



Housing Market Finds its Floor

Media Release

8 July 2005

Australian Property Monitors, publishers of the Home Price Guide™, today released the national auction results, days on market and discounting series for the month of May and June 2005.

Overall, the indicators suggest the housing market, particularly for Melbourne is in a slow recovery phase, while Sydney is now recording signs of a bottoming out of its downturn. Elsewhere, the indicators suggest a continued but orderly slowdown in the housing market.

Auction Clearance Rates

The results reveal another rise in auction clearance rates with the national clearance rate standing at 50% for the Month of June, primarily driven by a continued recovery in the auction market for Melbourne, which recorded a clearance rate of 55%. Sydney recorded a rise in its clearance rate to 45%. This is compared to 40% recorded in June 2004. The Gold Coast recorded the lowest result with just 28% of properties selling prior to or under the hammer.

Days on Market

For the month of May 2005, days on market remained steady nationwide at 85 days. The steady result has come after a long period of rising selling times.

Importantly, the results also reveal a sharp reduction in the time taken to sell property in the Sydney housing market, falling from a peak of 90 days in March to 82 days in May.

Brisbane, Canberra and Newcastle also recorded a reduction in selling times. Melbourne remained steady at 61 days while Perth recorded a rise to 83 days. Adelaide and the Gold Coast also recorded rises to 64 and 86 days respectively.

Vendor Discounting

While some cities have recorded a reduction in selling times, it has come at the expense of increased price discounting by vendors. Nationally vendors had to take 7.2 per cent off the original asking price of their homes during May in order to make a sale.

This is up from 6.9 per cent recorded in April. Sydney, Canberra and Newcastle recorded rises in vendor discounting, while Melbourne, the Gold Coast, Adelaide and Perth recorded slight falls. Brisbane recorded the biggest fall from 9 per cent recorded in April to 8.2 per cent recorded in May.

Australian Property Monitor's Research Director, Louis Christopher said "Our latest leading indicators for the residential housing market in Sydney and Melbourne



suggest that the housing market has finally found its floor. Auction clearance rates in these two cities have risen, which has influenced the national auction result.

“The measurement is quite striking when one compares levels achieved this time last year. Last June national clearances rate were at 42 per cent. This June we are at 50 per cent.”

“Overall I am not convinced by the theory that housing prices are to stay flat for the next ten years.

Yes I can see the argument about that housing is still overvalued when compared to average income levels and rents. However there is now evidence that rents are rising again and wages growth is running at 4-5 per cent a year.

Put that together with the likelihood that interest rates are now on hold for the foreseeable future and unemployment actually falling to 5 per cent; suggest to me that that a housing price recovery on the south eastern seaboard might be arriving sooner than expected.

Is it a good time to buy property right now? Well put it this way, depending upon where you are it has been a comparative better time to buy than what it has been since 2002. I believe for Sydney and Melbourne at least, housing prices have finally reached their bottom and the chance of a further price correction in these two cities is now unlikely.”

For more information, please contact:

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Home Price Guide™ House & Unit Auction Results by City					
(June 2005)					
City	Number Auctioned	Number Sold	Number Withdrawn	Clearance Rate	Value Sold (\$ Millions)
Melbourne	1,822	1027	31	55%	\$259.05m
Sydney	917	484	157	45%	\$367.10m
Newcastle	39	12	3	29%	\$3.36m
Brisbane	121	41	7	32%	\$24.98m
Gold Coast	163	48	8	28%	\$24.28m
Adelaide	184	101	3	54%	\$34.85m
Perth	29	13	0	45%	\$7.33m
Canberra	41	21	2	49%	\$10.41m
NATIONAL	3,316	1,747	211	50%	\$731.36m
Clearance Rate – includes number of properties withdrawn from auction. Please see our Auction Activity White Paper for more details.					
Source: www.homepriceguide.com.au (02) 9339 8200. Copyright Australian Property Monitors 2005. Based on provisional auction results reported to APM as at 7 July 2005. Properties sold with an undisclosed price are excluded from the median price calculation.					
Home Price Guide™ House & Unit Auction Results by City					
(June 2004)					



