

House price report

September Quarter 2013

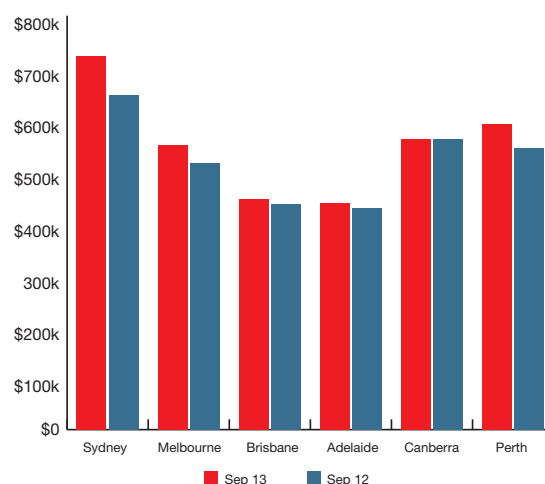
Key findings

- The national housing market recorded its fourth consecutive quarter of house price growth over the September quarter with a moderate increase of +2.2%
- The Sydney median house price has now broken through the \$700,000 mark at \$722,718 and the \$500,000 mark for units at \$515,035
- The Canberra market continues to report mixed results with the median house price falling by +1.4% over the quarter to be up by just +0.2% over the year.

Stratified median prices (quarterly) (\$)

Houses						
	Sep 13	Jun 13	Mar 13	Sep 12	QoQ %	YoY %
Sydney	\$722,718	\$693,447	\$668,870	\$647,157	4.2	11.7
Melbourne	\$550,374	\$538,455	\$530,910	\$514,223	2.2	7.0
Brisbane	\$446,004	\$442,867	\$439,904	\$435,226	0.7	2.5
Adelaide	\$438,648	\$438,648	\$431,726	\$427,721	0.0	2.6
Canberra	\$562,180	\$570,387	\$567,462	\$560,796	-1.4	0.2
Perth	\$590,790	\$590,790	\$564,674	\$544,061	0.0	8.6
Hobart	\$322,788	\$315,148	\$315,148	\$305,280	2.4	5.7
Darwin	\$673,465	\$641,534	\$650,242	\$623,006	5.0	8.1
National	\$574,846	\$562,530	\$548,672	\$533,458	2.2	7.8

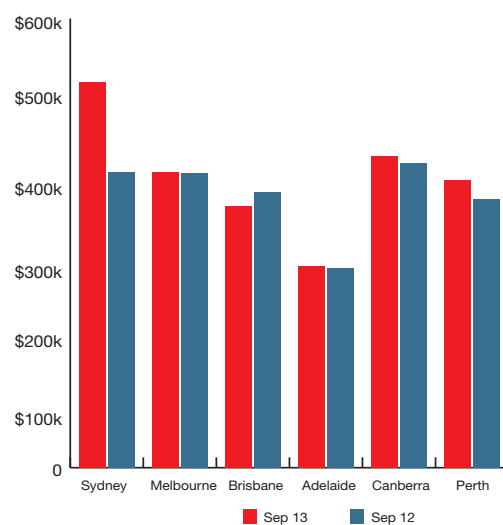
Stratified median prices - houses



Stratified median prices (quarterly) (\$)

