

hodges. 100% Property

100% IS WHERE WE START

Brighton Autumn 2010

Welcome to Hodges 100% Property. If you thought Melbourne real estate was tough in 2008 you'll have a different view after you've read the article about the Detroit property market. The international theme is continued with a snapshot of Italy's most popular tourist destinations. On the local scene we announce Hodges support for Berry Street, highlight what's on in Melbourne in the coming months, look at how house prices have rebounded and outline the controversial government energy assessment disclosure system scheduled to be introduced next year. Campbell Cooney Director

Energy assessment for sales and rentals

Following a decision by the Council of Australian Governments (COAG), mandatory disclosure of residential building energy, greenhouse and water performance will apply when an owner sells or offers a property for rent. In the ACT vendors have a legal obligation to disclose the current level of the dwelling's energy performance to prospective purchasers. ACT vendors need to have an Energy Efficiency Rating Statement prepared by an accredited energy assessor at their expense and furnish it to anyone interested in buying the property. If Victoria were to base its system on the one operating in the ACT, the vendor would have to make the statement available as part of the Section 32. May 2011 has been mooted for the introduction of the system but, as the required legislation has not been passed by the Victorian Parliament, this looks unlikely.

Hodges opens in Mt Eliza

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Hodges throws its weight behind Berry Street

As part of its community support program Hodges has become a partner of Berry Street and will be conducting a series of fund-raising events over the coming months. "Through our involvement with Berry Street we can put something back into the community that has supported Hodges so well over the years," Hodges director Andrew Boyce said. Established in 1877 as an infant asylum and babies' home, Berry Street was also the training centre for all mothercraft nurses in Victoria for almost 70 years. Berry Street merged with Sutherland Homes in 1992 and today is the largest independent child and family welfare organisation in Victoria. Most of the children and young people in Berry Street's care cannot live safely at home because of traumatic family violence, serious abuse and neglect. Many of these young people have been excluded from mainstream education

and require support to get back on track or have dropped out of school. To address this problem, the Berry Street Victoria Education School and Training (BEST) Centre was established in 2004. Located in Noble Park, the BEST Centre is an alternative school that supports the social, emotional and academic development of students to enable them to reach their potential in the community. Instead of following traditional educational models, BEST Centre students negotiate individual plans for their education with their teachers on a regular basis. This tailored approach enables students to set their own goals for learning under the expert guidance of the centre's committed teaching staff. "All money raised by the Hodges' offices will support the centre and it's our aim to help 40 students attend the program in 2011," Andrew Boyce added.



Heritage Site – situated on a rugged area of the Italian Riviera consists of five picturesque seaside villages framed by 18 kilometres of rugged terraced hillsides. Pompeii, near Naples,



Intriguing Italy

The cradle of culture and politics in Europe for centuries, Italy is a fascinating tourist destination. There is a range of escorted tours of varying duration on offer from well-known operators such as Globus, Trafalgar, Cosmos and Insight covering the major cities, centres and attractions which provide a snapshot of this spectacular Mediterranean country. However, there is so much to see and tourists have the option of doing their own thing or supplementing an escorted tour with a longer stay in preferred areas. In Rome, the Colosseum, Roman Forum and Pantheon reflect the might of the Roman Empire while Vatican City – the world's smallest state – numbers among its attractions 11 museums, Michelangelo's Sistine Chapel and the spectacular 23-hectare Vatican Gardens with meandering paths, brilliant colours, towering oaks and ancient pools and fountains. Florence, the capital of Tuscany and best preserved renaissance city in the world, is steeped in history and has a plethora of tourist attractions from previous centuries. The rolling hills, mountain paths and coastal beauty of the Tuscan countryside are home to the region's simple, but wonderful cuisine and fine wines. The breathtaking Cinque Terre – a UNESCO World

which was ruined and partially buried when Mt Vesuvius, the only active volcano on mainland Europe, erupted in 79 AD is one of Italy's most popular tourist attractions. Today visitors can take tours of Pompeii and see firsthand how the Romans lived almost 2,000 years ago. A small but beautiful city featuring a rich and diverse tapestry of architectural styles, Venice is renowned for its system of canals and omnipresent gondolas, but it is also very pedestrian-friendly and easy to get around. Other regions well worth a visit include: Milan, Umbria, Campania, Liguria, The Lakes and Sicily. Accompanied tours – land content only – are priced from about \$1,600 per person for eight days to more than \$3,000 for longer stays while air fares will cost from \$1,800 upwards, depending on the carrier and time of year.



The tide has turned

What a difference 12 months can make to the property market. At the beginning of 2009 the outlook was bleak, not only was the housing market sluggish and prices static, but the world was seemingly still in the grip of the worst financial crisis since the Great Depression of the 1930s. There was an air of uncertainty within the community following the previous 12 months of bad news after bad news, particularly from overseas. Understandably, selling the family home in such an environment was off the agenda for most home owners. Unemployment had been tipped to rise to 8 per cent, the ASX All Ordinaries Index plunged to a low of 3145.1 in March, people saw their superannuation fund balances shrink dramatically and consumer confidence was at a low ebb, all of which impacted on the property market. Then as tentative signs of an economic revival began to filter through, the mood of the Australian public began to change. Employment figures continued to hold up well and the stock market began to gain ground. Towards the latter part of autumn activity started to pick up on the property market, the weekly auction clearance rate, which had languished around the



60 per cent mark for much of 2008, headed into the 80 per cent range: a level it maintained consistently throughout the remainder of 2009. Private sales too, showed a steady increase in volume. After a flat 12 months which saw prices in some suburbs dip appreciably, sales results again brought smiles to the faces of vendors. In the post-grand final period prices really took off, making it exceptionally difficult for even the most experienced agents to come up with estimated selling prices.

