

# Market Update: Sales & Rental Results

September Quarter 2012 Edition



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# Sales Results - Adelaide Metro

## Flat property market ready to pounce in spring

The winter property market has recorded some flat trends, but with optimism leading into spring with a fresh flurry of activity after the recent interest rates cuts, said the Real Estate Institute of South Australia.

The September quarter property settlements were officially released and REISA President, Mr Greg Moulton, said that there were no surprises in the data with the quarter total volume sales being similar to the same time last year.

“Properties have been moving, but at a slower rate than people were used to several years ago, so there is no doubt that the property market is experiencing some tough times, like other sectors across the State,” he said.

“However, the interest rate cuts in recent months have really started to stimulate buyer activity and REISA members are commenting that more negotiations and contracts are being written in recent weeks, so we are optimistic of a stronger spring season.”

The official Government data for the September 2012 quarter shows that the median price in metropolitan Adelaide is \$385,000 which is 0.9% lower than the same time last year. Across the State, the SA median is \$360,000 which is the same as the September quarter for 2011.

Top performing suburbs for the quarter included Somerton Park, Hope Valley and Salisbury with growth over the 12 month period of 18.4%, 17.6% and 13.55% respectively.

Examining wider trends, the inner city suburbs performed well over the past quarter with sales volume up on the same time last year and a small increase in the median house price (up 0.36% to \$607,200).

Mr Moulton said that the latest sales are not revealing any strong patterns of growth, and more so, it appears that prospective purchasers are considering each property on the market on its individual merits.

“In tougher market conditions, having the property priced for sale in the current market is crucial and this is where the relationship between vendor and agent is critical,” he said.

“Moving into spring, I think there is a sense that the market will shift and a further rate cut will definitely boost confidence in the housing market.”

Suburb	Sales Sept 11	Median Sept11	Sales Sept12	Median Sept12	Median Change %
Largs North	7	\$370,000	10	\$465,000	25.68%
Somerton Park	11	\$530,000	12	\$627,500	18.40%
Hope Valley	27	\$333,750	13	\$392,500	17.60%
Torrens Park	9	\$560,000	11	\$655,000	16.96%
Salisbury Heights	22	\$330,250	18	\$375,000	13.55%
Torrensville	6	\$460,000	13	\$518,500	12.72%
Clarence Park	5	\$476,250	12	\$527,500	10.76%
Munno Para	16	\$285,000	21	\$315,000	10.53%
Port Noarlunga	11	\$335,000	18	\$370,000	10.45%
Parkside	12	\$590,000	12	\$650,500	10.25%
Adelaide Metro	3,691	\$388,500	3,583	\$385,000	-0.90%

Median House Prices – September Quarter 2012  
Top 10 growth Suburbs with 10 or more sales in each quarter

# Sales Results - Regional

## Regional housing market starting to pick up moving into spring

The regional housing market has shown some signs of bounce after a solid quarter of settlements and a small movement in median house prices, according to the Real Estate Institute of SA.

The September quarter property settlements were officially released today and REISA President, Mr Greg Moulton, said that the regional areas have been a little stronger than metropolitan Adelaide, which is a positive sign after some tough times across the State.

"Preliminary data shows that over 330 houses sold in the major towns over the past quarter, and when this data is finalised, it should lift to around 400 which is above the same time last year," Mr Moulton said.

"Although the boost is small, it's a good sign to move into spring with and it shows there is some confidence across the regional areas."

"Additional, the interest rate cuts in recent months have really started to stimulate buyer activity and REISA members are commenting that more negotiations and contracts are being written in recent weeks, so we are optimistic of a stronger spring season."

The official Government data for the September 2012 quarter shows that the median price in regional SA is \$255,000 which is 6% higher than the same time last year. Across the State, the SA median is \$360,000 which is the same as the September quarter for 2011.

Mount Gambier and Victor Harbor recorded growth for both the past quarter and the 12 month period and were particular stand outs for regional towns in this reporting quarter.

