

Appendix 1- Sample property appraisal

Property details¹

29 Smart Street, Williamstown

Contemporary country style living only minutes from The Strand and Williamstown centre.

Architect design and quality built, the home showcases an abundance of light and unique style.

Zoning

Residential 1.

Estimate of market value

In the current real estate climate, a price within the range \$560,000-\$600,000 should be achievable.

Recommended method of sale

Auction.

Marketing exposure

See attached proposal.

Selling fee

Negotiable.

¹ In order to *comply* with the requirements of our Professional Indemnity Insurance cover, it is *necessary for us* to point out that this opinion is *for your sole use only*, and no responsibility is accepted *for any third party who may use or rely on the whole or any part of the contents of this report*.

Comparable sales

The information contained herein is sourced from the *PropertySales*² database and is public knowledge. We use these examples to provide you with the most up to date information regarding property sales and trends in your area.

Date: February 201X
Price: \$975,000
3-bedroom, lounge, family, 2 bathrooms, dbl garage
Address: 34 Hanmer St, MyTown



Date: May 201X
Price: \$985,000
4-bedroom, lounge, family, double garage. Land 380sqm
Address: 27 Ann Street, MyTown



Date: May 201X
Price: \$809,000
Land 480sqm.
Fully renovated 3-bedroom, lounge, dining, new kitchen, double garage
Address: 8 Freyer Street, MyTown



Date: July 201X
Sold: \$850,000
Land 618sqm.
4-bedroom, lounge, dining, double carport, 1 block from beach
Address: 26 Forster Street, MyTown



Date: November 201X
Sold: \$925,000
Land 500sqm.
3-bedroom, lounge, dining, family, double garage, central location
Address: 45 Electra Street, MyTown



² Name property Data source

Proposed schedule of advertising and estimated costs³

29 Smart Street, Williamstown

Our Magazine	\$359.09
4 weeks full page colour display & colour brochure	
Floorplan on back of brochure	
Digital Camera Photographs	\$100.00
(Internal – external)	
Floor Plan	\$70.00
Photo sign board	\$341.82
8' x 4'	
Internet	\$109.09
www.domain.com.au	
www.realestate.com.au	
www.myownagencywebsite.com.au	
Local Paper	\$1,200.00
¼ page x 4 weeks	
The CityPaper 'Houses for sale'	\$165.00
Saturday x 3 weeks – 5 lines	

³ All pricing is arbitrary and may change form location to location

The CityPaper 'Open for inspections'	\$50.92
Saturday x 4 weeks	
The CityPaper 'Auction day'	\$10.00
'Houses for sale' line	
The CityPaper 'Auction this day'	\$75.45
Saturday 'Auction this day'	
Incidentals fee	\$90.91
Mail, faxing, magnets etc	
Sub Total	\$2,572.28
GST	\$257.23
Total	\$2,829.51

Marketing media

Based on the following information, a marketing campaign for such a property should involve a substantial amount of effort in targeting the primary demographic, ie the first home buyer or investor within the western suburbs.

local paper

Without a doubt the most effective route to achieving the above objective is via well designed and placed advertising in the local newspapers, *Williamstown Advertiser*, *The Mail* and *Altona Mail*. This combined publication is distributed extensively from Highpoint, Maribyrnong to the Laverton/Werribee area, with a circulation of approximately 500,000 per week.

Therefore, we have increased the size of property displays in our weekly advertisement in the local paper from nine properties per page to six properties per page, substantially boosting reader awareness of each property.

In addition to paid advertisements, we invite the papers to provide editorial comments on the properties we market. These are published free of charge.

Window display

A quality display in our office window is also essential, as genuine purchasers will often start their purchasing campaign with a scout of the real estate office windows in the area. Our window is well laid out, with a simple format for prospective purchasers to follow. We take pride in our window display, with each property displayed individually and to its best advantage.

Magazine

Our very own magazine surpasses the competitors in both quality and quantity. You will find our magazine in cafes and around Hobson's Bay.

Brochures

We produce brochures of a very high standard, with sharp clear photos produced by professional photographers. The design of each brochure is customised to the Property Profile layout, which includes photos and text on the front and a floorplan on the back.

In addition to the regular A4 brochure, we also produce DL sized pamphlets, generally with the same information and primary photo. These are distributed within the local

area and perform the function of informing the immediate locality of the property. Neighbours can be extremely effective in helping market your property. Many have friends that may be interested in moving to the same area and rely on your neighbours to keep them informed of upcoming sales.

Internet display

Many purchasers begin their research by trawling the Internet. Our research shows that a significant and increasing proportion of purchaser enquiry is coming from this source, particularly from outside the western suburbs area.

Therefore, we have a presence on all major real estate sites on the Internet. We can be found on <realestate.com.au>, <domain.com.au>, <realestateview.com.au>, and <property.com.au>.

