

# THE REAL ESTATE REVIEW

THE JELLIS CRAIG PROPERTY REVIEW, SPRING 2004

## Jellis Craig expands to inner city

### JELLIS CRAIG OPENS TWO NEW OFFICES

#### Announcing the opening of offices in Clifton Hill and Richmond

Jellis Craig, leading the property market in the inner eastern suburbs with offices in Hawthorn, Balwyn and Glen Iris is excited about its recent growth into the inner city. Now with five strategically located offices, the company extends its first class range of services to a wider client base; recognising the geographic synergy between inner city and inner eastern living.

The Directors are pleased to announce the appointment of Craig Shearn, as Director of the Clifton Hill Office.

Craig is a well-known inner city Auctioneer who averages more than 100 auctions each year and has over twenty years experience in the industry. He is highly regarded by clients, colleagues and competitors for his honesty, ethics, and insightful knowledge of the market.

Craig is excited about the strategic appeal of the Clifton Hill office location - central to the suburbs of Collingwood, Fitzroy, Carlton, Brunswick, Northcote, Alphington and Fairfield.

Equally, the Directors are pleased to announce the appointment of Chris Burne as Director of the Richmond Office. His family connection to the area dates back to his grandfather's era and his career in the local property market spans more than twenty years.

As a founding partner of long-time agency Burne Macmillan, Chris has an established reputation as an astute auctioneer and committed real estate professional.

Together with an inspired team of motivated, highly skilled sales and property management staff, Chris has embraced this exciting merger with Jellis Craig



Alastair Craig

Chris Burne

Richard Earle

Craig Shearn

Scott Patterson

Richard Jellis

and is looking forward to providing old and new clients with a first class range of real estate services throughout the suburbs of Richmond, Abbotsford, East Melbourne, South Yarra and Prahran.

### DETAILS

#### CLIFTON HILL

324 Queens Parade

9481 6800

Craig Shearn 0418 596 388

#### RICHMOND

177 Bridge Road

9428 3333

Chris Burne 0412 310 535



Craig Shearn

## Inner City Update

Life in the inner city is often fast-paced and exciting, a constant panorama of colour and movement, sights and smells. People from all demographics: singles, families, couples; old and young; all find something special about inner city living, and yet, even with such a varied range of age groups and cultures, this

eclectic mix always seem to live as one. Community spirit is alive and well, and people generally feel encouraged to make a contribution and have their say. For example, residents in Clifton Hill and North Fitzroy are currently rallying together, trying to raise awareness and support for a Community Bank in Queens Parade. The fight for social issues and a common cause is a large part of the glue that binds the

inner city community together.

This sort of strength and stability can also be seen in the inner city property market. In many instances it is the first choice for investors - whilst other parts of Melbourne haven't always shown the consistency of capital and rental growth over periods of ownership.

Whilst changes to Legislation earlier this year have perhaps had an effect on the volume

of auctions - and in some cases clearance rates have dropped - property is still selling; normally within seven weeks of auction listing. Jellis Craig's 2004 clearance rate (before, at or just after auction) remains very high at 93%. Rental vacancy rates have dropped as the sales market has settled and in fact some rents have firmed or increased slightly in recent months.

Whether you're buying, selling or renting, Jellis Craig delivers a first class range of services to a wider client base.



# All for a great cause



Think pink on Monday, October 25 when the National Breast Cancer Foundation celebrates its 10th anniversary. To raise money for the foundation and the research conducted into this disease that

strikes thousands of Australian women every year, the traditional Pink Ribbons will be available for sale during the month of October.

Jellis Craig is promoting community awareness of the work of the NBCF by hosting a Pink

Ribbon breakfast on Friday 15th October at Fenix Restaurant in Richmond. More than 150 guests including Jellis Craig staff, clients, local business leaders and traders will enjoy a lavish gastronomic start to the day, while raising money for

breast cancer research.

Thanks to the NBCF, improvements have been made in early detection, education and treatment, which has contributed to a decline in deaths from breast cancer each year since 1995.

If you wish to host your own Pink Ribbon Breakfast on or around October 25th, please don't hesitate to contact the NBCF on 1800 000 118 or visit their website [www.nbcf.org.au](http://www.nbcf.org.au)

## A *Real* Estate Experience

This is the seventh year Jellis Craig has run its Threshold program, a competition aimed at providing secondary school students with an insight into how businesses work.