During the December quarter, the REIV Melbourne median house price jumped by 15 per cent, up from \$470,000 the previous quarter to an all-time high of \$540,500: the largest increase since the REIV began keeping quarterly records. The momentum has continued on in 2010 with clearance rates, price growth and private sale activity all exceptionally strong at the present time. Recent sales made by Hodges indicate the remarkable growth in prices over the last 12 months.

	March 2009	Sale price 2010	Increase
Brighton 186 Church Street Seven-bedroom house	Sold \$2,650,000	\$3,400,000	21%
Beaumaris Land 650 – 660 square metres	Value \$950,000	\$1,235,000	30%
St Kilda Barkly Street Three-bedroom, one of a pair	Value \$1,100,000	\$1,400,000	27%
South Yarra 6/242 Toorak Road	Value \$295,000	\$365,000	24%

What's on in Melbourne

There's a lot coming up in Melbourne over the next few weeks, here are some events you may be interested in.

Mothers' Day Classic
Alexander Gardens
9 May

Next Wave Festival
Various venues
13 – 30 May

RSPCA Million Paws Walk
Albert Park Lake
16 May

Mornington Collectibles and Memorabilia
Malvern Town Hall
16 May

Melbourne Home and Leisure Show
Exhibition Building
22 – 30 May

Shen Yun performing Arts
The Arts Centre State Theatre
25 – 30 May

Camberwell Rotary Art Show
Caulfield Racecourse
28 – 30 May

The Threepenny Opera
Malthouse Theatre
28 May – 8 June

Kingston Harvest Festival
Roy Dore Reserve Carrum
29 May

MS Walk and Fun Run
Albert Park Lake
6 June

Melbourne Good Food and Wine Show
Melbourne Exhibition Centre
4 – 6 June

Winter Wine Weekend
Red Hill Reserve and Showgrounds
12 – 14 June

Red Nose Day
25 June



Something to reflect on

Melbourne property owners who considered real estate conditions were tough during 2008 and in the early months of last year should spare a thought for the people of Detroit. Regarded as the automotive capital of the world, Detroit has a population of slightly more than 1 million people but because of the severe cutbacks in motor vehicle production, an estimated 30 to 35 per cent of the city's workforce is unemployed. This situation, coupled with the widespread economic woes of the United States, has resulted in house prices tumbling in Motown. Former General Motors' employee Roy Fletcher and his wife Cathy – a manager with the United States Postal Service – purchased their three-level, four-bedroom home on a new landscaped estate in suburban Lake Orion for \$335,000 in 2003. They subsequently spent \$60,000 on improvements but if they were to put their home on the market today it would barely reach \$200,000.

But the Fletchers are not so badly off in comparison with many other home owners in Detroit who have seen the value of their homes plummet by as much as 80 per cent over the last two to three years. A four-bedroom Tudor home in Bretton Drive North Rosedale Park, a leafy Detroit suburb, is being advertised at \$29,900 but the owner may be struggling to achieve that figure as the average sale price for comparable properties in the area is currently \$27,317. Lower-end Detroit properties are available from as little as \$1,000, hardly the cost of a garden shed in Melbourne. The high unemployment rate means a large number of owners simply cannot afford to meet their mortgage repayments and, because the outstanding debt frequently exceeds the home's value, the property is offered for "short sale". When this happens the lender generally expunges the portion of the debt which exceeds the amount raised from the sale.



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Our other offices

Beaumaris	Bentleigh	Commercial	Frankston	Mentone	Mt Eliza	Sandringham	South Yarra	St Kilda
12 East Concourse Beaumaris 3193 T 9589 6077	361 Centre Road Bentleigh 3204 T 9557 7891	251 Bay Street Brighton 3186 T 9591 6588	1/500 Nepean Hwy Frankston 3199 T 8781 4500	44 Florence St Mentone 3194 T 9584 6500	11 Allen Drive Mt Eliza 3930 T 9787 2600	10 Bay Road Sandringham 3191 T 9598 1111	1/657 Chapel St South Yarra 3141 T 9827 7494	300 Carlisle St St Kilda East, 3183 T 9527 5563

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Quirky facts

- on average Australians consume more than 27 litres of wine each year, about half the average consumption of the French
- there is a city called Rome on every continent of the world
- it is estimated that the world's population will treble to 15 billion by 2080
- the only bird which can see the colour blue is the owl
- the birth date of William Shakespeare is unknown
- human hair can stretch 25 per cent of its length without breaking
- a bicycle is faster than a car for most trips of less than 50 minutes in Tokyo
- in Iceland it is considered an insult to tip restaurant waiting staff
- Australia was the second country to give women the vote
- avocados have a higher energy content than other fruit
- a grizzly bear's nose is 100 times more sensitive than a human's

BRIGHTON

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