



WHAT MAKES A GOOD ESTATE AGENT?

The Real Estate Institute of Victoria recently undertook a market research survey into the views of consumers about their satisfaction with real estate agents.

Three hundred Victorian consumers of real estate agency services were consulted and posed a series of questions aimed at finding out how the decision to use a real estate agent was made, what attributes were important and their overall level of satisfaction with the services provided.

Frank Gordon is pleased to note that one of the principal outcomes was that consumers prefer agents with a good reputation and offering high quality service.

Another outcome when it came to the critical question of prices was that 79% of vendors and 67% of buyers agreed that their agent had excellent or very good knowledge of local real estate prices.

Frank Gordon Estate Agents have created a reputation for success, in a number of instances.

Here are some recent examples from our files-

Garden City - Home



"The auction of our home was a great success resulting in a smooth sale and a price well above our most optimistic expectations."

McCluskys Lawyers recommended your company to our family and we're glad they did.

"Once again, thank you for your excellent service and hard work."

"It certainly paid off!"

Beach Street, Port Melbourne - Apartment



In a written tribute to the team members who handled the sale at auction the vendor noted

"The result achieved at \$1,450,000 *was substantially above my expectations. Using your company has restored my faith in estate agents."

"As you are aware we placed the apartment on the market 2 years ago with Albert Park's largest agent and despite lots of promises they were unable to sell it. It's clear to me why your company has been so successful for such a long time."

Port Melbourne - Waterfront Apartment



"The extra \$31,500 you achieved for me above my reserve is simply money that I wouldn't have had and is the strongest endorsement I can give to you.

We previously gave the listing to another agent in a well known bay side firm but they were unable to procure any written offers at our fair reserve and below comparable sales that ticked by over the following three months.

In desperation, I realised that the apartment just wasn't going to sell itself.

Thank you for your involvement in selling my waterfront apartment for an outstanding price."

Esplanade Port Melbourne - Investment Property



"I'd like to express my appreciation for your efforts and that of your team for both the management and sale of our investment property.

"The communication has been excellent and you have acted in our best interests at all times. You sold our apartment at a time when there were 192 apartments available for sale on the websites in the Port Melbourne area at a price similar to ours."

Port Melbourne - Dow Street



"I decided to sell my home in Port Melbourne and enlisted the services of another agent. After following their suggested marketing program, I was rewarded with no offers before the auction and no genuine bidders at the auction.

Frank Gordon's staff suggested a simple advertising campaign and private sale.

Within one week of commencing advertising "your firm" had sold my home for more than I expected. I was delighted with this result in such a short space of time."

WINTER PROPERTY REPORT

I welcome this opportunity to provide you with a complimentary copy of the Frank Gordon Port Melbourne Winter Property Report.

Our objective is to build long term relationships with our clients.

At Frank Gordon, our client's interests are at the forefront of everything we do.

This philosophy has been our driving force for over 40 years and I am delighted that in an

increasingly competitive and active Port Melbourne market it still remains our guiding principle.

I hope that our Winter Report will give you further insight into the Port Melbourne property market and some of the influences which impact upon it.

We look forward to the opportunity to provide you with guidance and advice on any aspect of your property interests and requirements.

Such assistance will of course be at no cost or obligation.

With my best wishes

Frank Callaghan B Com AREI

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A MARKET STRONG ON POSSIBILITIES

There is no doubt that the local Port Melbourne property market is strong. According to the REIV's most recent median prices by suburb figures, the median price for a Port Melbourne home is \$858,500, an increase of 60% over March 2006. (refer to REIV Median Price Chart)

This price represents a significant premium (about 56%) over other Melbourne metropolitan median prices.

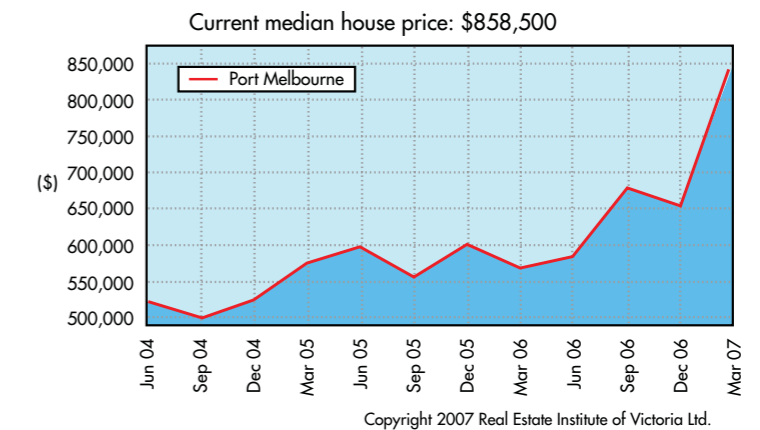
While it would be unwise to rely on this figure as an overall indication of the local property market - a number of very high sale prices have the ability to distort the median price - there is plenty of evidence that the market in Port Melbourne, Garden City and Beacon Cove is 'hot'.

Frank Gordon's auction achievements have been outstanding with a 100% continuing success rate either at auction or immediately thereafter.

Buyers are prepared to pay a premium to secure a position in our suburb with all it offers. Accessibility in relation to employment, services and attractions, regional road access and general live-ability - the village-like community is a key appeal factor.

So what are the consequences of this market strength?

In 2005 the Melbourne property market began to recognise the appeal of Port



Melbourne and surrounding areas.

Extensive urban renewal plus the new bayside developments have established Port Melbourne's position as one of the highest growth suburbs in Melbourne."

