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Weekly Property Pulse Professional Edition

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Industry Market Wrap

The latest figures tracking the performance of the US housing market came out this week, with the First American Core Logic House Price Index (HPI) release revealing US housing prices fell 11.5 percent as of March '09 compared to a year ago, a slight improvement from an 11.7 percent annual decline as of February. Two trends are becoming evident in the US market: price declines are slowing in the states that have had the highest declines over the past three years; however, declines are accelerating in states that have been experiencing only moderate decreases during that same period. Thirty-three states (out of fifty) have exhibited acceleration in the rate of price declines in the last three months. Since U.S. home prices peaked in July 2006, national home prices have declined 22.3 percent on a cumulative basis and are currently down to the lowest price level in more than five years.

Australian market values, in comparison, have been exceptionally resilient. The April

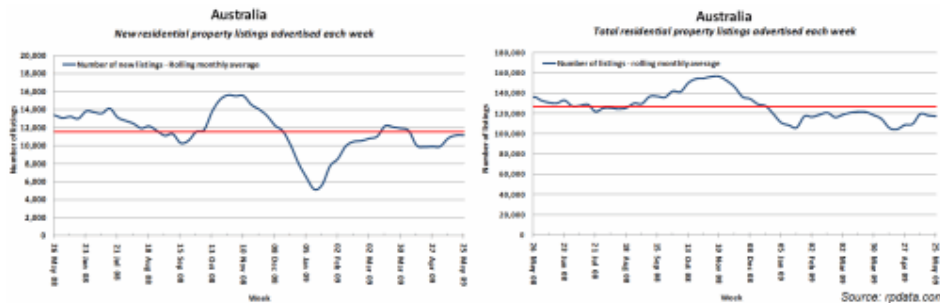
figures for the RP Data-Rismark House Value Index will be released this week. Based on last month's figures (to March '09) Australian property values increased by 1.6 percent over the first three months of the year. Overall, Australian dwelling values are just 2.5 percent or \$11,800 lower than the February 2008 peak.

Clearance rates in Australia's auction markets have improved substantially since the start of 2009. In Melbourne, Australia's largest auction market, clearance rates were averaging 60% during 2008. Over the past month clearance rates have been around the 80% mark. In Sydney, auction clearance rates have moved from a '08 average of 40% to consistently achieve 60% or greater since the first week of February.

The total number of weekly listings has remained below the 12 month average suggesting new stock additions are very controlled and total stock on market has remained consistent suggesting a healthy rate of absorption.

Auction clearance rates – week ending May 24th

City	Clearance Rate	Total Auctions	RP Data Auction Results	Sold Prior To Auction	Sold At Auction	Sold After Auction	Passed in	W/drawn
Adelaide	48.8%	47	41	0	20	0	19	2
Brisbane	53.7%	129	95	14	34	3	38	6
Canberra	63.3%	37	30	2	17	0	11	0
Melbourne	77.6%	586	490	67	302	11	103	7
Perth	27.3%	19	11	1	1	1	8	0
Sydney	63.7%	509	430	99	167	8	121	35
Tasmania	40.0%	9	5	0	2	0	2	1



APPROXIMATE COMMISSION:

Based on the median dwelling value of \$457,191 we estimate the total amount of available commission to be \$1.53 billion available across the Australian mainland.

Where's the market activity in your state?

The proportion of sales is rising in the lower price brackets of the market as the flurry of first home buyers gathers pace.

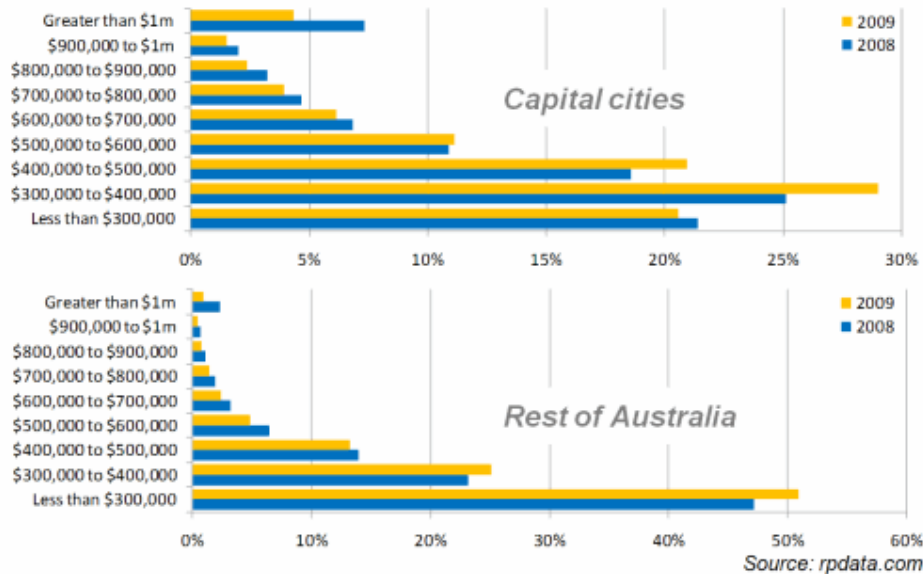
The resurgence of the first home buyer market has been well documented by RP Data Research over the last three months. First home buyers, as a percentage of all owner occupier buyers, have risen from just 12.6% of the market to 27.3% in the five years to March 2009.

The result of this activity has been a shift in where residential property buying activity is

concentrated.

From a price point perspective, more sales are occurring under \$600,000 and fewer sales are occurring over \$600,000. Across the nation's capital cities, the largest jump in market activity is occurring in the \$300,000 to \$400,000 price segment. No surprises here – this is where first home buyers are most concentrated. Across the capital cities, house sales priced under \$500,000 now account for 70% of the entire market (compared to 65% last year).

