

Australia trumping even the US when it comes to McMansions

Australians are piling on sitting rooms, studies and extra bedrooms, with the new Australian home an average of 215 sqm, well above the US (202sqm) and the UK (76sqm) (SMH 30/11)

Shortage of premises means big rent rises/Fewer starts push rents through the roof

Sydney rents are set to rise 21% over the next 3 years as the tightening rental market lowers the vacancy rate to below 1%. Increased demand for medium and high density properties, and a 28% plunge in dwelling starts, means upward pressure on rents (SMH 30/11)/AFR (30/11)

Feverish auction activity begins to subside

Sydney had a 68% clearance rate in November, bringing to an end five consecutive months of above 70% clearance rates. Melbourne's clearance rate has been over 80% for the last 8 months. Last week Melbourne cleared 76.6% of 1,035 properties for auction (793 sold), Sydney cleared 72.6% of 569 properties for auction (413 sold) and Brisbane cleared 43.2% of 146 properties for auction (63 sold) (SMH 30/11)/RPD Data Pulse

House price build up but no bubble

Prices have risen 14.9% in Melbourne and 9.9% in Sydney over the last year, and strong demand with limited supply is expected to push prices further north (AFR 1/12)

Sydney world's 4th dearest retail market

A strong \$A and a buoyant demand made Sydney (4th), Brisbane (9th) and Melbourne (12th) the world's most expensive retail markets (AFR 1/12)

New home sales slide as 1st home buyers exit

HIA research showed new home sales fell 6% in October after a 4.3% decline in September. New house sales fell 11% in NSW and 9% in Qld. Hopes of second home buyers and upgraders replacing 1st home buyers have not materialised (AFR 1/12)

Approvals data not all good news

New house approvals posted a solid return in October, but apartment approvals fell as developers struggled to get finance. House approvals rose 5%, apartment and unit approvals fell 19.3%, with the latter now running at 35,000 per annum, 40% below their peak (AFR 2/12)

Real estate sector glum over rate rise

Real estate bodies accused the RBA of jeopardising Australia's economic recovery after increasing rates by 0.25%. Westpac increased rates by 0.45% blaming the bigger rise on increased funding costs (AFR 2/12)

Race for shopping centres takes off

Major shopping centres, which lost 20% in value during the downturn, are poised to benefit as offshore institutions and syndicates look to buy \$1b of stock before Christmas (AFR 3/12)

Rates too blunt for tackling asset booms

Using interest rates to tackle house price booms fails to discriminate between borrowers, with increased rates also impacting business and credit card borrowers. Many asset price hikes are due to lack of supply, land taxes, government developer charges and capital gains tax (AFR 3/12)

Westpac action may stay RBA's hand

Rates could be on hold till March as three of the four major banks raised rates by more than 0.25% (AFR 3/12).

Call to rein in council fees

The MBA wants council infrastructure charges of up to \$66,000 stopped. In its Henry Tax review submission the MBA says developer charges flow straight through to prices for new homes (AFR 3/12)

Property prices on way down warns bank

NAB forecasts a 5% reduction in property prices following higher interest rates and unemployment. Cash rates are expected to rise from 3.75% to 4.75% in late 2010 and 5.5% in mid-late 2011 (SMH 5/12)

Key market indicators reveal strong residential market conditions

The average capital city level of discounting sits at -5.1% for houses and -4.6% for units, which shows that vendors expectations of what they will sell their property for are fairly closely aligned with what the purchaser is willing to pay (RP Data Pulse).

Banks under fire but auction prices soar

The latest rate rises failed to stop big prices being paid in the Inner Western suburbs of Sydney, a Leichardt house went at auction for \$130k above reserve, and \$1.135m was paid for a house in Rozelle - \$150k above reserve (ST 6/12)