

Sunland falls flat in Sydney

Sunland will retreat from the Sydney apartment market and focus on the SE Queensland and Victorian markets. The majority of the apartments in their Birchgrove development have sold at up to 50% off their original asking price. A 2,400m² Cronulla site which has a DA for 12 luxury units is on the market. Sunland will complete its residential housing projects in Kellyville and Picnic Point (AFR 2/11)

Tree change market heats up

Global warming is likely to boost demand for properties away from the coast, as a report on 'Managing our coastal zone in a changing climate' suggests that a one centimetre rise in sea levels could lead to at least one metre of erosion on the shoreline, making coastal properties vulnerable to flooding, erosion, high tides and surging storms. Insurance companies are likely to increase premiums on some properties, whose owners may face costly sea protection work. Tree change locations such as the Yarra Valley in Victoria and the Blue Mountains in NSW are seen as good buys with prices lower than in 2004 (SC 2/11)

Auction results

Last week Melbourne had an auction clearance rate of 83%, Sydney 71%, Brisbane 58% and Adelaide 51% (SMH/AFR 2/11)

Grant ceiling ineffective

A Government move to put a cap on the value of properties for the 1st home buyers grant will have little impact according to the property industry; the \$7k grant will cut out at \$1m in Qld, \$750k in NSW, WA and the NT and \$600k in Victoria (AFR 2/11)

House Price update

Australian housing prices have continued to increase, with the latest ABS figures showing a jump of 4.2% during the September quarter. During the quarter, prices rose in Sydney by 4.3%, Melbourne by 4.7% and Brisbane by 4.4%. Adelaide grew by 1.7%, Perth by 4.5%, Hobart by 1.8%, Darwin by 3.4% and Canberra by 4.3%.

Sydney - Median house price: \$610,500 - 6.87% increase in last 12 months
Median unit price: \$427,000 - 8.24% increase in last 12 months
BIS Shrapnel predict Sydney's housing market to rise 21% in the next three years

Melbourne - Median house price: \$524,500 - 8.87% increase in last 12 months
Median unit price: \$400,500 - 9.97% increase in last 12 months
The Melbourne property recovery was initially fuelled by first home buyers, but now established home buyers are upgrading and investors have returned to the market.

Brisbane - Median house price: \$452,500 - 1.59% increase in last 12 months.
Median unit price: \$358,000 - 1.11% increase in last 12 months (AFR/SMH 3/11)

Housing supply abysmal – Symonds

John Symonds says Governments has done an abysmal job in terms of lack of supply for housing development, with location now measured in minutes from work, with many 1st home buyers having to build 40km from the city (AFR 3/11)

Prices surge but tipped to slow

Comm Secs Craig James says reduce stimulus and increased rates should act to curb some activity in the housing market (AFR 3/11)

Banks waste no time in increasing mortgage rates

The big 4 have rushed to increase rates by 25 basis points with most increases taking effect from Monday 9th, rates will rise to between 6.24-6.31% (SMH 4/11)

Approvals up in areas of incentive and employment

Approvals for residential dwellings were up in September by 2.7%, with the biggest increase in multi-unit housing. Victoria and WA recorded growth of 3.2%, Qld recorded 5.4% decline (AFR 5/11)

Hopes hit by high tide/Home owners must pay for sea walls

Councils will be forced to prepare coastal management plans with hazard lines based on predicted sea levels and to restrict development. The focus will also be on properties near rivers and estuaries and not just the ocean, and councils will also be able to charge residents who will benefit from sea walls (SMH 5/11)

Crisis turns retailers into developers

The retreat of property developers has forced Woolworths and Coles to run their own developments, each with in-house property teams. Last year Woolies took over a several projects on the brink of collapse (AFR 5/11)

Westpac resists new commercial deals

Westpac is shirking new commercial property commitments, with WA, Qld and NZ a particular source of stress (AFR 5/11)

Caboolture project gets the nod

The Qld Gov't has given preliminary approval for a \$620m marina and business development, planned to include 169ha of industrial and 150 ha of mixed-density residential to house 5,500 residents. The site has 9km of river frontage (AFR 6/11)

Housing construction slows resilience

New home building is expected to withstand increased interest rates due to chronic undersupply and strong demand; Economists say the market can withstand another rate rise (AFR 4/11)

Sea level building policy riles developers

Property groups have criticised the policy limiting coastal development, with the expected 2010 sea levels being the default while property groups prefer the expected 2050 levels (SH 6/11)