



Residential Property Monitor

June 2010

Supply

On a seasonally adjusted basis:

- National dwelling approval numbers for houses have been trending downwards recently, with numbers down by -3.8% on a 3-month rolling basis. April was no exception to the trend, recording a monthly fall of 13.5%. Despite the recent decline in numbers, annual approvals for houses in April were 18.9% higher than a year ago. On a state basis, monthly housing approval growth declined across all States. The largest declines were recorded in VIC (-23.8%) and SA (-15.3%). The remaining states saw declines of between -2.5% (WA) and -9.4% (NSW).
- After increasing by a huge 58.3% in March, national approval levels in April recorded a minor correction, falling by -5.4%. Despite the monthly fall, approvals for other dwellings have increased by 13.0% on a 3-month rolling basis although annual levels still remain slightly lower than a year ago, by -0.5%. On a state basis, approval numbers for other dwellings were mixed in April. QLD and VIC recorded growth of 7.7% and 2.8% respectively, while falls were recorded in WA (-47.6%), NSW (-27.9%) and SA (-11.0%).

Demand

On a seasonally adjusted basis:

- The number of finance commitments to construct or buy new dwellings declined for the sixth consecutive month in April, falling by -1.8% although remain 7.5% above the long term average. Annual commitment numbers for new dwellings are 38.6% higher than a year ago.
- Finance commitments also remained weak for existing dwellings, as numbers fell for the seventh consecutive month, by -0.1%. Despite the weakness for much of the last 6 months, annual commitment numbers for existing dwellings are 7.7% higher than a year ago.
- National price adjusted investor finance levels continue to gain momentum, increasing by 1.2% in April, after growth of 7.7% in March. Investor finance levels are currently some 31.0% higher than long term average levels. On a 3-month rolling basis, VIC has recorded the largest growth of investors, by 16.9%, followed by NSW (13.5%), QLD (13.5%), SA (13.0%) and WA (10.3%).

Value

- REIA's Q1 2010 Residential Market Facts indicates that nationally, average median house prices increased by 0.8% over Q1 2010, which is lower than the 4.2% quarterly increase reported by Rismark. On a state basis, REIA suggests Q1 house prices increased in Adelaide (4.5%), Perth (3.1%), Hobart (2.8%), Sydney (1.4%), Darwin (1.3%) and Brisbane (0.9%) while prices fell in Melbourne (-2.0%) and Canberra (-0.2%).
- REIA indicates that national median house prices are now 18.7% higher than a year ago, which, according to REIA, is the highest annual increase since September 2003. Melbourne has recorded the largest annual growth of 29.3%, followed by Hobart (20.8%), Darwin (20.2%), Perth (16.3%), Sydney (14.8%), Brisbane (14.0%) and Canberra (9.3%).



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Larger State data

Supply Data	Time Period	NSW	VIC	QLD	SA	WA	General Trend
Approvals (original) Houses: Private	Apr 2010	1,213	2,475	1,624	669	1,406	Falling
Average monthly approval Longer term	1985 to date	2,045	2,380	2,103	641	1,327	-
Approvals (original) Other dwelling: Private	Apr 2010	917	1,314	745	114	345	Mixed
Average monthly approval Longer term	1997 to date	1,543	909	933	160	282	-
Approval growth (sa) Houses: private	Mar 10- Apr 10	-9.4%	-23.8%	-6.6%	-15.3%	-2.5%	-
Approval growth (sa) Other dwell: Private	Mar 10 - Apr 10	-27.9%	2.8%	7.7%	-11.0%	-47.6%	-

Demand Data	Time Period	NSW	VIC	QLD	SA	WA	General Trend
Owner occupier finance - existing (No.)	Apr 2010	8,978	6,284	5,163	2,129	2,806	Mixed
Longer term monthly average (No.)	1985 to date	8,592	6,128	4,966	2,238	3,171	-
Owner occupier finance - new (No.)	Apr 2010	1,436	2,648	1,260	572	1,134	Mixed
Longer term monthly average (No.)	1985 to date	1,815	1,846	1,571	575	1,096	-
Price adjusted investor finance	Apr 2010	\$734 M	\$458 M	\$281 M	\$122 M	\$146 M	Rising
Longer term monthly average	1991 to date	\$523 M	\$254 M	\$246 M	\$68 M	\$106 M	-

