



# Sydney firmly on top of the market stability ladder



RECENT indications are that buyer activity in the Sydney housing market has improved marginally following a subdued winter. The Bureau of Statistics reports that monthly housing loan numbers are rising and weekend auction clearance rates have lifted recently to about 60 per cent.

The latest Australian Property Monitors median house price data, however, has revealed that Sydney house prices continued to weaken over winter along with those of the other capital cities. Sydney's median house price fell by 1.8 per cent over the August quarter. The median price for units also declined by the same percentage during that period.

Only Perth and Melbourne performed better than Sydney over the August quarter, with falls in median house prices of 1.3 per cent and 1.5 per cent respectively.

Sydney, however, remains Aus-

tralia's most resilient capital, APM data shows, with median house prices down by just 0.6 per cent over the year to August. Although Canberra's median house price performed the same as Sydney over the past year – down by 0.6 per cent, its median unit prices have dropped by 5.2 per cent. This is the second worst performance among the capital cities, behind only Brisbane, where median unit prices were down by 5.8 per cent over the year.

Sydney's median unit prices, however, have withstood the subdued buyer activity of the past year with prices remaining stable over the period.

Other capitals have not fared as well, with median house prices in Brisbane, Hobart and Perth down by 5.7 per cent, 4.9 per cent and 4.8 per cent respectively over the year ending August.

Sydney's continued leadership in national market stability is despite it remaining Australia's most expensive city for housing. Its August quarter median house price stood at \$639,244, with the median unit price at \$448,024.

The next highest for houses was Darwin at \$601,563 and Canberra at \$557,687, and for units again it was Darwin at \$412,619 and Canberra at

\$398,004. Melbourne housing remains significantly less

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expensive than in Sydney, with a difference in median house price of nearly \$100,000 at \$543,012, and a median unit price of \$389,676.

Continued activity in the Sydney housing market over the rest of this year would be dependent on buyer and seller confidence holding up in the face of mixed news on the global economic front, particularly from the euro zone and US economies. The likelihood of solid economic growth remains for Australia and NSW, and as confidence holds up consequently, expect Sydney's housing market to remain the nation's most resilient with the prospect of some modest house price growth emerging over the remainder of this year and into the next.

**Dr Andrew Wilson is senior economist for Australian Property Monitors.**