

Hello and welcome to Peter Rogozik Property Consulting six monthly newsletter. In this issue we have included a diverse range of articles covering both real estate and building-related issues. Being a fully licensed estate agent and registered building practitioner, I will cover topics relevant to both these industries.

A regular feature of the newsletter will be a section exploring various legal issues related to real estate, written by Andrew Padanyi. I would like to take this opportunity to welcome Andrew to the team. Andrew is a qualified lawyer who is currently studying to gain a real estate agents representative's licence. Andrews's appointment further enhances our reputation as Australia's only complete one-stop shop for the buyer of real estate. His expertise on legal matters related to real estate will prove a valuable resource to our firm. I am sure you will find his articles both interesting and informative.

This issue we cover a diverse range of topics including a very interesting article by Kerry Tabor on the principles of Feng Shui, a philosophy that is becoming popular. Kerry is an expert on this topic. We also examine the median prices of a number of suburbs in the Melbourne metropolitan area. These statistics show the phenomenal capital gains some Melbourne suburbs have experienced over the last four years.

A regular feature of our newsletter will be hot investment tips. This edition we recommend the inner western Melbourne suburb of Seddon. The reasons why we believe this suburb is a sleeping giant are explained.

Our aim at Peter Rogozik Property Consulting is to offer a comprehensive service for all buyers and renters of real estate. Having worked as a real estate agent and then as a renovator and developer for more than a decade, I have a comprehensive knowledge of all the intricacies involved in purchasing and improving property.

Please feel free to contact us if you have any questions in relation to real estate or building matters. Also, if there is a specific topic you would like covered in our next newsletter we would like to hear from you.

Regards,
Peter

Market Snapshot

The Melbourne property market is now at a very interesting stage of the cycle. After many years of exceptionally good growth there are some signs that the market is softening for certain types of properties.

Well-located properties close to village-style shopping centres, schools and public transport are still attracting strong interest and hence good prices, however other properties are struggling. We are seeing a greater number of properties pass in compared to twelve months ago. The median house price for the March 2003 quarter was \$347,000- up 3.6% on the previous quarter. Annually, there has been a 9.6% increase in the median price from March 2002 to March 2003.

The bayside suburbs continue to be very popular places to invest for our clients. We are also finding a growing number of our investors purchasing in the inner west of Melbourne. These investors are taking advantage of the substantially reduced entry prices and hence buying costs. Capital gains in some of these suburbs have been as good as anywhere in Melbourne.

As for the future, we believe the property market will continue to appreciate for the remainder of the year. More confidence is coming back into the market with the completion of the war in Iraq.

The continuing under performance of the Australian and overseas equity markets, low interest rates, strong employment and a shortage of quality stock will ensure that reasonable capital growth is achieved. However, always remember that the right property must be purchased to achieve this expected growth.

"The ultimate one stop,
for you the purchaser"

Suburb	2002	2001	2000	1999	1998	% Change
Abbotsford	\$391,500	\$346,500	\$295,000	\$265,000	\$232,650	68.28%
Braybrook	\$215,000	\$170,000	\$121,250	\$118,000	\$88,500	142.94%
Brunswick	\$354,500	\$300,000	\$251,000	\$224,000	\$188,000	88.56%
Carlton	\$489,950	\$375,000	\$367,000	\$300,000	\$302,500	61.97%
Edithvale	\$290,000	\$240,000	\$200,000	\$175,000	\$145,000	100.00%
Hoppers Crossing	\$181,000	\$158,000	\$130,000	\$135,000	\$124,000	45.97%
Heidelberg West	\$237,000	\$181,500	\$147,000	\$130,000	\$98,400	140.85%
Yarraville	\$313,500	\$270,000	\$230,000	\$200,000	\$160,000	95.94%
Seddon	\$315,000	\$260,500	\$233,250	\$203,500	\$168,000	87.50%

Investment Tip: Seddon

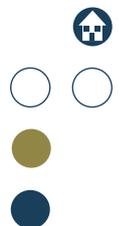
I believe Seddon, a small suburb tucked away in the inner west of Melbourne is a sleeping giant just awakening.

Seddon adjoins the higher profile Yarraville but generally property can still be purchased at more affordable prices. Seddon is within seven kilometres of the CBD. It has a wide selection of period homes. It possesses a developing shopping village where cafes and trendy restaurants are just starting to appear. To make it even more appealing, it is not impossible to purchase a property for around \$250,000.

The geographical area of Seddon has existed for many years but was officially part of Footscray. It has recently been officially recognized as Seddon by the local council, further enhancing its appeal to prospective investors.

Median Prices: Melbourne

Being a member of the Real Estate Institute of Victoria gives our firm access to a wide range of property data and statistics. This information is of great benefit when analysing current and future price trends. It allows us to more accurately predict which suburbs will experience superior price movements in the future. This information is invaluable to our investor clients. Set out below is an example of the median price movements of some suburbs over the previous four years.



