

Market Update – Summer 2009

The current economic crisis will present many opportunities over the next twelve months.

The Reserve Bank of Australia has cut official interest rates by a further 100 basis points bringing the total cut to 400 basis points in the past five months.

Clearly there has been a huge improvement in buyer affordability as interest rates are at their lowest in over forty years. High yields will tempt property investors back into the market.

An enormous amount of refinancing has taken place over the past two months. One major Australian bank is offering fixed interest for three years at just 5%. Consequently stock levels for this time of the year are 30% down compared to last year and more in the upper end of the market.

Recently two of the Directors, Robert Vickers-Willis and Jock Langley returned from the Luxury Real Estate conference where they had the opportunity to meet other leading real estate agents throughout the world. They also had meetings with Expatriates in Dubai. It is these types of buyers, along with migration companies that Abercromby's can attract to the Melbourne market.

Clearly stock levels are in short supply and the market has opened well in 2009, with stronger buyer demand.

It will be interesting to see the first quarter results when we sit down at Easter.