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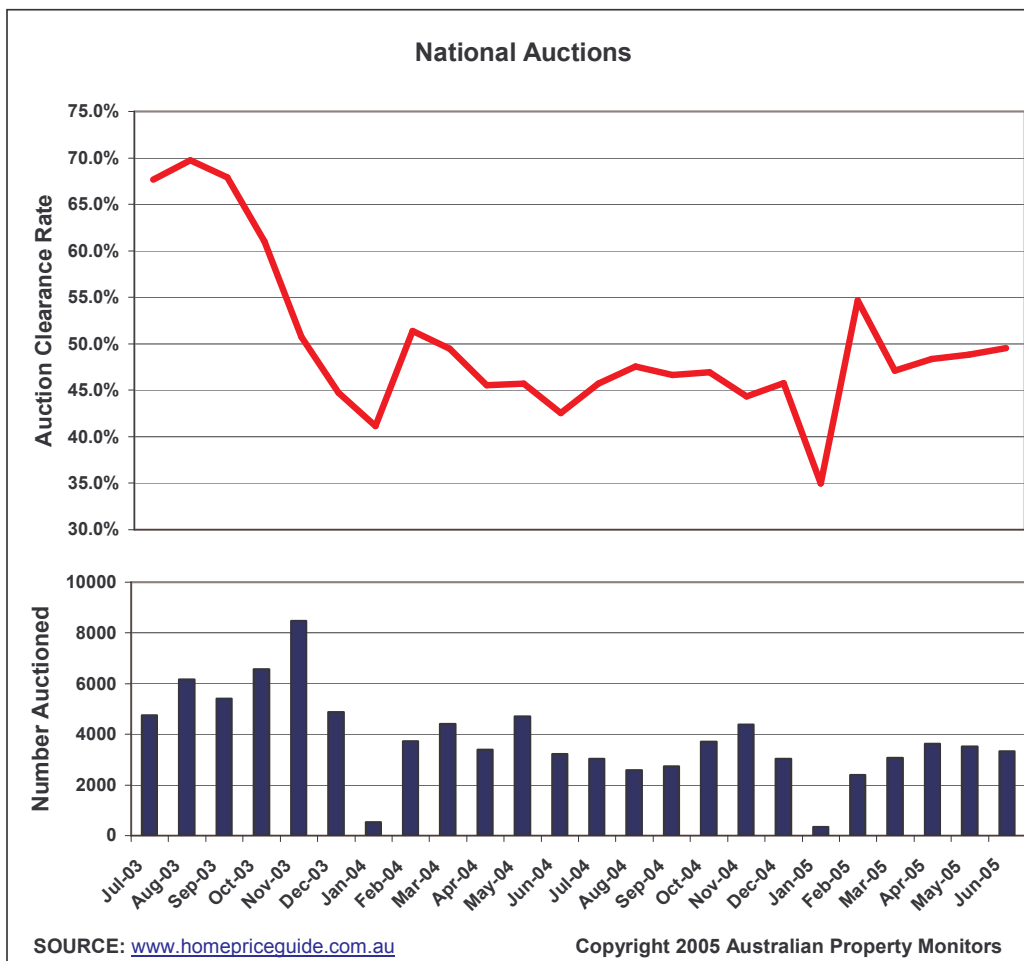


**C O M M E R C I A L
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City	Number Auctioned	Number Sold	Number Withdrawn	Clearance Rate	Value Sold (\$ Millions)
Melbourne	1,529	718	31	46%	\$308.75m
Sydney	949	445	162	40%	\$376.63m
Newcastle	56	29	3	49%	\$9.98m
Brisbane	236	91	14	36%	\$46.84m
Gold Coast	191	55	9	28%	\$25.7m
Adelaide	206	107	10	50%	\$36.37m
Perth	41	6	3	14%	\$4.58m
Canberra	44	15	1	33%	\$7.94m
NATIONAL	3252	1466	233	42%	\$816.79m

Clearance Rate – includes number of properties withdrawn from auction. Please see our Auction Activity White Paper for more details.

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Private Treaty Days On Market – March 2005