The Threshold program provides a bridge between school life and commercial reality, allowing students to further develop a range of skills both practical and research based.

Schools within Boroondara are invited to create project teams of four students (Years 9-12) who then track the campaign of a specific local property, against a well-researched assessment of the local market.

Based on their research as a team, they make a highly

informed prediction of the price the nominated house achieves at auction. Through the process of meeting the competition criteria; students are guaranteed to enrich their school-based knowledge by gathering some highly practical life skills.



# Inside Out



Spring is not just a great time for the real estate market in Melbourne, but it also represents a gradual move from indoor hibernation to outdoor celebration.

Over the past 10 years, we have seen a distinct change in the way homeowners are organising their living areas. Whether designing a new home, or renovating a period classic, deliberate consideration is given to creating open spaces that flow seamlessly from indoor living

spaces to outdoor entertaining areas, showcasing lush landscaped gardens.

Landscape designer Julian McCarthy says the days of the backyard being a neglected patch of grass with a Hills Hoist are long gone. Instead, Melburnians are adopting a creative approach with better use of screening plants, water features and all-weather coverings for eating areas.

"There are lots of things to think about when planning your outdoor entertaining space," says Julian. "Where will the water source be

located? Where will you need a power source? And how will you keep drainage away from house? These are all things that the modern garden will require."

Julian recommends creating a focus for the entertaining area, a water feature of urn full of flowers.

Large lawn areas are not practical with Melbourne's water restrictions, says Julian, so he suggests creating clever paving - particularly natural stone - for the outdoor dining area. Screening plants create privacy and the use of stainless steel rigging wires,

instead of the traditional lattice (which is not as durable), encourage climbing plants such as wisteria.

To enable year-round enjoyment, a roof covering is recommended. Popular coverings include retractable roofs and steel Venetian blinds which can be opened or closed, depending on the weather. Sail shades can work just as well, he says. It all depends on the design of the area.

"We are doing more and more work designing courtyard spaces," says Julian. "Consider raised garden

beds and include plants with great foliage including succulents and flaxes. Raised garden beds can also include built-in bench seats therefore serving a dual purpose. In addition, a well-designed BBQ area can provide both a cooking tool as well as a heat source."

### DETAILS

**JULIAN McCARTHY**  
LANDSCAPING  
0417 310 083



# Investments Uncorked

Bricks and mortar may be one of the more traditional investments, but good Australian wine can offer more than just a financial return. Mix the two together and you have a winning investment combination.

Many older brick homes in Melbourne include an underground storage facility, which lends itself perfectly to the role of a cellar. After addressing the issues of controlling damp, adding insulation and providing ready access, these secret rooms can provide the perfect temperature-controlled environment that wines require when stored for long periods of time.

But as Terry Pacini of the Liquor Cabinet in Hawthorn points out, creating underground wine storage can be very expensive. Instead, in the last five years, he has seen an increasing number of customers either convert a cupboard or garage area, or purchase a wine storage cabinet to solve their cellaring problems.

"Many of our customers are experienced drinkers who have

gone to the trouble of purchasing good wine," says Terry. "They are looking for ways to safely store their collections."

Terry says some of the most cost-effective ways to create a suitable space are by converting a spare cupboard, linen press or extra car space in the garage. And the most important factor to consider when creating a cellar is to avoid extremes in temperature.

"Find somewhere within the property where the temperature is relatively stable. This is unlikely to be along a north or west facing wall."

He says you can create a steady temperature by adding insulation and removing any signs of damp. Otherwise, the new purpose-built wine storage cabinets will do all the hard work for you.

"There are stand alone units which come in all sorts of sizes and finishes," says Terry. "Some people have the small bar-fridge size ones while others use the deluxe models with double stainless steel doors. As a piece of furniture, they become a talking point!"

Now that you have created the storage space, what should you put in it?

Right now, Terry recommends buying "anything 1998." Particularly Cabernet Sauvignon from the Coonawarra region of South Australia. More recent vintages and varieties that he recommends are 2001 or 2002 Shiraz from the McLaren Vale or Borossa Valley.

Finally, Terry believes deciding which wines to cellar should not be based on financial considerations alone.

