



Hilton Parkes
An Agent You Can Trust

The Week in Real Estate



Change of PM Recovers Confidence

A turnaround in opinion polls after Malcolm Turnbull's elevation to Prime Minister has been followed by the biggest weekly jump in consumer confidence in seven years.

The ANZ-Roy Morgan consumer confidence gauge rose 8.7%, more than recouping the 7.1% drop in the previous fortnight and recovering above its long-term averages.

"Increased confidence is certainly a positive for the Australian economy, hopefully translating into increased spending, investment and employment," Commonwealth Securities chief economist Craig James said this week.

ANZ chief economist Warren Hogan said the new leadership needed to deliver a clear economic story for the country, if the confidence bounce was to be sustained.

"Expectations are clearly high, not unlike when the coalition initially won power, and the community will be sensitive to disappointment on this front," Hogan said.



City Land Prices Keep Rising

Median vacant land prices rose 417% on average in capital cities and 422% across the combined regional areas in the past 25 years, according to a Property Pulse report.

The report noted vacant land prices are much higher than all other capital cities in Sydney, while the cost of vacant land has risen sharply over the past year in Sydney, Melbourne and Perth.

Research analyst Cameron Kusher said: "With higher prices and fairly steady land areas, the rate per square metre of land has continued to rise over the past year across the combined capital cities, while it has fallen in regional markets.

"Our research shows that median lot sizes have been reasonably stable across the combined capital cities over the past 12 months. "On a rate per square metre basis, vacant land in Sydney and Perth is much more expensive than all other capital cities. The rate per square metre has generally risen over the past year."



Date Shows Source of Jobs Growth

The number of people with a job rose by 253,800 over the year to August, according to new data from the Australian Bureau of Statistics.

The figures show professional, scientific & technical services accounted for 39% of the rise in employment over the year, with a rise of 100,000 - despite employing only 8% of workers as the year began.

That sector includes scientific research, legal and accounting services, advertising, management consulting, architecture and engineering, although the bureau doesn't provide enough detail to show exactly where the jobs are being generated. But with NSW boasting half the nation's jobs growth over the year,

it's reasonable to suppose it has something to do with the state's booming housing market.

Healthcare & social assistance, making up only 12% of the workforce, added 87,600 workers, contributing 34% of the increase. And accommodation & food services, added 39,000 workers.

Price Data Shows Market Disparities

The latest Property Price Indexes from the Australian Bureau of Statistics provide further evidence of the disparities between markets around Australia.

Sydney's price index rose 18% in the year to 30 June, but the next best was 7.8% in Melbourne, with the other six capital cities below 3%.

Two cities, Perth and Darwin, recorded declines in the residential prices.

Over the year to 30 June, the weighted average rise in the residential property price index for the eight cities combined was 9.8%, but only Sydney recorded growth that big.

Brisbane rose 2.9%, Canberra 2.8% and Adelaide 2.7%.

And, for the record, the ABS says that Australia has 9,528,300 dwellings worth a total of \$5,761 billion.



Delinquent Loans Dip 1.34%

Ratings agency Moody's says delinquent mortgages (those more than 30 days in arrears) fell marginally to 1.34% in the year to May.

NSW was the main driver for the nationwide fall, with every other state except Tasmania, recording small rises in mortgage delinquencies despite interest rates being at record lows.

The ratings agency said strong economic activity and rising property prices in Sydney drove a 0.29 percentage point fall in mortgage delinquencies in NSW.

"When property prices are rising, borrowers at risk of arrears are more likely to be able to sell their houses quickly to fulfil their repayment obligations, thereby keeping delinquencies low," Moody's said.

The report showed that people in the mining areas of Queenslanders and Western Australians had the greatest problems keeping up with home loan repayments.

Quote of the week:

"In the 20 years I have worked in financial services, I have never seen the level of lender competition we are witnessing now."

Mortgage Choice CEO John Flavell.

