

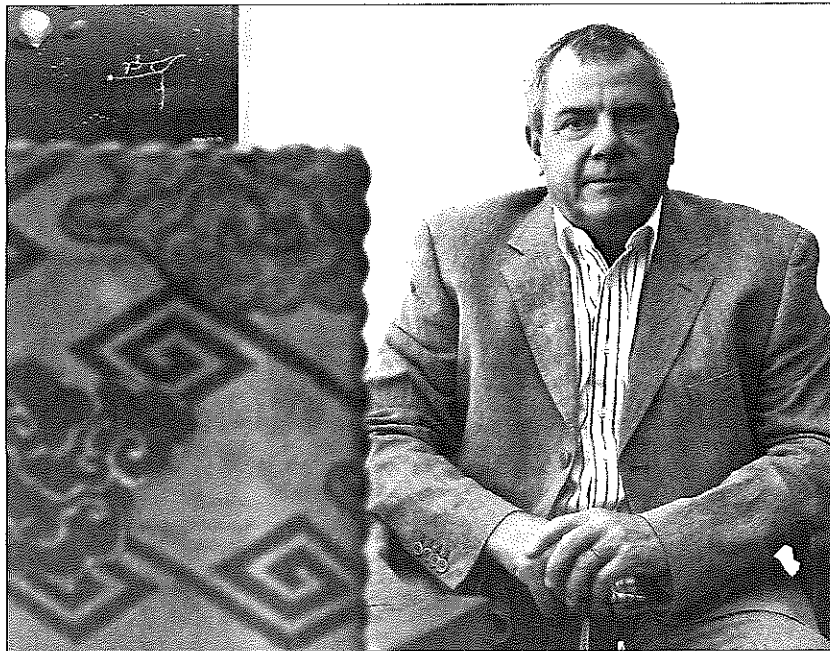
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**MARKET STRENGTH:** Top end specialist William Porteous said he is experiencing an increase in enquiries for million-dollar homes amid the resources recovery. **Photo:** Grant Currall.

## Bounce for prestige property

■ Dan Wilkie

A FLURRY of activity in the prestige property sector is a sign of the overall strength of the Western Australian economy, according to a leading western suburbs-based high-end property specialist.

While national price records were broken last month with the \$57.5 million sale of iron ore heiress Angela Bennett's sprawling Mosman Park mansion, prestige real estate specialist William Porteous said the increase of activity in Western Australia was a sign of confidence returning to the wider economy.

"We're now getting avalanched everyday with the papers saying more and more [resources] projects are being given the green light," Mr Porteous said.

"People also realise that a lot of the top end of the market has been undervalued, so it is a good time for people to move up in what they require for their home."

December 2009 quarter statistics from the Real Estate Institute of

Western Australia released earlier this month indicated sales for homes valued between \$750,000 and \$1 million jumped from 6 per cent of turnover to almost 9 per cent compared to the same period last year, while homes valued between \$1 million and \$2 million increased from 4 per cent of sales to 6 per cent.

REIWA also reported in December it expected the median house price, which is currently \$475,000, would easily eclipse its record high of \$485,000 in 2010.

Mr Porteous said enquiry levels through what was traditionally considered a slower period for property transactions were increasing, and encouraging for the sector.

"There were some very good sales in 2007, 2008 and 2009; we had significant sales all three years, but not at the volume we're experiencing now," he said.

"It was definitely slower last year, from the end of 2008 up until mid 2009, people were very hesitant.

"The mid-market was a lot more affected; you had a lot of good properties being discounted fairly signifi-

cantly because people had to get rid of them."

Mr Porteous, who found a buyer after just 72 hours on the market for Griffin Energy magnate Rick Stowe's \$7.85 million Swanbourne home, said astute buyers were taking advantage of discounted prices in the prestige market.

But he cautioned that prestige vendors had a tendency to overvalue oceanfront and riverfront property, regardless of location.

"If you're on waterfront and oceanfront properties you can never go wrong," he said.

"But with the urban spread, you're now going from Yanchep down to south of Mandurah, and as soon as there is a hiccup in the market the outlying areas are the ones that get affected the most.

"When you sell big properties in the western suburbs, automatically those vendors living on the fringes suddenly think their property is going to have the same kind of value by association, and the only way they'll be able to get that kind of appreciation is time."

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### **Bigger boom tipped for WA**

WESTERN Australia is on the threshold of another boom, with the Chamber of Commerce and Industry WA this week revising up its growth forecasts for the local economy.

In its quarterly outlook for the state, CCIWA expects the local economy to grow by 1.5 per cent in 2009-10, up from the previous forecast of 0.25 per cent.

In 2010-11, WA's economy is projected to grow 4.25 per cent, then 5 per cent in the following financial year and then a further 6 per cent in 2012-13.

The better than expected forecast for economic growth reflects CCIWA's upward revision to both household consumption and dwelling investment, in line with the resilient local jobs market and continued strong population growth.

CCIWA tips household consumption to rise by 3 per cent this financial year, up from the previous forecast of 1.5 per cent, boosted by the strength of the labour market with the jobless rate peaking at 5.7 per cent in September, nine months earlier than expected.

The chamber is now expecting the unemployment rate to average 5 per cent in 2009-10, compared to the previous 5.75 per cent forecast, and will progressively decline to 4 per cent in 2012-13.

With more than \$200 billion worth of major project investments in the pipeline for WA, CCIWA anticipates business investments to fall by 5.25 per cent this financial year.

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