



# Residential Property Monitor

June 2009

## Supply

On a seasonally adjusted basis:

- National housing approvals have continued to improve, increasing by 7.2% in April. While housing approvals have continuously improved since hitting 8-year lows in December, annual figures still remain 14% below the level of a year ago and 9.5% below the long term average. April housing approvals were again up in all states, with growth ranging between 3.8% in VIC to 12.6% in NSW.
- National approvals for 'other dwellings' fell by 1.4% in April after 2 months of double-figure growth. 'Other dwelling' approvals, although historically more volatile than housing approvals, are rising if analysed on a 3-month rolling basis. Growth in April was mixed on a state basis. NSW (104.8%), QLD (30.4%) and SA (5.0%) all recorded positive growth in April, while VIC (-47.3%) and WA (25.9%) approvals fell.

## Demand

On a seasonally adjusted basis:

- Nationally, finance commitments by owner occupiers to construct or buy a new dwelling continued to improve in April, growing by 0.7%. Although a slower growth rate than in previous months, finance commitments to construct or buy a new dwelling continue to sit above the long term average by 15%. Annual levels are still down on a year ago by 11%.
- The number of commitments by owner occupiers for existing dwellings (excluding re-financing) has also continued to improve, growing by 1.2% in April. Commitments for existing dwellings are however sitting above the long term average by 10%, although remain 18% lower than a year ago.
- Nationally, investor finance continued to improve in April growing by 0.3% after double digit growth in February and March. Improvement in demand is filtering through to investor finance with current commitments sitting 3.2% above the long term average. However, annual levels are still down on a year ago by 24%.

## Value

- REIA's Q1 2009 Residential Market Facts indicates that nationally, average median house prices decreased by 0.8% in the quarter, to be down 4.7% annually. On a state by state basis, growth rates were mixed. House prices increased over the quarter in Brisbane (0.3%), Canberra (1.0%), Perth (2.4%) and Darwin (5.3%). The remaining cities saw price falls of between 0.5% in Sydney and 3.1% in Melbourne. Sydney house prices remain the highest at \$527,000, followed by Darwin at \$455,000.
- Market Facts also reported that national average median 'other dwellings' prices decreased by 0.1% in Q1 2009 to be down 2.1% over the year. As with house prices, state data was mixed over Q1 2009. 'Other dwelling' prices were up in Canberra (0.1%), Sydney (0.8%), Perth (1.9%) and Darwin (3.3%). The remaining cities saw 'other dwelling' prices decline by between 0.8% in Melbourne and 5.2% in Adelaide.



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Larger State data

Supply Data	Time Period	NSW	VIC	QLD	SA	WA	General Trend
Approvals (original) Houses: Private	Apr 2009	1,056	2,263	1,471	767	1,159	Rising
Average monthly approval Longer term	1985 to date	2,073	2,349	2,114	637	1,317	-
Approvals (original) Other dwelling: Private	Apr 2009	926	612	649	190	124	Mixed
Average monthly approval Longer term	1997 to date	1,605	889	958	159	285	-
Approval growth (sa) Houses: private	Mar 09- Apr 09	12.6%	3.8%	4.4%	5.1%	6.2%	-
Approval growth (sa) Other dwell: Private	Mar 09- Apr 09	104.8%	-47.3%	30.4%	5.0%	-25.9%	-

Demand Data	Time Period	NSW	VIC	QLD	SA	WA	General Trend
Owner occupier finance - existing (No.)	Apr 2009	12,017	7,257	7,479	2,941	3,554	Rising
Longer term monthly average (No.)	1985 to date	8,478	6,069	4,863	2,213	3,153	-
Owner occupier finance new (No.)	Apr 2009	1,827	2,488	1,646	632	1,167	Rising
Longer term monthly average (No.)	1985 to date	1,817	1,803	1,563	571	1,076	-
Price adjusted investor finance	Apr 2009	\$582 M	\$331 M	\$234 M	\$100 M	\$114 M	Rising
Longer term monthly average	1991 to date	\$497 M	\$235 M	\$233 M	\$64 M	\$98 M	-

