

HOUSE PRICE REPORT

March 2011

www.apm.com.au
www.homepriceguide.com.au



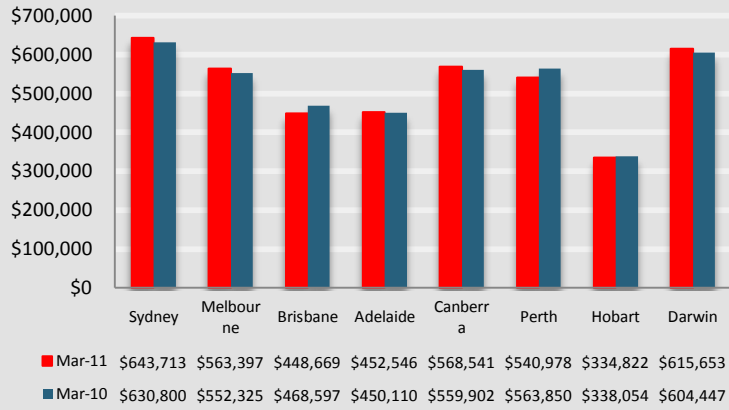
Key Findings:

- National house prices fell by -0.6% over the quarter with annual growth slowing to +0.2%
- Canberra was the only capital to record positive growth in house prices with Melbourne prices steady over the quarter
- Hobart recorded the biggest fall in median house prices over the quarter of -2.3% and Adelaide recorded the biggest price fall in unit prices of -4.8%
- National unit prices continued to recede with a third consecutive quarterly decline in growth

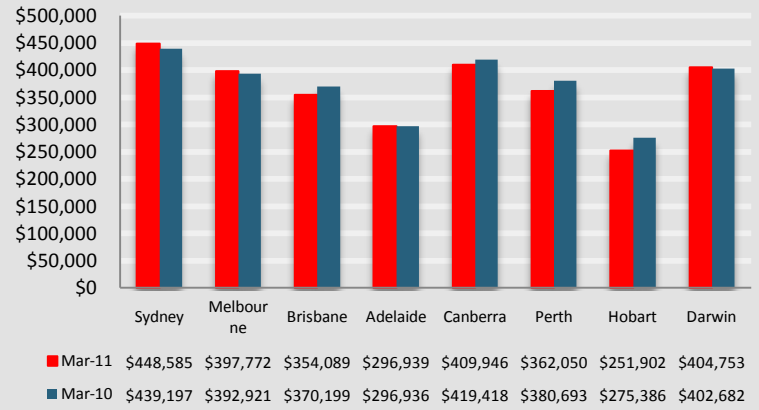
Stratified Median Housing Prices (quarterly)						
Houses	Mar-11	Dec-10	Sep-10	Mar-10	QoQ % Δ	YoY % Δ
Sydney	\$643,713	\$646,007	\$646,145	\$630,800	-0.4%	2.0%
Melbourne	\$563,397	\$563,397	\$560,865	\$552,325	0.0%	2.0%
Brisbane	\$448,669	\$457,889	\$460,286	\$468,597	-2.0%	-4.3%
Adelaide	\$452,546	\$455,088	\$454,419	\$450,110	-0.6%	0.5%
Canberra	\$568,541	\$567,231	\$560,407	\$559,902	0.2%	1.5%
Perth	\$540,978	\$546,768	\$555,593	\$563,850	-1.1%	-4.1%
Hobart	\$334,822	\$342,608	\$337,936	\$338,054	-2.3%	-1.0%
Darwin	\$615,653	\$625,425	\$619,580	\$604,447	-1.6%	1.9%
National	\$550,946	\$554,230	\$554,804	\$549,929	-0.6%	0.2%

Stratified Median Unit Prices (quarterly)						
Units	Mar-11	Dec-10	Sep-10	Mar-10	QoQ % Δ	YoY % Δ
Sydney	\$448,585	\$451,958	\$447,045	\$439,197	-0.7%	2.1%
Melbourne	\$397,772	\$403,455	\$398,909	\$392,921	-1.4%	1.2%
Brisbane	\$354,089	\$361,032	\$371,202	\$370,199	-1.9%	-4.4%
Adelaide	\$296,939	\$311,786	\$304,738	\$296,936	-4.8%	0.0%
Canberra	\$409,946	\$415,802	\$415,030	\$419,418	-1.4%	-2.3%
Perth	\$362,050	\$364,752	\$371,506	\$380,693	-0.7%	-4.9%
Hobart	\$251,902	\$257,295	\$269,419	\$275,386	-2.1%	-8.5%
Darwin	\$404,753	\$415,131	\$371,131	\$402,682	-2.5%	0.5%
National	\$406,279	\$411,422	\$409,140	\$404,559	-1.2%	0.4%

