

Buyers beware in rush for a home

One in three apartments have major faults that could cost owners more than \$20,000 to repair, and with Victorian home values soaring to record highs, there is a danger that many buyers this year will rush purchases without thoroughly checking the balance of owners' corporation maintenance funds. Archicentre says properties built before 1950 are at greatest risk of being major structural "time bombs", and that 1/3 of homes inspected have major faults (The Age 18/1)

Race on as buyers chase too-few properties – The property scramble is on

A serious lack of supply is tipped to become one of the driving forces shaping the 2010 residential market. RP Data reports that the number of properties advertised for sale in Melbourne in the month to January 10 was 30 per cent lower than for the same period in 2009. About 1,000 fewer properties came on the market each week in 2009 than in 2008, creating a supply drought at the same time that buyers began to surge back into the market because of government hand-outs, low interest rates and renewed confidence in the economy. "The low amount of stock available for sale and continued relative buoyancy of the residential property market should see real estate conditions continue to remain quite healthy." (The Age 18/1)

Owning a rental property is not always a bed of roses

Landlords are expected to flood back to the market this year, lured by the prospect of rapidly increasing rents and predictions of rising house prices. APM forecast that house rents would rise by about 5.6 per cent to an average \$380 in Melbourne this year. Unit rents will rise by 7.5 per cent, an average rental of \$360. Pundits expect the figures to be followed by even higher growth in 2011. Population growth, climbing interest rates and taxes and low supply would push up rents as more people are priced out of the owner-occupier market (The Age 18/1)

Housing approvals still falling

Housing industry groups blame the State Government's failure to release enough vacant land, as well as taxes and charges, for what is expected to be another year of decline in new dwelling approvals. Since 2002, when 51,980 new dwellings were approved in NSW, there has been a steady decrease in building approvals for new homes, despite the population growing from 6.65 million to 7 million. A standard new house-and-land package is more expensive in Sydney than any other capital city, compared to Melbourne, the price differential is in excess of \$100,000, and much of that has to do with the fact that taxes and charges are on average higher in Sydney than anywhere else (SMH 19/1)

Building approvals most difficult to attain in NSW

NSW is the worst ranked state for handling DA's, building only ½ the number of homes needed for the expanding population. The Property Council said NSW needs 25,000 new homes yet last year only 13,000 were built (SMH 21/1)

Rise in rental vacancies raises questions about housing shortage and soaring prices

Australia's rising property prices are due to the free flow of capital over the last decade and not a housing shortage, according to SQM Research. New figures reveal Melbourne vacancy rates have increased to 3.5%, with Brisbane and Sydney also increasing, questioning the notion that a lack of housing is driving up prices. Almost 11,000 rental properties are available in Sydney, with a vacancy rate increase from 1.7% in November to 2% in December. Melbourne's vacancy rate grew from 3.1% to 3.5%, with Brisbane also recording an increase from 2.9% to 3.4% (SC 22/1)

Vacancy rates rise

While SQM report increasing vacancy rates, ANZ and RP Data suggest the ending of 1st home buyers grants and population growth will mean more demand for rentals and thus lower vacancy rates (AFR 22/1)

Apartments begin shrinking

Developers have a new generation of projects for buyers who want a place to sleep and nothing else, with 2nd bathrooms, extra floor space and parking spaces being removed. 2 bedroom apartments are shrinking from 100sqm to 85-90, and 1 bedroom apartments from 60sqm to 50; with one bath room (with two way access from the bedroom and the hallway, a separate toilet and in some cases fold down beds). Demographers said many buyers wanted a hotel style apartment, with socialising done at work, the gym or in restaurants. In Sydney Frasers Property Group were launching a development on the Carlton Brewery site at Broadway, with all apartments 2 bedrooms or smaller (AFR 22/1)

House sales on the boil as confidence returns

Sydney agents sold \$10.2b of property in 2009, with 69% (14,200) of 18,800 properties listed for sale sold. The last ¼ of 2009 was the strongest for 20 years, with the median price up to \$781k as more investors and upgraders entered the market (SMH 23/1)

Banks to halve home loans

Westpac has cuts its LVR which if followed by other lenders could greatly reduce the average loan size. In previous years lenders have provided 100% and even 105% finance, this has been reduced to 87% for some loans – for a buyer with \$50k a 95% LVR equates to a \$1m loan whereas a 90% LVR equates to a \$500k loan (ST 24/1)

Million dollar rebound set to extend to 2010

Despite the Global Financial Crisis more than 100 postcodes had a median price rise of \$1m, and APM expects price growth over 10% in many markets in 2010 (AFR 22/1)