

HOUSE PRICE REPORT

June 2011

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



Key Findings:

- Nationally the median house price has fallen -0.6% to \$546,121, with national unit prices down -0.8% to \$404,753
- Sydney only city to record house price growth of +0.1% in the June quarter
- Melbourne house prices steady and was one of only three capitals not to record a decline in median house prices

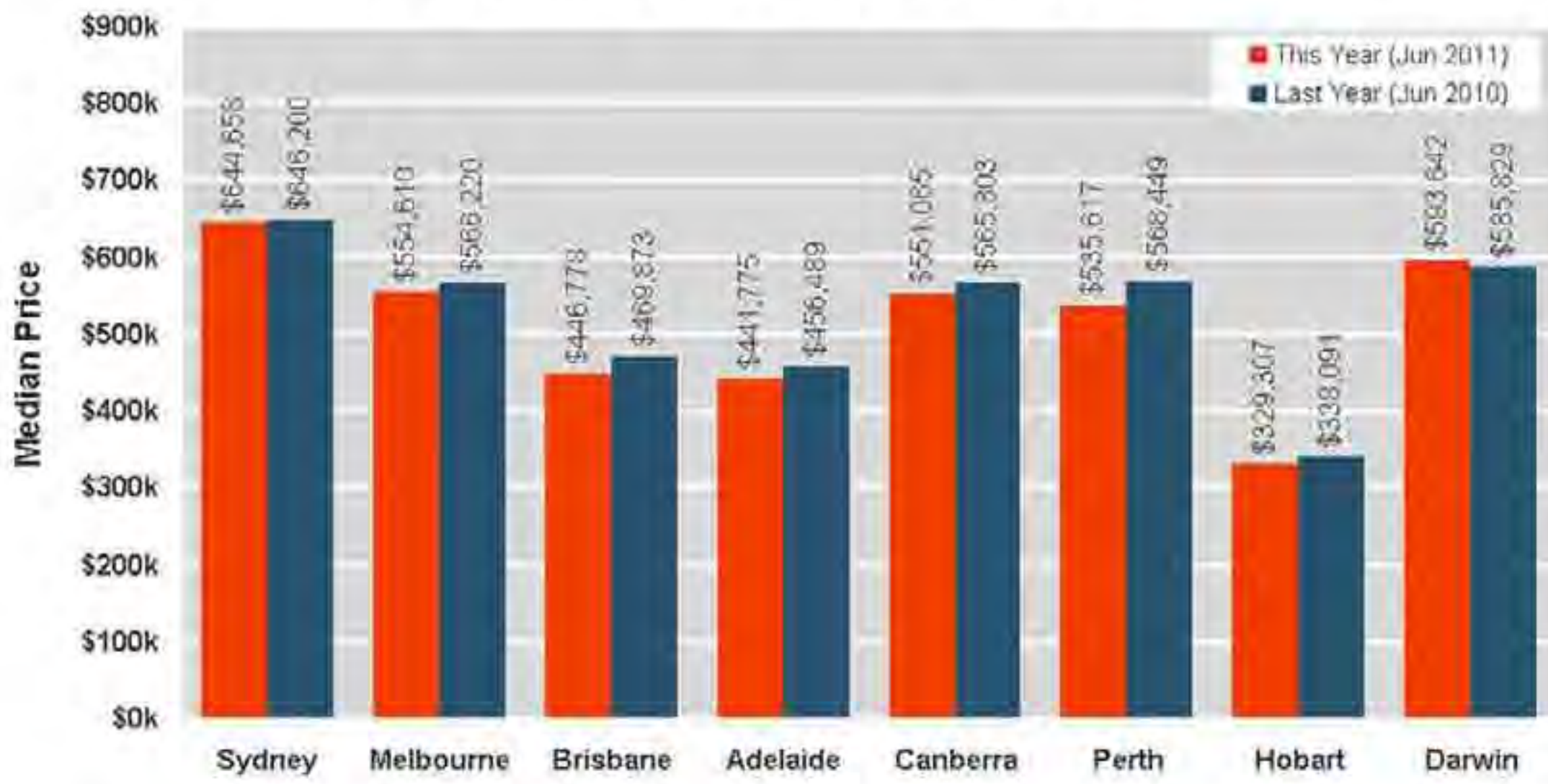
Stratified Median Housing Prices (quarterly)

