



### from the Principal

Glen  
O'Brien

Recent predictions show that Western Australia's economy will continue to strengthen on the back of surging commodity exports, record lows in unemployment and strong population growth.

These factors will have a direct and positive impact on the real estate market, and though we don't expect values to continue to soar at the same rate as in 2006, we wouldn't predict a decline of any significance in the medium term.

The Perth market has recently adjusted and is now resuming a more normal and steady growth pattern. The adjustment means that more recently, prices have flattened and in a lot of suburbs, gone backwards slightly, but over the next couple of years we can expect to see a few more peaks and troughs with 2008/9 likely to be the pinnacle in the real estate growth cycle.

For real estate agents, the changing market conditions will mean that they too need to adjust their attitude and mode of operation. Too many agents have become complacent, in some cases, lazy. In the recent property boom, the average selling time got down to just 1 week, whereas now, it is taking 6 to 8 weeks to sell a home.

The Glen O'Brien Real Estate team understand the need to adjust and we are aware that in today's market it takes more than listing a property on the Internet and putting up a for sale sign to sell a property. Inevitably, it's the agent that is prepared to work hard, follow up and be persistent who will get the results in 2007.

If your property is on the market now or you are just thinking of selling and (like many) feel that you may have already missed the best opportunity to sell, please give us a call. We offer great service and advice that will help you put in place the right strategy to achieve the best result.

*The opinions expressed above are that of my own. Please seek professional advice before making any financial decisions.*

## Leaders in commercial property management



The robust State Economy is impacting on the need for commercial premises and Glen O'Brien Real Estate has recently expanded its commercial property division to cope with the increase in demand.

Managing the commercial management team is Christine Leonard who has previously managed a number of shopping centres and held an impressive commercial office portfolio. Chris is well equipped with a Diploma in Business and Degree in Economics and Sociology together with her expertise in commercial property management, she can handle all property related matters with confidence.

Christine likes to work closely with landlords and tenants and says, "No

matter how big or small, I believe owners should be able to hand a property over to us and then feel confident in knowing we will ensure they are getting the best return on their investment."

If your commercial property is managed by a city based Agent and you are frustrated by the high turnover of staff, lack of feedback and day to day knowledge of your property and tenants, then it's time you gave us a call.



### How is your suburb performing? Source: REIWA as at September 2006

Suburb	% Change in last 12 Months	5 yr Avg. Growth (p.a)	Median House Price
APPLECROSS	14.29%	14.64%	\$1,000,000
ARDROSS	27.88%	16.72%	\$665,000
BOORAGOON	32.60%	15.72%	\$600,000
MELVILLE	20.83%	15.21%	\$507,500
MOUNT PLEASANT	30.42%	16.64%	\$782,500
WILLAGEE	24.68%	17.61%	\$360,000

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## The other real estate boom... *the baby boom*

Glen O'Brien is wearing a very big grin these days and it's not from another multi million dollar property deal. He is the proud new father of baby Baxter.

Little Baxter Jay O'Brien was born on the 27th November at Kaleeya hospital. His mum Stephanie is overjoyed with their new baby boy and big sister Lauren is proving to be a fantastic little helper.

Also wearing a huge smile is new dad Michael Allen. Mike and his wife Jennifer are happy to announce little Charlie's birth on 10 December. Charlie is lucky to have two big sisters, Ashima (15 years) and Lupita (2 years) who are both loving their new baby brother.



Left: Charlie in her sister Lupita's Arms.

Below: Smiling Glen with baby Baxter.



## INTEREST RATES *WHERE TO FROM HERE?*

The rises in interest rates over recent times have created some uncertainty amongst property buyers about future trends in interest rates.

It is important for property buyers, as well as property owners, to understand that historically, the Reserve Bank tends to use interest rate settings as a short short-term 'lever' to assist in cooling the economy or alternatively providing a boost when necessary.

A survey of interest rate adjustments from January 1990 to December 2001 shows that upward movements in interest rates accounted for only 3.3 years of this 12 year period. The vast majority of interest rate movements were downward.

However, when interest rates increase, the survey shows that the upward movements tend to be much sharper than when they fall, in order to create a reduction in spending.

During the five-month period 17 August 1994 to 14 December 1994, there were three increases in interest rates which resulted in a slowing of economic activity in Australia. Interest rates then remained stable for more than two years until they began to fall in July 1996.

There are many similarities between then and more recent times. For instance, during the nine-month period from November 1999 to August 2000, interest rates jumped by 1.5% but were followed by six successive interest rate cuts.

During 2006, there were three interest rates rises and these appear to be impacting on the economy with signs that the national economy is slowing.

Given that Australia has one of the highest interest rate settings in the developed world, our opinion is that this will limit the capacity of the Reserve Bank to increase interest rates much further.

### You could save thousands

on a range of property finance solutions.

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