

Media release

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SLOWEST ANNUAL HOUSE PRICE GROWTH IN THREE YEARS

The Real Estate Institute of Australia (REIA) says that property prices decreased in the first three months of the year resulting in the slowest annual growth in the past three years.

According to the latest *REIA Real Estate Market Facts* publication, the weighted average median price for the eight capital cities was \$684,601 for houses and \$537,591 for other dwellings in the March quarter 2016.

The REIA President Neville Sanders says, “Over the quarter, the weighted average capital city median house price decreased by 1.3% while the figure for other dwellings went down by 1.1”.

“Moderate increases in the median house price in Melbourne and Adelaide were outweighed by decreases in the other capital cities. For other dwellings, Darwin was the only capital city to record an increase over the quarter.”

“The quarterly decline in prices can, in part at least, be attributed to the influence of the macro prudential measures on the housing market introduced to curb investor activity. Compared to the March quarter of 2015, the weighted average median house price increased by 4.1% while the figure for other dwellings went up by 3.3%.”

“The median house price in Sydney, the strongest market in recent years, slipped back to just under the \$1 million mark. Hobart remains the lowest prices across the capital cities.”

“Vacancy rate data shows that Melbourne, Brisbane, Perth and Darwin have either balanced or oversupplied rental markets.”

“In the current public debate on negative gearing it is worth noting that the presence of investor activity has had a positive impact on the level of rents with the March quarter CPI figures released at the end of April providing evidence that the current taxation arrangements keep rents lower than they would otherwise be.”

“Taxation arrangements for housing and their impact are key issues in the upcoming Federal election and REIA hopes the debate will be based on rational thinking and not perpetuating myths that simply do not hold up to analysis,” concluded Mr Sanders.

The Real Estate Institute of Australia (REIA) is the national professional association for real estate agents in Australia. For further information or interview opportunities, please contact:

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