

House price report

December Quarter 2013

Prepared by Australian Property Monitors

House price report

December Quarter 2013

Key findings

- The national house price surged to a new record median of \$597,556 following strong growth of +3.7% - the highest quarterly rise for four years.
- The national median house price increased by +9.8% over 2013 – also the best annual result since 2009.
- The national house price growth reflects an extraordinary contribution from Sydney where prices increased by +6% - the second highest quarterly rise on record for the city.
- For the first time in four years, all capital cities recorded growth in house prices over the December quarter and recorded an increase in median prices over the calendar year.
- The volatile Canberra market ended the year on a positive note with an increase in the median house prices over the December quarter of +2.3% - its best quarterly result in nearly four years.

Stratified median prices (quarterly) (\$)

Houses						
	Dec 2013	Sep 2013	Jun 2013	Dec 2012	QoQ %	YoY %
Sydney	\$763,169	\$719,769	\$693,064	\$663,278	6.0%	15.1%
Melbourne	\$568,824	\$551,032	\$539,582	\$523,881	3.2%	8.6%
Brisbane	\$461,638	\$452,068	\$446,471	\$439,532	2.1%	5.0%
Adelaide	\$446,153	\$438,888	\$436,375	\$433,935	1.7%	2.8%
Canberra	\$588,242	\$574,760	\$579,938	\$570,850	2.3%	3.0%
Perth	\$605,856	\$595,144	\$589,221	\$558,954	1.8%	8.4%
Hobart	\$326,304	\$317,571	\$312,685	\$310,361	2.8%	5.1%
Darwin	\$687,842	\$682,382	\$647,238	\$643,195	0.8%	6.9%
National	\$597,556	\$575,972	\$563,062	\$544,468	3.7%	9.8%

Stratified median prices - houses



Stratified median prices (quarterly) (\$)

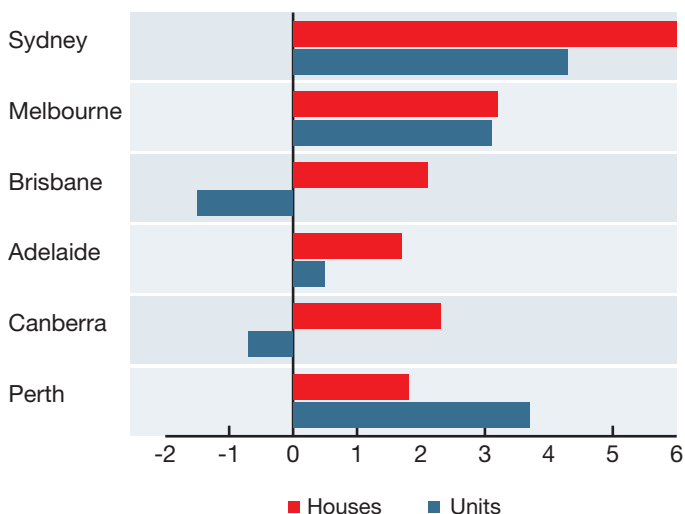
Units						
	Dec 2013	Sep 2013	Jun 2013	Dec 2012	QoQ %	YoY %
Sydney	\$541,992	\$519,850	\$501,384	\$488,799	4.3%	10.9%
Melbourne	\$421,759	\$409,184	\$398,465	\$394,740	3.1%	6.8%
Brisbane	\$361,211	\$366,854	\$364,357	\$359,894	-1.5%	0.4%
Adelaide	\$282,836	\$281,463	\$285,931	\$282,046	0.5%	0.3%
Canberra	\$419,675	\$422,694	\$413,700	\$415,172	-0.7%	1.1%
Perth	\$406,196	\$391,781	\$385,189	\$371,703	3.7%	9.3%
Hobart	\$254,937	\$255,951	\$267,682	\$278,062	-0.4%	-8.3%
Darwin	\$446,367	\$446,367	\$424,907	\$411,709	0.0%	8.4%
National	\$458,906	\$445,320	\$433,411	\$424,975	3.1%	8.0%