"Always invest in wines that you like to drink. Even if wine goes up in value over time, most people will end up drinking what they have cellared, so it is important to consider your own tastes."

## DETAILS

**TERRY PACINI**  
**THE LIQUOR CABINET**  
1 William Street, Hawthorn  
9818 3693



## On Track

Just like Jellis Craig, Melbourne's trams are a familiar and trusted Melbourne service. So when it came to promoting the opening of Jellis Craig's two new offices, the marketing team turned to the iconic transport to get their message 'on the move.'

Covered entirely in Jellis Craig's green and gold branding, the Supertrams are on track

throughout the inner-eastern and inner northern suburbs.

It's a first for real estate, with Jellis Craig being the only Melbourne residential real estate firm to use trams to convey their message. The tram 'skins' are eye-

catching and represent the latest in innovative marketing. And they may even take you straight to the door of one of our new offices in Bridge Road, Richmond and Queens Parade, Clifton Hill.



## Property adviser Monique Wakelin shares her tips on what to look for when buying an investment property.



Monique Wakelin

### 1. What sort of return should I expect based on property value?

Gross rental returns for quality, inner suburban investment properties purchased between \$250,000 and \$600,000, are currently between 3.5% and 4% of current market value. As far as capital growth is concerned, over the past 30 years quality real estate has doubled in value every 7 to 10 years.

### 2. What percentage should I put aside/ budget for repairs?

As a rule of thumb, it's prudent to have \$2,000 to \$4,000 sitting in your investment property's bank account at any point in time to cover unexpected repairs and routine maintenance.

Other running costs such as property management fees, municipal and water rates, insurances and body corporate fees may account for a further \$2,000 to \$3,000 per annum.

### 3. What type of property has performed well (capital value) in the last 5 years?

Scarcity value is the key to achieving consistent capital growth. Properties of a timeless classic architectural style (1930s to 1970s flats and single-fronted houses from the Victorian period to the 1930s) located in quiet side streets generally show the most consistent capital growth. More modern properties may perform well as long as they are in keeping with the surrounding streetscape.

Ensure the floor plan is conventional and that the property is well serviced by transport, schools, shops and other essential services and infrastructure.

### 4. If I am looking to buy a flat or apartment, what things should I look for that are likely to increase value overtime? (i.e. position in block, number in block, features).

When buying an apartment for investment purposes, it is usually advisable to go for one in a block containing no more than 12-20 apartments. Look for a flat or apartment that is elevated and light filled, and which occupies a good position in the block. Off-street parking is a particularly important feature, and a private courtyard or balcony can be a great bonus.

### 5. Is there anything that I should be wary of when looking to buy a flat or apartment?

It's generally best to avoid apartments in inferior positions, like the one on the ground floor alongside the driveway or the one that overlooks the parking area, bins, and washing lines!

### 6. Have you seen any trends developing in the investment market? Future advice for investors – age bracket – type of investment to purchase?

We are seeing increasing numbers of women aged between 30 and 45 investing for the first time. Baby boomers are also investing very actively.

For inner city Property Management enquiries, contact our Senior Property Manager, Claire Blackney. With more than seven years' experience providing exacting and thorough property management services, Claire is suitably qualified to professionally steward the management of your investment.

Contact Claire on 0403 383 834.



Claire Blackney



# MEDIAN

## HOUSE PRICES BY SUBURB\*

SUBURB	MEDIAN JUNE 2004	MEDIAN JUNE 2003	ANNUAL CHANGE
Abbotsford	\$407,500	\$440,750	(7.5%)
Alphington	\$565,000	\$532,000	6.2%
Carlton North	\$657,000	\$585,000	12.3%
Clifton Hill	\$575,000	\$465,000	23.7%
Collingwood	\$420,000	\$356,000	18.0%
Fitzroy North	\$498,000	\$450,000	10.7%
Northcote	\$428,500	\$406,000	5.5%
Richmond	\$479,500	\$462,250	3.7%

## FLAT AND UNIT PRICES BY SUBURB\*

SUBURB	MEDIAN JUNE 2004	MEDIAN JUNE 2003	ANNUAL CHANGE
Abbotsford	\$422,500	\$230,000	83.7%
Alphington	\$267,250	\$241,000	10.9%
Carlton North	\$250,000	\$240,000	4.2%
Clifton Hill	\$320,000	\$246,000	30.1%
Collingwood	\$355,000	\$345,000	2.9%
Fitzroy North	\$336,500	\$345,000	(2.5%)
Northcote	\$195,000	\$241,500	(19.3%)
Richmond	\$325,000	\$350,125	(7.2%)

Source: REIV Property Database

\* Median values refer to the middle value in a set of property sales over a given timeframe.



