

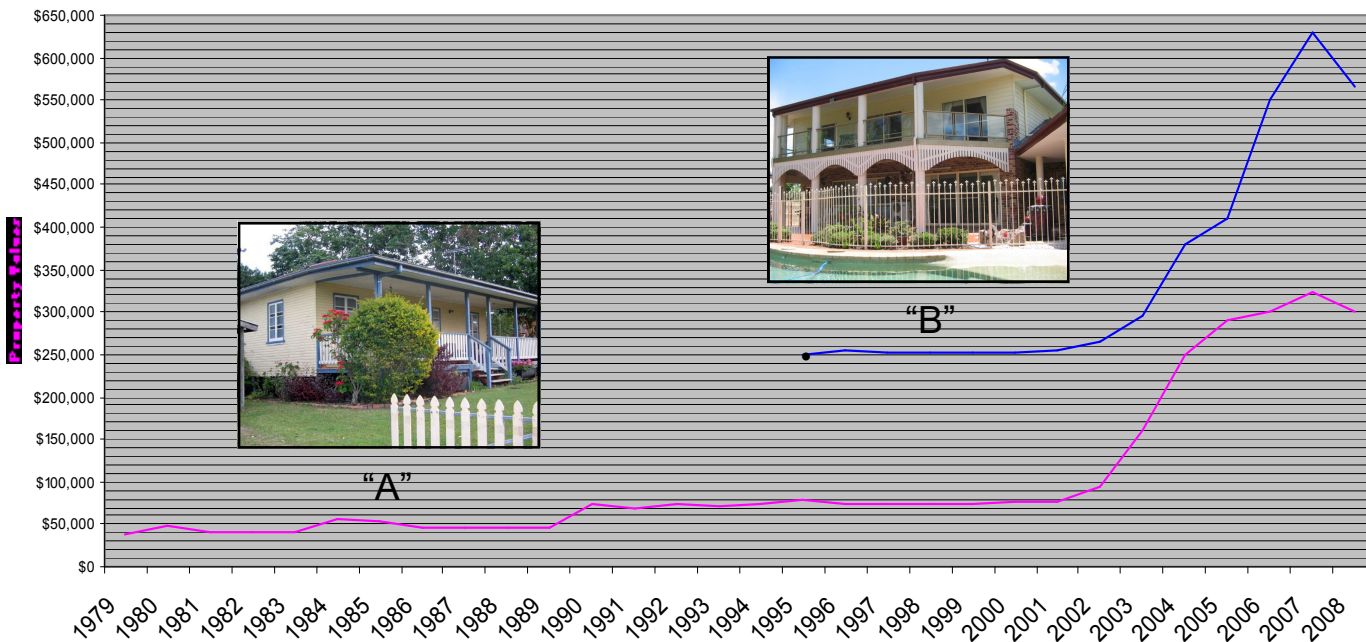


Property Extra

Volume 908, Issue 8

Our regular newsletter is designed to keep you up to date with the Real Estate Market.

Sales Value Chart - Different houses from last newsletter, upgraded graphs to June 2008.

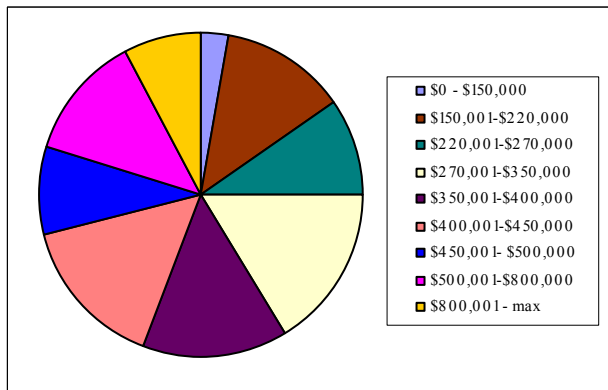
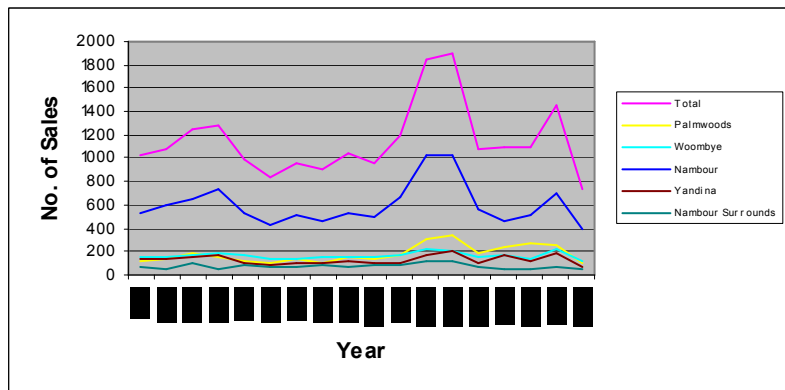


We have reconfigured the graphs choosing 1979 as the starting point for house "A" as that is the year in which we commenced our business at the corner of Queen and Howard Streets Nambour.

Different houses have been chosen to more accurately reflect changing values for the lower and upper levels of our local market. House "A" represents a Queensland workers cottage and is typical of early Nambour houses. The red line on the graph tracks the value of this house from \$38,000 in 1979 to \$300,000 in 2008. House "B" was built in 1995, with land value of \$87,000 and construction costs of approximately \$150,000 making a total of \$247,000 (rounded to \$250,000), it represents the new generation of houses in Nambour. The blue line in the graph tracks its value from \$250,000 in 1995 to the estimated value of \$565,000 in 2008.

The trend showing in the graphs is that from January to June 2008 there has been a fall of 7.7% in the value of houses typical of house "A" and 10.3% for houses typical of house "B".

