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Terry's View

It's difficult for real estate consumers to determine what's really going on in major property markets because researchers, economists and journalists present generalised price data. There will be one figure to describe what's happening with house prices in Melbourne and one figure to describe Sydney.

The reality is that there are multiple scenarios playing out across all of our major city markets and the single-figure approach misleads more than it informs. In Melbourne, most research sources declare that house prices have decreased in the past 12 months (how much depends on which source you believe) but there are many locations where prices are still rising. Prices have undoubtedly dropped in many of the top end suburbs, but the middle market remains firm and prices are still rising in the cheaper outer-ring suburbs.

In Perth, most sources still have house prices down a little in annual terms, but the top end locations are delivering good price growth. The Adelaide market overall is showing only moderate growth, but the millionaire suburbs are growing strongly. These kinds of distinctions need to be made for all our city markets.



Terry Ryder
Australia's Leading Independent
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Aussies Remain Bullish On Prices

Despite headlines about falling prices in Sydney and Melbourne, a new survey by Canstar shows many Australians remain optimistic about property prices – they found 5% expect prices to “skyrocket”, with an additional 33% expecting steady growth and around 25% predicting prices will remain stable.

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FHB Numbers Highest In Six Years

In November, almost 10,500 first-home buyers took out a home loan, just off the highest number in almost nine years, according to CommSec's chief economist Craig James. And as a proportion of all buyers, the share of first-home buyers is at 6-year highs at 18.3% in November.

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Affordability Up In Most Capitals

Australia's record home-building boom continues to improve housing affordability, according to HIA Senior Economist Geordan Murray. Affordability in six of the eight capital cities is now better than the 20-year average.

The HIA Affordability Index for Australia's capital cities registered 75.4 in the December 2018 Quarter. This is a level that is 1.5% higher than in the previous quarter and 3.3% higher than a year earlier.

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Rents Strong In Six Capital Cities

The Domain Rental Report shows that rents are stronger than sale prices in terms of growth in the past year. Six of the eight capital cities delivered growth in their rentals in 2018, both for houses and for apartments.

There is, as always, a strong correlation between vacancy rates and rental growth. The cities with the tightest rental markets, Hobart and Canberra, are the ones with the highest annual growth in their rentals.

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New Data Reveals Positive Position

Price data from leading website realestate.com.au shows market conditions across Australia are highly variable and generally present a more positive outlook for the market than has elsewhere been predicted.

Their numbers show that Hobart has continued to out-perform, rising 8.4% in the past year. It records year-on-year median house price decline of 5.9% in Sydney and 1.5% in Melbourne, considerably less than the rate of decline claimed by CoreLogic.

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Strong Jobs Market Underpins RE

The Federal Government will go into this year's election campaign riding the strongest jobs market in seven years, with new figures showing unemployment falling.

The Australian Bureau of Statistics reports the jobless rate edged down to 5% in December after the creation of 21,600 jobs. Victoria's jobless rate fell to 4.2% and NSW's to 4.3%. WA's unemployment rate is highest at 6.3% while it is 6.1% in Queensland and 5.9% in both Tasmania and South Australia.

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