



Official March 2008 Quarter Housing Data Composition Adjusted Housing Price Series

KEY POINTS

- Latest housing figures show a significantly slower than expected start to the 2008 property market in all state capitals
- Sluggish March quarter housing data suggests the property market is acutely sensitive to the current level of increases in interest rates
- Sydney's March quarter growth has flattened – for houses and units – despite encouraging signs throughout 2007
- Melbourne's heated property market has come to a screaming halt in the March quarter
- Canberra and Brisbane have recorded significant declines in apartment values over the March quarter

Sydney

- Sydney house values recorded no change for the March quarter despite 5 per cent growth over the previous 12 months.
- Sydney apartment values eased significantly, by 2 per cent over the March quarter.

Canberra

- Canberra house values recorded no change for the March quarter despite 10 per cent growth over the previous 12 months.
- Decline of 3 per cent in apartment prices was observed - the most significant drop in a decade.

Melbourne

- An end to a sellers market is now apparent as growth has halted abruptly.
- Melbourne experienced heavy slow down in price growth, despite an 18 per cent increase in values in the previous 12 months.
- No change in values was recorded for either houses or units in the March quarter. This suggests the prospect of a sluggish year ahead.

Brisbane

- Brisbane house values recorded slowing growth for the March quarter. House values increased by 2 per cent, compared to 18 per cent growth over the previous 12 months.
- Decline of 2 per cent in apartment prices was observed in Brisbane, which may indicate softening investor demand.

Australian Property Monitors (publishers of www.homepriceguide.com.au) publish quarterly the Composition Adjusted Housing Price Series. This index uses adjusted medians and was created in conjunction with the Reserve Bank of Australia (RBA) using data supplied by Australian Property Monitors.

Adelaide

- The heat is rapidly coming out of Adelaide's property market, despite 20 per cent increase in values for houses and units in the previous 12 months.
- House values grew by a subdued 3 per cent and unit values grew a modest 1 per cent for the March quarter.

Perth

- Perth property market continues its holding pattern, recording flat growth for houses and units for the March quarter.
- A decline of 10 per cent or more is forecast for some Perth suburbs.

COMMENTARY:



**Commenting on the results is Michael McNamara,
General Manager for Australian Property Monitors**

Comments and Forecasts

“The March quarter results strongly suggest the property market is slowing significantly and is likely to be sluggish throughout 2008. No doubt, rapidly rising interest rates are biting hard. In 2007, many capital cities enjoyed robust growth within the housing apartment markets. The slowdown marks a dramatic turnaround in sentiment for the March quarter in most Australian capital cities. These figures demonstrate the acute sensitivity of the Australian property market to rapidly increasing mortgage re-payments.

“Property markets have historically taken time to taper off after heated price growth. It is remarkable just how abrupt the slow down in the property market has been in the March quarter, especially given that Brisbane, Melbourne, Adelaide and Canberra are coming off the back of a very heated property market in 2007.

“Softer market conditions are expected to persist throughout 2008 - fewer buyers and more sellers are beginning to create a glut of unsold inventories in the property market. Consequently, this has resulted in purchasers having more choices but vendors more headaches.

“The party is definitely over for property investors, at least for now. Sydney, Brisbane and Canberra apartment markets have all experienced declines in value over the March quarter.”

Composition Adjusted Series: Houses

	Mar-08	Dec-07	Mar-07	3 month % Change	12 Month % Change
Sydney	\$550,890	\$553,228	\$524,703	-0.4%	5.0%
Melbourne	\$443,203	\$441,746	\$374,583	0.3%	18.3%
Brisbane	\$439,210	\$430,536	\$371,092	2.0%	18.4%
Adelaide	\$411,885	\$399,081	\$344,255	3.1%	19.6%
Canberra	\$494,456	\$496,360	\$448,063	-0.4%	10.4%
Perth	\$513,771	\$515,452	\$506,327	-0.3%	1.5%
Hobart	\$268,773	\$277,871	\$257,686	-3.4%	4.3%
Darwin	\$463,560	\$450,825	\$418,806	2.7%	10.7%

Composition Adjusted Series: Units

	Mar-08	Dec-07	Mar-07	3 month % Change	12 Month % Change
Sydney	\$363,438	\$372,443	\$355,762	-2.5%	2.2%
Melbourne	\$334,585	\$334,585	\$292,970	0.0%	14.2%
Brisbane	\$324,457	\$331,302	\$295,286	-2.1%	9.9%
Adelaide	\$264,503	\$261,069	\$219,524	1.3%	20.5%
Canberra	\$346,231	\$357,360	\$315,265	-3.2%	9.8%
Perth	\$359,627	\$354,904	\$346,808	1.3%	3.7%
Hobart	\$218,038	\$211,005	\$220,820	3.2%	-1.3%
Darwin	\$323,051	\$286,341	\$294,541	11.4%	9.7%

Source: www.homepriceguide.com.au

Copyright 2006 Australian Property Monitors

For more Information Please Call:

Michael McNamara

Australian Property Monitors
General Manager
APM Toll free - 1800 817 616
Mobile - 0403 546 552

About Australian Property Monitors (APM)

APM, publishers of www.homepriceguide.com.au, is the leading national supplier of online property price information to buyers and sellers, professional real estate agents, valuers and financial markets. APM has been helping our customers make informed decisions through our services since 1989.

APM monitors residential property activity from a variety of sources including auctions, government and semi-government agencies, real estate advertising, real estate agents through its own call centre and APM's own researchers. This vast pool of information ensures APM's databases contain the latest and most detailed house price information available.