



Hilton Parkes
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The Week in Real Estate



Big Cities Lead On Rent

Melbourne and Sydney recorded the highest growth in residential rents in the past 12 months, according to CoreLogic RP Data.

Melbourne's 2.1% annual rise was the highest among the capital cities, followed closely by Sydney with a 2.0% rise. Canberra rents were up 1.1%, Hobart 0.3% and Adelaide 0.2%. Perth, down 7.4%, and Darwin, down 13.5%, both recorded significant decreases in residential rents and were instrumental in keeping the national average rise to just 0.3% for the past 12 months.

Darwin has the highest median rental yield, at 5.9%, followed by Hobart's 5.4% and Brisbane's 4.5%. Sydney (3.7%) and Melbourne (3.4%) are the only capital cities with median yields below 4%.

The Price Predictor Index

Plan Early For Retirement

Mortgage Choice's inaugural Financial Confidence survey shows 65.2% of Australians are concerned about their retirement funds.

Of those surveyed, 60.7% said they would need \$500,000 in order to retire comfortably, while 18.5% had no idea how much money they would need.

The majority of Australians want to live a comfortable retirement and believe they need to have a huge savings, says Mortgage Choice chief executive officer John Flavell.

Many industry websites recommend Australians have about \$600,000 in savings when they retire. Savings can come from a variety of areas and assets, including the sale of an owner-occupied home. But it can be hard to save in just a few years, so Australians should start planning for their retirement as early as possible.



Building To Stay Strong In 2016

The number of new housing finance commitments for new dwellings will continue to be strong in 2016, says Peter Jones, chief economist of Master Builders Australia.

"Master Builders forecasts 220,000 dwelling starts in 2015/2016, ensuring builders will be busy with a solid pipeline of work continuing well into the New Year," Jones said.

The crucial role that housing investment plays in supporting growth and jobs as the economy rebalances from the mining boom is important he says.

"Master Builders is confident the building industry's strong multiplier effects and employment flow on benefits will ensure the housing industry can continue to drive economic growth and jobs in 2016."

Top 5 Melbourne



Sentiment Higher Than Last Year

The Westpac Melbourne Institute Index of Consumer Sentiment fell from 101.7 in November to 100.8 in December. But the Index is 10.7% above its levels this time last year. There have only been two months since January 2014 with higher Index readings.

In the December survey, respondents were asked about news items and if they viewed them as favourable or unfavourable.

Common responses were: 'economic conditions' (48% of respondents); 'Budget and taxation' (42.8%); 'interest rates' (24.3%); and 'international conditions' (20%).

The most important change was around 'Budget and taxation' with the proportion of respondents recalling news on this topic doubling since September and the news assessed as considerably less favourable.

Survey respondents viewed news on interest rates more favourably than in September.



Calls For Debate on Stamp Duty

Homebuyers in Victoria have paid \$41 billion in stamp duty on property since 2001, says the Property Council of Australia.

In Victoria, revenue from stamp duty on property rose from \$1.7 billion for the 2001 financial year, to \$4.2 billion in 2014, with budget forecasts showing it will top \$5 billion this financial year.

Victorian Executive Director Jennifer Cunich said the increasing revenue from stamp duty, which is viewed as the tax with the highest cost to economic growth and living standards, needs addressing.

Cunich says relying on homebuyers to fund \$5 billion of the state's budget annually is hurting families and holding back Victoria's economy because it prevents the creation of new jobs. Recently, Victoria collected \$400 million more in property taxes than was originally forecast.

Quote of the Week

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- Master Builders Australia chief economist Peter Jones



Report of the Week:

Top 10 Best Buys 2016

NEW 2016 EDITION OUT NOW! 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.

SPECIAL BONUS OFFER: Anyone who purchases the Top 10 Best Buys 2016 in December will receive the next three monthly editions of The Ryder Report (a 25-page analysis of property markets nationwide) FREE.

Top 10 Best Buys