



Media Release

5 May 2006

## House Prices Fall In All East Coast Capital Cities

There has been another slide in house and unit prices on the east coast of Australia for the opening months of 2006, according to the composition adjusted house price series for the March Quarter 2006 released today by Australian Property Monitors (APM), publishers of the Home Price Guide®.

House prices in Sydney, Melbourne, Brisbane, as well as Canberra and Hobart, all recorded falls of approximately half to one percent for the March 2006 Quarter.

Only Perth, Adelaide and Darwin recorded median house price increases during the Quarter.

The city that recorded the fastest rise in house prices was once again Perth, where house prices rose by 5.4 per cent to \$396,000. Perth now has the third highest median house price for all capital cities in Australia. If the existing growth rate continues, Perth will surpass Canberra (currently 2<sup>nd</sup>) as early as the present June Quarter.

### Unit market continues to decline on the east coast. Darwin and Perth continue to boom

Like house prices, the unit market fell in the east coast cities of Brisbane, Melbourne and Sydney. Sydney recorded a median unit price fall of 1.4 per cent to \$358,000, Melbourne recorded a 2.1 per cent decline to \$267,000 and Brisbane recorded a 2.4 per cent decline to \$247,000.

Darwin unit prices continue to leap, rising by another 12.9 per cent to \$266,000. This is on top of the 11 per cent increase recorded in the December Quarter. Darwin median unit prices are now up by 31% for the 12 month period to March 2006.

### Perth units record the highest 12 month price increase



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The city of Perth holds the title of being the fastest growth rate for any residential property asset class. Perth units recorded a 33.8% increase in the median unit price for the 12 month period to March 2006.

Louis Christopher, General Manager for Australian Property Monitors, publishers of the Home Price Guide<sup>®</sup>, said the results for the Sydney market are somewhat surprising given the noticeable pick up in sales activity and in particular, auction clearance rates that we have had so far this year.

"March is always a difficult month to properly assess the market given the January holiday period. I would not be surprised if the median was revised slightly upwards once we receive more data from the Valuers General. Even so, it is still clear the market was weak during this period," said Christopher.

### **Interest rate rise to hit market**

"I believe, now with the latest rate hike, that the forecasted recovery we had made for this year in Sydney will stall and there is now a greater probability that Sydney house prices will continue to decline by up to five per cent for 2006.

"In Brisbane and south-east Queensland, the property market has been flat for sometime. Given that the area is heavily dependent upon investment property spending, I suspect we may now see a modest fall in residential property prices in 2006 of somewhere between minus 1 to minus 3 per cent," Mr Christopher said.

"Like Brisbane, Melbourne has experienced a flat housing market for some two years now. This latest rate hike will dampen any potential of a recovery this year. Overall, Melbourne residents and investors should expect a flat market in 2006."

"Perth is one market where I believe the latest rate hike will have minimal impact. The global commodities boom story is still intact, and while this is the case, Perth residential property prices will continue to rise robustly," Mr Christopher said.

For more information, please contact

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## Composition-adjusted house prices

City	Median House Price			Percentage change	
	March Quarter 2006	December Quarter 2005	March Quarter 2005	3 month change	12 month change
Sydney	\$516,000	\$521,000	\$536,000	-1.1%	-3.8%
Melbourne	\$347,000	\$350,000	\$343,000	-1.1%	0.9%
Brisbane	\$326,000	\$330,000	\$324,000	-1.1%	0.5%
Adelaide	\$310,000	\$305,000	\$300,000	1.7%	3.4%
Canberra	\$405,000	\$408,000	\$400,000	-0.6%	1.4%
Perth	\$396,000	\$376,000	\$318,000	5.4%	24.8%
Darwin	\$358,000	\$347,000	\$308,000	3.3%	16.3%
Hobart	\$223,000	\$228,000	\$223,000	-2.2%	-0.2%

Note: composition adjusted median prices have been rounded to the nearest thousand dollars. March quarter results are preliminary. December quarter results have been revised from the February 2006 release.

Source: [www.homepriceguide.com.au](http://www.homepriceguide.com.au) based on sales reported to Australian Property Monitors as at 25 April 2006.

## Composition-adjusted unit prices

City	Median Unit Price			Percentage change	
	March Quarter 2006	December Quarter 2005	March Quarter 2005	3 month change	12 month change
Sydney	\$358,000	\$363,000	\$370,000	-1.4%	-3.3%
Melbourne	\$267,000	\$272,000	\$268,000	-2.1%	-0.6%
Brisbane	\$247,000	\$253,000	\$241,000	-2.4%	2.3%
Adelaide	\$212,000	\$207,000	\$200,000	2.1%	5.7%
Canberra	\$298,000	\$293,000	\$301,000	1.8%	-0.9%
Perth	\$259,000	\$247,000	\$194,000	4.8%	33.8%
Darwin	\$266,000	\$236,000	\$203,000	12.9%	31.3%
Hobart	\$198,000	\$187,000	\$203,000	5.8%	-2.8%

Note: composition adjusted median prices have been rounded to the nearest thousand dollars. March quarter results are preliminary. December quarter results have been revised from the February 2006 release.