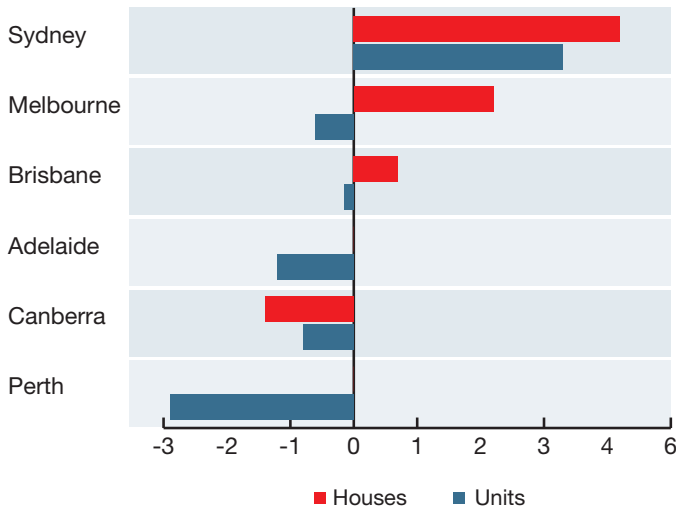
Units						
	Sep 13	Jun 13	Mar 13	Sep 12	QoQ %	YoY %
Sydney	\$515,035	\$498,466	\$482,272	\$467,178	3.3	10.2
Melbourne	\$391,386	\$393,671	\$393,678	\$390,061	-0.6	0.3
Brisbane	\$349,697	\$354,996	\$362,196	\$366,523	-1.5	-4.6
Adelaide	\$277,768	\$281,047	\$273,910	\$275,155	-1.2	0.9
Canberra	\$409,586	\$412,953	\$415,141	\$401,088	-0.8	2.1
Perth	\$381,328	\$392,825	\$379,279	\$357,762	-2.9	6.6
Hobart	\$253,179	\$263,728	\$263,728	\$240,006	-4.0	5.5
Darwin	\$448,504	\$426,942	\$417,906	\$414,552	5.1	8.2
National	\$435,347	\$429,984	\$421,995	\$412,626	1.2	5.5

Stratified median prices - units

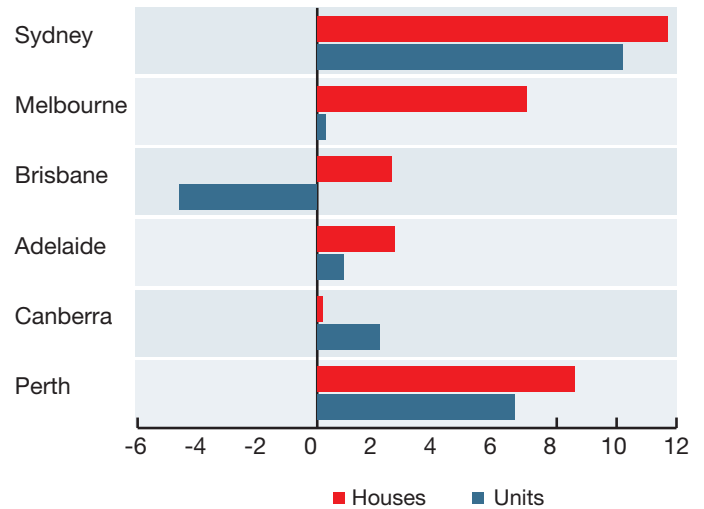


House price report

Median price % change - quarter on quarter



Median price % change - year on year



Capital City Results

Sydney

- House prices rose strongly by +4.2% over the September quarter following a +3.7% rise over the previous quarter
- Unit prices rose by +3.3% over the quarter following an increase of +3.4% over June
- Sydney's median house price is yet another record at \$722,718 with the median unit price also a record at \$515,035
- Annual house prices have increased by +11.7% with units up by +10.2%

Melbourne

- Melbourne house prices rose moderately by +2.2% over the quarter
- Unit prices in Melbourne fell for the second consecutive quarter down by -0.6%
- Melbourne house prices have risen by +7.0% over the year ending June with units up by just +0.3%
- The median house price for Melbourne is now \$550,374, with the median unit price \$391,386

Brisbane

- Median house prices have risen gradually over four consecutive quarters with the September quarter price up marginally by +0.7%
- Brisbane unit prices fell for the second consecutive quarter and are now down by -4.6% over the full year
- Annual house prices have increased by +2.5%

Perth

- House prices were flat over the September quarter after six consecutive quarters of growth
- Annual median houses prices for Perth are up strongly by +8.6% with unit prices up by +6.6%

Canberra

- Median house prices decreased by -1.4% to \$562,180 with unit prices also down by -0.8% over the quarter
- Houses prices are up by just +0.2% over the year to September 2013 with units up by +2.1%

Adelaide

- Adelaide house prices were flat over the September quarter and are up by +2.6% over the year
- The median price for units fell over the September quarter by -1.2% but were up by +0.9% over the year
- The Adelaide median house price remains the lowest of all the mainland capitals at \$438,648

