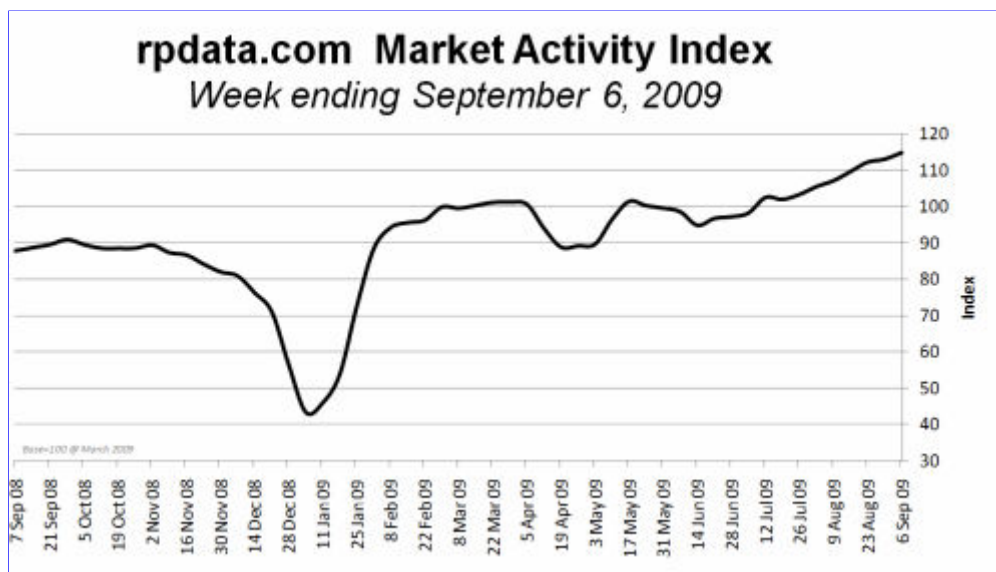


## Weekly Property Pulse Professional Edition

This week's edition covers

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- ▶ [Industry Market Wrap](#)
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### Market Activity Index



RP Data's Market Activity index again rose to new heights last week as real estate agents scramble to prepare properties for the spring market place. The Index, which measures the level of real estate agent activity in the market place, is up 17 percent since the start of June and is 31 percent higher than the same time last year.

Last week more than 18,000 Comparative Market Analysis (CMA) reports were produced by real estate professionals on individual properties around Australia. Real estate agents use the CMA reports, available at [rpdata.com](http://rpdata.com), to provide a price guide when listing a property. These reports are considered best practice by most agencies and are legislated as mandatory in several states. The coming weeks should see the size of the Australian real estate market expand considerably as more stock comes on the market and buyers take advantage of the warmer weather to investigate more properties and attend open homes and auctions on the weekend.

### Industry Market Wrap

In data released this week, housing finance commitments fell over July as first home buyer showed the first evidence of pulling back. Non-first home buyer loan commitments increased over the month as upgraders stepped up their activity. Interestingly, despite total housing finance volumes declining, the value of both owner occupier finance and investor finance increased for the sixth consecutive month; reinforcing the notion that buyer activity is rippling through into the middle and upper end of the price spectrum.

Consumer confidence and business confidence hit new highs this week with both of these key indicators increasing over the last month. The improvement is likely to have a positive effect on both the residential and commercial property markets as there is strong correlation between confidence and market activity.

## Weekly Key Statistic - Rental Market

Region	City	Weekly Rent	Change (%)	Weekly Rent	Change (%)
Sydney	APR09	215	0.5%	215	0.5%
	MAR09	214	0.5%	214	0.5%
Melbourne	APR09	185	0.5%	185	0.5%
	MAR09	184	0.5%	184	0.5%
Brisbane	APR09	165	0.5%	165	0.5%
	MAR09	164	0.5%	164	0.5%
Adelaide	APR09	145	0.5%	145	0.5%
	MAR09	144	0.5%	144	0.5%
Perth	APR09	135	0.5%	135	0.5%
	MAR09	134	0.5%	134	0.5%
Newcastle	APR09	125	0.5%	125	0.5%
	MAR09	124	0.5%	124	0.5%
Gold Coast	APR09	115	0.5%	115	0.5%
	MAR09	114	0.5%	114	0.5%
Darwin	APR09	105	0.5%	105	0.5%
	MAR09	104	0.5%	104	0.5%
Hobart	APR09	95	0.5%	95	0.5%
	MAR09	94	0.5%	94	0.5%

Rental rates across the country increased by 36% over the three years to March 2009. Since this time weekly rents have peaked, with every capital city apart from Darwin recording declines in weekly rental rates over the last three months.