Stratified median prices - units

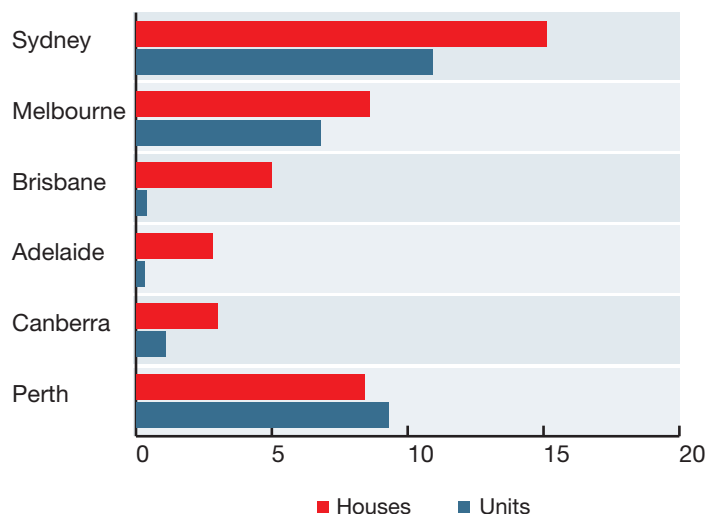


House price report

Median price % change - quarter on quarter



Median price % change - year on year



Capital City Results

Sydney

- House prices rose strongly by +6.0% over the December quarter, following a +3.9% rise over the previous quarter
- Sydney's median house price increased by an exceptional +15.1% or over \$100,000 in 2013 to a record \$763,169. This was the strongest calendar year growth in house prices recorded since 2003
- Unit prices rose by +4.3% over the quarter following an increase of +3.7% over the September quarter
- Over 2013, unit prices increased by +10.9% with the median unit price also a new record at \$541,992

Melbourne

- Melbourne house prices rose solidly by +3.2% over the quarter with unit prices up similarly by +3.1%
- Melbourne house prices have risen by +8.6% over the year with units increasing by +6.8%
- The median house price for Melbourne is at \$568,824, now exceeding its previous price peak of June 2010. The median unit price at \$421,759 is also a new record

Brisbane

- Median house prices continue to recover with an increase of +2.1% over the quarter – the best result in nearly four years
- Annual house prices increased by +5.0% and are now just -2.2% below the previous peak recorded in June 2010
- Brisbane unit prices fell by -1.5% over the quarter to be up by just +0.4% over the year

Perth

- House prices increased moderately by +1.8% over the December quarter with unit prices rising strongly by +3.7%

- Annual median houses prices for Perth increased strongly by +8.4% with unit prices up by +9.3%
- The Perth median house price now exceeds \$600,000 at a new record \$605,856

Canberra

- Median house prices resumed growth over the December quarter, increasing by +2.3% to \$588,242. Unit prices, however, fell by -0.7% over the quarter
- Houses prices increased by +3.0% over 2013 with units up by +1.1%

Adelaide

- A clearly recovering Adelaide market recorded its third consecutive increase in house prices over the December quarter – rising by +1.7%
- Adelaide house prices rose by +2.8% over 2013 with unit prices increasing by just +0.3%
- The Adelaide median house price remains the lowest of all the mainland capitals at \$446,153

Hobart

- Hobart's median house price rose by +2.8% over the December quarter - the best quarterly result in four years
- Hobart's median house price increased by a solid +5.1% over 2013 but remains -4.1% below the previous price peak recorded three years ago

Darwin

- Darwin's median house price increased marginally by +0.8% with unit price growth flat over the December quarter
- Darwin's annual median house price, however, rose by +6.9% with units also up strongly by +8.4%

House price report

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

Australian capital city housing markets continued solidly in revival mode over the December quarter with all capital cities recording prices growth.

