

House prices rebound across Australia

By Adam Parsons 8 hours 29 minutes ago



HOUSE prices have returned to growth in the December quarter across all capital cities, for the first time since March 2010, according to the Australian Property Monitors' Quarterly Housing Report.

The national median house prices increased by 1.9% over the quarter whilst units were up by 1.6%. In total, house prices are up 2.1% over the full year in 2012 and units are 2.4% higher.

Perth was the top performer in 2012, rebounding by 2.5% in the quarter totalling 6.1% over the year to \$560,780. Units increased by 3.4% totalling 6% over the 12 months to \$365,132.

Sydney continues to be the most expensive with median house prices rising by 2% during the quarter and 3.4% over the year. Sydney has broken the \$650,000 barrier for the first time, finishing the year at \$656,415. Unit prices rose by 2.3% over the quarter and 5.6% over the 12 months to \$475,314.

Darwin was the second most expensive market, house prices increased by 2.7% over the quarter and 10.2% over the year to \$629,924. Unit prices fell 1.2% in the December quarter but remain 8.3% above last year at \$415,898.

Although Brisbane house prices increased by just 0.3% over the quarter this was nonetheless significant as it signalled a revival in activity after a lengthy period of price falls. Over the year, Brisbane prices were 0.5% lower at \$433,302. Unit prices fared worst falling 2.7% taking the total decline to 3.2% over the year to \$356,293.

Adelaide continues to remain the most affordable with a median house price of \$432,309, up 0.8% during December but 0.6% lower than 2011. Unit prices increased 2.7% over the quarter but still

finished the year 2.6% at \$283,291.

Hobart recorded the strong rebound during the quarter, up 4.7% but remain 0.9% lower than a year ago at \$322,420. Unit prices soared 17.1% and are 20.2% higher than a year ago at \$297,418.

Meanwhile Canberra house prices increased by 2.1% during the December quarter, to be 0.7% higher than a year ago at \$566,003. Unit prices jumped by 3.8% but closed the year 0.6% lower at \$415,194.

APM senior economist Dr Andrew Wilson said looking ahead in 2013 activity will depend on the direction of local economies as it is no coincidence that the better performing housing markets in 2012 reflected better performing economies - particularly in regard to unemployment levels.

"Although local factors still predominate housing markets the general improvement to affordability and confidence as a consequence of record low interest rates will fuel increased buyer activity and confidence.

"With a rising sharemarket and an improving international outlook, the general economic landscape and prospects remain optimistic which is unequivocal good news for Australia's recovering housing markets," Dr Wilson said.

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