

Media Release

7 November 2005

More House Price Falls on the Eastern Seaboard

According to the composition-adjusted median house price series for the September Quarter, released today by Australian Property Monitors (APM), publishers of the Home Price Guide[®], and based on work commissioned by the Reserve Bank of Australia, house prices in all capital cities have fallen, with the exception of Darwin and Perth, which recorded strong gains.

Highlights

- Canberra recorded the biggest declines for house prices in the September Quarter (compared to the June 2005 Quarter), falling by 2.0 per cent to \$401,000. While Sydney recorded the biggest decline for units, falling by 2.3 per cent in the September quarter.
- Sydney house prices fell by another 1.5 per cent during the September 2005 Quarter to \$520,000. Sydney house prices are now down by 8.9 per cent from the peak recorded on the March Quarter 2004 – the sharpest decline for any of the measured capital cities since the downturn commenced in early 2004.
- Darwin recorded the biggest price rise during the quarter with a 7.9 percent increase for houses and a 3.5 per cent increase for units.
- Perth was the only other city to record gains for houses with a rise of 2.4 per cent to \$338,000. Perth also had the strongest increase for units, rising by 6.6 per cent in the quarter.
- Overall, out of the seven capital cities measured, four recorded house price falls (notably they are all located on the eastern seaboard); two recorded gains while one was steady being Adelaide.



Louis Christopher. Research Director for Australian Property Monitors, publishers of the Home Price Guide® said, "In terms of prices, the eastern seaboard of Australia continues its downturn.

"However I note that following the withdrawal of the NSW vendor stamp duty, sales volumes appear to have risen for the state, while it is early days, this is one positive sign that NSW maybe closer to reaching the bottom of the downturn.

"For the record, assuming interest rates are on hold, we believe that the eastern seaboard market, including Sydney, Melbourne, Canberra and Brisbane, is likely to bottom out sometime in the first half of 2006.

"This scenario is contingent upon interest rates being on hold for at least the next 12 months. Given statements made today by the RBA, this scenario of zero interest rate increases appears to be quite plausible. Of course, much depends on future oil prices and whether core inflation is likely to build in the coming months"

For more information, please contact

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Composition - adjusted median house prices

City	Median House Price			Percentage change	
	September Quarter 2004	June Quarter 2005	September Quarter 2005	3 month change	12 month change
Sydney	\$543,000	\$528,000	\$520,000	-1.5%	-4.3%
Melbourne	\$333,000	\$343,000	\$339,000	-1.0%	1.7%
Brisbane	\$320,000	\$322,000	\$319,000	-0.9%	-0.3%
Adelaide	\$290,000	\$301,500	\$302,000	0.0%	3.9%
Canberra	\$402,000	\$409,000	\$401,000	-2.0%	-0.3%
Perth	\$291,000	\$330,000	\$338,000	2.4%	16.2%
Darwin	\$273,000	\$313,000	\$338,000	7.9%	23.7%

Note: composition adjusted median prices have been rounded to the nearest thousand dollars.

Source: www.homepriceguide.com.au Based on sales reported to Australian Property Monitors as at 7 November 2005.

Composition-adjusted median unit prices

City	Median Unit Price			Percentage change	
	September Quarter 2004	June Quarter 2005	September Quarter 2005	3 month change	12 month change
Sydney	\$373,000	\$365,000	\$357,000	-2.3%	-4.2%
Melbourne	\$257,000	\$267,000	\$265,000	-0.7%	3.1%
Brisbane	\$232,000	\$239,000	\$244,000	2.0%	5.1%
Adelaide	\$197,000	\$202,000	\$199,000	-1.4%	0.9%
Canberra	\$275,000	\$298,000	\$294,000	-1.3%	7.0%
Perth	\$176,000	\$208,000	\$222,000	6.6%	26.2%
Darwin	\$190,000	\$208,000	\$216,000	3.5%	13.4%

Note: composition adjusted median prices have been rounded to the nearest thousand dollars.

Source: www.homepriceguide.com.au Based on sales reported to Australian Property Monitors as at 7 November 2005.

