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## Weekly Property Pulse Professional Edition

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### Industry Market Wrap

Business confidence data released this week by the National Australia Bank showed a significant improvement in confidence levels within the market place. The index still recorded a negative result (-4.0) for the June quarter however, it was a substantial improvement on the -24.0 result for the March quarter. This result follows many recent positive results including significant increases in consumer confidence figures and positive results for property values. Employment remains the looming threat with the Government's official forecast at 8.5% however, it appears that this forecast may be a little too pessimistic with the rate of increase in unemployment not as rapid as most had anticipated and many economists are now anticipating a reduced peak unemployment figure.

The biggest talking point this week was arguably the Reserve Bank Governor's speech on the challenges of economic policy. An interesting part of his speech was the following: "A very real challenge in the near term is the following: how to ensure that the ready availability and low cost of housing finance is translated into more dwellings, not just higher prices. Given the circumstances – the economy moving to a position of less than full employment, with labour shortages lessening and reduced pressure on prices for raw material inputs – this ought to be the time when we can add to the dwelling stock without a major run-up in prices. If we fail to do that – if all we end up with is higher prices and not many more dwellings – then it will be very disappointing, indeed quite disturbing. Not only would it confirm that there are serious supply-side impediments to producing one of the things that previous generations of Australians have taken for granted, namely affordable shelter, it would also pose elevated risks of problems of over leverage and asset price deflation down the track."

These comments have had the vast majority of media outlets jumping on the possibility of a housing bubble, whilst Governor Steven's does signal that sharp price rises coupled with a continued undersupply of housing could lead to price deflation in the future, the supply side of the equation is probably more imperative. Rpdata.com have long stated the biggest constraint to the provision of new dwellings is the availability and cost of new land and the charges imposed on new development by Local and State Government's. The lack of suitable amenity in the outer areas of our capital cities where the majority of new housing development takes place also makes the purchasing proposition tough. Without quality roads, transport amenity, shopping facilities, schools and health care in these areas the appeal to purchase in these locations will likely continue to remain subdued until such time as these areas are either: significantly cheaper housing options than those found throughout other regions of the city or, the provision of localised amenity coupled with the opportunity

to own a brand new home at competitive prices provides the incentive to purchase.



Each week RP Data collects the most comprehensive set of auction results available in Australia. Thank you to our vast network of real estate professionals who assist us with aggregating these results. The statistics show how many auctions were reported by RP Data as well as the total number of auctions that were scheduled over the last week (due to the large number of auctions we are unable to report 100 percent of the results). 'Sold' properties indicate those properties that were either successfully auctioned on the day, sold before the auction or sold after the auction. Properties 'Not Sold' were either passed in at auction or withdrawn.

#### Advertised stock on the market

State	New advertised listings	Total advertised listings	State	Approximate value of total listed stock (\$m)	Approx agents commission available (based on 2.5% commission rate) (\$m)
Qld	2,896	30,746	Qld	\$11,351.8	\$278.8
NSW	2,671	33,153	NSW	\$11,918.3	\$298.0
Vic	2,213	21,434	Vic	\$7,014.3	\$175.4
WA	1,020	12,636	WA	\$5,044.4	\$126.1
SA	777	7,923	SA	\$2,504.5	\$62.6
NT	40	323	NT	\$134.6	\$3.1
ACT	50	479	ACT	\$202.1	\$5.1
Tas	277	4,204	Tas	\$1,493.9	\$37.3
Aust	9,832	110,398	Aust	\$39,232.1	\$980.8

RP Data monitors advertised properties closely. Each week we update our databases with new properties that have been added to the market. Of course we also update the current stock listed for sale: what is the marketing history, have there been changes to the price or selling method, how long has a particular property been advertised for sale and who is selling it. Want to know what is happening in your local patch? Check out RP Data's 'On the Market' service.

Click [here](#) or phone **1300 789 303** for a free 2 week trial to find out how you can see what listings are available in your area with On the Market®.

## Regional cities the place to be

*36% of Australian's live outside of the capital cities where there are plenty of opportunities for quality, affordable housing. This week's Property Pulse looks at opportunities in the largest regional areas of each state.*

Australia has a highly centralised population with the vast majority of residents choosing to live in capital city regions. Most of the nation's largest regional cities are located adjacent to the capital cities and in many instances are within a commutable distance.

In the main, the second largest cities offer a more affordable range of property and the benefit of 'big city' amenity means that they are likely to grow in appeal, especially as linkages with the capital cities continue to improve. In some instances, like the Gold Coast, the housing offering is superior to the vast majority of offering in the capital city and as a result properties tend to be more expensive than the capital city market.

Throughout the country we have analysed the following regions on a state by state basis: Newcastle / Lake Macquarie (NSW), Geelong / Surf Coast (Vic), Gold Coast (Qld), Mount Gambier (SA), Mandurah (WA) and Launceston (Tas). Based on total population, these regions represent the 2nd largest cities in each state. Of these regional areas the Gold Coast and Mandurah are the most expensive overall whilst Launceston and Mount Gambier are the most affordable.