Houses	Jun-11	Mar-11	Dec-10	Jun-10	QoQ % Δ	YoY % Δ
Sydney	\$644,658	\$644,098	\$647,437	\$646,200	0.1%	-0.2%
Melbourne	\$554,610	\$554,526	\$560,578	\$566,220	0.0%	-2.1%
Brisbane	\$446,778	\$452,643	\$460,366	\$469,873	-1.3%	-4.9%
Adelaide	\$441,775	\$451,479	\$453,649	\$456,489	-2.1%	-3.2%
Canberra	\$551,065	\$566,809	\$569,783	\$565,803	-2.8%	-2.6%
Perth	\$535,617	\$543,878	\$548,976	\$568,449	-1.5%	-5.8%
Hobart	\$329,307	\$329,307	\$344,275	\$338,091	0.0%	-2.6%
Darwin	\$593,642	\$615,977	\$621,844	\$585,829	-3.6%	1.3%
National	\$546,121	\$549,370	\$554,472	\$559,736	-0.6%	-2.4%

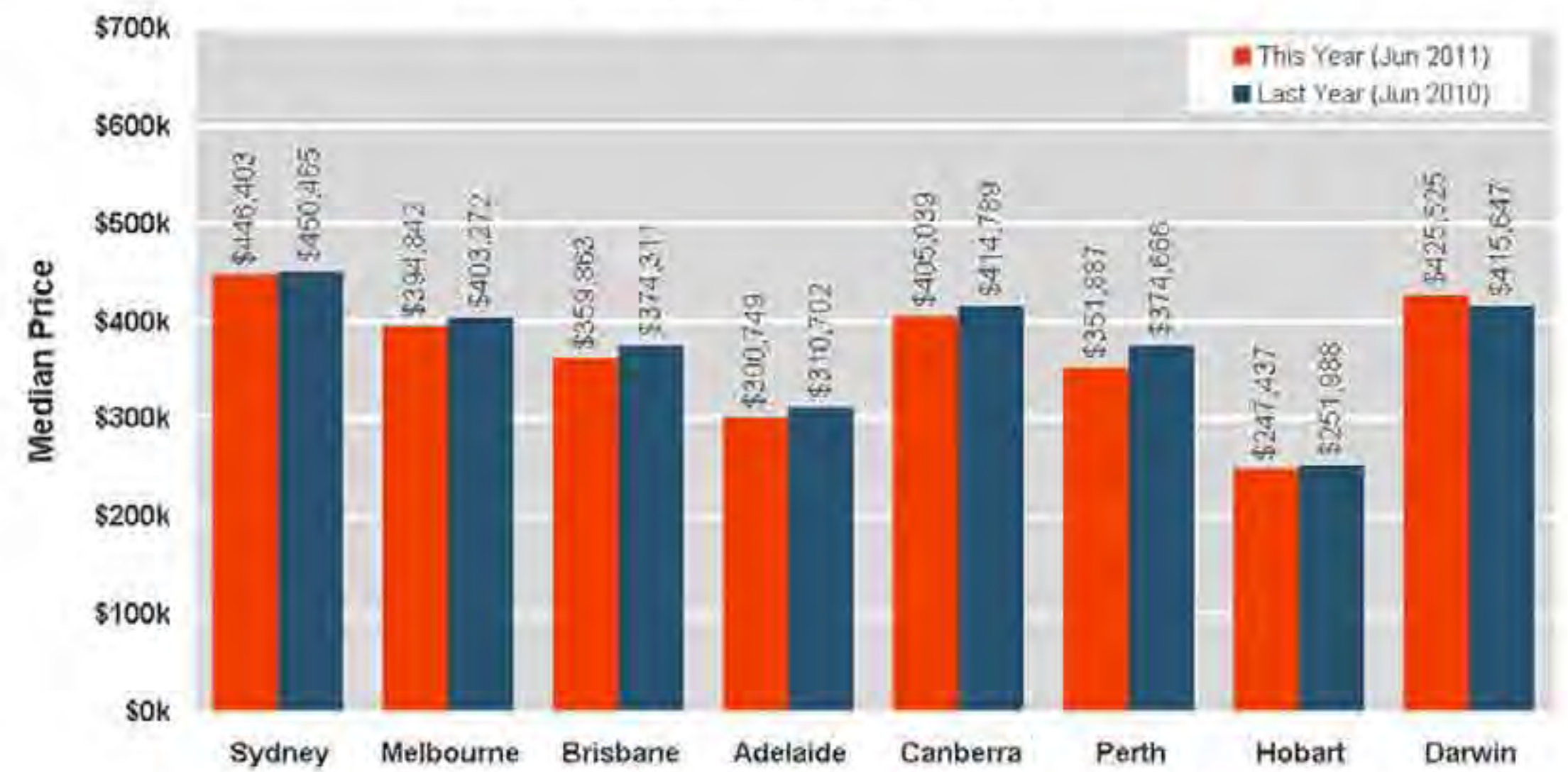
Stratified Median Unit Prices (quarterly)

