

SA MARKET UPDATE – 3rd QUARTER

4 November 2019

The third quarter of 2019 shows a decrease in the volume of sales as happens every year during this quarter. Despite the low volume of sales, 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 2019 September quarter, REISA President Mr Brett Roenfeldt, said that the latest figures once again showed a median price that had remained at record levels this quarter. Significantly, the median price also showed a growth of 0.40% since the same quarter last year.

In the September quarter, 3,605 houses settled across the Adelaide metropolitan area which is down from the previous quarter and only slightly down from the same quarter last year. Sales across the entire State were also down from the last quarter.

“There is no doubt that there is far less stock at the moment and this has been the case for some time now. However, the third quarter is always traditionally a slow period for sales and these results are comparable to the same quarter in previous years. However, the figures also show that realistically and transparently priced properties continue to sell well”

“The great news is that the median price continues to remain high and this is surely a sign of the underlying confidence and resilience of our property market. This is why REISA has so forcefully opposed the State Government's land tax reforms. We must oppose measures that are doing nothing except to create uncertainty, undermine confidence and force our traditional mum and dad investors into spending huge sums of money in restructuring or giving up their property portfolios altogether” Mr Roenfeldt said.

Suburbs which have seen the largest growth over a 12 month period were Evanston, Taperoo and Gulfview Heights. Other big movers included Munno Para, Greenwith and Munno Para West.

Top selling suburbs in terms of recorded sales over the September quarter were the perennial Number 1 Morphett Vale, Hallett Cove and Aldinga Beach.

“Affordability, location and a sound investment opportunity will always be the key drivers of purchaser decision making and suburbs that show these qualities will always perform consistently and well. This is why the same suburbs appear in the top sales list every quarter” Mr Roenfeldt said.

More broadly, the September quarter statistics showed that the growth in the South Australian median price was a robust 1.19% up from the same quarter last year and only slightly down from the previous quarter.

The unit and apartment market are on fire at the moment. The median price in the unit market reached a new record level of \$370,000 which was a fantastic 7.56% increase over the same quarter last year and a great 5.77% increase over the previous quarter. Sales were also significantly higher than the same period last year and only slightly down from the previous quarter. Sales in the suburb of Adelaide were triple the

previous quarter and the same quarter last year with median growths of 22.16% over the same quarter last year and 18.56% over the previous quarter.

“The third quarter is always the most difficult quarter to comment on especially in these times of low volumes of stock. This quarter always sees a further decline in the sales volume so this just adds a compounding effect. However, the median price is still at record high levels and purchasers are willing to pay a price that is affordable and realistic. South Australia will always be one of the best places in the world to live, work, invest and enjoy a great lifestyle” Mr Roenfeldt said.

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