Regional Town	Sales Sept 11	Median Sept 11	Sales Sept 12	Median Sept 12	Median change %
Renmark	22	\$175,000	12	\$227,500	30.00%
Mount Gambier	69	\$220,000	65	\$253,000	15.00%
Victor Harbor	59	\$317,500	74	\$359,000	13.07%
Berri	6	\$200,000	12	\$222,500	11.25%
Port Augusta	38	\$213,500	31	\$220,000	3.04%
Port Pirie	38	\$176,500	27	\$181,000	2.55%
Port Lincoln	55	\$265,000	34	\$263,250	-0.66%
Murray Bridge	48	\$225,000	52	\$222,500	-1.11%
Naracoorte	23	\$180,750	14	\$175,000	-3.18%
Baramba	6	\$142,500	5	\$130,000	-8.77%
Regional SA	362	\$240,000	337	\$255,000	6.25%
South Australia	4,914	\$360,000	4,647	\$360,000	0.00%

Median House Prices – September Quarter 2012

SA's main regional centres

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

# Auction Results

## Winter auction market targets in-demand areas

The past quarter has been a slower time with auctions, typical of the winter market. Successful auctions have focused on the eastern and beachside suburbs.

Although the clearance rate has averaged less than 50% for the quarter, agents utilizing the auction method of sale have said that the process has been important in capturing buyers and helping vendors understand market conditions.

"With an auction, potential buyers are brought to the negotiating table early in the campaign which can help facilitate a quick sale and help the market find the balance on price.

Looking forward to the spring season, over 100 properties are expected to be offered per week by auction leading into the Christmas period.

## Auction Results

Week Ending	Clearance Rates
1 July	35%
8 July	36%
15 July	41%
22 July	41%
29 July	44%
5 August	46%
12 August	51%
19 August	31%
26 August	43%
2 September	44%
9 September	45%
16 September	41%
23 September	44%
30 September	35%

**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.

## Top 10 Residential Auction Sales

99 Ocean Bvd, Seacliff Park	<b>Catherine Crease</b> – Brock Harcourts Adelaide	\$2,950,000
44 Sunnyside Rd, Glen Osmond	<b>Stephanie Williams</b> – Harcourts Brock Williams	\$2,850,000
287 The Esplanade, Henley Beach	<b>Peter McMillan</b> – Toop & Toop	\$2,150,000
47 Third Ave, St Peters	<b>Peter McMillan</b> – Toop & Toop Norwood	\$1,765,000
13 St Andrews St, Walkerville	<b>Hamish Mill</b> – Harcourts	\$1,230,000
10A Valmai Ave, Kings Park	<b>Judy Morris</b> – Klemich Real Estate Adelaide	\$1,130,000
203 Chandlers Hill Rd, Happy Valley	<b>Marc Jones</b> – Elders Aberfoyle/Flagstaff	\$1,040,000
68 Beulah Rd, Norwood	<b>Becky Neale</b> – Toop & Toop Real Estate Norwood	\$980,000
136 Kensington Rd, Toorak Gardens	<b>Andrew Welch</b> – L J Hooker Kensington	\$953,000
67 Eton St, Malvern	<b>Kris Casey</b> – Harris Real Estate	\$935,000

Auction Clearance Rates – September Quarter 2012

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

# Rentals – Adelaide Metro & Regional

## Rental market vacancies fall in metro Adelaide in September quarter

The quarterly vacancy rate for metropolitan Adelaide has fallen to just over 3% in the September quarter, the lowest level in 12 months, according to the Real Estate Institute of South Australia (REISA).

Metropolitan Adelaide recorded a vacancy rate of 3.06% for the September quarter, down from 3.91% in June showing strong movement after a flat 12 period in the rental market.

Releasing the September quarter data, REISA commented that the market has particularly started to strengthen in the western and southern areas, which were previously recording quite high vacancies.

“REISA members have said that getting the price right to meet the market is one of the most important things when offering property to the market as overpriced rental properties will not attract potential tenants in this marketplace.”

Commenting on the regional vacancy rate, Mr Moulton said that there had been a slight movement upwards to 4.02% from 3.74% last quarter.

## REISA Vacancy Rates September Quarter 2012

City/ North Adelaide	2.4%
West	4.1%
South	2.7%
East	2.8%
North	3.2%
Hills	2.0%
Eyre Peninsula	3.7%
Upper Spencer Gulf	2.2%
Mid North	1.6%
Fleurieu/Kangaroo Island	5.8%
South East	3.7%
Riverland	2.0%
Yorke Peninsula	10.8%

**Note:** The weekly rental figure is derived from new rentals taken up within each postcode in the time period. The vacancy rate is based on a quarterly vacancy rate survey conducted with the REISA membership. Over 28,000 properties under management were used in the September 2012 survey.