Units	Jun-11	Mar-11	Dec-10	Jun-10	QoQ % Δ	YoY % Δ
Sydney	\$446,403	\$449,283	\$454,062	\$450,465	-0.6%	-0.9%
Melbourne	\$394,842	\$397,619	\$397,052	\$403,272	-0.7%	-2.1%
Brisbane	\$359,863	\$369,301	\$373,414	\$374,311	-2.6%	-3.9%
Adelaide	\$300,749	\$297,395	\$309,370	\$310,702	1.1%	-3.2%
Canberra	\$405,039	\$410,201	\$419,070	\$414,789	-1.3%	-2.4%
Perth	\$351,887	\$355,477	\$366,249	\$374,666	-1.0%	-6.1%
Hobart	\$247,437	\$255,800	\$259,735	\$251,988	-3.3%	-1.8%
Darwin	\$425,525	\$410,773	\$421,306	\$415,647	3.6%	2.4%
National	\$404,753	\$408,068	\$412,482	\$412,923	-0.8%	-2.0%

Stratified Median Prices - Houses



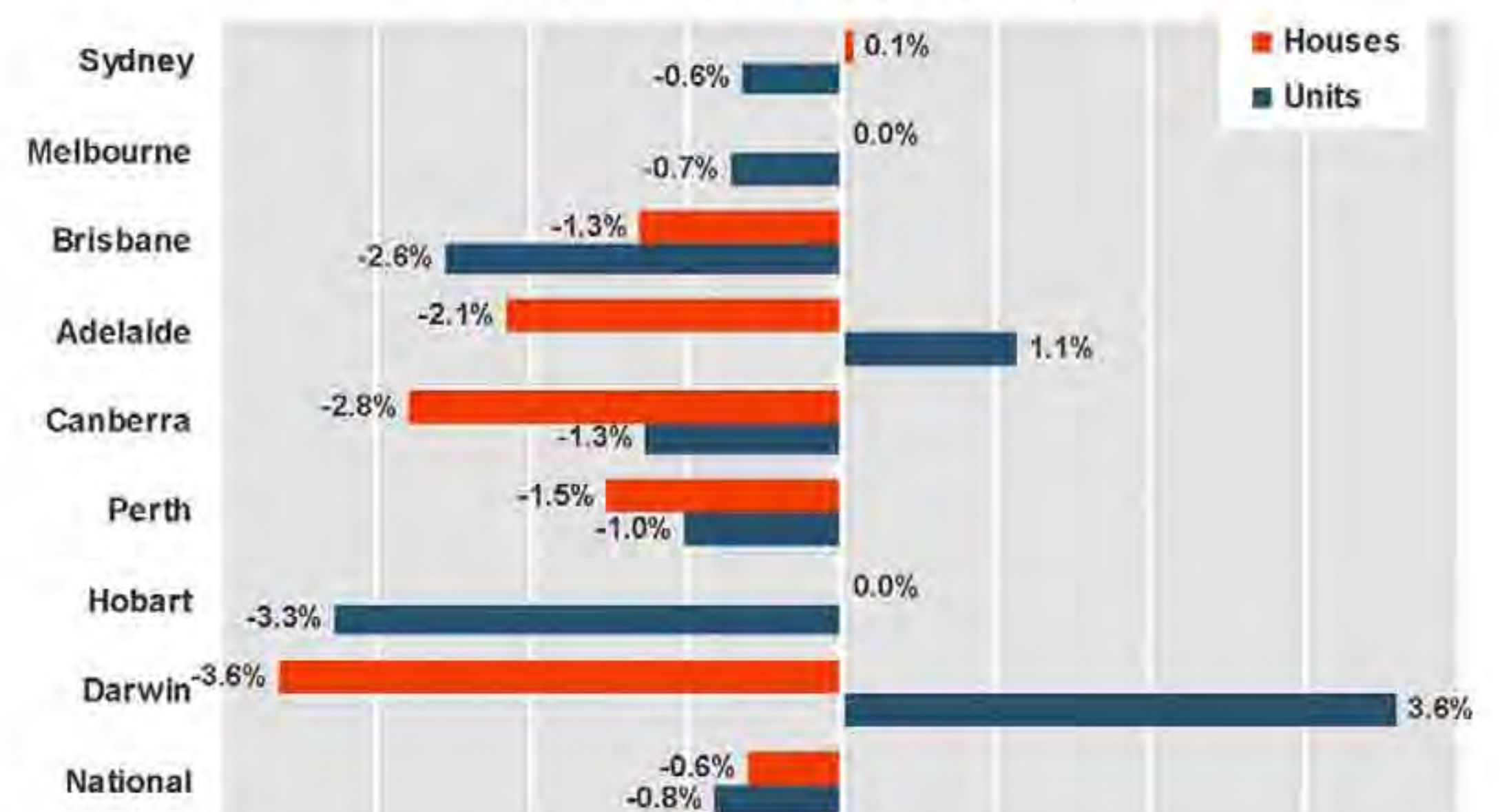
Stratified Median Prices - Units



Median Prices % Changes (YoY)



