

Market Update: Sales Results

June Quarter 2016 Edition



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Sales Results - Adelaide Metro

The second quarter of 2016 has ushered in a spectacular result to mark the half year. Never before have we witnessed higher median values in metropolitan Adelaide and across South Australia.

Following the release of the Valuer-General's median house value data for the 2016 June quarter, REISA President, Mr Alex Ouwens said that the latest figures showed a fantastic 2.27% increase in the median value over the first quarter of 2016 and a phenomenal 5.42% increase over the same quarter last year.

In the June quarter, 4,000 houses settled across the Adelaide metropolitan area which is a result that is down on the same quarter last year but almost the same as the previous quarter. Sales across the entire State were also consistent with the previous quarter.

"It is great news that the median value has once again shattered the record and now stands at an amazing \$450,000. Every quarter, it just keeps getting higher and higher. This in itself is evidence of the strength of the underlying fundamentals of the South Australian real estate market and a testament to the fact that purchasers are willing to pay a premium price for a property in a transparent and competitive market" Mr Ouwens said.

"The volume of sales across South Australia and in metropolitan Adelaide are solid and there are always a variety of reasons as to why they rise and fall over certain quarters. We always would like to see more sales every quarter – even if they are up from the previous one – but I am enormously encouraged by the fact that sales remained very stable from the traditionally strong first quarter. The months leading into winter are often tough and this – along with the cold temperatures, employment figures, Federal election and negative gearing campaign – could have easily influenced the sales figures for this quarter. It is fantastic that the sales results held up throughout this"

"Confidence in South Australia's property sector is high and this quarter's results demonstrate the importance of tax and planning reforms, as well as significant defence investment. From an investor's perspective, housing finance commitments indicate that the Adelaide market is in favour. Investors currently make up nearly half of all mortgages which is great news for Adelaide. We are also seeing Buyer Advocates from Melbourne and Sydney over recent months buying 4 or 5 properties per weekend at auction for clients back on the Eastern seaboard" Mr Ouwens said.

Suburbs which have seen the largest growth over a 12 month period were Semaphore, Nailsworth and St Peters. Other big movers included Evanston, Largs Bay and Glenelg North. Top selling suburbs in terms of recorded sales over the June quarter were the perennial Number 1 Morphett Vale, Parafield Gardens and Mawson Lakes.

"While the list of top growth suburbs can fluctuate wildly, it is always good to see that the top selling suburbs remain pretty constant quarter after quarter. Housing affordability, great infrastructure, lots of development activity, investment potential and location are always factors that appeal to first home owners and investors alike and will continue to ensure that these suburbs remain at the top of the sales lists" Mr Ouwens said.

More broadly, the June quarter statistics showed that South Australia recorded growth of 5.13% compared to the same quarter last year and 2.50% growth compared to the last quarter.

The unit and apartment market showed a 2.09% increase in the median value compared to the same quarter last year and a fantastic 5.12% increase when compared to the last quarter. Sales were significantly up from the previous quarter both in metropolitan Adelaide and across the State.

"I am delighted with these figures. We have a sensational new record median value, sales have remained stable over a traditionally tough quarter, home and unit sales are up, and confidence out there in the market place is strong. I look forward to this trend continuing throughout the rest of the year" Mr Ouwens said.

Sales Results - Adelaide Metro

Sales Statistics 2 nd Quarter 2016									
Index	Category	2Q 2015		1Q 2016		2Q 2016		Quarter % change	12 month % change
		Sales	Median	Sales	Median	Sales	Median		
South Australia	Houses	6,013	\$390,000	5,484	\$400,000	5,321	\$410,000	2.50%	5.13%
Metro Adelaide	Houses	4,534	\$426,875	4,083	\$440,000	4,000	\$450,000	2.27%	5.42%
Central Metro	Houses	2,244	\$490,000	1,991	\$502,000	1,985	\$515,000	2.59%	5.10%
Inner Metro	Houses	407	\$689,000	348	\$729,000	369	\$775,000	6.31%	12.48%
Metro Adelaide	Home Units	1,385	\$332,500	1,100	\$325,000	1,378	\$343,000	5.54%	3.16%

Suburb	Sales Jun15	Median Jun15	Sales Jun16	Median Jun16	Median Change %
Semaphore	9	\$461,200	10	\$628,750	36.33%
Nailsworth	8	\$559,000	10	\$745,000	33.27%
St Peters	12	\$1,078,000	13	\$1,410,100	30.81%
Evanston	12	\$255,000	16	\$322,500	26.47%
Largs Bay	12	\$515,000	11	\$640,000	24.27%
Glenelg North	13	\$558,000	12	\$685,000	22.76%
Royal Park	18	\$348,000	11	\$425,000	22.13%
Panorama	12	\$480,000	14	\$580,025	20.84%
Para Vista	9	\$293,000	10	\$353,000	20.48%
Holden Hill	11	\$310,000	14	\$372,500	20.16%
Adelaide Metro	4,534	\$426,875	4,000	\$450,000	3.16%

Median House Prices – June Quarter 2016

Top 10 growth Suburbs with 10 or more sales in current quarter

Sales Results - Regional

Following the release of the Valuer-General's median house values for the June 2016 quarter, the regional housing market recorded a median house value of \$260,000. This was a significant increase of 1.96% from the same quarter last year but down 2.77% from the previous quarter.