Hobart

- Hobart's median house price rose by +2.4 percent over the September quarter to be up by +5.7% over the full year
- The median unit price for Hobart fell by -4.0% over the quarter but remained +5.5% higher over the year

Darwin

- Darwin's median house price rose strongly by +5.0% with unit prices also up by 5.1% over the September quarter
- Darwin's annual median house price rose by +8.1% with units also up strongly by +8.2%

House price report

Commenting on the APM House Price Report: Dr Andrew Wilson, Senior Economist Australian Property Monitors

Australia's capital city housing markets recorded mixed results over the September quarter underscoring both the patchiness and fragility of the multi-paced recoveries that have emerged over the past year.

Although the national median house price increased by +2.2% percent over the quarter this was nonetheless down from the +2.5% recorded over the June quarter. The national outcome primarily reflects a strong contribution from the Sydney market and a more modest contribution from the Melbourne market.

Other capitals however reported mainly subdued results over the September quarter with Brisbane house prices rising marginally by +0.7%, Adelaide and Perth flat, and Canberra seeing a fall in house prices down by -1.4%.

Strong buyer activity in Sydney translated into a +4.2% rise over the September quarter, which rocketed the median house price over \$700,000 for the first time to a new record of \$722,718. Similarly Sydney unit prices rose by +3.3% breaking the \$500,000 barrier for the first time to a record median of \$515,035.

The Sydney median house price is now +11.6% higher than the previous cyclical price peak recorded in June 2011 and has increased by +9.0% over the first 9 months of this year – the best result of all the capitals.

The Melbourne median house price rose moderately by +2.2% over the quarter however the market remains firmly in catch-up mode with the median still -1.8% below that recorded at the June 2010 peak.

Melbourne units recorded the second consecutive quarterly fall in prices down by -0.6% with the median price remaining -5.7% below the previous peak.

Although Sydney and Melbourne each recorded their highest quarterly median house price increases for over three years, other capital city housing markets continue to struggle.

Brisbane has now recorded five consecutive quarters of median house price growth however increases have been minimal with

prices up by just +1.5% so far this year, while unit prices continue to fall, decreasing by -1.5% over the quarter.

The Adelaide market recorded no growth in the median house price over the quarter with prices up marginally by just +1.1% so far this year – it is the most affordable of the mainland capitals with a median house price of \$438,648.

Perth median house prices were also flat, breaking a sequence of six consecutive quarters of growth. Despite this result house prices have increased by +8.6% over the full year ending September, the second highest behind Sydney.

The Canberra market continued the volatile pattern of activity seen over the past 18 months with the median house price falling by -1.4% over the quarter. The latest result reflects ongoing concerns over the local economy, particularly in relation to public sector employment.

Despite the influence of the lowest interest rates in 60 years, local supply and demand factors continue to drive capital city housing market outcomes.

Housing market recoveries remain patchy, mixed and fragile. Medium-term prices growth will continue to be constrained by modest levels of incomes growth and the impact on a still wary consumer of a predicted deterioration in economic activity and rising unemployment.

Strong investor activity particularly in the Sydney market can be expected to moderate as yields fall and sharply increased supply puts downward pressure on rental growth and upward pressure on vacancy rates.

The Sydney and Melbourne housing markets however will continue to record solid to strong buyer and seller activity over the remainder of 2013 at the highest levels since the strong market conditions of 2009 and 2010. Most other capitals however will record modest price growth with Perth in particular showing early signs that recent solid growth may be plateauing.

About Australian Property Monitors (APM)

APM is a leading national supplier of property price information to home buyers and sellers, professional real estate agents, mortgage brokers, valuers, banks and financial markets. APM has been helping our customers make informed decisions about property since 1989.

APM monitors residential property activity from a variety of sources including auctions, government and semi-government agencies, real estate advertising, real estate agents and APM's own researchers. This vast pool of information ensures APM's databases contain the latest and most detailed house price information available.

© Copyright Australian Property Monitors 2013. Any reproduction of or reference to any part of this report must attribute Australian Property Monitors as the source of the report.

The APM House Price Series is subject to revision as a result of time lags with the reporting and collection of sales transaction data.