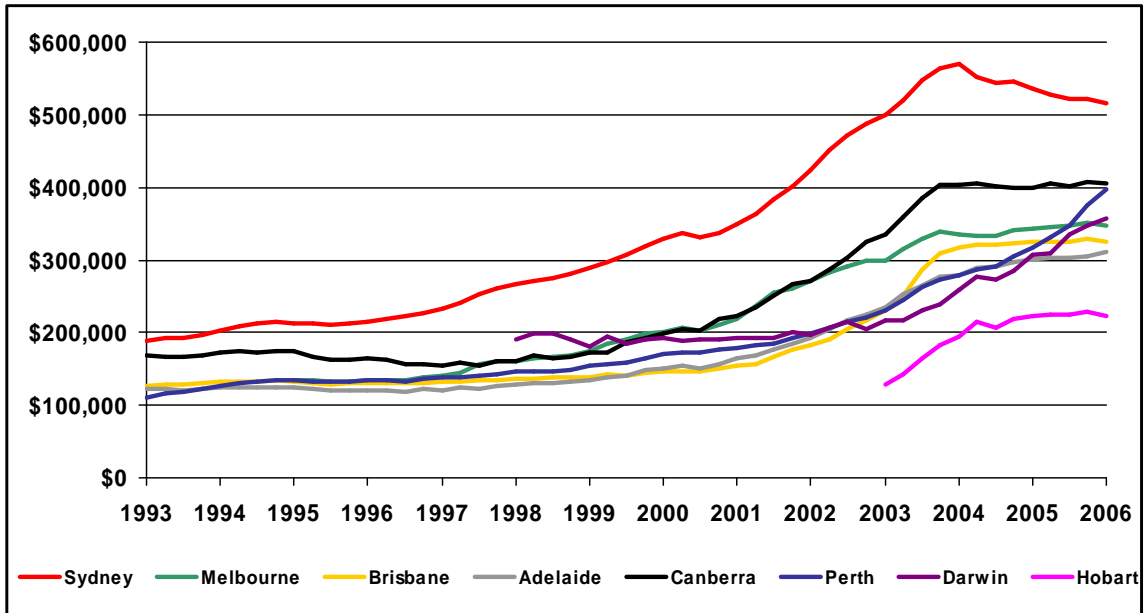
Source: [www.homepriceguide.com.au](http://www.homepriceguide.com.au) Based on sales reported to Australian Property Monitors as at 25 April 2006.

### NOTE: Hobart Median House Prices

APM is pleased to announce that it is now publishing Hobart residential house price data from the Information and Land Services Division of Tasmania. This makes APM now the only independent provider of detailed house and unit price information covering every state and territory in Australia.



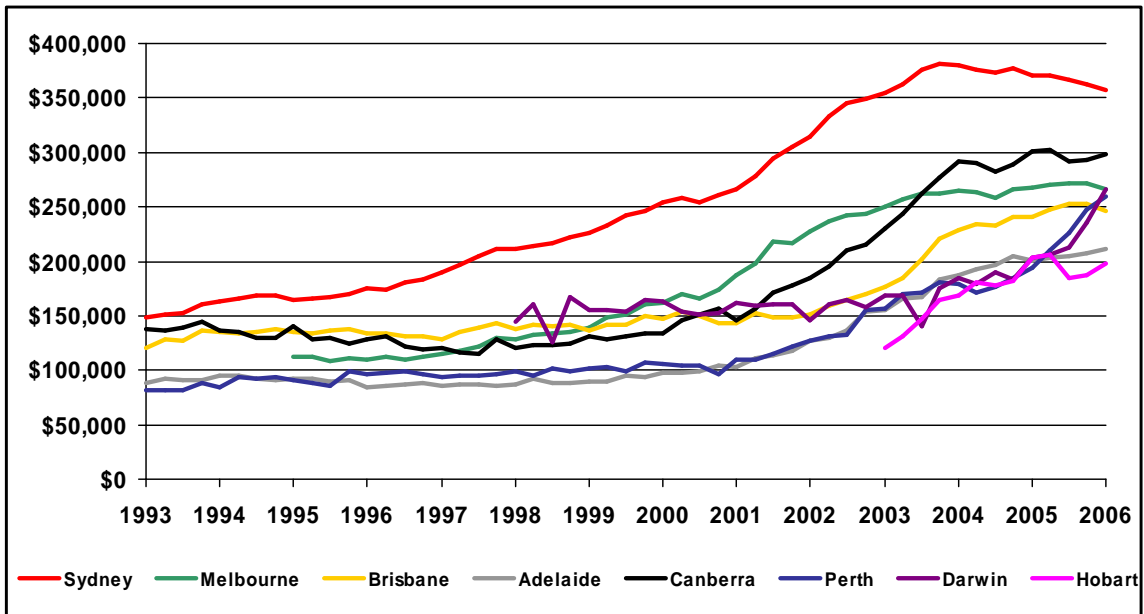
## Composition Adjusted House Prices 1993 - 2006



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## Composition Adjusted Unit Prices 1993 - 2006



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