

## Rate rises now on hold says Reserve

The RBA has indicated rate rises are on hold after recent bank rate increases. This had raised rates above emergency levels. Figures showed the economy grew 0.2% in the September quarter, 0.5% for the year. Banks were enjoying an additional 0.2% profit on lending than prior to the global financial crisis (SMH 17/12)

## Development near airports to face new set of hurdles

All new development near airports would be tightly restricted to ensure no repeats of the Badgery's Creek issues, with a National Consent Authority proposed to evaluate all developments (SMH 17/12)

## Real estate set for another big year

Increased confidence and the shortage of accommodation are set to drive property prices higher in 2010 according to the latest ANZ Property Outlook. In the first 10 months of 2009 prices have risen 10% nationally and 15% in Melbourne (AFR 16/12)

## Bangaroo developer to be named

Lendlease or Brookfield Multiplex is set to be the developer of the first commercial stage of the Sydney's \$3b Bangaroo project. Set on the East Darling Harbour foreshore it comprises over 50,000 sqm of commercial, residential, tourism, retail and community space (AFR 16/2)

## Macquarie exits St Hillier's

Macquarie has quit its 49% stake in St Hillier's, with Tim Casey set to fully control the entity. Casey has plans for an integrated real estate operation that could develop, build and hold its projects (AFR 16/12)

## Refinancing a challenge

Commercial property prices are close to their lowest point after falling sharply over the last two years, and the sector faced considerable refinancing problems. Rentals were expected to tighten in 2010, with stronger yields in 2011 forecast to lead to construction from 2012 (AFR 16/12)

## Buyers looking to capitalise in 2010

Investors are entering 2010 with a brighter outlook, with only 12% anticipating a deterioration in the market. Sydney and Melbourne had the most positive response, with Brisbane and Perth expected to struggle (AFR 17/12)

## More Gold Coast units sell

172 units were sold in the three months to November which was four times that recorded in 2008. Price discounting of 10-20% continues and is expected to be the norm until 2011. The Gold Coast has 20 months worth of supply (1184 units). In

Brisbane 260 units were sold in the three months to November, up from 174 in the three months to August, with demand strongest in the under \$600k price range (AFR 17/12)

## End of home grant boost to hit mortgage market

Analysts say the mortgage market fell 6% in the September quarter, and is forecasting a drop of 14% or 9% in the next 12 months, due mainly to tightening credit requirements for lenders and the lowering of the 1<sup>st</sup> home buyers grants (SMH 15/12)

## Crying poor? Count your rooms and houses, and think again

The cost of building a house is 60% higher than 15 years ago (adjusted for inflation), as Australians build, knock down and rebuild, and renovate houses with more bedrooms and living areas than anywhere else in the world. 1<sup>st</sup> home buyers now need a deposit of 1.25 of a year's income, double what was needed 15 years ago (SMH 16/12)

## Reserve may put brake on rate rises

RBA December meeting board minutes showed that the board seated over lifting rates and is preparing for a slower approach next year. The economy is showing signs of strength with the jobless rate dropping 0.1% to 5.7% and new dwelling construction up 9% in the September quarter (SMH 16/12)

## Melbourne housing proves resilient

Melbourne had a rush of auctions as 1,057 properties went under the hammer and an 81% clearance rate and just under \$600m in turnover. APM reported Sydney sold 223 of 559 properties auctioned, however 216 listings were unreported. After a couple of ordinary weeks Brisbane and Adelaide both reported clearance rates above 50% (AFR 14/12)

## What \$525,000 can buy you in Melbourne

A Melbourne house costs at least \$100,000 more than it did a year ago as the population boom and housing shortage pushed the median price to \$525,000 in October, compared with \$415,000 12 months ago. Apartment and unit prices grew more slowly, with a \$429,250 median in October, up from \$361,000 12 months ago. Price growth for property has been in the middle band of suburbs 10-20 kilometres from the CBD. Melbourne has been the epicenter of Australia's housing-led economic recovery, with price growth outstripping that in other capitals, and ABS figures showing Victoria had a third of all new houses, units and apartments this year (The Age 19/12)

## Plan to tax homes

The Henry tax review is set to propose a national land tax, which would replace state based stamp duties. The land tax is seen as economically more efficient, however it would tax family homes which are free from CGT (ST 20/12)

## House sales boom

The Sydney market had 380 auctions yesterday, and December finished with a clearance rate of over 70%, up from 40% in December 08 (ST 20/12)

## West the best for property value gains

Best capital growth in the last year was McMahon's Point (18.79%), Fairfield East (17.07%) and Ropes Crossing near Mount Druitt (17.03%); whilst the worst performers were Cremorne (-10/05%), Mosman (-8.37%) and Clontarf (-7%) (ST 20/12)