Queens Parade, Clifton Hill



Victoria Street, Richmond

## Clifton Hill

Once again the steady performer, Clifton Hill has experienced an increase in house and unit prices of 23 and 30% respectively compared to the same quarter last year. Tightly held and offering only a little over 2,000 residential homes, quality residences in Clifton Hill continue to achieve strong results. Proximity to the city, excellent local schools, transport and parkland choices – together with Queens Parade and Spensley Street shopping precincts – Clifton Hill offers home buyers the ideal lifestyle environment.

## Richmond

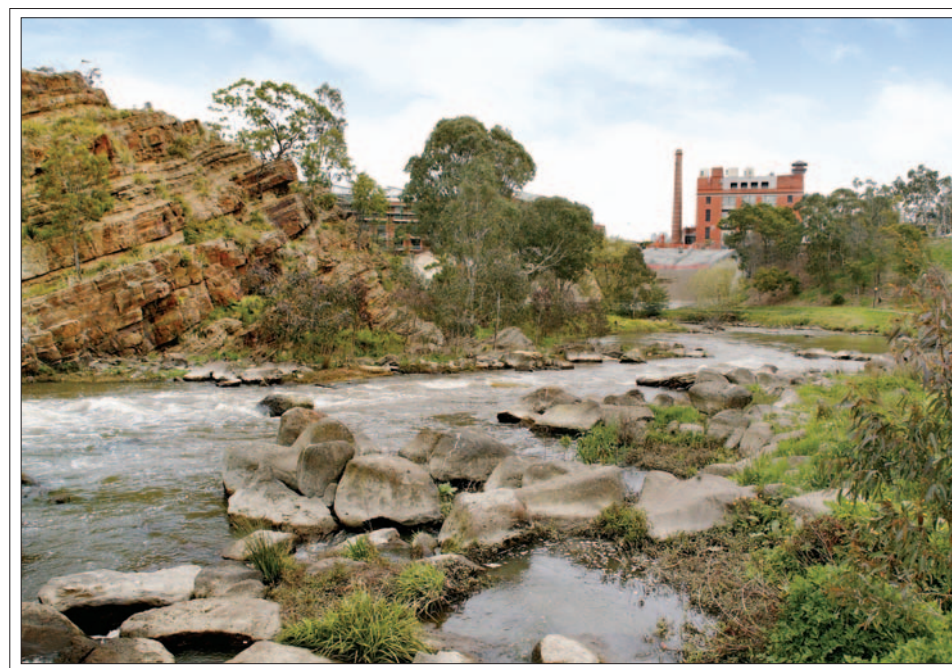
Is there anywhere else in Melbourne to equal the intense cosmopolitan flavour of Richmond? A mecca for foodies and lovers of true street café lifestyle, Richmond is a hub of excitement and activity favoured by the young, old and everyone in-between! House prices have remained steady with a modest increase of 3.7% while apartment prices dropped slightly in the June 2004 quarter.



Fairfield Boat House

## Alphington

While large house blocks in some of the suburbs slightly closer to town are less abundant (and come at a premium), areas such as Northcote, Fairfield and Alphington offer allotments with bigger girths for expanding families! Alphington in particular is a family favourite; with large Californian bungalows on generous allotments, Fairfield cafes and transport close by, plus easy access across the Yarra to Kew and its choice of independent schools. House prices increased 6.2% compared to the June 2003 period, while flats and units lifted more than 10%.



Dights Falls, Abbotsford

## Abbotsford

While Median prices are generally a reliable guide to how a suburb is faring in the current property market, there are occasional results that raise an eyebrow or two! Abbotsford is a case in point – with a 7.5% drop in Median house prices, but a whopping 83.7% increase in flat and unit prices. A true reflection? Well, you would have to factor in the number of recent apartment and townhouse sales along Trenerry Crescent at Yarra Falls, producing an anomalous result for the June 2004 quarter.

Please note: Comments made in this newsletter are of a general nature only and should not be solely relied upon.