


**Wednesday 29 July 2009**

## Official June 2009 Quarter Housing Data Composition Adjusted Housing Price Series

### KEY POINTS

- House prices rise +3.3% nationally in June quarter, now back at June 2008 levels
- Strongest quarterly growth in house and unit prices since December 2007
- Two largest housing markets lead the way with quarterly price rises of +3.7% in Sydney and +5.8% in Melbourne
- Brisbane and Perth the only markets with both house and unit median prices under June 2008 levels
- Darwin remains strongest market nationally with annual rises for houses and units near +20%

#### Sydney

- House prices grew strongly in the June quarter with the median price rising +3.7%. This is the first quarter of median price growth for Sydney houses since December 2007 and brings house prices back to the level of June 2008.
- Unit prices rose by +2.6% in the June quarter and are up +3.4% in the 12-months since June 2008.

#### Melbourne

- Strongest housing market outside of Darwin, recording a +5.8% rise in median house price for the June quarter, leaving prices up +4.1% for the 12 months to June 2009.
- Unit median prices recorded the first significant growth since December 2007, rising +2.8% to \$345,000.

#### Brisbane

- House prices rose by +1.7% in the June quarter, but prices are still down -4.5% for the 12-months to June. This annual fall now exceeds Perth to be the heaviest amongst capital cities.
- Unit prices were flat in the June quarter, and remain at similar levels to those seen 12-months ago.

#### Adelaide

- Recovered from a weak March quarter to post very solid gains of +2% to +3% for both houses and units in the June quarter.
- For the 12-months to June 2009, median house prices are up +0.5% and median unit prices are up +2.4%.

#### Canberra

- In the June quarter, Canberra house prices rose by +2.4% and unit prices rose by +2.2%.
- For the 12-months to June, house prices have fallen by -0.7% and unit prices have risen by +2.3%.

#### Perth

- House prices fell -0.8% in the June quarter, to be down -4.4% for the 12-months to June 2009.
- Unit prices rose for the second consecutive quarter, up +0.6%, continuing to arrest the slide experienced in the second half of 2008.

#### Hobart

- House prices rose very strongly to be up +7.0% over the quarter, making June the only quarter of significant growth since December 2007.
- Hobart unit prices rose by +3.3% in the June quarter, making it the strongest unit market over 12-months outside Darwin.

#### Darwin

- Remaining the strongest overall market in the country, house prices rose by +11.2% in the March quarter, producing a 12-month rise of +17.3%.
- Units finally took a breather falling -1.4% in the June quarter to \$375,000, but the 12-month price change remains near +20%.



## Composition Adjusted Median Prices - Houses

Houses	Jun-09	Mar-09	Jun-08	QoQ % Δ	YoY % Δ
Sydney	\$547,193	\$527,677	\$549,069	3.7%	-0.3%
Melbourne	\$465,113	\$439,476	\$446,662	5.8%	4.1%
Brisbane	\$420,861	\$413,803	\$440,487	1.7%	-4.5%
Adelaide	\$417,404	\$406,115	\$415,507	2.8%	0.5%
Canberra	\$488,213	\$476,636	\$491,426	2.4%	-0.7%
Perth	\$476,180	\$480,204	\$497,844	-0.8%	-4.4%
Hobart	\$302,425	\$282,743	\$282,780	7.0%	6.9%
Darwin	\$549,035	\$493,541	\$468,133	11.2%	17.3%
<b>National</b>	<b>\$484,308</b>	<b>\$468,694</b>	<b>\$484,781</b>	<b>3.3%</b>	<b>-0.1%</b>

## Composition Adjusted Median Prices - Units

Units	Jun-09	Mar-09	Jun-08	QoQ % Δ	YoY % Δ
Sydney	\$381,273	\$371,497	\$368,905	2.6%	3.4%
Melbourne	\$345,036	\$335,638	\$340,093	2.8%	1.5%
Brisbane	\$339,383	\$339,358	\$342,188	0.0%	-0.8%
Adelaide	\$268,037	\$262,676	\$261,873	2.0%	2.4%
Canberra	\$364,120	\$356,263	\$355,874	2.2%	2.3%
Perth	\$335,888	\$334,042	\$359,816	0.6%	-6.7%
Hobart	\$246,229	\$238,422	\$227,095	3.3%	8.4%
Darwin	\$374,740	\$380,171	\$312,870	-1.4%	19.8%
<b>National</b>	<b>\$349,093</b>	<b>\$342,322</b>	<b>\$346,093</b>	<b>2.0%</b>	<b>0.9%</b>

## COMMENTARY

### By Matthew Bell, Economist for Australian Property Monitors

"The national housing market has experienced its strongest quarterly growth in both house and unit prices since the global financial crisis took hold late in 2007. The consolidation that began in the March 2009 quarter has now transformed into strong growth across the country.

"While low interest rates, flat prices and First Home Owner Grants supported the affordable end of the market through the end of 2008 and early 2009, it's been the upper end of the market that's driven the strong growth in the major capitals in the June quarter.

"For Sydney, Melbourne and Brisbane, median prices in the top 50% of suburbs grew by nearly double the rate of those of the bottom 50% in the June quarter. Not surprisingly this has coincided with the stock-market rebounding by nearly 30% from its March lows and the economic outlook improving as better-than-expected data flowed in.

"As the First Home Owner Boost begins phasing out in September, demand is expected to remain strong as potential buyers point to low interest rates and previous periods of flat or falling prices as important drivers in their decision to purchase a property within the next 12 months.

"Property investors who have been waiting for the removal of the Boost and the bottom of the interest rate cycle are expected to begin re-entering the market in greater numbers in the second half of 2009 and early 2010.

"Rising unemployment remains the biggest risk to house prices, but this risk has lessened over the past quarter with forecasts of peak unemployment falling below 8% and the economy expected to avoid a technical recession.

"With population growing strongly and strong housing finance figures yet to translate into a significant rise in new building starts, all indicators point to house prices continuing to rise in the second half of 2009 and well into 2010."

#### **For more information please call:**

Matthew Bell, Economist  
Australian Property Monitors  
Mobile – 0427 410 240

#### **About the Composition Adjusted Housing Price Series**

APM uses a stratified median price methodology developed by the Reserve Bank of Australia (RBA) in its Research Discussion Paper RDP 2006-04: "*Measuring Housing Price Growth – Using Stratification to Improve Median-based Measures*". APM, working in partnership with the RBA, has further refined this methodology to better address the issue of compositional change within the Australian property market. APM's price series is used by the RBA, Australia's leading banks and property commentators.

#### **About Australian Property Monitors (APM)**

APM is a leading national supplier of property price information to buyers and sellers, professional real estate agents, valuers and financial markets. APM has been helping our customers make informed decisions through our services 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 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.