



**Hilton Parkes**  
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## The Week in Real Estate



### Owner Occupier Loans Popular

The number of new approvals for owner occupiers rose 2.6% in December, consolidating on a 1.9% gain in November to be up 9.8% for the year. This is an indirect result of changes in lending criteria and borrowing rates for investor loans.

The value of loans to investors rose 1% in November and a further 0.6% in December, though still down 13.6% in annual terms.

The total combined value of loans was up 0.8% for the month and 6.4% for the year.

Construction-related finance approvals were up 5.2% in December, led by 12.4% jump in approvals for the purchase of newly-built dwellings, which includes 'off the plan' purchases.

### [National Top 10 Best Buys 2016](#)



### New Home Sales Rebound

The Housing Industry Association says new home sales bounced back in December following three consecutive months of decline.

The latest HIA-ACI New Home Sales Report found sale volumes rose 6% in the month, with multi-unit sales increasing 21.1%. HIA chief economist Harley Dale said the result was consistent with healthy national construction volumes persisting throughout the first half of 2016.

Private detached house sales increased 2.2%, though overall sales remain below their April peak.

Detached house sales grew by 5% in Queensland and Western Australia, whereas Victoria saw 1.1% growth and NSW was largely flat. Sales declined 2.1% in South Australia.

### [Top 5 Brisbane Hotspots 2016](#)



## 24 Million Sooner Than Expected

Australia's population hit 24 million on Tuesday - 17 years earlier than official predictions made in 2000, thanks to increased fertility, greater longevity and robust net migration.

The nation has added its latest million in record time – just 2 years, 9 months and 2 days since 23 million ticked over. During the second half of last century, it took four-and-a-half years to add each million people.

Private sector demographer Mark McCrindle said Australia's faster than anticipated population growth helps explain public frustration about traffic gridlock and crowded trains.

"It's no real surprise that infrastructure is playing catch-up because the population has overshoot the forecasts on which the planning was based," he said.

The Bureau of Statistics said Australia's population is projected to reach 25 million in 2018.



## Tax Reform Debate Intensifies

The tax debate has intensified since Labor announced plans to limit negative gearing to new properties and trim capital gains tax discounts.

Analysis of Australian Taxation Office data has found that about 1.2 million people claim negative gearing tax deductions on investment properties. The most claims (400,000) come from those with taxable incomes between \$40,000 and \$70,000.

Wealthy investors are less likely to negatively gear residential property, preferring commercial properties, businesses and shares instead.

Labor's plan would not affect existing investors and has been rejected by the Turnbull Government.

Property Council of Australia research shows that those who benefit from negative gearing include: 83,000 clerical staff, 61,000 teachers and child carers, 42,000 nursing and aged care workers, 46,000 sales assistants and 21,000 hospitality workers.

## RACQ Offers Premium Discount

After months of campaigning over inflated premiums in cyclone-prone areas, the RACQ has announced a program which could reduce premiums by up to 20%.

RACQ Insurance spokesman Mike Sopinski said homeowners and renters in North Queensland who have undertaken certain cyclone resilience measures to their homes will receive significant discounts on their household insurance premiums.

The discounts will range from 5% to 20% and will be based on improvements including:

- Opening protection – such as roller door bracing and window shutters.
- Roof strapping – including tying down roof battens to trusses and rafters, timber roof battens to rafters and roof trusses to wall frames.
- Over-batten systems – steel plates fitted over roofing material and held to the foundations, outside the main walls, by tie rods and turnbuckles.
- Complete roof replacement.
- Complete retrofit to current building code.

## Quote of the Week

*“If you start to take these benefits away, you will get an enormous backlash. There’s a fine line between crimping some advantages and slaughtering the whole area. Negative gearing really belongs to the mass investor. Wealthy investors don’t negatively gear into residential property – they end up with commercial properties, businesses and shares.”*

- Fausto Pastro, Director, Accounting & Advice Group  
William Buck



## Report of the Week:

### The Ryder Report February Edition

The Ryder Report is the only document of its kind in Australian real estate. It provides property news and analysis you won't find in the national media - or anywhere else. The February 2016 edition is out now.

[The Ryder Report](#)