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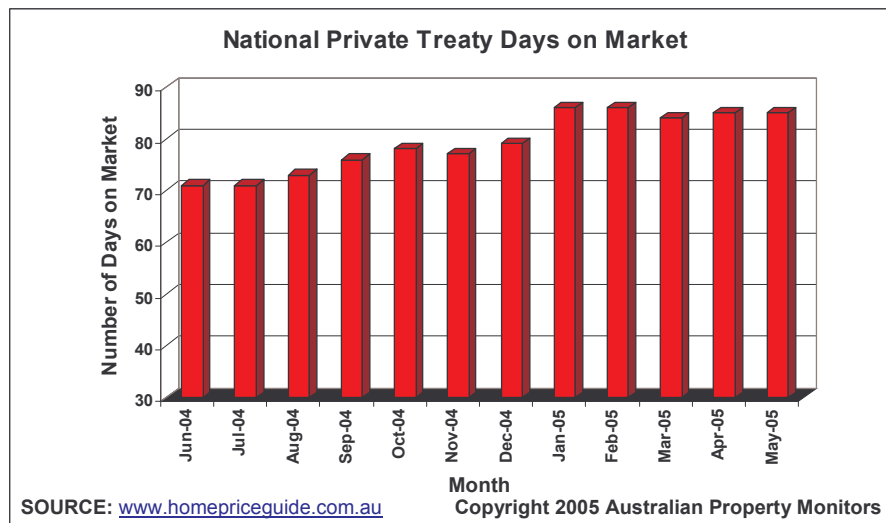
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	May-03	May-04	Mar-05	Apr-05	May-05
Adelaide	34	49	56	62	64
Brisbane	50	67	85	93	89
Canberra	62	83	84	75	73
Gold Coast	51	60	83	79	86
Melbourne	53	64	57	61	61
Newcastle	66	69	112	99	89
Perth	34	57	69	68	83
Sydney	62	72	91	86	82
NATIONAL	56	69	84	85	85

Source: www.homepriceguide.com.au (02) 9339 8200. Copyright Australian Property Monitors 2005. Based on provisional sales results reported to APM as at 7 July 2005.

Private Treaty Days on Market:

An average of how long it takes to sell a property by private treaty. The number of days on the market is calculated by comparing the date of first recorded advertisement for a particular property as monitored by APM to the exchange date of sale of that same property concerned.



* National covers the sum of Sydney, Melbourne, Brisbane, Adelaide, Perth, Canberra, Newcastle and the Gold Coast



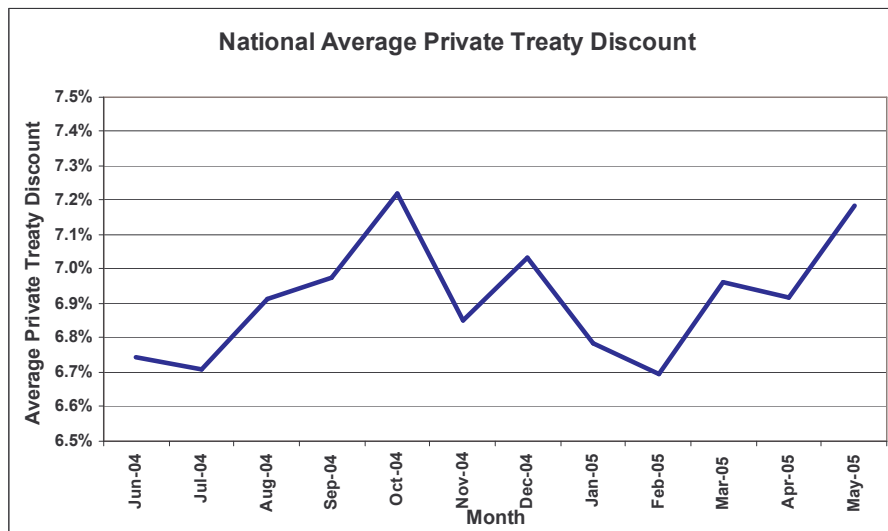
Average Private Treaty Discount– May 2005

	May-03	May-04	Mar-05	Apr-05	May-05
Adelaide	4.4%	5.3%	5.9%	5.9%	5.8%
Brisbane	5.3%	7.6%	7.9%	9.0%	8.2%
Canberra	3.5%	6.3%	5.8%	5.4%	6.3%
Gold Coast	4.7%	7.2%	7.9%	8.7%	8.5%
Melbourne	5.2%	7.2%	6.0%	6.2%	6.0%
Newcastle	5.2%	6.3%	8.6%	6.9%	7.3%
Perth	4.2%	5.3%	5.3%	5.8%	5.7%
Sydney	5.3%	6.6%	7.6%	7.2%	7.8%
NATIONAL	4.9%	6.4%	7.0%	6.9%	7.2%

Source: www.homepriceguide.com.au (02) 9339 8200. Copyright Australian Property Monitors 2005. Based on provisional sales results reported to APM as at 7 July 2005.

Average Private Treaty Discount:

The average discount, expressed as a percentage, from the initial advertised asking price to the final selling price on all properties where APM has recorded both an advertised price and a corresponding sold price. The month to which the discount relates to, represents those properties sold in that month.



SOURCE: www.homepriceguide.com.au

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