

**Media Release
For Immediate Release**
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Growth in owner occupier, investor finance continues price increase: REIA

The median house price across Australian capital cities has continued to rise with the weighted average median prices increasing by 1.8 per cent for houses and 2.6 per cent for other dwellings, according to the latest research from the Real Estate Institute of Australia.

REIA Real Estate Market Facts for the June quarter 2017 show the weighted average median price for houses for the eight capital cities increased to \$768,227, with prices increasing everywhere except for Adelaide and Perth.

“The weighted average median price for other dwellings increased to \$604,456, again driven by median price increases in Melbourne and Sydney and, to lesser extent, in Darwin, Adelaide and Hobart,” Mr Gunning said.

“The largest increase in the median price for houses was seen in Hobart at 4.9 per cent, while for other dwellings Darwin’s 9.3 per cent increase was the highest.

“In contrast median house prices decreased in Adelaide and Perth and median prices for other dwellings decreased in Brisbane, Canberra and Perth,” he said.

Mr Gunning said over the quarter, median rents for three-bedroom houses decreased in most capitals except for Canberra.

“Adelaide had the largest decrease at 2.9 per cent, with the other capital cities having similar declines. Median rents for two-bedroom other dwellings increased in Canberra, Hobart and Sydney. In Melbourne, Adelaide, Perth and Darwin median rents for other dwellings declined with Brisbane having the highest decrease of 5.1 per cent.

“The weighted average vacancy rate for the eight capital cities remained steady at 2.8 per cent during the June quarter. Both Darwin and Perth continue to have high vacancy rates at 7.3 per cent and 6.9 per cent respectively, while Canberra recorded the largest decrease of 0.4 percentage points. Perth was the only capital city to see an increase with a rise of 0.8 per cent,” he said.

Mr Gunning said both investor finance and owner-occupied housing finance, excluding re-financing, showed strong increases of 12.8 per cent and 13.6 per cent respectively over the quarter.

“Whilst both increased, over the last eight quarters we have seen owner occupied financing greater than that of investors. The decline in investors is in response to the more rigid lending criteria imposed by APRA on investment property lending which is cooling the residential markets, particularly in Melbourne and Sydney.

“The past level of investor activity is flowing through in higher vacancy rates than has been the case for the last two years,” Mr Gunning said.

Real Estate Market Facts June quarter 2017

State by State

ACT

Over the June quarter, the median house price for Canberra increased to \$650,000, an increase of 3.1 per cent over the quarter and an increase of 10.2 per cent over the previous year.

While the median house price for Canberra, as a whole, increased, median house prices decreased in all zones over the quarter. The median house price increase for Canberra as whole was due to a relatively larger number of sales in Inner Central where house prices are generally higher. Price drops ranged from a decrease of 1.4 per cent in Inner Central to a fall of 0.3 per cent in Inner South.

In the 12 months to the June quarter 2017, the median house price increased in all zones of Canberra with West and North seeing the largest increase of 6.4 per cent.

Over the June quarter, the median rent for three-bedroom houses in Canberra increased 0.5 per cent to \$470 per week, over the quarter and an increase 4.4 per cent over the previous year.

The vacancy rate in Canberra decreased to 1.3 per cent over the June quarter, a fall of 0.4 percentage points.

NSW

The median house price in Sydney increased to 2.3 per cent to \$1,194,247 over the June quarter and 14.2 per cent over the previous year.

Median house prices increased in all NSW zones over the June quarter except Inner Sydney where the median house prices decreased by 3.6 per cent. Increases ranged from 2.0 per cent in Newcastle to 5.3 per cent in Outer Sydney.

The median rent for three-bedroom houses in Sydney decreased to \$485 per week or 1.0 per cent over the June quarter but an increase of 3.2 per cent over the past year.

The vacancy rate in Sydney decreased or 0.1 percentage points at 1.8 per cent over the quarter.

NT

Over the June quarter, the median house price in Darwin increased 1.9 per cent to \$540,000, or a decrease of 6.3 per cent over the previous year.

Median house prices increased over the quarter in Inner Darwin by 19.9 per cent and in the Northern Suburbs by 5.4 per cent but decreased in Palmerston 6.1 per cent and Alice Springs 11.8 per cent.

Real Estate Market Facts June quarter 2017

NT cont.

Over the June quarter, the median rent for three-bedroom houses in Darwin decreased to \$484 per week, a decrease of 2.0 per cent over the quarter and a decrease of 6.0 per cent over the previous year.

