

## House prices up, interest rates too

Higher house prices are set to mean higher interest rates, as the RBA looks to contain asset price bubbles through monetary policy (SMH 4/1)

## Population boom to push prices

Property forecaster Brian Haratsis says Sydney is about to see the fastest population growth in 15 years as rising prices in SE Qld have made it too expensive to move there, net migration is increasing and more people move back to Sydney due to its financial services and IT industry. In addition apartment financing pre-sales requirements are reducing the stock of new dwellings which will push prices and rents higher (AFR 5/1)

## Room at the top for a home with a view

Hotel operators are converting unused rooms into apartments, using the hotel brand to entice buyers. The Westin group claim a 20-30% premium for apartments, which come with the 24 hour benefits of a hotel as well as its facilities (SMH 4/1)

## Vic goes it alone on home design

Four mandatory new dwelling design changes in Victoria are set to improve access for the disabled and the elderly, including a one metre wide path without steps to the front door; bigger bathrooms with support rails; and wider doors and hallways. The Government says it will cost \$870 per new home, but the community will benefit from greater safety, reduced hospital visits and allowing the elderly to stay in their homes longer (AFR 4/1)

## Growth to slow in dynamic Melbourne

Melbourne prices are tipped to grow between 3% and 8% in 2010, a lot lower than the 15% of 2009 which led to a median price of \$480k. While investors and up-graders are in the market, and the first home buyers grant has bought forward a lot of activity, interstate and overseas migration (especially cashed up Chinese) would act to keep demand reasonably strong (AFR 4/1)

## North Shore entices PPK into housing

PPK has bought the Willoughby Market Gardens site for a \$110m housing project, with plans for 76 dwellings on the property (AFR 5/1)

## Unit shortage spoils the view

A shortage of unit projects is slowing the recovery in new home sales, over the last decade an average of 1,000 apartments were sold a month but in the last year this was 743. Obstacles to building include planning delays, land and skilled labour shortages and rising interest rates (AFR 6/1)

## Vic builders in disarray over insurance charges

Home warranty insurance charges threaten to reduce housing starts in Victoria. With just three insurers left delays in getting insurance had increased, and many builders were finding it difficult to get insurance (AFR 6/1)

## Dark clouds lift in Sunshine State

Brisbane property values increased 6.9% in the 11 months to November; however building approvals had fallen to 1980's levels, well below the supply levels required for the growing population (AFR 6/1)

## Beautiful one day, no room the next

Property researchers say not enough homes are being built in Qld, the population of South East Qld rose 75,000 in 2008-09, and while 30,000 new homes were needed, only 17,000 were built. While more people moved to Victoria than to Qld, Qld was more popular for people locating from overseas (AFR 6/1)

## House prices on the rise but new building approvals dip

Sydney's property market is losing steam as the growth in new house approvals dipped below 4% for the first time since March. Nationwide approvals for apartments rose 27% in November after falling 22% in October (SMH 7/1)

## Home approvals off the boil

Melbourne's house market is losing steam, with building approval figures show a 1.5% increase in new house approvals in November, down from a peak of 3.8 per cent in March. Only 1,937 new houses were approved in November, down from 2,544 in October. Building of units and apartments continues to be affected by the credit crunch, with approvals running 40 per cent below the peak (Age 7/1)

## State-by-state property market update

### **Sydney**

Median house price: \$610,500, Unit price: \$427,000. BIS Shrapnel predict a 21% increase over the next three years, as median prices are still playing catch after virtually six years of no capital growth.

### Melbourne

Median house price: \$524,500, Unit price: \$400,500. Improved economic activity is expected in Victoria over the coming months as unemployment levels drop, consumer confidence rises, population increases and the ongoing housing shortage mean a solid outlook for the property market.

### Brisbane

Median house price: \$452,500, Unit price: \$358,000. The Brisbane market has been more subdued, with the economy suffering from a slowdown in its tourism and resources sectors, however Brisbane has recorded some of the most significant population growth in Australia over the past year which suggests that Brisbane's property market has some catching up to do ago (SC 7/1)

## Retail sales boost rate rise case

Stronger than expected retail sales data in December has boosted the chances of a February rate rise, with 63% of analysts predicting a 0.25% rate rise (AFR 8/1)

## Property markets newest winners

The inner west and upper north shore are Sydney's best performing suburbs according to latest land values. Leichardt was up 14.42%, Warringah 12.04% and Pittwater 8.14%, while the CBD was down 12.5%, Woollahra was down 5.38% and Liverpool was down 4.57% (SMH 9/1)

## Bumps ahead for building industry

The home building industry had a 5.9% lift in approvals in November, a solid 33% increase from 2008 levels and the strongest rise in 7 years. BIS Shrapnel predict 159,000 housing starts; however interest rate increases, land supply shortages, problems with obtaining finance and planning delays could take the momentum out of the residential property cycle (AFR 9/1)

## Nailed to the wall

The housing shortage and record population growth are set to spur price growth despite increasing interest rates and the finish of the First Home buyer's grant. Sydney is currently supplying one dwelling for every 4.7 people, the lowest level on record and not enough as the average household size is 2.6 (SMH 9/1)

## Chinese buyers beware down under

Websites and auctions in Mandarin, with apartments offered off the plan before DA is even lodged are increasing as Chinese buyers are attracted to Australia's property ownership (rather than 70 year terms), strong economy and hopes for relocation. Chinese buyers though are paying up to \$50k above the market rate for apartments in Burwood (AFR 9/1)

## It's a long way back for the sunshine state

2009 was the quietest period in 10 years for the Sunshine Coast, and the SEQ unit market recorded 5,268 transactions in the 6 months to June, the quietest 6 months since June 1995. Agents fear that rising interest rates and the withdrawal of the 1<sup>st</sup> home owners grant could mean sales volumes struggling for the next 18 months (AFR 9/1)

## City of millionaires

Residex predicts Sydney's median house price is set to hit \$1m by the end of the decade, with Rouse Hill tipped for 8% annualised growth. More people will be forced into the rental market or to move out of Sydney to the Illawarra or the Hunter. Apartments close to the city are expected to make strong returns (ST 10/1)