The recent fall in rental rates can be attributed to an ebb in demand as more renters looked to buy, taking advantage of low interest rates and the boost to the First Home Buyer Grant.

With vacancy rates across the nation's capital cities generally below 2.5%, it is highly likely the recent fall in weekly rents will be short lived. Such low vacancies as well as the low supply of dwellings across the nation will continue to place upwards pressure on rents over the longer term.

## Latest National Auction Clearance Rates



Auction markets around the country remained robust. Last week there were almost 1,200 auctions held with a weighted clearance rate of 77.8%.

Want to know the auction results for your local area? Login to [rpdata.com](http://rpdata.com) and go to the Auction Results panel on the top right corner of the home page.

## Advertised Stock On The Market

Area	RP Date	CP	CP %	RP Date	CP	CP %
National	01/08/09	205,423	26.4%	01/08/09	205,423	26.4%
Sydney	01/08/09	46,800	26.4%	01/08/09	46,800	26.4%
Melbourne	01/08/09	46,800	26.4%	01/08/09	46,800	26.4%
Brisbane	01/08/09	46,800	26.4%	01/08/09	46,800	26.4%
Adelaide	01/08/09	46,800	26.4%	01/08/09	46,800	26.4%
Perth	01/08/09	46,800	26.4%	01/08/09	46,800	26.4%
Newcastle	01/08/09	46,800	26.4%	01/08/09	46,800	26.4%
Gold Coast	01/08/09	46,800	26.4%	01/08/09	46,800	26.4%
Darwin	01/08/09	46,800	26.4%	01/08/09	46,800	26.4%
Hobart	01/08/09	46,800	26.4%	01/08/09	46,800	26.4%

Approximately \$26.4 billion of housing stock was added to the market last month across 46,800 newly advertised properties. RP Data is now monitoring 205,423 properties that are currently available for sale..

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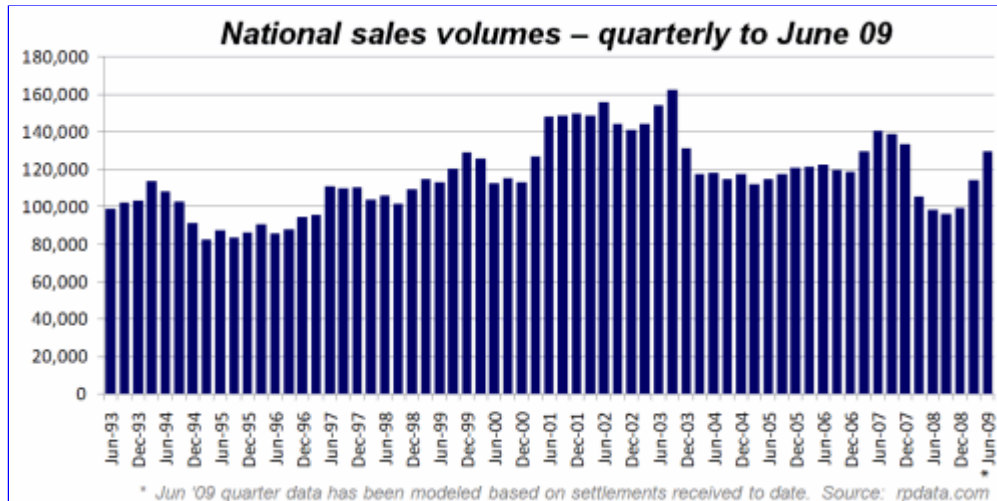
## Market activity ramps up

*The volume of home sales across Australia is up 32 percent compared to last year.*

Over the 12 months to the end of June 2009 the number of homes sold across Australia