Sales were just down from the previous quarter and when compared to the same quarter last year.

"The sales results in the regions are very solid and I am delighted that they mirror the great performance witnessed in the metropolitan area during a traditionally challenging quarter. While the median value is down from the previous quarter, it is still a great result and up from the same period last year" said REISA President, Mr Alex Ouwens.

Suburbs which have seen the largest growth over a 12 month period are Barmera, Whyalla and Naracoorte with increases of 12.35%, 10.21% and 5.65% respectively..

Top selling suburbs in terms of recorded sales over the June quarter were the perennial Top 3 – Mount Gambier, Victor Harbor and Murray Bridge.

Sales Statistics 2nd Quarter 2016									
Index	Category	2Q 2015		1Q 2016		2Q 2016		Quarter %	12 month %
		Sales	Median	Sales	Median	Sales	Median	Change	Change
Major Towns	Houses	480	\$255,000	456	\$267,250	442	\$260,000	-2.71%	1.96%
Component Towns									
Millicent	Houses	14	\$134,500	18	\$125,000	10	\$126,250	1.00%	-6.13%
Mount Gambier	Houses	86	\$236,750	99	\$278,000	113	\$250,000	-10.07%	5.60%
Murray Bridge	Houses	59	\$237,500	58	\$231,000	67	\$225,000	-2.60%	-5.26%
Port Augusta	Houses	34	\$227,500	24	\$239,000	23	\$200,000	-16.32%	-12.09%
Port Lincoln	Houses	49	\$325,000	55	\$330,000	43	\$323,500	-1.97%	-0.46%
Port Pirie	Houses	52	\$205,000	48	\$189,000	26	\$180,000	-4.76%	-12.20%
Victor Harbor	Houses	96	\$343,500	77	\$365,000	96	\$350,000	-4.11%	1.89%
Whyalla	Houses	18	\$235,000	14	\$237,500	17	\$259,000	9.05%	10.21%
Other Towns									
Barmera	Houses	10	\$170,000	9	\$231,000	6	\$191,000	-17.32%	12.35%
Berri	Houses	14	\$149,500	15	\$181,250	10	\$150,000	-17.24%	0.33%
Naracoorte	Houses	22	\$212,500	21	\$245,000	24	\$224,500	-8.37%	5.65%
Renmark	Houses	16	\$208,750	17	\$186,250	12	\$177,500	-4.70%	-14.97%

Median House Prices – June Quarter 2016 - SA's main regional centres

*Please note that low turnover towns are more vulnerable to statistical variation

Auction Results

Week Ending	Clearance Rates
3 April	71%
10 April	60%
17 April	62%
24 April	63%
1 May	63%
8 May	62%
15 May	69%
22 May	69%
29 May	54%
5 June	65%
12 June	78%
19 June	67%
26 June	58%

Note: The auction clearance rate is calculated from the number of residential properties auctioned during the period and the number that were sold before, at or immediately after the auction.

Auction Clearance Rates – June 2016

Based on residential properties auctioned in South Australia during the specified period

Top 10 Residential Auction Sales		
7 The Common Beaumont	Michael Brock/Susan Brock Harcourts Brock Estates Luxury Property Selection	\$2,310,000
33 Marlborough St Malvern	Steve Alexander/Oren Klemich Klemich Real Estate	\$2,205,000
6 Myrtles Ct Medindie	Andrew Fox/Penelope Schapel Toop&Toop Real Estate	\$1,900,000
19 Whistler Av Unley Park	Tim Thredgold/Megan Thredgold Toop&Toop Real Estate	\$1,705,000
4 Moore St Toorak Gardens	Tim Thredgold/Megan Thredgold Toop&Toop Real Estate	\$1,635,000
41 Bellevue Cct Gulfview Heights	Colin Martin Martin Real Estate	\$1,600,000
15 Fifth Av St Peters	Tim Thredgold/Megan Thredgold Toop&Toop Real Estate	\$1,525,000
38 Myall Av Kensington Gardens	Catherine Crease Ouwens Casserly Adelaide Henley Beach Collinswood	\$1,515,000
4 Redmond St Collinswood	Alexi Broikos/Victor Velgush Refined Real Estate Plympton	\$1,450,000
35 Barker Rd Prospect	Alexi Broikos/Marina Ormsby Refined Real Estate / Toop&Toop Real Estate	\$1,435,000