Advertising board

A well-designed advertising board is highly recommended, as it acts as a silent, ever-present salesman. It not only tells prospective purchasers about the property but also informs neighbours, who in turn may tell friends whom they believe may be interested in purchasing in the area.

The CityPaper

To make contact with prospective purchasers from outside the western suburban area, one of the most far-reaching publications is the classified section of the Saturday edition of The CityPaper.

Based on our market research, we recommend that expenditure on advertising in this publication be contained to ensure that the market is aware of the property and how to arrange an inspection. We suggest a small line advertisement is generally sufficient for this purpose.

Advertising copy

Writing copy is not a hasty exercise; an ad should not be merely a description of the property. It is how interest is instilled in prospective purchasers, enticing them to inspect the property with a view to purchase. As such, considerable thought is given to the writing of copy and it is written with the demographic target clearly in mind.

Copy is also tailored to the specific medium conveying the message and may change during the campaign if feedback indicates it is warranted. All copy is referred to vendors for approval prior to publication.



Inspection of the subject property - private inspections and public 'open for inspections'

We will conduct private inspections by appointment from enquiries and suitable purchasers drawn from our existing database. We do, however, recommend publicly advertised 'open for inspections' in order to enable that segment of genuine purchasers who will use this avenue for their initial encounter with the property. 'Open for inspections' are carried out on both Saturdays and Sundays.

Benefits to the buyer

"Open for inspections" are a very important process for maximising the number of purchasers attending each forthcoming auction. Buyers do not feel inhibited and can relax during the open, knowing they are not dealing with the agent on a one-to-one basis.

Benefits to the vendor

A reduction in private appointments means fewer interruptions through the week, which enables the vendor to present the property at its best.

Proposed method of sale

We firmly believe that the auction system is by far the method most suited to achieving the highest price for properties in this area with a minimum of fuss. The concentrated marketing campaign generally results in a shorter selling time and avoids any danger of over-exposing your property.

Outlined below are some of the advantages of an auction campaign.

Develops and encourages competition between prospective purchasers both prior to and at the **auction**.

Enables you to have greater control in negotiations by not revealing your true position on price (ie your reserve).

Announcing an **auction** will often stimulate an excellent private sale in advance - with the pressure of time being entirely on the vendor's side as the auction date approaches.

At **auction**, the purchaser must accept your terms and conditions and enter into an unconditional contract, effective immediately. There is no 'cooling off' period during which the decision to buy can be withdrawn. There is no upper price limit at an auction and purchasers are unaware of your reserve price. You do not run the risk of underselling your property.

It has been our experience that purchasers often bid a significantly higher amount at an **auction** than they would propose to pay in a private sale negotiation.

Local facts

201X

89% of buyers in MyTown came from the same or adjoining postcode (over 451 transactions).

Demographics

MyTown

Sample

Williamstown is located eight km south-west of the CBD. Williamstown is a mixed-use, bayside suburb located on the western side of Port Phillip Bay. The suburb has gentrified over the last decade and has become a popular place for tourists due to its historical maritime heritage, cafes and restaurants. The suburb also features the Williamstown Beach, the Williamstown Botanic Gardens, Williamstown Hospital, the Shipyards and is the terminus of the Williamstown suburban railway line.

The population

In 1996 the population was 11,871 persons.

*Between 1991 and 1996 the population increased by 1435 persons or 13.8%.

*Over the period 1981 to 1996 the population decreased by 336 persons or 2.8%.

Real estate in Williamstown

The following table depicts Williamstown's current median house price and compares it to last year's value. The information has been sourced from the Real Estate Institute of Victoria. The median price is the middle price in a series of sales, where half of the sales are of lower value and half are of a higher value. For example, if 15 sales are recorded in a suburb and arranged in order from lowest to highest value, the eighth sale price is the median price.

Median prices are used rather than average prices because median prices are unaffected by a few unusually high or low prices, making them a more accurate indicator of true market activity. The lower quartile is the point where one quarter of the sales are for less value and the upper quartile is the point where one quarter of the sales are for a higher value.

	12 month change	FOR YEAR 2002-2003		FOR YEAR 2003-2004		5 year change
		Median	Median	Lower Quartile	Upper Quartile	
Houses	10.3%	\$491,000	\$541,500	\$430,000	\$680,000	75.0%
Units	0.9%	\$290,000	\$292,500	\$225,750	\$377,758	95.3%

Avg House:

3br, 374sqm block

50% renters / 50% home owners

Top Sale (RY03-04):

\$2,200,000 The Strand

3 year house outlook:

Above average

Most Expensive Street:

Osbourne Street

Williamstown has performed well above the average for metropolitan Melbourne in recent years, with top-end investors drawn by the area's cafes and restaurants, large period homes, and close proximity to the city. Waterfront properties are tightly held, and this combination of scarcity and features pushes waterfront prices well into the million-plus range