

Market Update: Sales Results

September Quarter 2017 Edition



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Sales Results - Adelaide Metro

The third quarter – as happens every year – shows a decrease in the volume of sales but the Real Estate Institute of South Australia (REISA) is optimistic for the housing market in the months ahead.

Following the release of the Valuer-General's median house price data for the 2017 September quarter, REISA President, Mr Alex Ouwers said that the latest figures showed a slight decrease in the median price from the previous quarter but also showed a good 2.27% increase over the same quarter last year.

In the September quarter, 4,028 houses settled across the Adelaide metropolitan area which is down on the previous quarter and just down from the same quarter last year. Sales across the entire State were also down for both these periods.

"It is always disappointing to see a decline in the volume of sales as it means that home owners are feeling increasingly immobile due to paying the highest stamp duty in the nation. Stamp duty is a "monster" tax that traps people in homes that are a poor fit for the size of their families. In Adelaide stamp duty for the average house is about \$25,000. First homebuyers - even after saving an average of eight years for a deposit - need to find another \$25,000. One third of the costs of a new home is government taxes, levies and charges; removing stamp duty would increase development of new homes and improve affordability. 60 per cent of people between the ages of 60-69 live in homes that have two or more spare bedrooms. Replacing stamp duty with land tax would remove a barrier for many Australians which prevents them from downsizing"

"However, the third quarter is traditionally a slow period for sales anyway and we always see similar results during this time every year. The winter months always herald a slower period with the higher valued properties waiting for the better weather to sell. I have enormous optimism that in the coming months, sales will pick up considerably. Many respected national analysts are predicting Adelaide to be a leader in price growth in 2018. While winter is always a slower period, the situation is still not helped by the lack of Government first home owner grants and the crippling property taxes that exist in South Australia."

"It is certainly welcome news that the median house price was a respectable \$450,000 – only slightly down from the previous quarter, which is expected each year in winter but still most significantly prices are up from the same quarter last year" Mr Ouwers said.

Suburbs which have seen the largest growth over a 12 month period were Toorak Gardens, Dernancourt and Moana. Other big movers included Port Noarlunga, North Haven and Parkside. Top selling suburbs in terms of recorded sales over the September quarter were the everlasting Number 1 Morphett Vale, Paralowie and Parafield Gardens. Other top performing suburbs included Hallett Cove, Aldinga Beach and Aberfoyle Park.

"I say this every quarter but it is always very interesting to see the top selling suburbs and the suburbs that showed the strongest growth in median house price. And it is always the same. The key is affordability – a situation once again not assisted by the State Government's refusal to consider alternatives to property taxation. When affordability is right, the property market is buoyant. The other reasons these suburbs are doing so well is that they offer a huge potential for investment and have excellent infrastructure and development projects underway. These results should constantly be a reminder to Government that property taxation is also dependent upon the volume of sales and that both go hand in hand. We need to move to a fairer system that removes barriers for those who may be looking to upgrade to larger homes, downsize to smaller homes, or get into the market to begin with." Mr Ouwers said.

More broadly, the September quarter statistics showed that South Australia recorded growth of 2.50% compared to the same quarter last year but a 1.80% drop from the previous quarter.

The unit and apartment market showed a fantastic 5.45% increase in the median price compared to the same quarter last year but a 3.37% drop from the previous quarter. Sales were down from the previous

Sales Results - Adelaide Metro

quarter both in metropolitan Adelaide and across the State but significantly up from the same period last year.

"The third quarter of every year is tricky and in no way should the results of this quarter be taken to suggest that the property market is not heading in the right direction. It is imperative that we look at the median house price still being at a fantastic \$450,000 and the fact that there are still fabulous numbers of sales being recorded in the suburbs that are consistently at the top of the list every quarter. I am extremely optimistic that sales will bounce back next quarter and that South Australia will continue to be one of the best places in the world in which to live, work and invest" Mr Ouwens said.

Sales Statistics 3 rd Quarter 2017									
		3Q 2016		2Q 2017		3Q 2017		Quarter % change	12 month % change
Index	Category	Sales	Median	Sales	Median	Sales	Median		
South Australia	Houses	5,450	\$400,000	5,966	\$417,500	5,354	\$410,000	-1.80%	2.50%
Metro Adelaide	Houses	4,141	\$440,000	4,502	\$455,000	4,028	\$450,000	-1.10%	2.27%
Central Metro	Houses	1,973	\$520,000	2,238	\$531,000	1,963	\$536,950	1.12%	3.26%
Inner Metro	Houses	327	\$741,750	362	\$783,500	318	\$818,000	4.40%	10.28%
Metro Adelaide	Home Units	1,061	\$335,000	1,386	\$357,500	1,201	\$347,500	-2.80%	3.73%

