

House price report

March Quarter 2013

Prepared by Australian Property Monitors

House price report

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Key findings

- The national median house price has now risen solidly for two quarters in a row, up by +1.7 % over the March quarter
- Sydney housing market now expanding with prices at record levels over consecutive quarters
- Melbourne records the best capital city quarterly result up by +3.6%, its best result since March 2010
- Brisbane house prices increase for the third quarter in a row for the first time in three years
- Adelaide and Canberra buck the national trend with median house prices falling over the March quarter

Stratified median prices (quarterly) (\$)

| Houses | | | | | | |
|-----------|-----------|-----------|-----------|-----------|-------|-------|
| | Mar 13 | Dec 12 | Sep 12 | Mar 12 | QoQ % | YoY % |
| Sydney | \$673,681 | \$663,008 | \$645,986 | \$646,813 | 1.6 | 4.2 |
| Melbourne | \$538,922 | \$520,368 | \$513,580 | \$519,911 | 3.6 | 3.7 |
| Brisbane | \$438,857 | \$436,484 | \$435,171 | \$432,768 | 0.5 | 1.4 |
| Adelaide | \$427,523 | \$430,884 | \$427,388 | \$435,043 | -0.8 | -1.7 |
| Canberra | \$567,768 | \$569,771 | \$561,635 | \$567,090 | -0.4 | 0.1 |
| Perth | \$565,152 | \$557,968 | \$545,049 | \$537,070 | 1.3 | 5.2 |
| Hobart | \$309,089 | \$307,488 | \$304,606 | \$319,774 | 0.5 | -3.3 |
| Darwin | \$652,957 | \$641,531 | \$623,006 | \$619,624 | 1.8 | 5.4 |
| National | \$551,685 | \$542,419 | \$533,040 | \$534,712 | 1.7 | 3.2 |

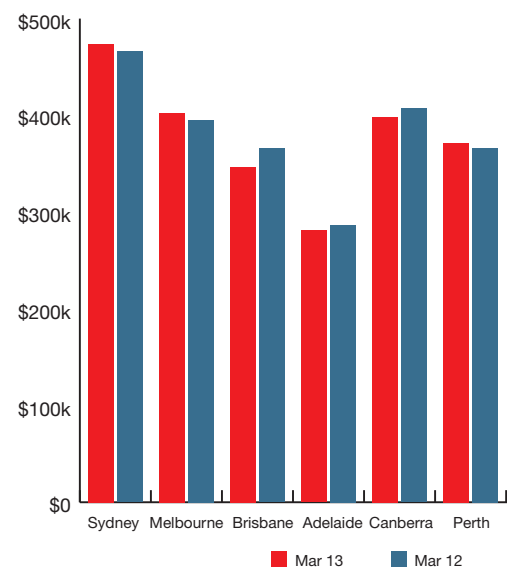
Stratified median prices - houses



Stratified median prices (quarterly) (\$)

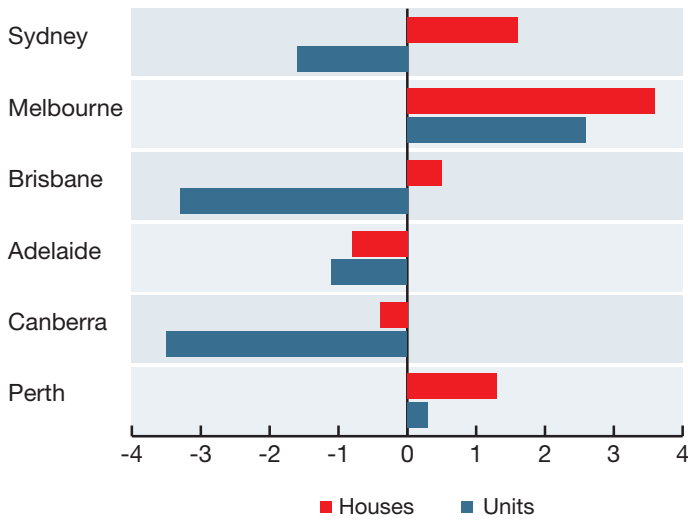
| Units | | | | | | |
|-----------|-----------|-----------|-----------|-----------|-------|-------|
| | Mar 13 | Dec 12 | Sep 12 | Mar 12 | QoQ % | YoY % |
| Sydney | \$473,808 | \$481,592 | \$464,792 | \$465,817 | -1.6 | 1.7 |
| Melbourne | \$402,197 | \$392,167 | \$389,158 | \$395,355 | 2.6 | 1.7 |
| Brisbane | \$346,379 | \$358,323 | \$364,770 | \$365,793 | -3.3 | -5.3 |
| Adelaide | \$280,805 | \$283,785 | \$275,074 | \$286,437 | -1.1 | -2.0 |
| Canberra | \$398,104 | \$412,742 | \$399,655 | \$407,308 | -3.5 | -2.3 |
| Perth | \$371,543 | \$370,332 | \$358,212 | \$366,287 | 0.3 | 1.4 |
| Hobart | \$269,505 | \$283,689 | \$236,408 | \$263,601 | -5.0 | 2.2 |
| Darwin | \$425,172 | \$410,234 | \$414,552 | \$400,103 | 3.6 | 6.3 |
| National | \$417,723 | \$420,819 | \$411,055 | \$414,738 | -0.7 | 0.7 |

