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Housing market to remain subdued

By Meredith Clisby

ped and are unlikely to improve omy, particularly in regard to during the remainder of the year, a new report shows.

on fiscal consolidation with the coming federal election will do nothing to improve the confidence of the industry.

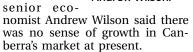
prices rose for the second quarter in a row, Canberra was one of just two cities to record a drop.

The Australian Property Monitors quarterly housing report for last month showed the median unit price plunged 3.5 per cent to \$398,104 and the median house price by 0.4 per cent to \$567,768.

House prices have increased by just 0.1 per cent in the past year while units are down by 2.3 per cent.

Despite the slump, the ACT still has the thirdhighest median house price in the country, after Sydney and Darwin.

Australian Property Monitors senior eco-



He said the subdued house and unit price growth in the ACT

Canberra house prices have slum- reflected the struggling local econrelatively high unemployment.

Dr Wilson said the city was "a And an economist says the focus little bit lower on the confidence metre" compared with other capital cities, as was Adelaide, the only other city to experience a drop.

'We don't have to look far for the While national median house genesis of that shakeout in employment, that was a number of cuts to the public service that have flowed through from the previous budget," Dr Wilson said. "I think it will have a continuing

impact on the housing market given the lead-up to the election and continuing talks ... of the need to trim budgets.'

Last month's report shows the national housing market has experienced its best start to a year since 2010, with median house prices rising for two consecutive quarters.

Prices grew by 1.7 per cent over the March quarter and 1.8 per cent during the December quarter.

Melbourne recorded the best growth among capital cities, with a 3.6 per cent increase in house prices and 2.6 per cent rise in unit prices.

Dr Wilson said low interest rates would remain "the joker in the pack" after the elections.

"It's just a question of whether the low interest rates will offset the concerns over job security and income growth, that I think is a key factor at the moment in the Canberra market," he said.