Value Data	Time Period	SYD	MEL	BRIS	ADE	PER	General Trend
Gross Value (median unit yield)	Mar 09 Quarter	5.7%	4.6%	5.1%	4.5%	5.2%	Rising
Long term yield	1988 to date	5.3%	5.5%	6.2%	6.1%	5.8%	-
Vacancy Rate	Mar 09 Quarter	1.2%	1.4%	1.7%	1.8%	2.9%	Rising
Long term vacancy rate	1980 to date	2.3%	2.6%	2.6%	2.7%	3.3%	-
Affordability Index	Mar 09 Quarter	33.0	36.1	33.2	35.1	38.6	Rising
Long term affordability rate	1980 to date	34.4	42.3	40.4	41.9	45.6	-
Change Median Other Dwelling Prices	Mar 09 Quarter	0.8%	-0.8%	-1.4%	-5.2%	1.9%	Falling
Inflation adjusted growth (LT Avg)	Mar 09 Quarter	0.8%	-1.1%	-1.6%	-5.2%	2.0%	Falling
	1980 to date	0.6%	1.0%	0.8%	0.8%	0.9%	-
Change Median House Prices	Mar 09 Quarter	-0.5%	-3.1%	0.3%	-1.9%	2.4%	Mixed
Inflation adjusted growth (LT Avg)	Mar 09 Quarter	-0.5%	-3.3%	0.0%	-1.9%	2.5%	Mixed
	1980 to date	0.6%	0.9%	1.0%	0.9%	0.9%	-

\* For Sydney only 'Houses' now include houses, cottages, terraces, semi detached dwellings, townhouses and villas. 'Units' includes units, studios and duplexes. These definitions are for Sydney only and are different from those used by the ABS and REIA.

**ABS Sources:**

8731.0 Building Approvals Australia, April 2009  
5690.0 Housing Finance, April 2009  
5671.0 Lending Finance, April 2009

**Other Sources:**

REIA/Mortgage Choice, Market Facts, March 2009  
Deposit Power/REIA Home Loan Affordability Report, March 2009



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Tasmania, Northern Territory and ACT

Supply Data	Time Period	TAS	NT	ACT	General Trend
Approvals (original) Houses: Private	Apr 2009	212	65	167	
Average monthly approval Longer term	1985 to date	188	55	122	-
Approvals (original) Other dwelling: Private	Apr 2009	6	14	168	
Average monthly approval Longer term	1997 to date	24	50	84	-
Approval growth (sa) Houses: private	Mar 09- Apr 09	n/a	n/a	n/a	-
Approval growth (sa) Other dwell: Private	Mar 00- Apr 09	n/a	n/a	n/a	-

Demand Data	Time Period	TAS	NT	ACT	General Trend
Owner occupier finance - existing (No.)	Apr 2009	776	333	675	Rising
Longer term monthly average (No.)	1985 to date	613	229	495	-
Owner occupier finance new (No.)	Apr 2009	142	51	136	Rising
Longer term monthly average (No.)	1985 to date	135	51	131	-
Price adjusted investor finance	Apr 2009	\$12 M	\$17 M	\$29 M	Mixed
Longer term monthly average	1991 to date	\$10 M	\$16 M	\$25 M	-

Value Data	Time Period	HOB	DAR	CAN	General Trend
Gross Value (median unit yield)	Mar 09 Quarter	5.5%	5.1%	5.7%	Rising
Long term yield	1988 to date	7.0%	5.9%	6.3%	-
Vacancy Rate	Mar 09 Quarter	2.1%	1.8%	2.5%	Rising
Long term vacancy rate	1980 to date	3.5%	6.2%	2.6%	-
Affordability Index	Mar 09 Quarter	36.0	46.0	59.4	Rising
Long term affordability rate	1980 to date	48.3	57.9	58.8	-
Change Median Other Dwelling Prices	Mar 09 Quarter	-1.0%	3.3%	0.1%	Mixed
Inflation adjusted growth (LT Avg)	Mar 09 Quarter	-1.2%	3.2%	-0.1%	Mixed
	1980 to date	1.0%	1.7%	0.9%	-
Change Median House Prices	Mar 09 Quarter	-2.1%	5.3%	1.1%	Mixed
Inflation adjusted growth (LT Avg)	Mar 09 Quarter	-2.4%	5.3%	1.0%	Mixed
	1980 to date	1.2%	1.2%	1.0%	-

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