Extraordinary prices growth in Sydney over the December quarter reflected and validated the auction clearance rates recorded by APM over the spring selling season. Sydney's median house price increased by an exceptional +6% which is the second highest quarterly increase in house prices on record.

Over 2013, Sydney house prices surged by +15.1% which was the strongest rise in calendar year prices since 2003. Sydney's median house price increased by over \$100,000 to a new record high of \$763,169. Sydney unit prices also performed strongly over 2013 increasing by +10.9%, setting a new record with a median of \$541,992.

Melbourne house prices increased solidly over the December quarter, rising by +3.2% with unit prices increasing similarly by +3.1%. Over 2013, Melbourne house prices were the second-best performers behind Sydney, increasing by +8.6% to a new peak of \$568,824.

The Brisbane housing market continues its steady revival with the median house price increasing by +2.1% over the December quarter - the best quarterly result in four years. House prices increased by +5% over 2013, taking them just -2.2% below the previous price peak of June 2010. Unit prices are up by just +0.4% over the year.

Adelaide is showing positive signs of a sustained recovery in house prices with the December quarter median increasing by +1.7% - the third consecutive quarterly rise. Over 2013, Adelaide house prices rose by +2.8% while unit prices increased by just +0.3%.

The Perth housing market recorded another solid year in 2013 with median house prices increasing by +8.4% and unit prices up strongly by +9.3%. After signs emerged of the market plateauing over the previous quarter, prices growth resumed over the December quarter and house prices increased by +1.8% with unit prices up sharply by +3.7%. Perth has now recorded eight consecutive quarters of house price growth and six consecutive quarters of unit price growth. Perth's median unit price exceeded \$400,000 for the first time at \$406,196.

The volatile Canberra housing market finished the year positively, recording a solid +2.3% increase in the median house price over the quarter. This followed a fall of -0.9% during the previous quarter. Unit prices fell by -0.7% over the December quarter. Over 2013, Canberra house prices increased by +3% with unit prices up by +1.1%.

The Hobart market continues on the path to recovery with median house prices increasing solidly by +2.8% over the December quarter - the third consecutive rise and the best quarterly result for four years. Over 2013, Hobart's median house price increased by a solid +5.1% but remains -4.1% below the previous price peak recorded three years ago.

House price growth in Darwin flattened over the quarter with the median house price increasing by just +0.8% while median unit prices remained steady. Over 2013 Darwin houses prices increased by +6.9% with units up by +8.4%.

2013 has been the strongest year for national house price growth since 2009 with the median house price increasing by +9.8%. For the first time in four years - all capital cities recorded an annual increase in median house prices. The Sydney housing market was a significant contributor to national house prices growth in 2013 with Melbourne and Perth also reporting solid results.

Driven by the lowest interest rates in 60 years, still reasonable overall economic performances and rising confidence - all capital city median house prices are now at, or closing in on, record levels.

Although end of year buyer momentum in all markets will ensure a positive start to 2014, affordability constraints and waning economic activity will act to moderate prices growth through the year.

Prices growth in Sydney and Melbourne is set to be significantly less in 2014 compared to 2013 with most activity occurring over the first half of the year. The Perth market will remain solid this year while Brisbane house price growth is set to accelerate as the local economy moves up a gear. Adelaide, Canberra and Hobart, however, will continue to record modest prices growth over 2014 with most activity again likely to be over the first two quarters of the year.

About Australian Property Monitors (APM)

APM is a leading national supplier of property price information to home buyers and sellers, professional real estate agents, mortgage brokers, valuers, banks and financial markets. APM has been helping our customers make informed decisions about property since 1989.

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.

© Copyright Australian Property Monitors 2014. Any reproduction of or reference to any part of this report must attribute Australian Property Monitors as the source of the report.

The APM House Price Series is subject to revision as a result of time lags with the reporting and collection of sales transaction data.