



Friday 30 January 2009

Embargoed until 1am Saturday 31 January 2009

Official December 2008 Quarter Housing Data Composition Adjusted Housing Price Series

KEY POINTS

- Property values fall almost 8% in a year, in parts of the Australian residential real estate market
- Houses and units experience second consecutive quarter of declining values
- Houses hold their value better than units in most capital cities nationally
- Canberra, Perth and Sydney experience the largest falls in house prices in the December quarter
- Hobart, Brisbane and Perth see the biggest falls in unit values in the December quarter
- Darwin again bucks the national price slide, with unit prices jumping 20.5% over the year

Sydney

- In the December quarter Sydney house prices fell 0.7% and the unit market remained flat.
- Through the year, house and unit prices fell 4.2% and 3.8% respectively.

Melbourne

- Melbourne house prices rose by 0.9% while unit prices fell 0.1% in the December quarter.
- Through the year, house prices rose by a modest 0.9%, and unit values declined 1.5%.

Brisbane

- In the December quarter, Brisbane house prices rose 3.3% while unit prices fell by 3.5%.
- Through the year, house prices rose 0.4% and unit prices dropped a substantial 6.5%.

Adelaide

- Adelaide house prices remained flat while unit values increased 2.1% in the December quarter.
- Through the year, house and unit prices rose 2.9% and 2.7% respectively.

Canberra

- In the December quarter, Canberra house prices fell 3.8% and unit values dropped 1.8%.
- Through the year, house and unit prices dropped by 6.7% and 2.6% respectively.

Perth

- Perth house and unit prices fell 1.9% in the December quarter.
- Through the year, the picture was bleak, with house and unit prices falling 7.9% and 4.7%.

Hobart

- In the December quarter, house prices stayed steady and unit values dropped 4.4%.
- Through the year, house and unit prices fell 0.4% and 7.1% respectively.

Darwin

- Darwin house and unit values rose by 0.6% and 4.9% in the December quarter.
- Through the year, values continue on the up, with house and unit prices rising a whopping 5.5% and 20.5% respectively.

Australian Property Monitors (publishers of www.homepriceguide.com.au) publish quarterly the Composition Adjusted Housing Price Series. This index uses adjusted medians and was created in conjunction with the Reserve Bank of Australia (RBA) using data supplied by Australian Property Monitors.

Quarterly Composition Adjusted Price Series						
Houses						
	Dec-08	Sep-08	Jun-08	Dec-07	QoQ % Δ	YoY % Δ
Sydney	\$536,021	\$539,600	\$547,572	\$559,257	-0.7%	-4.2%
Melbourne	\$447,161	\$442,986	\$444,205	\$443,157	0.9%	0.9%
Brisbane	\$432,031	\$418,155	\$436,949	\$430,308	3.3%	0.4%
Adelaide	\$412,290	\$412,273	\$411,319	\$400,791	0.0%	2.9%
Canberra	\$458,283	\$476,569	\$491,017	\$491,321	-3.8%	-6.7%
Perth	\$475,263	\$484,702	\$496,650	\$516,172	-1.9%	-7.9%
Hobart	\$285,831	\$285,831	\$281,748	\$287,122	0.0%	-0.4%
Darwin	\$480,360	\$477,449	\$468,133	\$455,406	0.6%	5.5%

Quarterly Composition Adjusted Price Series						
Units						
	Dec-08	Sep-08	Jun-08	Dec-07	QoQ % Δ	YoY % Δ
Sydney	\$362,366	\$362,366	\$368,211	\$376,507	0.0%	-3.8%
Melbourne	\$333,437	\$333,865	\$338,704	\$338,604	-0.1%	-1.5%
Brisbane	\$318,236	\$329,904	\$336,631	\$340,374	-3.5%	-6.5%
Adelaide	\$267,737	\$262,358	\$261,801	\$260,707	2.1%	2.7%
Canberra	\$349,512	\$355,985	\$354,906	\$358,838	-1.8%	-2.6%
Perth	\$342,443	\$349,158	\$360,505	\$359,242	-1.9%	-4.7%
Hobart	\$217,862	\$227,780	\$226,164	\$234,545	-4.4%	-7.1%
Darwin	\$355,596	\$338,962	\$313,737	\$295,177	4.9%	20.5%

COMMENTARY

By Liam O'Hara, Senior Economist for Australian Property Monitors

"The December 2008 quarter housing and unit figures leave little doubt that the Australian residential property market is in trouble. Some capital cities have witnessed the largest price falls in years. This is the second consecutive quarter where values have either fallen or remained very sluggish.

"While the first home buyers' share of the mortgage market increased in November 2008, these latest figures show that the Government's first home buyers boost scheme has done little, thus far, to stem falling property prices.

"On the east coast, Sydney saw a 4.2% fall in median house prices and a 3.8% fall in the unit/apartment market, through the year. The national capital also recorded sizable declines through the year, with the median price of a typical Canberra home selling for \$30,000 less than in December 2007.

"On the west coast, Perth recorded a 7.9% fall in median house prices in the year to December, while to the south, Hobart unit values fell 7.1%.

"Australian property prices are unlikely to fall precipitously in 2009, as witnessed in the United States and the United Kingdom throughout 2008. Instead, Australian property market values will continue to slide modestly over the next two quarters. There is now a genuine belief, among even the most optimistic economists, that the current fiscal and monetary policy stimulus packages are not enough. Gross Domestic Product has come to a standstill and we have just witnessed the biggest spell of disinflation in over 10 years.

"The very thought that the economic situation may get worse should be enough to prompt another round of deep cuts to the official interbank cash rate when the Reserve Bank board meets on Tuesday, for the first time in 2009, to consider monetary policy."

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About Australian Property Monitors (APM)

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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 through its own call centre and APM's own researchers. This vast pool of information ensures APM's databases contain the latest and most detailed house price information available.