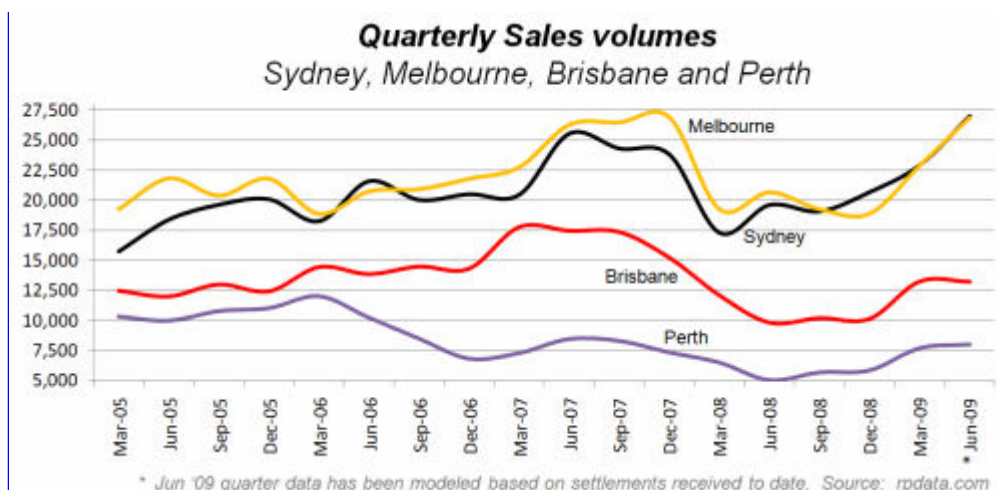
increased by 32 percent, jumping from 98,500 in June quarter last year to 130,000 in the most recent June quarter. Despite the clear improvement in market activity, sales volumes remain lower than the heights achieved during 2007 and are well below the 'boom' levels of 2001 to 2003 when quarterly volumes averaged about 150,000 sales each quarter.

Activity in the Australian real estate market bottomed during the September quarter last year and has recorded consistent improvements since this time. Thanks to historically low interest rates, a first home buyer stimulus package and improving economic figures, buyers have been given renewed confidence in market conditions.



Amongst Australia's capital cities, the most significant improvement in residential sales volumes has been recorded in Perth where home sales are up 60 percent compared to last year. The Perth market is coming from a low base; in June last year Perth sales volumes were almost 70 percent lower than the five year average and values had declined more than any capital city. The future is looking brighter for Perth with the resources sector once again picking up and a modest degree of capital growth returning to the market.

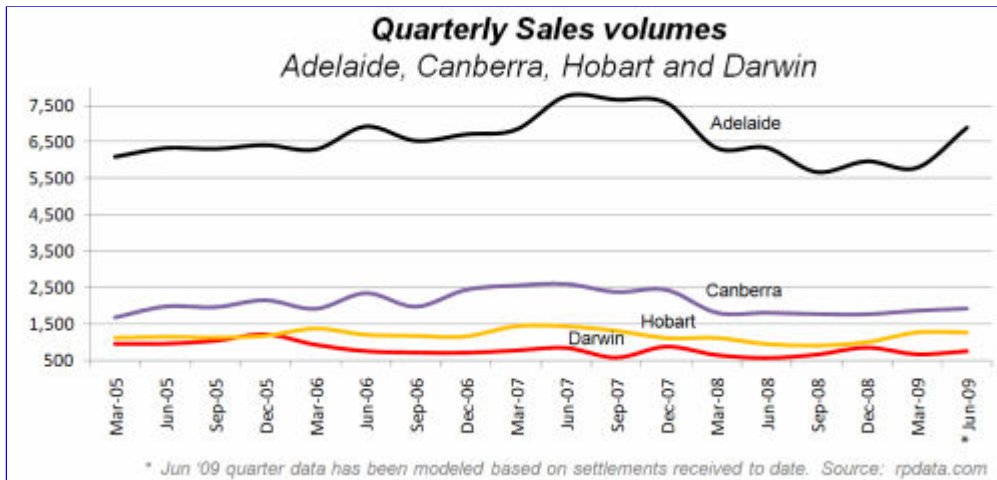
Sydney has recorded the second highest improvement in home sales volumes over the last year with volumes up by 38 percent compared to the same time last year. Over the June quarter there were approximately 27,000 home sales across the broader Sydney market, 9,600 more sales than when the market bottomed in the March quarter last year.



