

Market Update: Rental Results

December Quarter 2012 Edition



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Rentals – Adelaide Metro & Regional

Rental market vacancies stabilise across the State

The rental market has remained relatively stable over the past three months with little change in vacancy rates and median price ranges, according to the Real Estate Institute of South Australia (REISA).

Metropolitan Adelaide recorded a vacancy rate of 3.1% for the December quarter, whilst the regional areas recorded a vacancy rate of 3.7%.

Releasing the December quarter data, REISA commented that the market has recorded similar vacancies and comments to what we were seeing during 2012, with properties taking 4-6 weeks to lease in many situations, and tenants being particularly price sensitive.

Reviewing rental median prices shows that little has changed over the past year and quarter. The metropolitan median price for houses in Adelaide is \$320 per week, unchanged from the previous quarter and up from \$315 twelve months ago. Regionally, the median house price is \$250 per week, again unchanged from the September quarter of 2012 and up from \$240 twelve months ago.

The unit and apartment market has recorded a rental median house price in metropolitan Adelaide of \$270 per week and \$190 per week in the regional areas.

REISA Vacancy Rates December Quarter 2012

City/ North Adelaide	3.0%
West	3.7%
South	2.3%
East	2.4%
North	3.7%
Hills	3.4%
Eyre Peninsula	5.0%
Upper Spencer Gulf	3.6%
Mid North	2.9%
Fleurieu/Kangaroo Island	3.5%
South East	4.9%
Riverland	2.1%
Yorke Peninsula	5.3%

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 21,000 properties under management were used in the December 2012 survey.

Top 10 performing suburbs for rental increases

Suburb	Dec 2012 rental median	No rented	Dec 2011 med	12 month % rental change
Tennyson	\$585	10	\$415	40.96%
Henley Beach South	\$525	10	\$373	40.94%
Clarence Park	\$430	10	\$320	34.38%
Fullarton	\$500	15	\$378	32.45%
Glen Osmond	\$470	10	\$360	30.56%
West Lakes	\$490	35	\$378	29.80%
Wattle Park	\$518	10	\$410	26.22%
Maylands	\$390	10	\$325	20.00%
Firle	\$340	10	\$285	19.30%
Sefton Park	\$380	10	\$323	17.83%

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

Sales/Rental Results - Units

Units offer quality buying in popular suburbs

Suburbs which are traditionally quite expensive for houses offer excellent opportunities in the unit and apartment market, according to the latest market data.

Found in the top 10 are suburbs which include the popular beach side suburbs of Glenelg East and Henley Beach, as well as including North Adelaide and Adelaide.

“For buyers starting out, focused on location, units offer great opportunity,” Mr Moulton said.

Top 10 suburbs/town for median unit price increases

Suburb	Quarterly sales volume	Quarterly median price	12 month median price change
Henley Beach	10	\$360,000	18.0%
Whyalla Stuart	10	\$140,000	14.6%
Glenelg	16	\$452,500	8.0%
North Adelaide	19	\$520,000	6.4%
Adelaide	46	\$459,000	5.7%
Port Lincoln	12	\$273,300	5.3%
Glenelg East	10	\$293,500	5.0%
Seaton	15	\$277,500	4.8%
Mitchell Park	15	\$330,000	4.8%
Mawson Lakes	16	\$338,750	3.2%

Top 10 performing suburbs/towns for rental increases

Suburb	Weekly advertised rental median	12 month rental change
Gilles Plains	\$355	18.3%
Frewville	\$348	15.8%
Saint Morris	\$285	14.0%
Queenstown	\$283	13.0%
Wayville	\$330	11.9%
North Haven	\$335	11.7%
Woodville North	\$290	11.5%
Hazelwood Park	\$295	11.3%
Felixstow	\$300	11.1%
Whyalla Norrie	\$210	10.5%

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

Yields

Flatter sales market sparks interest in investment

The latest yield data from REISA highlights that opportunities that still exist in the South Australian property market.

Whilst most cash investment are struggling to return little more than 3%, the property market can provide better stability, combined with a stronger yield.

REISA members are noting that houses are proving the most popular for the rental market, but there is good opportunity, right across the State.

Top Metro Suburbs by yield

SUBURB	December 2012 sales median	December 2012 rental median	Yield
Smithfield Plains	\$179,975	\$240	5.55%
Elizabeth Downs	\$185,000	\$228	5.12%
Elizabeth Park	\$206,500	\$245	4.94%
Huntfield Heights	\$237,500	\$280	4.90%
Hackham West	\$233,500	\$270	4.81%
Elizabeth East	\$215,000	\$245	4.74%
Davoren Park	\$199,000	\$225	4.70%
Noarlunga Downs	\$280,000	\$315	4.68%
Para Hills	\$257,500	\$288	4.64%
Brahma Lodge	\$255,000	\$278	4.53%

Top regional towns by yield

SUBURB	December 2012 sales median	December 2012 rental median	Yield
Whyalla	\$277,500	\$350	5.25%
Renmark	\$173,250	\$200	4.80%
Barmera	\$159,000	\$180	4.71%
Naracoorte	\$195,500	\$220	4.68%
Berri	\$167,000	\$185	4.61%
Murray Bridge	\$218,500	\$240	4.57%
Millicent	\$170,250	\$185	4.52%
Port Pirie	\$182,000	\$190	4.34%
Port Augusta	\$215,000	\$220	4.26%
Mount Gambier	\$230,000	\$220	3.98%

*It should be noted that Roxby Downs did not have a high volume of sales or rentals for the December 2012 quarter and is therefore not included in this quarter's analysis.

Rental Yields for Houses – December Quarter 2012

Top 10 Suburbs and towns with more than 10 sales and rentals for the quarter