But what does this mean?

The most important question is how long will this market strength persist?

For a property owner wishing to sell it offers the opportunity to capitalise on the exceptional prices reflected in the best auction clearance rates for very many years.

Investment property owners are benefiting from an extremely high level of demand with rental rates jumping at well over twice the rate

of inflation. The Reserve Bank decision to leave interest rates unchanged has also increased buyer enquiries.

And it looks like this boom will continue, as we are seeing a market that is still heavily under supplied. Owners wishing to sell are presented with a unique opportunity, while for investor owners, it is a good time to review rental rates and tenancy conditions.

Further there is little to suggest that there are factors which will halt this demand, notwithstanding that interest rates may rise marginally in the second half of the year and election and political uncertainty may intervene, the local market is likely to remain under supplied.

'The difference is in the detail'

'The difference is in the detail'

REIV MOVES ON QUOTING

The media has been having a field day by pointing out the discrepancy between prices quoted pre-sale and prices realised at auctions.

It is likely that there have been examples where this has been the case. We believe that on the most part this discrepancy reflects a market where demand is exceptionally strong, supply is tight and Melbourne's inner

and beach side suburbs feature foremost in the preference of buyers. Don't forget, sole purpose of an auction is to foster competition in the best interests of the vendor.

The REIV has released new residential auction advertising guidelines which we as property agents support.

A range of previous practices in regard to giving pre-auction estimates will no longer be

used: the three advertising practices that will be preferred are the giving of an estimated selling price range, a fixed price estimate or no price displayed.

With up to 20 methods of property pricing currently in use, the REIV believes that this is causing consumer confusion. The new guidelines will ensure that advertised prices reflect current market conditions.



DON'T OVER LOOK PORT COMMERCIAL

The Port Melbourne commercial strip especially Bay Street is being viewed with the same strong appeal for investors as some of Melbourne's other key inner suburban shopping and commercial strips where low yields are commonplace.

Frank Gordon recently auctioned the two level commercial building at 236 Bay Street which adjoins our office.

A street frontage of 3.8 metres, a building area of about 100 sqm and a second street frontage at the rear, the property was considered "a prime bayside investment".

The property sold at auction to an investor at \$1,065,000 to not only reflect a low yield but the type of demand that is recurring for Port's retail and commercial properties.



SOME LOCAL NEWS BRIEFS

Beacon Cove Completed

The Beacon Cove development was completed in 2006 and now provides home for 2,000 residents.

Ten years in the delivery, we consider Beacon Cove a superb example of urban renewal and both State and Local Government deserve credit for the enormous improvements to public space.

As further beachfront developments unfold there will be real benefits to local residents.

Plummer Street Truck Bypass

Following pressure from residents works have

started on the \$19.2 million truck bypass which will divert most of the heavy traffic away from Williamstown Road, providing a new route to the West Gate Freeway.

The expected traffic reduction (up to 50%) will have a positive impact on property prices along Williamstown Road and Garden City.

The End of a Wobbly Princes Pier

The State Government in 2006 agreed to allocate \$14 million to the refurbishment of Princes Pier.

Work will be under way shortly on the project to create another valuable public space.

RENTAL PROPERTY DEMAND

Rental vacancies throughout Australia have reached the lowest level since they were first calculated about 1969.

New construction failing to match the demand coupled with rising demand for bayside property, the Port Melbourne rental market will be strong well into the future and owners can anticipate improved yields from better quality tenants.

The Frank Gordon Rental Division is continuing to deliver better returns to our investor clients by the close evaluation of

market conditions as well as the ongoing review of current rental rates in the light of the demand and changes in value.

Our Platinum Property Management Service

The Frank Gordon Platinum Property Management Service delivers procedures and systems that ensure effective letting while maximising investment returns.

Firstly, we create a solid relationship between the owner and your property manager through effective communication and ongoing contact.

Secondly, our systematic rental reviews ensure optimum returns from your investment.

Thirdly, we are dedicated to property value enhancement by managing any problem issues quickly and efficiently with thorough routine inspections that are reported to the owner in detail.

And finally quality tenant selection is assured by our tight screening process.

Call our office on 9645 2411 and find out how our local expertise and market knowledge to benefit you.

SOME MARKET FACTORS TO CONTEMPLATE

Apartments Appeal

First home buyers wishing to enter the general inner-city market may consider their opportunities limited.

This is driving apartment prices up and represents the best place to start for those first home buyers with a budget limit.

Auctions Preferred

In the past twelve months auctions have moved back into prominence as the preferred method of sale.

Frank Gordon has been achieving a 100% clearance rate, reinforcing our belief in the power of auctions.

Commission Structures

Vendors are in many instances opting for incentive based fees that enable the agent's performance to be benchmarked.

Frank Gordon welcomes discussion on remuneration for achieving outstanding results on our vendor's behalf.

These are all strong typical results achieved by Frank Gordon.

Beacon Cove

2 Narooma Place
Sold for \$1,200,000 before auction
704/147 Beach Street
Sold for \$1,450,000 at auction
604/147 Beach Street
Sold for \$1,450,000 prior to Auction

Garden City

1 Page Avenue
Sold for \$815,000 at auction
95 Dunstan Parade
Sold for \$789,000 at auction
Port Melbourne
154 Evans Street
Sold for \$806,000 at auction
13/8 Graham Street
Sold for \$730,000 by private sale

Our 40 years of local knowledge provides the expertise to guide our vendors and buyers in the fast paced local market.

For your free property appraisal or investment advice please call our Managing Director

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