



Hilton Parkes
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The Week in Real Estate



Over 70% are Property Owners

The Australian Bureau of Statistics' [*Housing Occupancy and Costs*](#) release reveals there is little change in the proportion of us who own residential real estate.

The proportion who own their homes has remained at 67%, the same as the previous survey two years ago and slightly down on the 69% in the survey four years ago.

The percentage of renters also was steady over the past two years at 31%. However, the ABS fine print shows 17% of landlords are themselves renting.

This confirms the findings in the [*NAB quarterly residential property surveys*](#) estimates that 10% of all housing sales are to first-time buyers acting as investors. These are young Australians who continue to rent in their location of choice and buy an investment property as their first purchase.

The ABS count is that 17% of the 1.9 million landlords are people who rent their primary place of residence, which means another 3.5 percentage points should be added to the total number of residence owners – 70.5%.

[National Top 10 Best Buys](#)

Sales Rise in Most Capital Cities

Sales activity has grown in most capital cities in the past 12 months, according to a new report.

The property market update from *onthehouse* noted that Melbourne saw the highest sales growth in houses, while Adelaide's unit market had recorded the country's strongest results.

Melbourne's housing market increased sales 15.3% to 51,015 in the year ending August 2015, while the city's unit sales rose 12.6% to 39,706 over the same period.

Hobart recorded the second-highest growth in house sales activity with an increase of 10.7% to 2,198, but unit sales numbers fell 3.7% to 671.

In Brisbane, house sales rose 4.8% to 39,774 and unit sales rose 10.3% to 19,318. Adelaide's house sales increased 4.5% to 19,203, while unit sales rose 12.% to 5,163.

As further evidence of the gradual fade in Sydney's boom, house sales fell 2% to 46,748 and unit sales dropped 3.2% to 45,242.

[Top 5 Melbourne Hotspots](#)



Land Values Rise in Major Cities

Vacant land prices continued to rise across the combined capital cities during 2014-15. Data based on settled sales over the financial year shows that land prices rose 6% as an average across the capital cities.

As at June 2015, the median selling price of vacant land was \$258,543 in the capital cities and \$156,500 across the combined regional markets. Median land prices in regional areas of the country are now 39% lower than those in capital cities, the widest differential since August 1990.

Over the 25 years to June 2015, median vacant land prices have increased at an average rate of 6.8% per year.

While prices have fairly consistently risen, there has been a consistent trend towards smaller lot sizes. Of those vacant land lots sold over the year to June 2015, the median lot size was 452m² across the combined capital cities and 810m² across the combined regional markets.

Rates Unlikely to Change on Cup Day

There is unlikely to be any change to the official interest rate when the RBA board meets on Melbourne Cup Day.

The minutes of the October board meeting indicate that RBA is broadly happy with the way employment is growing, consumer spending is holding up and non-mining investment is picking up.

The board is pleased that housing prices in Sydney appear to have eased and is happy about a "modest decline" in the growth of lending to investors.

However, it says that it's "too early to be confident that these signs of slowing in housing price inflation would be sustained". Generally, the minutes suggest the economy is in better shape than it seems and that a further rate cut is unnecessary.

Report of the Week:

[Top 5 Brisbane Hotspots](#)

Brisbane is poised to challenge Sydney on price growth in 2015-16. There is growing momentum in residential markets right across the Brisbane metropolitan area. To learn which Brisbane locations are tipped to excel on property prices in 2015-16 and beyond, buy the Top 5 Brisbane Hotspots 2015-16 report. It details 5 recommended hotspots and explains why each demands attention from investors seeking superior capital growth.

[Top 5 Brisbane Hotspots](#)



Rents Nudge Up in Most Cities

Residential rent have recorded minor growth in most of the capital cities over the past 12 months, according to the Rental Index from CoreLogic RP Data.

Melbourne's index rose 2.1% in the 12 months to 30 September, while Sydney increased 1.9% and Hobart 1.5%. Brisbane, Canberra and Adelaide all recorded growth between 0.1% and 1.0%.

The annual rate of change across the combined capital cities was an historic low of 0.5%. The average rents across the eight cities are \$487 per week for houses and \$462 for units.

Perth's Rental Index fell 5.8% and Darwin's 11.4%. Despite that decline, Darwin continues to have the highest rental yields, with a median of 5.9%, followed by Hobart with 5.2% and Brisbane 4.6%.

Quote of the Week

"The strong numbers of new homes coming through to completion are going to provide additional homes to improve affordability, which has been needed in regions such as Sydney for some time."

Nick Proud, Property Council of Australia's executive director residential.



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**Helping People Achieve
Success Through
Real Estate**