Value Data	Time Period	SYD	MEL	BRIS	ADE	PER	General Trend
Gross Value (median unit yield)	Mar 10 Quarter	5.1%	3.9%	4.9%	4.4%	4.4%	Mixed
Long term yield	1988 to date	5.3%	5.1%	5.8%	5.9%	5.7%	-
Vacancy Rate	Mar 10 Quarter	1.1%	1.5%	3.8%	1.3%	4.1%	Mixed
Long term vacancy rate	1980 to date	2.3%	2.5%	3.3%	2.6%	3.4%	-
Affordability Index	Mar 10 Quarter	29.0	30.7	30.3	31.0	35.5	Falling
Long term affordability rate	1980 to date	34.3	42.0	40.1	41.6	45.3	-
Change Median Other Dwelling Prices	Mar 10 Quarter	1.6%	2.0%	-1.7%	3.0%	1.0%	Rising
Inflation adjusted growth (LT Avg)	Mar 10 Quarter	1.0%	0.8%	-2.4%	2.4%	-0.1%	Mixed
	1980 to date	0.7%	1.1%	0.9%	0.9%	1.1%	-
Change Median House Prices	Mar 10 Quarter	1.4%	-2.0%	0.9%	4.5%	3.1%	Rising
Inflation adjusted growth (LT Avg)	Mar 10 Quarter	0.6%	-3.2%	0.1%	3.9%	2.0%	Rising
	1980 to date	0.7%	1.1%	1.1%	1.0%	1.0%	-

* 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 2010
5690.0 Housing Finance, April 2010
5671.0 Lending Finance, April 2010

Other Sources:

REIA/Mortgage Choice, Market Facts, March 2010
Deposit Power/REIA Home Loan Affordability Report, March 2010



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Tasmania, Northern Territory and ACT

Supply Data	Time Period	TAS	NT	ACT	General Trend
Approvals (original) Houses: Private	Apr 2010	161	61	61	Falling
Average monthly approval Longer term	1985 to date	189	55	96	-
Approvals (original) Other dwelling: Private	Apr 2010	61	86	86	Mixed
Average monthly approval Longer term	1997 to date	27	49	44	-
Approval growth (sa) Houses: private	Mar 10 - Apr 10	n/a	n/a	n/a	-
Approval growth (sa) Other dwell: Private	Mar 10 - Apr 10	n/a	n/a	n/a	-

Demand Data	Time Period	TAS	NT	ACT	General Trend
Owner occupier finance - existing (No.)	Apr 2010	584	281	544	Falling
Longer term monthly average (No.)	1985 to date	620	752	500	-
Owner occupier finance new (No.)	Apr 2010	161	37	155	Falling
Longer term monthly average (No.)	1985 to date	136	129	133	-
Price adjusted investor finance	Apr 2010	\$11 M	\$21 M	\$41 M	Rising
Longer term monthly average	1991 to date	\$10 M	\$17 M	\$27 M	-

Value Data	Time Period	HOB	DAR	CAN	General Trend
Gross Value (median unit yield)	Mar 10 Quarter	5.1%	4.6%	5.5%	Mixed
Long term yield	1988 to date	6.9%	5.9%	6.2%	-
Vacancy Rate	Mar 10 Quarter	2.2%	2.5%	1.0%	Mixed
Long term vacancy rate	1980 to date	3.5%	6.0%	2.6%	-
Affordability Index	Mar 10 Quarter	33.3	42.0	56.0	Falling
Long term affordability rate	1980 to date	47.9	57.3	58.7	-
Change Median Other Dwelling Prices	Mar 10 Quarter	-7.7%	7.3%	8.5%	Mixed
Inflation adjusted growth (LT Avg)	Mar 10 Quarter 1980 to date	-8.4% 1.0%	6.7% 1.9%	7.8% 1.0%	Mixed -
Change Median House Prices	Mar 10 Quarter	2.8%	1.3%	-0.2%	Mixed
Inflation adjusted growth (LT Avg)	Mar 10 Quarter 1980 to date	2.1% 1.4%	0.8% 1.3%	-0.8% 1.1%	Mixed -

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