Brisbane volumes are up 35 percent, Hobart sales are up 34 percent, Darwin sales are up 32 percent and Melbourne sales are up 30 percent.

At the other end of the spectrum, Adelaide volumes have not seen as dramatic an improvement over the year. Home sales are up by just 9 percent over the 12 months to June. Adelaide appears to have taken a longer time to recover; the June quarter saw sales volumes lift by almost 20 percent as the Adelaide market falls into line with movements in

the other capital cities.

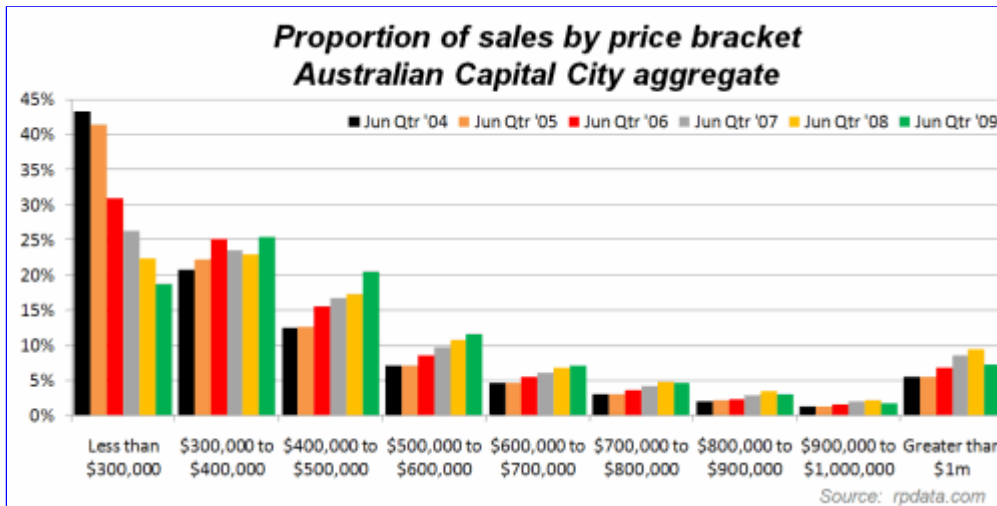


On a price basis the proportion of house sales at the most affordable end of the spectrum (under \$300,000) are drying up, partly as a result of bracket creep (houses prices under \$300,000 are becoming a rarity in the larger capital cities) and partly as a result of more buyers becoming active in the middle of the market.

Most buyers in the capital city markets are purchasing homes priced between \$300,000 to \$400,000. This market segment has remained relatively stable over the last four years, accounting for approximately 25 percent of all sales.

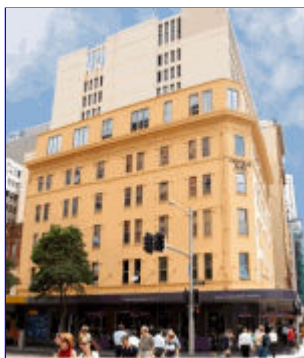
The proportion of top end house sales declined over the last year with house sales priced at \$1 million and over accounting for 7 percent of all sales. Sydney accounts for just over half of these top end sales.

The price bracket that has seen the largest movement in demand has been houses priced between \$400,000 and \$500,000 - a price range that is likely to capture the broadest mix of buyers, from first home buyers to investors and upgraders. The proportion of sales in this price bracket has increased from 17 percent of all sales to 21 percent of all sales.



The latest housing finance commitments data from the Australian Bureau of Statistics shows the volume of home loans declined over July as first home buyer loan numbers declined. However, non first home buyer loan volumes actually increased over the month, highlighting the trend of first home buyer demand declining and 'upgraders' becoming more active. In all likelihood market volumes will increase over the next quarter before falling away during the festive season. Sales volumes are likely to stabilise around historical averages during the first half of 2010 as interest rate rises dampen demand and the level of government stimulus winds down.

## Sydney retail attracts Asian interests



The sale of a hotel and retail complex in the Sydney CBD has been chalked up to growing Asian interest in the Australian property market, according to CB Richard Ellis. According to agents of CBRE, the sale of 185 Castlereagh Street had been finalised amid renewed interest in Sydney CBD investment opportunities, particularly for retail properties.

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