

Buyers get confusing signals

If you're confused about the health of Melbourne's property market, you're not alone. There have been conflicting signals in the past few months, depending on who you talk to. The latest mixed signals come from finance experts, with financial comparison website ratecity.com.au saying homebuyers are slowly moving back into the market, while broker Loan Market says the Australian housing finance market is off to its worst yearly start in more than a decade. RateCity chief executive Damian Smith said data from the Australian Bureau of Statistics shows the total number of home loans taken out in April increased for the first time since December 2010, a sign that borrowers were more confident than a few months previously. But Loan Market chief operating officer Dean Rushton said the ABS figures for the first four months of 2011 showed the number of home loans approvals at their lowest level since 2000. "Consumer confidence remains low and we're seeing them holding off spending and borrowing in most sectors," he said. It's no wonder buyers remain cautious as they wait to see what the market holds.

APARTMENTS ON PARADE

Another week, another apartment development in Melbourne, this time in Northcote. Merri Merri Developments, a joint venture of some of the leading property development and construction professionals in Melbourne, is joining forces with Carabott Holt Architects to develop Parade, at 26-38 Merri Pde. Parade is a selection of one and two-bedroom apartments that boast



Northcote's new apartment development, Parade, has been designed to respect the existing Merri Parade streetscape.

uninterrupted city skyline views over Merri Creek. Architect Amelia Attrill said Parade's exterior would utilise red and charcoal brickwork, timber paling balustrades and metal cladding to the upper levels. "This infill development has been designed to respect the existing Merri Parade streetscape," she said. Prices start at \$350,000.

MORTGAGE BROKERS 'AT WAR'

That confusion is exacerbated by the war being waged at the moment by mortgage brokers on the government over the banning of home loan exit fees. The ban, trumpeted as giving homeowners more freedom to find

cheaper mortgage rates, has been widely condemned by the Mortgage & Finance Association of Australia. It argues a ban on exit fees will act against the most competitive component of the mortgage market — the non-bank lenders — and take away the sector of the market that always kept interest rates low. The association's latest salvo against the government follows its survey which shows the most important factor for more than half of those questioned over choosing a mortgage was interest rates, while exit fees were important for just 1.7 per cent of respondents. Association chief executive Phil Naylor said the survey undermined the government's

argument. "Banning exit fees will not boost competition among mortgage lenders."

SWITCH ON TO SAFETY

As winter starts to bite in Melbourne, building advisory service Archicentre has warned that electrical problems are one of the most frequent building faults revealed by the Victorian Government's Home Renovation Service and are closely linked to hospitalisation and fatalities. Across Victoria, electrical hazards were reported in 23 per cent of homes inspected and many of them pose a fire risk. Archicentre state manager David Hallett said common electrical problems revealed during the inspections included defective wiring, unearthed power points and antiquated switchboards without residual current devices (safety switches) installed. "A large proportion of electrical problems have been caused by the owners themselves, or previous owners, personally installing additional power points," he said. "This illegal wiring is extremely dangerous and increases the risk of house fires and can be deadly for occupants or visiting tradespersons." Archicentre provides a free home safety inspection service in Victoria for aged or disability pension card holders, which is fully funded by the Department of Human Services.



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