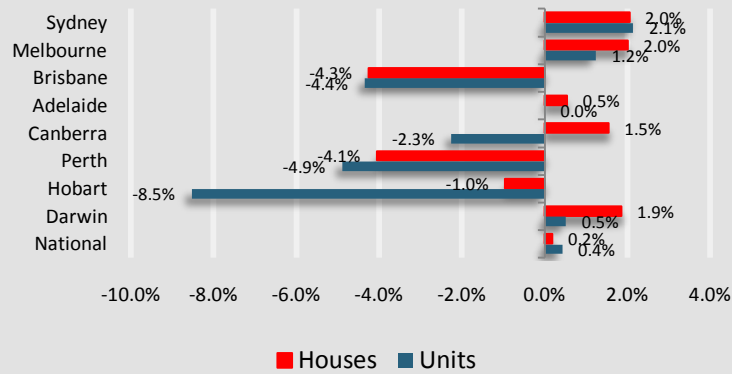
Stratified Median Prices - Houses



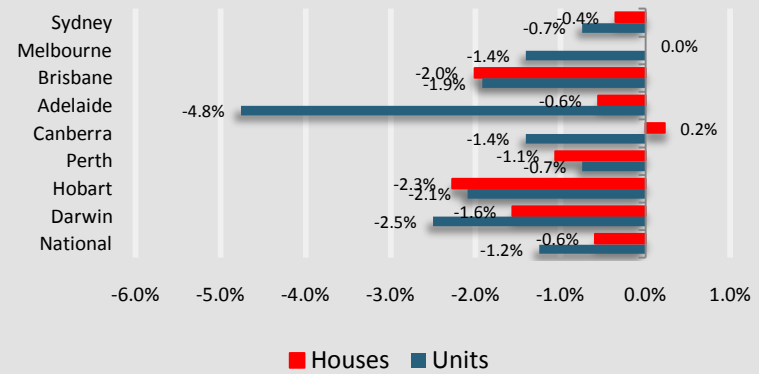
APM Stratified Median Prices - Units



Median Prices % Changes (Yr on Yr)



Median Prices % Changes (Qtr on Qtr)



Capital City Results

Sydney

- House prices fell in the March quarter by -0.4% after recording growth of +1.1% in the previous quarter
- Unit prices fell by -0.7% over the quarter following a flat result in December
- Sydney's median house price is now \$643,713 and the median unit price is \$448,585
- Annual house price growth sits at +2.0% and unit price growth is at +2.1% both trending downwards

Melbourne

- Melbourne with a flat result over the quarter was one of only two capitals not to record a decline in median house price
- Unit prices in Melbourne fell by -1.4%
- Melbourne house prices grew by +2% for the year ending March 2011, equal highest with Sydney
- The median house price for Melbourne is now \$563,397, with the median unit price \$397,772

Brisbane

- Median house prices fell by -2.0% in the March quarter which was the third consecutive quarterly decline in growth
- Unit prices fell in Brisbane by -1.9% in the March quarter which was the second consecutive quarterly decline in growth
- Annual house prices fell by -4.3% with unit prices falling by -4.4%

Perth

- House prices continued to decline in March with a fall in median prices of -1.1% the third consecutive quarterly decline in growth
- Annual median houses prices for Perth fell by -4.1%

Canberra

- Median house prices rose by +0.2% with unit prices falling by -1.4%
- Annual price growth sits at +1.5% and is trending downwards
- The median house price for Canberra stands at \$568,541

Adelaide

- Adelaide house prices declined by -0.6% for annual growth of just +0.5%
- The median price for units fell significantly by -4.8% and recorded no annual growth
- The Adelaide median house price over the quarter was \$452,546

Hobart

- Hobart median house prices fell by -2.3% over the quarter for a -1.0% annual fall
- The median house price for Hobart is now \$344,822

Darwin

- Darwin median house prices fell by -1.6% with unit prices falling by -2.5%
- Darwin remains the second most expensive capital with a median house price of \$615,653

Comments and forecasts

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

"Australian house and unit prices receded in most capital city markets in the March quarter of 2011, falling by -0.6% and -1.2% respectively for the quarter.

Year on year growth reached just +0.2% for the year ending March 2011 with unit prices growing by only +0.4% over the same period.

Canberra was the only capital city to record growth in house prices over the March quarter, rising by a modest +0.2%, indicating the continued underlying strength of that market.

Melbourne recorded no change in house prices over the quarter, but continues to exhibit a resilient housing market despite the recent boom in price growth, affordability constraints and the impact of interest rate rises on buyer confidence through the latter part of 2010.

Sydney house prices also exhibited some resilience in the face of adverse market conditions, falling only marginally by -0.4% over the quarter.

House price growth in other capitals however came under significant pressure over the March quarter.

Brisbane house prices fell by -2.0% indicating the ongoing weakness of the market compounded by the added impact of the January floods. Perth also continues to exhibit a weak housing market in the March quarter with a decline of -1.1% in median house prices, bringing year on year growth to -4.1%

The softening of house price growth reflects the ongoing hangover from the strong price growth generated between 2009 and 2010 driven particularly by record activity from first homebuyers. With high levels of stock on market and a continued decline in first homebuyers as well as investor activity, most markets have struggled to rebalance from the buyers' market conditions, evident since late 2010.

Median unit price growth also declined in all Australian capitals over the March quarter emphasising the impact of low first homebuyer and investor activity. Adelaide recorded the biggest price fall of -4.8%, with Canberra and Melbourne both recording falls of -1.4% and Sydney and Perth seeing a quarterly fall in median unit prices of -0.7%.

Although price growth has been subdued in both houses and units through the first part of 2011, early signs are emerging of stabilisation and recovery in most capital cities.

Sydney and Canberra should record modest house price growth from mid-year, with Melbourne prices also likely to track marginally upwards over the year. The Perth housing market remains subdued with low buyer confidence continuing to constrain activity levels; however the continuing resources boom should generate a revival in the market by years end. Darwin and Adelaide should record modest house price growth over the year with the prospects for the Hobart market however remaining problematic given recent significant declines in activity in that market.

The prospect of continued strong underlying economic growth generating full employment, record levels of full-time jobs and rising incomes, together with ongoing supply constraints and a benign medium-term outlook for interest rates will bolster the environment for housing market recoveries towards the end of 2011."

For more information or to arrange an interview, please contact:

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