

## **Independent Real Estate Market Report 2013**

*'Finally, some better news about the Apollo Bay (& surrounds) Property Market.*

*After several years of depressed prices & moribund activity, there's been evidence of New Life since late Winter, albeit there's still a long way to go, & a prodigious backlog of unsold Listings.*

*During the past year, Sales of 30 Home Units or Homes on confined land, & another 40 on more generous titles, along with 25 Vacant Blocks, have contributed to a much improved outlook for long suffering would-be Vendors (aggregate sales of \$43m). Sales in 'The Surrounds' (Lifestyle Properties on Acreage) have reappeared too, not that prices obtained have necessarily brought particular joy to sellers*

*At this time last year, (for cal yr 2012) we were reporting Sales of just 16 Home Units, 36 'larger-land' Houses & 22 Vacant Lots (with an aggregate value of \$32m). There wasn't much happening in the surrounding Countryside*

*More compelling still, the Sept/Dec tally (2013) is \$15m which is nearly double the 2012 equivalent (and higher than the Lorne tally, by the way). And, the 'Differential' between 'last advertised price' & Actual Sale Value has most recently fallen a couple of points to around 8%. With regard to Properties that have sold, one could also make a case that a 'Months-on-the-Market' Indicator has decreased too, though periods of Marketing with unrealistic price expectations tend to diminish any relevant conclusions from these comparisons.*

***In these somewhat more 'normal' conditions, the Big Winner amongst Agents has been Great Ocean Properties who are now securely in control of over 35% of this activity at least rivalling, but lately exceeding the Listing/Sales Generation of the former dominant Agent, Apollo Bay Real Estate. The balance of the Market is shared between L J Hooker (the re-badged C J Keane) - now barely 12.5% & Smyth Real Estate 15%.***

***Great Ocean Properties have had a Stellar Run pre-Xmas, their successes including the 'Trophy' Sales of 5590 Great Ocean Rd (the Col Bandy House on 400 Acres) & 'Yaringa' an actual-water-frontage rarity at 371 GOR, beyond Marengo. In December alone, they reported 11 sales with a total value of over \$6m.***

*A couple of recent residential sales on Great Ocean Rd have also added to confidence that the really Bad Times are behind us. In 2012, we had just the single (horror) midyear \$760k Auction outcome (195 GOR) to reflect upon. Strangely, the Lorne Market hasn't yet appeared to have obtained the 'bounce' achieved in Apollo Bay (though maybe it was never quite as depressed as things had become further South).*

*The 'Attached' Schedules list most of the Apollo Bay Properties Sold during the past year, though prices in Italics are as yet unconfirmed in Victorian Valuer-General Data (we often have to wait 6/8 months post-sale for such advice) and despite compatibility with 'last advertised price', no reliance should be placed on such (individual) estimates. A separate (not as adequately researched) schedule for Lorne is available if you're interested.*

*Our South Bayside Metro Reports are also available to anyone you know who may be considering selling in that district (generally from Brighton to Mordialloc).*

*Had a couple of enquiries about the 'Great Port Campbell Property Auction' back in October. If you sometimes tune into Realm on Twitter, we've run a minor commentary on that curious event. The Story goes something like this – 2 guys who held a lot of property in & around Port Campbell (Richard Alston & Peter Barraclough) – for whatever reason – found themselves as Vendors of 21 properties auctioned by John Castran on Oct18.*

*Port Campbell is a tiny Real Estate Market & that volume of Property is a couple of years 'Supply'. Not a great idea to 'flood' such a precarious Sales Environment if you're serious about an effective 'realisation'.*

*5 (mainly tragic) sales (2 vacant lots, 2 Beach-houses & a unit) were recorded on the day & just 2 more Houses since, but the main offering, The **Southern Ocean Motor Inn**, remains unsold despite an alleged \$2.1m 'Bid' after it was passed in at \$1.8m on 'The Day'.*

*In pre-Auction 'Blurb', Castran was quoted as saying the 12 Units would sell between \$195/250k, (one did - \$195,001, but 11 others still amongst 'For Sale' listings'from \$240k') the Vacant Lots \$65/85k, & the 27-room Motor Inn \$2.5m.*

*Meanwhile 7-bedroom Oscar's in Port Fairy also remains unsold nearly 12 months after it's Feb 2013 Auction. The preamble there suggested a \$3m target, whilst the post-Auction 'News' informed us that the \$2.5m 'Pass-In' figure was a Vendor Bid, though 2 parties were 'showing interest'(?). Hocking Stuart officiated at the Auction.*

*These 'Events' raise the question about Vendor/Mortgagee 'Strategy' of introducing 'out-of-area' Real Estate Agents to 'Market' South/South-West Coast Property. In Apollo Bay, Castran was selected to handle 'Seafarers' but it was ultimately sold to a 'Local'. In Port Campbell, Falk could scarcely have achieved a worse result. The Hocking Stuart 'influence' has been to no effect in Port Fairy. Cape Otway Ocean Lodge (Dormitory Accom for 50 guests -100 Acres) has been with Ray White Geelong for over a year. Hordern Vale House has recently 'turned up' with Edgar's Booroondara. Good Luck With That!*

*Next update mid-2014. Email enquiries any time.*

*AFW*