Stratified median prices - units

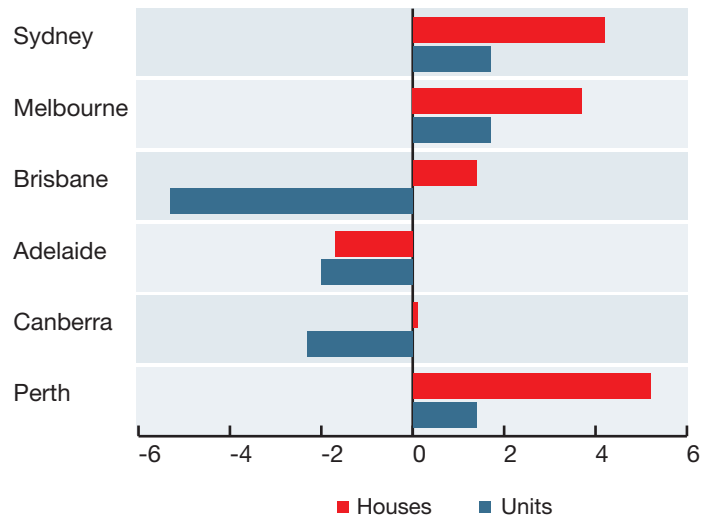


House price report

Median price % change - quarter on quarter



Median price % change - year on year



Capital City Results

Sydney

- House prices rose by +1.6% over the March quarter following a +2.6% rise over the previous quarter
- Unit prices fell by -1.6% over the quarter following a strong rise of +3.6% in December
- Sydney's median house price is at a record \$673,681 with the median unit price at \$473,808
- Annual house prices have increased by +4.2% with units up by +1.7%

Melbourne

- Melbourne house prices rose strongly by +3.6% over the quarter
- Unit prices in Melbourne rose for the third consecutive quarter also up strongly by +2.6%
- Melbourne house prices have risen by +3.7% over the year ending March with units up by +1.7%
- The median house price for Melbourne is now \$538,922, with the median unit price \$402,197

Brisbane

- Median house prices rose for the third quarter in a row for the first time since September 2010 - up by +0.5% over March
- Brisbane unit prices fell by -3.3% over the quarter
- Annual house prices are now up by +1.4% with unit prices however down by -5.3%

Perth

- House prices rose for the fifth consecutive quarter over March up by +1.3% with unit prices up marginally by +0.3%

- Annual median houses prices for Perth have surged by +5.2% with unit prices up by +1.4%

Canberra

- Median house prices fell by -0.4% and unit prices down sharply by -3.5% over the quarter
- Houses prices are up by just +0.1% over the year to March 2013 with units down by -2.3%
- The median house price for Canberra stands at \$567,768

Adelaide

- Adelaide house prices fell by -0.8% over the March quarter and are down by -1.7% over the year
- The median price for units fell by -1.1% over the quarter and down -2.0% over the year
- The Adelaide median house price is again the lowest of all the mainland capitals at \$427,523

Hobart

- Hobart's median house price rose by +0.5% over the March quarter but annual prices are down -3.3%
- The median house price for Hobart is now \$309,089

Darwin

- Darwin's median house price rose by +1.8% with unit prices up strongly by +3.6% over the March quarter
- Darwin's annual median house price rose by +5.4% with units up by +6.3%

House price report

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

"The Australian housing market continues to rise with consecutive quarters of solid growth in the national median house price. The impact of low interest rates and rising confidence is consolidating the general recovery in activity evident over the past year.

The national house price rose by +1.7% over the March quarter following a rise of +1.8% over the previous December quarter. The national house price is now just +1.0% below its previous peak recorded in June 2010.

National unit prices decreased slightly by -0.7% over the quarter but is up +0.7% over the year.

Melbourne, Sydney, Perth and Darwin all recorded significant increases in median house prices over the March quarter.

Melbourne was the standout performer with house prices rising strongly by +3.6% to \$538,922 and unit prices also up sharply, increasing by +2.6% over the quarter. This is the best performance by the Melbourne housing market since the March quarter of 2010. Melbourne's median house price has now risen by +3.7% over the past year but remains -4.2% below its previous peak level.

The Sydney housing market continues to move from strength to strength recording a +1.6% increase in the median house price over the March quarter to \$673,681. Sydney has now posted consecutive quarters of record level median house prices to clearly move from the recovery phase that commenced early in 2012 into a solid expansionary phase of cyclical house price growth. Sydney unit prices however adjusted downwards by -1.6% over the March quarter following the extraordinary rise of +3.6% to record levels over the December quarter. Lower first homebuyer numbers may have also contributed to this adjustment.

There is also positive news for the Brisbane housing market with a rise of +0.5% in the median house price over the March quarter. Brisbane has now recorded three consecutive quarters of growth in house prices for the first time since the September quarter of 2010 indicating a market at last on the upswing.

The resource capitals of Perth and Darwin continue to record hefty increases in median house prices as strong, low-unemployment economies attract high numbers of workers from interstate. Perth house prices rose by +1.3% over the quarter and +5.2% over the year with Darwin up by +1.8% in the quarter and by +5.4% in the year.

Adelaide and Canberra bucked the national trend each recording falls in median house prices over the March quarter, down by -0.8% and -0.4% respectively. Unit prices were also down with Adelaide falling by -1.1% and Canberra unit prices plunging -3.5% over the quarter. Subdued house and unit price growth in these cities reflects the struggling local economies particularly in regard to relatively high unemployment.

Although Hobart recorded an increase of +0.5% in the median house price over the March quarter, that market remains subdued and is -9.2% below its previous peak which is the worst performance of all the capitals.

The national housing market has recorded its best start to a year since the strong market conditions of 2010. Strengthening auction clearances rates and increased residential lending activity have translated into rising house prices over the March quarter.

A general housing market recovery is consolidating although activity levels vary between capital city markets and market segments reflecting the mixed impact of local supply and demand drivers.

Buyer activity is set to increase through the remainder of 2013 driven by growing optimism and record low interest rates that have likely bottomed out, but much will depend on the performance of both the national and local economies."

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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.

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