Sales Volume Chart shows the changes in sales activities in the Nambour Area **Sales Value Splits Over Last 3 Months**



There has been a significant change in the volume of sales within recent months and when calculated to reflect the whole year, it appears that sales have almost halved since last year and have come down by about 61% from 2003, the highest point in the volume cycle. There are currently approximately 30% more properties on the market than this time last year, which of course means more choice for buyers.

For more properties visit www.keylinerealty.com

Keyline Realty - Nambour

Market Comment

Even though sales volume and prices have changed, we still have a fantastic market with many sellers realising in excess of three times what their properties would have realised at the start of the cycle in 2001/2002.

Many buyers are still willing to pay top prices for what they want, and because of our specialised system, we are still seeing multiple buyers on some properties.

Real Estate markets have always been cyclic; usually flat for 3 to 5 years or more, then comes an upward swing which may last little more than a year after which the market adjusts downwards (as depicted in our Sales Value Chart) then it repeats itself again in the next cycle..

From 1979 to 2008, house "A" in our Sales Value Chart has increased by 789% and house "B" has increased by 226% since 1995. Isn't that great!

There is some more good news. First home buyers can now spend up to \$500,000 without having to pay Stamp Duty and it appears that the reserve bank is likely to reduce interest rates next month.

Selling Too Soon

Unless they are one of the lucky ones who bought on the upward cycle, owners rarely make money if they sell within 12 months of their purchase. Taking into consideration buying and selling costs (Stamp Duty, conveyancing, removal costs, agent's fees, etc) it is near impossible to make a profit in the short term. Real Estate is a long term investment.

The Market Place

Nambour and district has seen a surge of new Real Estate operators arrive in recent times. Perhaps they didn't realise that sales volume has halved?

As a matter of interest, on a recent 'sold' sign count, our office appears to be selling far more than all the others put together.

Any seller that employs a new operator will probably not achieve the best possible price as the new agent is unlikely to have a buyer base to work from, and will call on the seller to pay for advertising. There could also be other gimmicks designed to get a foot in the door.

Advertising Versus Effective Marketing

A few years ago one of our competitors confided in us; "We ran a full page advertisement in the paper and only got 2 calls". On that same day Keyline ran a 10cm ad and received around 26 calls (26 new prospects to work with).

Currently, that's approximately \$3,000 (full page ad paid for by sellers) versus \$325 (10cm ad paid for by Keyline Realty).

Unfortunately many agents use advertising to build their "profile" which is 'real estate speak' for making the agent look good, and the cost is absorbed by unsuspecting sellers. There are even prizes awarded by some newspapers to the agent who sells the most ads.

Did you know that statistically only one potential buyer in seventeen buys the property they found in a newspaper advertisement?

It doesn't seem logical for agents to spend seller's money where the

odds are stacked so much against a successful result.

To illustrate this point we have an interesting story.

Approximately 25 years ago the Rockhampton newspaper went on strike for around 6 weeks. Guess what?

There was very little, if any change in the volume of sales made during the strike - and back then of course buyers and sellers didn't have the internet!

After the paper went back to work, Rockhampton agents were soon persuaded to sell advertising again. And so the practice continues.

There are more efficient and cost effective ways to sell a property other than relying on newspapers.

For example there are 10 primary marketing strategies that we at Keyline use to discover who is in the market to buy a property at any given time (like casting a net). Then, our sales consultants stay in touch and help the buyer find the right home.

Subsequently we develop a high satisfaction rate which in turn helps us to build a large bank of buyers and sellers with whom we stay in regular contact. They continually refer us to friends and neighbours, so the cycle goes on. This is both efficient and cost effective. Often we have more than one buyer wanting to buy the same property.

Sounds easy! Why doesn't every agent do this?

The reason is: Without a high calibre sales team, it doesn't work.

It starts with our recruitment programme. Potential applicants have to pass a series of rigorous exams and be committed to ongoing training before they can be employed in our team.

It's also about philosophy, determination and commitment. It takes time to build a winning team.

Our office has six winners who all work together to obtain the best result possible for our sellers and our buyers.

Using our effective marketing procedures (and there are a small number of other Real Estate offices throughout Australia who utilise the same strategies), it could be shown that sellers over the years have in fact wasted millions of dollars on advertising.

A Call for Help

"Genealogy Sunshine Coast" in Nambour is planning to produce a booklet in time for the 150th Anniversary Queensland celebrations next year.

They want to hear about people who have lived and worked in the area for thirty or forty years and have been the quiet achievers. Perhaps some of you could put pen to paper on behalf of these people and tell their story (preferably no more than two pages)? Then forward to: The Project Officer, Genealogy Sunshine Coast PO Box 1051 Nambour 4560 Phone 5441 4266 for more details.

Recently Sold Properties

48 Lachlan Ave, Nambour	\$156,000	2/5 Brookes St, Nambour	\$256,500	18 Anzac Rd, Eudlo	\$320,075
62 Park Rd, Nambour	\$157,500	4/3 Hemdan Crt, Nambour	\$269,000	18 Washington St, Nambour	\$340,215
3/5 Vernon St, Nambour	\$179,000	52 National Park Rd, Nambour	\$285,000	200 Petrie Creek Rd, Rosemount	\$400,388
86/18 Doolan St, Laurel Springs	\$225,000	49 Nichols Rd, Yandina	\$316,000	41 Glenys St, Burnside	\$406,500
3/6 Low St, Yandina	\$249,000	8 Silverwood Dr, Nambour	\$320,000	123 Town Mount Rd, Town Mtn	\$520,000