Median Prices % Changes (QoQ)



Capital City Results

Sydney

- House prices rose in the June quarter by +0.1% after falling by -0.5% in the previous quarter
- Unit prices fell by -0.6% over the quarter following a fall of -1.0% in March
- Sydney's median house price is now \$644,658 and the median unit price is \$446,403
- Annual house prices have declined by -0.2% with units down by -0.9%

Melbourne

- Melbourne house prices were steady over the quarter and was one of only three capitals not to record a decline in median house prices
- Unit prices in Melbourne fell by -0.7%
- Melbourne house prices fell by -2.1% for the year ending June 2011
- The median house price for Melbourne is now \$554,610, with the median unit price \$394,842

Brisbane

- Median house prices fell by -1.3% in the June quarter following a fall in March with unit prices also falling by -2.6% in June which was the second consecutive quarterly decline in growth
- Annual house prices fell by -4.9% with unit prices down by -3.9% over the year
- Buyer activity in Brisbane should increase as the reconstruction effort gathers pace with prices starting to stabilise into 2012

Perth

- Houses prices continued to decline in June with a fall in median prices of -1.5% the fourth consecutive quarterly decline in growth
- Annual median houses prices for Perth have fallen by -5.8%

Canberra

- Median house prices fell by -2.8% with unit prices falling by -1.3%
- Annual median houses prices have fallen by -2.6%
- The median house price for Canberra stands at \$551,065

Adelaide

- Adelaide house prices declined by -2.1% with annual prices down by -3.2%
- The median price for units rose by +1.1%
- The Adelaide median unit price over the quarter was \$441,775

Hobart

- Hobart median house prices were steady over the quarter for a -2.6% annual fall
- The median house price for Hobart is now \$329,307

Darwin

- Darwin median house prices fell by -3.6% with unit prices rising by +3.6%
- Darwin remains the second most expensive capital with a median house price of \$593,642

Commentary

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

“National median house prices weakened marginally over the June quarter falling by -0.6% with national median unit prices also down by -0.8%.

This was the fourth consecutive drop in national median house prices and reflects relatively subdued buyer activity in most capital city markets in the period.

Over the year, median house prices declined by -2.4% nationally with units also down -2.0%.

Median house prices in Sydney rose by +0.1% over the quarter, with Melbourne house prices steady, though median unit prices fell in both Sydney and Melbourne over the quarter down by -0.9% and -2.1% respectively.

However Australia's two largest capital city housing markets are exhibiting resilience, and with the exception of Darwin, the Sydney and Melbourne housing markets have proved to be the best performers over the year.

Sydney house prices have fallen only marginally over the year by -0.2% with Melbourne prices down by -2.1%.

This is an encouraging result for market stability considering both cities recorded extraordinary nation-leading house price growth in the 18 months between December 2008 and June 2010, rising by 19 percent in Sydney and 28 percent in Melbourne.

In the June quarter, Brisbane and Perth continue their decline with median house prices falling by -1.3 and -1.5 percent respectively with unit prices also down in these two cities.

Adelaide median house prices fell by -2.1% but in contrast unit prices rose by +1.1% over the quarter as a result of increasing demand for more affordable accommodation.

Canberra median house and unit prices recorded significant falls over the June quarter with affordability barriers and subdued confidence appearing to affect the market with declining levels of buyer activity.

In Hobart, median house prices were flat over the quarter however the decline in median unit prices was the largest recorded for all the national capitals, down by -3.3%.

Darwin house and unit prices also recorded disparate results with median house prices falling by -3.6% but unit prices rising by +3.6% over the quarter.

In the June quarter diverse local conditions had a more significant impact on median prices in each city, with these individual factors expected to have continued variable effects on growth in each market.

This is in contrast to the effect of national market conditions that have impacted prices across the board until recently.

The prospect remains however of increased buyer activity emerging through the spring selling season.

Early signs are emerging of increased first home buyer and investor activity in most markets, albeit from a low base, that will help to encourage market activity and confidence."

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

- Emma Casey, Reservoir Network 02 9955 8000 / 0401 494 436
email: emma@reservoirnetwork.com.au
- Steve Riethoff, Reservoir Network 02 9955 8000 / 0417 047 837
email: steve@reservoirnetwork.com.au