



# Oz housing market heats up



## Price increases across Australia with Adelaide leading the way

Adelaide's housing prices will increase 23 per cent by the middle of 2012, the biggest rise in values of all the capital cities, and nearly twice the growth rate of Perth and Canberra, according to a new report by BIS Shrapnel forecasters.

In Melbourne, price rises of 19 per cent by mid-2012 are forecast, Darwin 17 per cent, Brisbane and Hobart 15 per cent,

Off to Bermuda in your retirement?

*Is this reality? I suppose Warren Buffet, the world's greatest share investor might agree.*

As I'm a property manager as well as a home salesperson, I can tell you a different story. Shelter is a basic need.

Tenants have little stability in their accommodation. They have few choices to improve the aesthetics of their abode. And they pay for the landlord's mortgage. All of this while enjoying no capital gains. If they have spare money, it doesn't go into shares.

## Home loans slip but investment lending climbs

Australian Bureau of Statistics figures show the number of home loans dropped by 3.4 per cent in March, following a 1.8 per cent fall in February.

It's the eighth fall in the past nine months. Approvals for investment loans, however, are going the other way with a 3 per cent jump in March.

Looking over the longer term, the trend becomes clearer with investment loans up by 24 per cent on this time last year and home loan approvals down by 30 per cent from six months ago.

## OUTLOOK UP

Median house prices for 2009, with forecasts up to 2012

	2009	Annual % change	2010	Annual % change	2011	Annual % change	2012	Annual % change
Sydney	544,000	-0.4%	555,000	2.0%	595,000	7.2%	660,000	10.9%
Melbourne	441,900	-1.8%	455,000	3.0%	489,000	7.5%	527,000	7.8%
Brisbane	419,000	-0.2%	425,000	1.4%	450,000	5.9%	480,000	6.7%
Adelaide	359,000	-3.0%	380,000	5.8%	405,000	6.6%	440,000	8.6%
Perth	450,000	1.1%	460,000	2.2%	475,000	3.3%	505,000	6.3%
Hobart	336,000	3.4%	345,000	2.7%	360,000	4.3%	385,000	6.9%
Canberra	458,000	-2.0%	480,000	4.8%	495,000	3.1%	515,000	4.0%
Darwin	475000*	12.2%	505,000	6.3%	530,000	5.0%	555,000	4.7%

\* Estimate

Source: Real Estate Institute of Australia and BIS Shrapnel

Perth and Canberra 12 per cent.

Australia is enjoying sustained growth. Relatively low interest rates and a stabilizing labour market is attracting investors and buyers for homes. A broad based recovery is being experienced internationally. Australia has avoided a housing bubble burst.

## Should you rent or buy?

This is an age old argument based on comparisons to the relative ease and supposed gains in share markets.

It goes like this.

Buying a home is only good if you receive capital appreciation. Otherwise you are saddled with maintenance and statutory costs. By being a tenant, you can get your landlord to flip the bill for repairs, while you can enjoy varied accommodation styles, in different exotic locations every 12 months.

Then you hand over your excess cash to a stock broker who invests it in shares making you a fortune.

Rather it goes to luxuries like food and electricity.

I will say the same thing every time. Buy a house/s in a good area and enjoy security, pride, invisible growth in wealth and a better future. Banks still throw money at people wanting to buy their own home in Australia. Why wouldn't you take it?

*We may have a buyer for your home*  
*We have ready made buyers waiting for properties in your area.*  
*They come from our extensive email database and our free internet service (e.g. realestate.com.au and others).*  
*For a free no obligation appraisal of your home, call either Steve or Wendy on 83770588 now.*

So if homebuyers aren't buying homes, where are they going to live? The answer is they are going to rent the homes bought by the investors.

In plain English, this means that anyone buying a home nowadays is on a sure bet to win. Especially investors.

## Median and average prices explained

Often average and median is confused for the same thing. I don't think it's something worth breaking a sweat over. They are different.

Averaging adds up property prices in a list and divides by the number of properties. The median price is the figure in the middle of a range of numbers arranged from lowest to highest.

So, if you have 13 properties, the median price would be the price of the 7th property from lowest to highest. There will be six properties below it in value and six properties above it in value.

At the end of the day, what does it matter in Australia? House prices just keep going up. Encourage your children to get a home. They can be happy in it. You can visit them. You can all be happy.

*Steve Jackson*

Winter 2010

## Glory Gallery



Dylan Tempest congratulates Wendy White upon successfully selling his Dover Gardens home



Steve congratulates Susan Bilzilis upon the successful purchase of her new property at Glengowrie



Liz Schembri with Wendy White who helped her purchase her Flagstaff Hill home.



Neveen Vincent receiving a bottle of wine from Wendy White after purchase of his Marleston home unit



Rebecca Butler and family ready to enjoy their Norwood property bought from Wendy White.

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