vacancy Rate Survey, July 2011

Hart leases The Block in record time

The most recent series of Channel 9’s The Block flopped dramatically, as only one of the four renovated properties sold at auction. However, the Sydney Block – situated on New South Head Road, Vaucluse – is proving to be as popular as ever.

We recently listed for rent one of the four apartments featured in the 2010 series and were delighted to find fantastic tenants just one day later. This super stylish, semi style apartment, famously transformed by Mark and Duncan, features a flowing indoor outdoor floorplan, generous open plan living and dining areas, a beautiful modern kitchen, 3 bedrooms, and designer finishes throughout.



Hart Estate Agents twice recognised in industry awards!

Hart Estate Agents has twice been named a finalist in the Real Estate Institute of New South Wales 2011 Excellence Awards, which celebrate the outstanding achievements of real estate professionals throughout New South Wales. Hart Estate Agents is in the running for two award categories – Small Residential Agency and Residential Property Management.

Nominations in each category are judged by a panel of independent industry experts, and finalists set the benchmark for professional standards, services, and innovation in their specialist fields.

As well as being a finalist for the best small residential agency, our Senior Property Manager, Rebecca Kleiner, has been separately recognised in the category of Residential Property Management. We've always known that Rebecca is at the top of her profession, but it's great that her experience, expertise, and hard work have been independently acknowledged at an industry level. The winners will be announced on 15 October 2011.



Rebecca Kleiner

Mandatory energy star ratings: encouraging energy efficiency or a pointless and costly headache for homeowners?

The Federal Government aims to introduce next year a national scheme requiring vendors and landlords to provide energy star or 'environmental performance' ratings of homes that they are selling or leasing.

At this stage, the Government is engaging in a consultation process based on a regulatory impact statement it released in July 2011. While the statement considers several options, the system it prefers would require vendors and landlords to pay around \$200 to have their property's environmental efficiency professionally assessed, with the results of that assessment required to be disclosed to prospective purchasers or tenants at the time of sale or lease.

Experts predict that many 'McMansion' style houses in middle and outer suburbs, and no doubt some in the east, as well as older dwellings, would likely score very badly under the rating system.

Some in the real estate industry have dismissed the scheme as an annoying but essentially meaningless exercise for vendors, which will have minimal if any impact on purchase prices. However, while it is unlikely to be a purchaser's primary consideration, there is evidence to suggest that purchasers will place meaningful value on a property's star rating. A federal government study into a similar ACT scheme operating since 1999, which rates properties out of 10 stars, found a one-star difference affected selling prices by 3 per cent.

Certainly, major green points such as rain water tanks and solar cells are a significant selling point for houses. It would follow that if there was a standardised ratings system that also took into account wider energy efficiency measures, such as lighting, overall design, and building materials, a high rating would be a strong selling point.

A ratings system would therefore make it worthwhile for homeowners to invest in energy efficiency improvements (or at least the cheaper options available) prior to listing their property for sale.

Feature Property



WATSONS BAY

1 Beach Avenue

Idyllic harbourside family entertainer moments to Gibsons Beach. Four bedrooms, abundant formal and casual living areas, immaculate interiors, access to beach across the road. This house is a must see!

For auction – 27 September 2011
Price guide – mid \$2m's

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