The vacancy rate in Darwin decreased to 6.9 per cent over the June quarter, a fall of 0.2 percentage points.

Queensland

The median house price for Brisbane increased 2.0 per cent to \$515,250 over the June quarter and 3.1 per cent over the previous year. All areas of Brisbane contributed to the quarterly increase with median house prices rising in Inner, Middle and Outer zones by 2.8 per cent, 0.8 per cent and 2.3 per cent respectively.

Outside of Brisbane, median house prices decreased in all areas except the Gold Coast. The Sunshine Coast decreased by 0.3 per cent, Townsville by 4.5 per cent and Cairns by 1.8 per cent. The Gold Coast median house price increased 2.1 per cent.

Over the June quarter, the median rent for three-bedroom houses in Brisbane decreased 2.6 per cent at \$380 per week, over the previous quarter.

The vacancy rate in Brisbane decreased to 2.8 per cent during the June quarter, a fall of 0.2 percentage points.

South Australia

Adelaide's median house price decreased 2.0 per cent to \$451,000, over the June quarter but an increase of 0.2 per cent over the previous year.

While the median house price decreased in Middle Adelaide by 1.9 per cent over the quarter, it increased in Inner Adelaide by 2.0 per cent and Outer Adelaide by 2.5 per cent.

Outside Adelaide, median house prices increased in Mount Gambier by 2.9 per cent, but fell by 14.7 per cent in Port Lincoln and 8.1 per cent in the Riverland.

Over the June quarter, the median rent for three-bedroom houses in Adelaide decreased to \$340 per week, a decrease of 2.9 per cent over the previous quarter but an increase of 3.0 per cent over the previous year.

Tasmania

The median house price in Hobart increased 4.9 per cent to \$430,000, over the June quarter and 8.9 per cent over the previous year.

All areas of Hobart contributed to the quarterly increase with median house prices increasing in Inner, Middle and Outer zones by 9.7 per cent, 0.7 per cent and 4.2 per cent respectively. In Launceston the median house price has increased by 4.3 per cent over the quarter and in the North-West Centres by 4.2 per cent.

Real Estate Market Facts June quarter 2017

Tasmania cont.

Over the past year, median house prices have increased in Inner Hobart and Middle Hobart by 28.7 per cent and 7.6 per cent respectively, but decreased in Outer Hobart by 2.6 per cent.

Over the June quarter, the median rent for three-bedroom houses in Hobart decreased by 2.7 per cent to \$360 per week over the quarter, but an increase of 5.9 per cent over the previous year.

The vacancy rate in Hobart decreased 0.3 percentage points to 2.0 per cent during the June quarter.

Victoria

The median house price in Melbourne increased 2.9 per cent to \$822,000 over the quarter and 16.9 per cent over the previous year. Median house prices rose in all zones throughout Victoria except for Inner Melbourne and Bendigo. With an increase of 3.7 per cent, Outer Melbourne saw the highest increase over the quarter.

Over the past year, the median house prices increased in all zones throughout Victoria except for Bendigo, which decreased by 3.4 per cent. With an increase of 18.7 per cent, Middle Melbourne had the highest increase over the previous year.

The median rent for three-bedroom houses in Melbourne decreased 2.6 per cent to \$380 per week over the quarter, but 2.7 per cent over the previous year.

The rental vacancy rate in Melbourne decreased 0.1 percentage points to 2.2 per cent over the June quarter.

WA

The median house price in Perth decreased 1.9 per cent to \$505,000 over the June quarter and 5.6 per cent over the previous year. The median house price decreased in all zones in Perth. In non-metropolitan zones, median house prices decreased except for a 7.7 per cent increase in Geraldton.

Over the past year, median house prices declined in all Perth zones with inner Perth down 10.8 per cent, Middle Perth falling 7.3 per cent and Outer Perth down 5.3 per cent. In the non-metropolitan zones, median house prices decreased except for an increase in Geraldton by 4.1 per cent and Albany up 10.0 per cent. The largest decrease over the year was 14.3 per cent in Kalgoorlie/Boulder.

The median rent for three-bedroom houses in Perth decreased 2.7 per cent to \$360 per week over the past quarter and a decrease of 7.7 per cent over the previous year.

The vacancy rate in Perth increased 0.8 percentage points to 7.3 per cent over the June quarter, an increase of 0.8 percentage points.

The Real Estate Institute of Australia (REIA) is the national professional association for real estate agents in Australia. For further information or to speak with REIA President Malcolm Gunning please contact Helen Hull at media@reia.com.au or 0419 642 961.