Choosing a Builder

10 Golden Rules to Apply

1. If your family or friends have used a builder they've been happy with, ask for details about the builder they used;
2. See if the builder is registered with the Building Practitioners Board (visit www.buildingcommission.com.au). Domestic builders doing work worth more than \$5000 must be registered;
3. Check the builder's projects over the last two or three years, especially jobs similar to yours. If possible, ask the builder's previous clients for their opinion of the workmanship;
4. Visit the building site/s of the builder's current work in progress to see how it is managed;
5. Find out how long the builder has been in business and whether they have always traded under the same name. Lending institutions will want to run a credit check on the builder before approving a loan;
6. A call to the Domestic Building List will enable you to check whether a builder you name has been a party to any recent domestic building dispute. Recent decisions of the Domestic Building List are listed on the VCAT Internet website (www.vcat.vic.gov.au). Consumer and Business Affairs Victoria reports major breaches by builders of domestic building laws and regulations in its Annual Report;
7. If you have employed an architect, building designer or a draftsman, ensure that the scope of works (what and how you want to build) is clearly defined and properly communicated to the builder;
8. If the builder is in charge of the design of the project, the scope of the works should be clearly defined in the written quotation showing wherever possible, type, make and model number of items and accurately estimated quantities. The Housing Industry Association of Victoria supplies a project specification document which includes these details;
9. Analyse quotes thoroughly. The lowest price quoted for your project may not be the best choice. It could be that certain items have been missed which would otherwise be included in a more expensive but properly detailed quote. A cheap quote may result in poor management of the project and absence of customer service; and
10. If you don't feel you can share the same planet with your future homebuilder, let alone pre-breakfast site meetings or fading conversations on the mobile, keep looking. Your ongoing relationship will dictate the success or otherwise of the project.

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Feng Shui Ideas

When it comes to your number one "investment", there are various strategies you can implement to increase the material and emotional value of your home.

Kerry Tabor of Spirit of Design says many people are using her Feng Shui advice to enhance not only the chances of sale, but also to increase the feelings of peace, balance, comfort and beauty in their homes. Here is some more information from Kerry:

Just breathe: open doors and windows for a little while each day to replenish and invigorate the life force of your home.

Bedroom bliss: make sure that the head of your bed is placed to a solid wall with a clear view to the door for a strong and harmonious placement.

First Impressions: the entrance to your home should be strong, welcoming and free of telltale signs of neglect such as leaves and cobwebs. You want your home to be secure, strong and welcoming, encouraging friends and prosperity, but protecting from unwanted influences.

Clutter-free: let go of things that no longer have real relevance to your current life. An unwillingness to let go can be an obstruction to chi's and new opportunities.

So beautiful: introduce special items and colours into your home that express for you beauty and joy. This could be a special painting, a vase of flowers or a richly coloured feature wall.

Avoid the rays: electrical items that emit electromagnetic radiation can be harmful to health.

Minimise use and exposure to mobile phones and microwave ovens, and keep your clock radio at least an arm's length from your head.

Find a balance: as with most things in life, aim for a balance of colours, textures and materials. Too much of any one element can be unsettling, chaotic and intense.

Nature knows best: bring nature and the ever-changing beauty of the seasons into your home using indoor plants and fresh-cut flowers, and capture views to the sky or the garden.

The Top 10 Investment errors

1. Holding too much cash
2. Over-investing in shares
3. Waiting too long before starting to invest
4. Investing for long term but being swayed by short term results
5. Trying to save on tax, and not checking the quality of investment
6. Not saving enough
7. Lack of clear objectives
8. Lack of diversification in investment portfolio
9. No budget
10. Following tips from friends

Legal Chat

By Andrew Padanyi B.A., LL.B.

In this issue I'd like to examine some of the legal basics that need to be observed before you sign a contract of sale for a property you want to buy.

It's hard to resist the temptation to rush in and sign the contract once you have found the right property, whether it's for residential or investment purposes. A number of important things need to be considered before you sign the contract.

Contract negotiation

Even if you have already negotiated the best price, consider the following:

- Does the contract need to be conditional on you obtaining a loan?
- Do you need to sell your existing home before buying the new one?
- Have you worked out all the costs involved, including stamp duty, transfer and borrowing fees?
- Are there any restrictions on the land you are buying which could stop you doing what you want to do with the property?

Also, you may be able to negotiate a settlement date that allows you plenty of time to get things organised. Settlement is when the balance of the purchase price must be paid.

If there is a dishwasher, make sure it's specified in the contract as a chattel. If it's built-in, a dishwasher is most probably a fixture (and therefore part of the property being purchased), but it's always best to avoid any doubt.

Inspections

To ensure there are no hidden defects, an inspection of the property by a qualified builder or architect before you sign the contract can be a very wise investment. Discovering defects after you have signed the contract may be too late. We at Peter Rogozik Property Consulting include pre-purchase condition reports as part of our "Price Analysis and Purchase" and "Complete" packages.

If there is a swimming pool in the property, ensure that it's adequately fenced.

It may also be prudent for you to check with the local council as to whether there are any proposals which will affect the property or the neighbourhood. For example, someone may have applied for a permit to build a block of flats next door to the property you have chosen.

In the next issue I will look at another essential pre-purchase check – the Vendor's Statement.



Visit Our Interactive Website at www.yourbuyersadvocate.com.au

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