### **MOST AFFORDABLE**

Within these regional cities, the most affordable houses are found in Rocherlea, within Launceston. Houses in Rocherlea have a current median house price of \$145,000. Launceston is well represented with four of the 10 most affordable suburbs however, the Geelong region with half of the most affordable suburbs in which to buy houses dominates the list. Newcastle is the only other region represented with Windale the fifth most affordable suburb in which to buy a house with a median price of \$183,500. Springbrook is the Gold Coasts most affordable house market (\$360,000), whilst in SA Mount Gambier is the regions only significant suburb and it has a median of \$222,000, whilst Coodanup is Mandurah's most affordable at \$299,000.

### ***Most affordable median house prices***

<b>Suburb</b>	<b>Region</b>	<b>State</b>	<b>Number Sold</b>	<b>Median Price</b>
Rocherlea	Launceston	Tas	11	\$145,000
Mayfield	Launceston	Tas	23	\$149,000
Norlane	Geelong	Vic	117	\$150,000
Corio	Geelong	Vic	236	\$183,000
Windale	Newcastle	NSW	34	\$183,500
Mowbray	Launceston	Tas	87	\$193,000
Invermay	Launceston	Tas	74	\$195,000
Thomson	Geelong	Vic	37	\$207,500
Whittington	Geelong	Vic	39	\$208,000
Breakwater	Geelong	Vic	23	\$210,000

*Source: rpdata.com*

The most affordable units within the second largest regional cities are found in the Geelong region at Corio. The median unit price in the suburb sits at \$150,000. Like the results for houses, Geelong and Launceston are both well represented when looking for affordable units, with Launceston recording five of the 10 most affordable suburbs and Geelong home to four. Outside of these two regions, units in the regional SA town of Mount Gambier has the third most affordable units with a median price recorded at \$154,000. The most affordable units in the other regions not detailed are: Waratah NSW (\$193,500), South Stradbroke Qld (\$270,000) and Greenfields WA (\$249,000).

### ***Most affordable median unit prices***

<b>Suburb</b>	<b>Region</b>	<b>State</b>	<b>Number Sold</b>	<b>Median Price</b>
Corio	Geelong	Vic	17	\$150,000
Whittington	Geelong	Vic	25	\$153,000
Mount Gambier	Mount Gambier	SA	142	\$154,000
Mowbray	Launceston	Tas	13	\$162,500
Herne Hill	Geelong	Vic	48	\$167,000
South Launceston	Launceston	Tas	14	\$178,628
Newstead	Launceston	Tas	27	\$180,000
Newnham	Launceston	Tas	19	\$182,000
Prospect	Launceston	Tas	16	\$190,000
St Albans Park	Geelong	Vic	14	\$190,500

Source: *rpdata.com*

### **MOST EXPENSIVE**

The most expensive houses in the larger regional areas are mostly found on the Gold Coast. Surfers Paradise (\$1.284 million) and Mermaid Beach (\$1.1 million) are the only two suburbs in the regions with median house prices greater than \$1 million and are two of Qld's most expensive suburbs. The Gold Coast has eight of the 10 most expensive suburbs in the largest regional areas. The other two entries are Lorne on Victoria's Surf Coast (\$767,500) and The Hill in Newcastle (\$735,000). The most expensive houses within those regions not detailed are: Mount Gambier SA (\$222,000), Wannanup WA (\$526,000) and Blackstone Heights Tas (\$360,000).

### ***Most expensive median house prices***

<b>Suburb</b>	<b>Region</b>	<b>State</b>	<b>Number Sold</b>	<b>Median Price</b>
Surfers Paradise	Gold Coast	Qld	50	\$1,284,000
Mermaid Beach	Gold Coast	Qld	35	\$1,100,000
Paradise Point	Gold Coast	Qld	104	\$877,500
Bundall	Gold Coast	Qld	62	\$862,500
Clear Island Waters	Gold Coast	Qld	62	\$843,750
Broadbeach Waters	Gold Coast	Qld	128	\$805,000
Runaway Bay	Gold Coast	Qld	81	\$785,000
Lorne	Geelong	Vic	30	\$767,500
Tallebudgera Valley	Gold Coast	Qld	15	\$755,000
The Hill	Newcastle	NSW	12	\$735,000

Source: *rpdata.com*

The most expensive units are found in Newcastle East with a median price of \$760,000. The Gold Coast again dominates the list of most expensive units with seven of the 10 most expensive median prices. Meanwhile, the other expensive unit locations are found in Newcastle with two of the ten and Geelong with the remainder. In those regions not making the list of the 10 most expensive suburbs for units the most expensive suburbs are: Mount Gambier SA (\$154,000), Halls Head WA (\$290,000) and Launceston Tas (\$352,500).

## Most expensive median unit prices

Suburb	Region	State	Number Sold	Median Price
Newcastle East	Newcastle	NSW	13	\$760,000
Hope Island	Gold Coast	Qld	220	\$705,000
Hollywell	Gold Coast	Qld	29	\$645,000
Bilinga	Gold Coast	Qld	28	\$602,500
Lorne	Geelong	Vic	23	\$600,000
Main Beach	Gold Coast	Qld	154	\$597,500
Maryville	Newcastle	NSW	13	\$503,000
Coolangatta	Gold Coast	Qld	213	\$443,000
Broadbeach	Gold Coast	Qld	320	\$437,500
Benowa	Gold Coast	Qld	68	\$421,500

Source: [rpdata.com](http://rpdata.com)

These results show that opportunity for investment in the large regional areas of the country is abundant. The results also highlight that offerings in these areas cater to all tastes with opportunities for high quality properties and significant opportunity for affordable purchases.

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