



Hilton Parkes
An Agent You Can Trust

The Week in Real Estate



Refinancing On The Rise

Latest Australian Bureau of Statistics housing finance figures show a 3.5% rise in refinancing in November following the spate of out-of-cycle rate increases by the major banks in October.

TD Securities chief Asia-Pacific Macro Strategist Annette Beacher said refinancing rose 3.5% in November and 15.6% over the year.

The number of homeowners moving to fixed-rate mortgages for two years or longer has also risen from 9.1% to 11.4% – a sign that many believe we have hit bottom on interest rate levels.

Of the \$1.449 trillion Australians owe on property, 63% is made up of owner-occupiers and 37% investors. Beacher says investment lending has been shrinking since April 2015.

Report of the Week:

Best Buys 2016

This is the report that tells you the best places to buy in 2016. It highlights the 10 locations revealed by Hotspotting research to have the strongest growth drivers for long-term capital growth and the best opportunities to buy well before prices rise strongly.

[Top 10 Best Buys](#)

Tax Review Welcomed

The Property Council has welcomed the commitment of the Federal Government to review changes to Australia's property taxes against their impact on housing supply and demand.

Ken Morrison, Property Council of Australia chief executive, says that property taxes and stamp duty impact housing affordability across Australia, hurting home-buyers, economic growth and jobs. He wants to see three levels of government working together on planning laws to address congestion and productivity.

Morrison says the property industry is waiting to see more details on the Government's Value Capture proposals. "Property owners already pay stamp duty, land tax and capital gains tax - and we are wary of Government adding a Value Capture Tax on top of them," he says.



Economy is Sound: Treasurer

Federal Treasurer Scott Morrison says the economy remains “very sound” despite global volatility, with 300,000 jobs created in the past year.

A Deloitte Access Economics report has suggested Australia faces its slowest income growth for 50 years. Morrison says we are not earning enough as a country but the fundamentals of the Australian economy are very sound.

Economist Chris Richardson says the Treasurer needs to explain to Australians that while the economy is okay, “the budget is not”.

Resources Minister Josh Frydenberg says the resources sector will continue to provide billions of dollars to the economy, even if it was less than previously.

Foreign Buyers Caught Out

The Federal Government has ordered the sale of eight residential properties, bought in breach of foreign ownership laws.

The Government is penalising foreigners who breach rules that restrict them to buying new homes only.

Since the foreign ownership crackdown began last year, the Government has investigated 1,300 property sales and has another 800 under investigation. To date 27 properties, bought illegally by people from Canada, China, India, Malaysia and the United States, have been sold.



Property Industry Remains Bullish

The ANZ/Property Council Survey has found the property industry remains confident about the economy, but expects lower levels of housing construction in 2016.

Property Council of Australia chief executive Ken Morrison says: “Property will still be a growth driver for the economy in 2016, even with an expected easing of housing construction levels”.

Morrison says expectations of national economic growth have risen nationally since the federal leadership change.

But ANZ chief economist Warren Hogan says a number of factors that drove Australia’s growth through 2015 will wane in 2016. Tighter mortgage lending will see softer residential construction activity while commercial property construction is gradually increasing.

Quote of the Week

“Clearly households are locking in good deals as they think the easing cycle is over.”

- Annette Beacher of TD Securities, commenting on the increase in the number of borrowers opting for fixed-rate loans.

