



Professionals

news - February 2011

House Prices December 2010.

What your home is worth and whether it is rising or falling in value depends very much on where you live and when you check.

A leading survey released last month found house prices in Australian capital cities fell in November.

RP Data-Rismark's hedonic home value index showed a 0.2% fall for capital cities, seasonally adjusted.

Outside capital cities, prices edged down 0.1%.

For the record, hedonic house price is determined by the characteristics of the house such as its size, appearance, features and condition as well as the characteristics of the surrounding neighbourhood. The hedonic pricing model is used to estimate the extent to which each factor affects the price.

The survey found that in the three months to November, price movements were mixed, with Darwin up 1.9%, Melbourne and Canberra up 1.2% and Sydney up 0.3%.

Prices dropped sharply in Perth (down 3%), with smaller losses in Hobart down 1.1%, Brisbane down 1% and Adelaide down 0.5%.

The median price for a house in an Australian capital city is now about

\$466,000 and \$415,000 in other non capital city locations.

What happens this year is a matter of debate and conjecture among economists and those in the property industry.

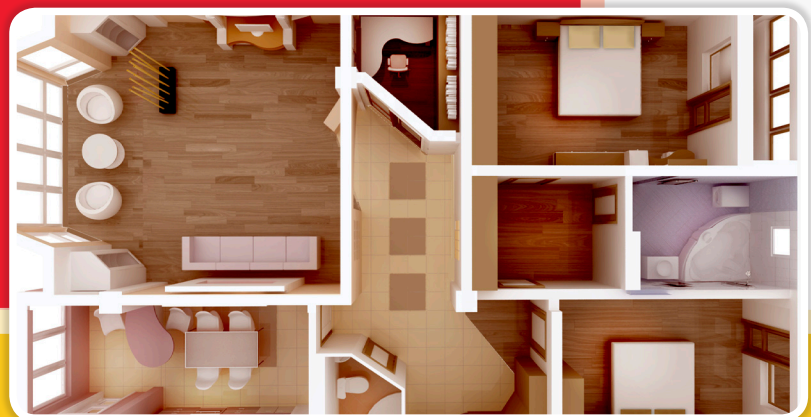
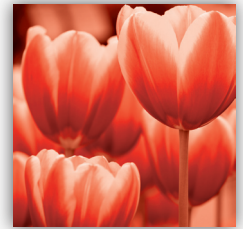
RP Data research director Tim Lawless expects prices to remain fairly flat because of the likelihood of more rate rises.

Rismark managing director Christopher Joye said he believed there was a risk of at least three cash rate rises this year.

"In this event there will be little-to-no nominal dwelling price growth over 2011, with a chance of small nominal declines," Mr Joye said.

However, property analysts believe investors and first home buyers will drive up house prices by around 5% this year.

CommSec economist Savanth Sebastian predicted demand would be subdued in the first half of 2011 before accelerating in the last two quarters.



Hot Tip:

With a range of online services and applications at your disposal, take the time to do some preliminary research on your next property purchase. This may help you determine whether or not your agent is genuinely knowledgeable in the local area, or has simply 'Googled' the suburb for some quick facts.

Five Faults Cost a Fortune

Restumping, roof repairs, wiring, pest management and plumbing are the five most expensive faults in housing, according to Archicentre, the property and building services division of the Australian Institute of Architects.

Archicentre's Victoria state manager, David Hallett said with interest rates rising, energy and water costs spiralling, the last thing home buyers needed was the extra cost of unbudgeted expensive repairs to a home they had just bought.

Health and safety risks existed in about one quarter of older Australian homes, and expensive hidden defects existed in about one in three properties according to Archicentre's research, he said.

Archicentre advises prospective home buyers to limit the risk of financial stress in buying a home by arranging a pre-purchase inspection from an independent trained professional such as an engineer, architect or registered builder.

"A professional inspection of the home will assist buyers in determining the condition of the property and the cost of repairs providing them with a bargaining tool to factor in repair or maintenance costs into their budgets," Mr Hallett said,

According to Archicentre the average cost of restumping a 150 sqm house in Melbourne ranges from \$3500 for a solid brick house needing 40 stumps to \$9000 for a timber home needing up to 90 stumps.

In Brisbane the costs are even higher - up to \$23,500, given you will pay between \$230 and \$400 for each concrete stump.

Roof faults can cost tens of thousands of dollars to repair.

"With heavy rain, a leaking roof or poorly fitted guttering can have a major impact on the interior of a home, and also on safety when water penetrates the electrical wiring," Mr Hallett said.

"An inspection inside the roof cavity is a

good indication of the structural soundness and to observe probable leaks, especially through holes in the roof, which may be temporarily plugged up with silicon."

Blackened areas on power points are a sign that all is not well with a home's wiring as it is evidence of fuses blowing. Wiring is a vital part of the home and must be installed by professional qualified licensed electricians registered to ensure the installation is carried out to correct standards and is safe.

"Unfortunately some home owners carry out illegal wiring in the belief they can cut costs," Mr Hallett said.

A complete house rewiring can cost between \$5800 and \$8750.

Mr Hallett said when some home owners were confronted with the realisation that their home was infested by termites they decided to sell rather than pay the costs of repairs, with some people taking steps to conceal the problem.

Plumbing can also be a major cost, especially in older homes. Plumbing needs to be undertaken by a qualified licensed plumber to ensure it is safe and properly installed, however, there are many homes where illegal work has been carried out.



Mozzie Madness

First come the rains, then the floods and when both are gone, the mozzies remain.

There are few good things to be said about drought but one is that mosquitoes don't like dry conditions. Mozzies breed in still water. As little as 1.25cm is enough to provide them with a suitable laying area. With vast amounts of water lying in paddocks, bushland and gardens, mozzies are in their element.

There are more than 50 known breeds of mozzies and while not all feed on blood meals, those which do are at best an itchy nuisance and at worst the carriers of potentially serious disease.

The best way to keep them out of our homes is by ensuring every window and door has a snug fitting, good condition flywire screen no coarser than 12 by 12 meshes per 25mm.

Because the little biters hang around doors trying to sneak in, burning a mozzie coil or other repellent outside the most frequently used external doors is a good idea.

You can reduce mozzie numbers in your garden by emptying at least once a week anything which could harbour larvae such as pot plants, bird baths and pets' drinking containers.

Put sand around the base of pot plants to absorb excess water in the dish.

Keep swimming pools chlorinated or salted, empty them completely if not in use and tip out children's wading pools. Overturn boats or remove the drain plug.

Fix up leaking taps which can maintain semi permanent pools and flush disused outside toilets weekly.

Check the roof guttering and remove leaves and debris which may cause pooling.

Ensure the tops, lids, covers and inlet pipes on rainwater tanks are close fitting, outlet and over-flow pipes are fitted with removable screen mesh and water inlets into the tank are screened.

As an interim measure, small water areas such as ponds and rainwater tanks can be treated with small quantities of domestic kerosene or paraffin oil. A film on the surface of the water will drown any larvae present.

Keep plenty of fish in your fish pond as fish love to eat mozzies, as do frogs, dragonflies, chooks, ducks and bats. You can encourage bats to your place by providing a bat house. Some plants are said to repel mosquitoes and could be considered when establishing or redesigning. Among plants listed as useful are citronella grass, catnip, rosemary, marigolds and mosquito plants. The tropical neem tree, the catambra and leptospermum liversedge plants are also recommended.