Suburb	Sales SEPT16	Median SEPT16	Sales SEPT17	Median SEPT17	Median Change %
Toorak Gardens	6	\$945,000	10	\$1,421,000	50.37%
Dernancourt	14	\$427,500	14	\$555,000	29.82%
Moana	7	\$352,500	10	\$455,000	29.08%
Port Noarlunga	15	\$410,000	16	\$517,500	26.22%
North Haven	9	\$395,000	11	\$496,500	25.70%
Parkside	11	\$713,000	14	\$879,000	23.28%
Tranmere	17	\$568,500	16	\$700,000	23.13%
Blair Athol	16	\$416,500	17	\$496,000	19.09%
Marion	10	\$455,500	12	\$535,000	17.45%
Salisbury	15	\$290,000	22	\$340,000	17.24%
Adelaide Metro	4,141	\$440,000	4,028	\$450,00	2.27%

Median House Prices – September Quarter 2017

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 prices for the September 2017 quarter, the regional housing market recorded a median house price of \$262,000. Although down from the previous quarter and the same period last year, the result is still very strong.

Sales were up slightly from the previous quarter and significantly up from the sale period last year.

REISA President, Mr Alex Ouwers said "It is absolutely fantastic that the regional results have somewhat bucked the dreaded 3rd quarter trend and are significantly up from the same period last year. The fact that they are also up from the previous quarter shows the considerable resilience and strength of the regional property market".

Suburbs which have seen the largest growth over a 12 month period are Berri, Port Pirie and Port Augusta with fantastic increases of 47.21%, 36.30% and 12.14% respectively.

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

Sales Statistics 3 rd Quarter 2017									
		3Q 2016		2Q 2017		3Q 2017		Quarter %	12 month %
Index	Category	Sales	Median	Sales	Median	Sales	Median	Change	Change
Major Towns	Houses	448	\$270,000	482	\$263,600	487	\$262,000	-0.61%	-2.96%
Component Towns									
Millicent	Houses	14	\$163,750	12	\$160,000	17	\$180,000	12.50%	9.92%
Mount Gambier	Houses	103	\$261,750	103	\$262,328	117	\$255,000	-2.79%	-2.58%
Murray Bridge	Houses	61	\$270,000	66	\$242,500	70	\$245,000	1.03%	-9.26%
Port Augusta	Houses	21	\$175,000	31	\$225,000	33	\$196,250	-12.78%	12.14%
Port Lincoln	Houses	41	\$310,000	46	\$300,000	43	\$310,000	3.33%	0.00%
Port Pirie	Houses	39	\$168,750	41	\$190,000	37	\$230,000	21.05%	36.30%
Victor Harbor	Houses	89	\$350,000	98	\$350,000	81	\$351,000	0.29%	0.29%
Whyalla	Houses	22	\$245,000	15	\$200,000	29	\$265,000	32.50%	8.16%
Other Towns									
Barmera	Houses	5	\$205,000	8	\$151,000	5	\$175,000	15.89%	-14.63%
Berri	Houses	13	\$170,000	11	\$162,000	13	\$250,250	54.48%	47.21%
Naracoorte	Houses	23	\$217,500	26	\$228,000	24	\$211,250	-7.35%	-2.87%
Renmark	Houses	16	\$197,250	15	\$245,000	22	\$217,500	-11.22%	10.27%

Median House Prices – September Quarter 2017 - SA's main regional centres

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

Auction Results

Week Ending	Clearance Rates
2 July	63%
9 July	58%
16 July	72%
23 July	68%
30 July	71%
6 August	64%
13 August	71%
20 August	63%
27 August	72%
3 September	56%
10 September	69%
17 September	71%
24 September	71%

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 – September 2017

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

Top 10 Residential Auction Sales		
4 Austral Tce Malvern	Bonnie Whyte / Steve Alexander Klemich Real Estate	\$2,096,000
26 Thornber St Unley Park	Jordan Begley Toop&Toop Real Estate	\$1,776,000
27 Scarborough St Somerton Park	Tyson Edwards / Mandy Edwards Harris Real Estate	\$1,670,000
8 Hewitt Av Rose Park	Peter McMillan / Eloise McMillan Toop&Toop Real Estate	\$1,605,000
13 Fourth Av Saint Peters	Judy Morris Klemich Real Estate	\$1,565,000
20 Burke St Tusmore	Richie Carter Carter Partners Burnside	\$1,550,000
8 Grandview Gr Dulwich	Andrew Welch LJ Hooker Kensington/Unley	\$1,483,000
1 Roberts St Unley	Jason Spagnuolo / Nick Borrelli Ray White Norwood	\$1,385,000
118 Second Av Royston Park	Steve Alexander Klemich Real Estate	\$1,377,000
7 Maynard Av Campbell Town	Clarence Ling Belle Property Adelaide City	\$1,370,000