Market activity by price – house sales March qtr '08 v March qtr '09



At the other end of the spectrum, million dollar plus house sales, which comprised 7.3% of the market last year now account for just 4.3% of all sales across the capital cities?

From a regional perspective the jump in activity has not been as noticeable. Increases in market activity are concentrated in the markets where prices are under \$400,000. House sales with a price tag less than \$300,000 now account for just over half the market in the areas outside our capital cities.

Geographically, the areas that are recording the highest number of sales are located primarily within the nation's mortgage belts where median prices are mostly under \$400,000.

State by State

ACT The Belconnen and Tuggeranong council areas are where the most sales are concentrated with the suburbs of Kambah, Dunlop and Macgregor accounting for the highest sales volumes.

NSW The affordable council areas of Blacktown and Wyong are recording the largest volume of sales with these two council areas accounting for 10.5% of the total sales volume throughout the state.

NT The proportion of sales are relatively equally split between Palmerston and Darwin. Within the Northern Territory the suburbs recording the highest volumes are Roseberry and Gunn where the median house prices are \$402,000 and \$415,000 respectively.

Qld The council areas of South East Queensland are very large, hence most sales are concentrated in Brisbane, Moreton Bay, the Gold Coast and Sunshine Coast. Overall, 63% of the states property sales are concentrated within the South East corner of the state. On a suburb by suburb basis the largest volumes are evident at Forest Lake and Deception Bay where median house prices are \$375,000 and \$313,000 respectively.

SA The council areas of Onkaparinga, Salisbury and Port Adelaide-Enfield account for almost 30% of South Australia's house sales during the March quarter. The suburbs of Paralowie (Salisbury council) and Morphett Vale (Onkaparinga council) have recorded the highest sales volumes during the first three months of 2009.

Tas The northern Local Government Areas of Launceston, where the median house price is just \$227,500, has been the most active market during the first quarter of 2009, accounting for just under 13% of Tasmania's house sales. On a suburb by suburb basis, house sales within Devonport (Devonport council areas) and Claremont (Glenorchy council area) are recording the highest proportion of Tasmania's house sales. Median house prices in these suburbs are \$228,000.

Vic Geelong, Victoria's second largest city, has recorded the largest proportion of house sales during the first quarter of 2009, accounting for just over 6% of Victoria's house sales. With a median house price well under \$300,000, this market is very attractive to first home buyers. Frankston (median house price \$299,725) and Berwick (median house price of \$350,000) are the suburbs recording the largest proportion of sales in state.

WA The council areas on the northern fringe of Perth (Stirling, Wanneroo and Joondalup) are recording the most sales. Median house price in these council areas range from \$410,000 in Wanneroo to \$570,000 in Stirling. On a suburb by suburb basis, the largest proportion of house sales in the state is at Canning Vale (median house price \$487,500) and Gosnells (median house price of \$310,000). Both suburbs are located south of Perth and are well serviced by the train network and major road networks.

Where's the action? Local Government Areas recording the Largest amount of sales during March quarter 2009

Local Government Area	State	% of State Sales	% of National Sales	Median house price
Belconnen	ACT	29.7%	0.5%	\$408,000
Tuggeranong	ACT	24.9%	0.4%	\$414,000
Gungahlin	ACT	16.5%	0.3%	\$485,000
Canberra Central	ACT	12.6%	0.2%	\$625,000
Woden Valley	ACT	8.1%	0.1%	\$555,500
Blacktown	NSW	5.9%	1.6%	\$335,000
Wyong	NSW	4.5%	1.2%	\$295,000
Gosford	NSW	4.4%	1.2%	\$361,500
Lake Macquarie	NSW	3.6%	0.9%	\$316,000
Penrith	NSW	3.4%	0.9%	\$330,000
Palmerston	NT	44.5%	0.4%	\$405,000
Darwin	NT	41.1%	0.4%	\$453,750
Brisbane	Qld	19.8%	4.4%	\$474,977
Moreton Bay	Qld	10.5%	2.4%	\$372,519
Gold Coast City	Qld	9.0%	2.0%	\$498,000
Sunshine Coast Regional	Qld	7.6%	1.7%	\$455,000
Logan City	Qld	7.5%	1.7%	\$345,000
Onkaparinga	SA	12.1%	1.6%	\$305,000
Salisbury	SA	9.0%	1.2%	\$275,000
Port Adelaide Enfield	SA	7.5%	1.0%	\$356,500
Tea Tree Gully	SA	6.6%	0.9%	\$325,000
Playford	SA	5.6%	0.7%	\$242,000
Launceston	Tas	12.6%	0.3%	\$227,500
Clarence	Tas	8.5%	0.2%	\$305,050
Glenorchy	Tas	8.5%	0.2%	\$240,000
Hobart	Tas	7.4%	0.2%	\$403,250
Kingston	Tas	1.9%	0.3%	\$238,500
Greater Geelong	Vic	6.1%	1.0%	\$285,000
Casey	Vic	5.6%	1.0%	\$307,250
Mornington Peninsula	Vic	4.8%	0.8%	\$380,000
Frankston	Vic	3.6%	0.6%	\$305,000
Melville	Vic	3.3%	0.5%	\$638,000
Stirling	WA	8.0%	1.3%	\$570,000
Wanneroo	WA	7.8%	1.2%	\$410,000
Joondalup	WA	7.1%	1.1%	\$490,000
Rockingham	WA	5.8%	0.9%	\$365,000
Gosnells	WA	5.5%	0.9%	\$365,000

Source: rpdata.com

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