## Top 10 performing suburbs for rental increases

Suburb	Sept 2012 rental median	Number rented	Sept 2011 rental median	12 month % rental change
Woodville	\$390	30	\$273	42.86%
Ascot Park	\$323	20	\$232	39.01%
Colonel Light Gardens	\$468	10	\$370	26.35%
New Port	\$483	10	\$383	25.98%
Kensington Gardens	\$450	10	\$360	25.00%
Woodville North	\$323	10	\$260	24.04%
Glenside	\$525	10	\$425	23.53%
Semaphore	\$405	20	\$335	20.90%
Woodville West	\$330	10	\$278	18.71%
Marino	\$400	10	\$338	18.34%

Median Weekly Rent for Houses – September Quarter 2012 / Top 10 growth suburbs with 10 or more rents in each quarter

# Sales/Rental Results - Units

## Units mirror housing market patterns

The unit market has continued to follow the general pattern for sales over the past quarter, with the high demand suburbs close to the city, still attracting strong interest.

Additionally, some developments in key suburbs and also regional towns, has seen a flurry of sales in the small property market.

“People are not always wanting a traditional three bedroom home and the unit and apartment market is growing to accommodate these different living needs.

“Units also prove popular with some younger buyers, keen to get into the market and start investing in property at a young age.”

## Top 10 suburbs/town for median house price increases

Suburb	Quarterly sales volume	Quarterly median price	12 month median price change
Brighton	13	\$400,000	28.4%
Glenelg	31	\$609,000	16.0%
Mansfield Park	18	\$346,500	15.2%
Glenelg East	11	\$405,000	5.5%
Port Lincoln	16	\$163,000	5.0%
Oaklands Park	18	\$397,500	3.6%
Warradale	12	\$412,500	1.3%
Glenelg North	21	\$405,000	1.3%
Adelaide	72	\$410,000	1.2%
Seacombe Gardens	11	\$409,000	0.0%

## Top 10 performing suburbs/towns for rental increases

Suburb	Weekly advertised rental median	12 month rental change
Whyalla Norrie	\$200	11.1%
Warradale	\$320	8.5%
Whyalla Stuart	\$190	5.6%
Elizabeth Grove	\$200	5.3%
Salisbury North	\$230	4.5%
Seaton	\$275	3.8%
Prospect	\$280	3.7%
Brighton	\$295	3.5%
Oaklands Park	\$300	3.4%
West Beach	\$263	2.9%

# Yields

## Solid investment opportunity knocks

The flatter sales market has provided solid opportunity for investors trusting the value of bricks and mortar.

REISA's latest yield update shows that properties can still be purchased for between \$200,000 and \$300,000 and attract strong returns.

"As well as metropolitan property, regional investment is also worth considering as attractive yields can be found right around the State," REISA President, Mr Greg Moulton said.

"People often think they have to spend over \$400,000 to get into the property investment market, but these latest statistics dispel this and show opportunity at a range of lower price points."

### Top Metro Suburbs by yield

Suburb	Sept 2012 sales median	Sept 2012 rental median	Yield
Noarlunga Downs	\$252,500	\$310	5.11%
Elizabeth Park	\$209,000	\$250	4.98%
Davoren Park	\$183,000	\$218	4.94%
Hackham West	\$240,000	\$280	4.85%
Elizabeth Downs	\$190,000	\$220	4.82%
Elizabeth East	\$202,500	\$228	4.67%
Mount Barker	\$317,500	\$355	4.65%
Salisbury North	\$235,000	\$260	4.60%
Royal Park	\$317,500	\$350	4.59%
Surrey Downs	\$312,500	\$340	4.53%

### Top regional towns by yield

Suburb	Sept 2012 sales median	Sept 2012 rental median	Yield
Millicent	\$125,000	\$190	6.32%
Roxby Downs	\$440,000	\$580	5.48%
Naracoorte	\$175,000	\$225	5.35%
Whyalla	\$265,000	\$340	5.34%
Port Lincoln	\$263,250	\$273	4.31%
Port Augusta	\$220,000	\$220	4.16%
Port Pirie	\$181,000	\$175	4.02%
Renmark	\$227,500	\$210	3.84%
Walleroo	\$273,500	\$250	3.80%
Mount Gambier	\$253,000	\$220	3.62%

Rental Yields for Houses – September Quarter 2012  
Top 10 Suburbs and towns with more than 10 sales