

Market Update: Sales & Rental Results

March Quarter 2012 Edition



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Sales Results - Adelaide Metro

Slower market reveals opportunity for smart buyers

The metropolitan median price for the March quarter has moved to \$380,500 which is 7.2% below the median price in the corresponding quarter in 2011 and 2.44% under the median price for the December quarter.

"In the later part of 2011, there was speculation of interest rate drops and the market eagerly awaited this. However, when they didn't eventuate, a lot of buyers held off purchasing and are still waiting to see what the coming months hold," he said.

Examining the volume of sales over the quarter shows that around 3600 houses have changed hands in the past three months. These volumes are nearly identical to the December quarter of 2011 and also, the March quarter of 2011.

"Although the volumes are down on the higher years, the fact that this amount of houses are still selling each quarter completely dispels the myth that the market will crash," Mr Moulton said.

"Of course the industry would like to bring more buyers and sellers together, but what the figures show is that there is still a solid volume of properties turning over which is important to know if you're in the market at the moment."

Commenting on suburbs which performed well in the March quarter, Goodwood (37%), Northgate (22%) and West Beach (21%) topped the list. There were not any clear patterns of suburbs which performed more strongly than others.

"Examining patterns of the data shows that the outer areas are definitely feeling the pressure of tough economic times the hardest and a fall in interest rates will also be welcomed the most strongly from this group of homeowners and buyers" he said.

Suburb	Sales Mar11	Median Mar11	Sales Mar12	Median Mar12	Median Change %
GOODWOOD	14	\$615,000	10	\$844,000	37.24%
NORTHGATE	10	\$470,000	12	\$575,000	22.34%
WEST BEACH	15	\$595,000	12	\$717,500	20.59%
NORTHFIELD	11	\$315,000	17	\$376,000	19.37%
LARGS NORTH	12	\$365,750	14	\$433,000	18.39%
SOMERTON PARK	15	\$555,000	18	\$640,000	15.32%
GULFVIEW HEIGHTS	13	\$362,500	16	\$405,000	11.72%
NOARLUNGA DOWNS	12	\$332,500	11	\$370,000	11.28%
NORTH HAVEN	16	\$425,000	10	\$462,500	8.82%
MAGILL	34	\$525,000	17	\$563,556	7.34%
Adelaide Metro	3,652	\$410,000	3,568	\$380,500	-7.20%

Median House Prices – March Quarter 2012

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

Sales Results - Regional

Regional housing market showing signs of early recovery

The regional housing market has shown some signs of recovery in the March quarter with the majority of major towns showing a positive movement in median house prices with increasing sales volumes.

Releasing the March quarter data for regional areas, the Real Estate Institute of SA said that median house price had lifted by 3.6% to \$259,000 since December last year, which could signal the end of the toughest times in years for regional housing.

“Although the regional house median price is 7.5% below the same time last year, there is some really encouraging numbers in the data when you compare to just three months ago which shines some light on the remainder of 2012,” REISA President, Mr Greg Moulton said.

Examining the regional sales, the towns of Berri, Naracoorte and Murray Bridge were the top three performers with 12 month growth of 57%, 17% and 12% respectively.

“These are some good numbers for towns which have found it tough in recent years, but those in the area will know that many of these towns have also had quite a few quarters of negative growth previous to this data, so in many cases, it’s more a case of catching back up,” Mr Moulton said.

“An important indicator of times ahead is the sales volume and the turnover is nearly 10% up on the same time last year, which I think is a really important thing to look at after tough times.”

Regional Town	Sales Mar11	Median Mar11	Sales Mar12	Median Mar12	Median change %
BERRI	13	\$143,500	10	\$225,000	56.79%
NARACOORTE	24	\$199,000	17	\$232,500	16.83%
MURRAY BRIDGE	41	\$224,000	56	\$250,000	11.61%
WHYALLA	45	\$254,000	44	\$280,000	10.24%
PORT LINCOLN	46	\$286,500	50	\$283,000	-1.22%
VICTOR HARBOR	96	\$377,500	51	\$355,000	-5.96%
PORT AUGUSTA	19	\$265,000	34	\$246,000	-7.17%
REMARK	11	\$180,000	19	\$167,000	-7.22%
MOUNT GAMBIER	54	\$261,000	91	\$241,000	-7.66%
REGIONAL SA	340	\$280,000	370	\$259,000	-7.50%
SOUTH AUSTRALIA	4,917	\$375,000	4,833	\$358,000	-4.53%

Median House Prices – March Quarter 2012

SA’s main regional centres

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

Auction Results

Auction market steady in slower times

Adelaide's auction market has remained steady over the summer quarter producing an average clearance rate of around 40%.

The traditional holiday period in January was again seen in 2012 with few properties auctioned, but after February, the volume heated up with most weekends hosting 90 auctions.

For salespeople who support the auction system, they say the success of having a property sell in a 4 week period is invaluable and a powerful result for both vendor and purchaser.

Auctions are traditionally held in the more tightly held suburbs where the vendor and agent agree there will be strong demand for the property.

Auction Results

Week Ending	Clearance Rates
8 Jan	100%
15 Jan	0%
22 Jan	30%
29 Jan	43%
5 Feb	35%
12 Feb	47%
19 Feb	34%
26 Feb	40%
4 Mar	39%
13 Mar	44%
18 Mar	45%
25 Mar	38%

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

21 Pembroke St, Kensington Park	Peter McMillan + Anthony Toop, Toop & Toop Real Estate	\$2,740,000
99 Swaine Av, Rose Park	Stephanie Williams, Toop & Toop Real Estate	\$1,325,000
4 Berry Cr, Burnside	Kay Morris, Toop & Toop Real Estate	\$1,290,000
84A Seaview Rd, West Beach	Phil McMahon, Phil McMahon Real Estate	\$1,270,000
1 Mokari Av, Somerton Park	Phil McMahon, Phil McMahon Real Estate	\$1,230,000
1 Stanley St, Glenelg North	Scott Carrigan, Brock Harcourts - Glenelg	\$1,175,000
44 Cudmore Av, Toorak Gardens	Kay Morris, Toop & Toop Real Estate	\$1,125,000
107 Coromandel Pde, Coromandel Valley	Kristy Dundon, Harris Real Estate	\$1,100,000
9 Netherby Av, Netherby	Sue Windebank, Toop & Toop Real Estate	\$1,060,000
3A Halsbury Av, Kingswood	Sam + Christine Auld, Cocks Auld Real Estate	\$990,000

Auction Clearance Rates – March Quarter 2012

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

Rentals – Adelaide Metro & Regional

Rental Vacancies rise over March quarter

The exclusive vacancy rate survey of property management agencies Statewide has revealed that the rental market has eased further in the March quarter, taking the overall vacancy rate to 3.6%.

“Right across the State REISA members are saying that the market has been a little flatter for over 12 months and the level of activity is not as high as previous years,” REISA President Mr Greg Moulton said.

Drilling into the data further reveals that the metropolitan vacancy rate is sitting at 3.55% (up from 3.4% last quarter), whilst the regional rate is 4.43% (up from 2.83%).

Asked if the small rise in vacancy rates was cause for concern, Mr Moulton said that it was reflective of a flatter economy, but looking further out, property was still a very good investment, especially when you consider the expect population growth for Adelaide in the next 30 years.

“The State’s 30 Year Plan for Greater Adelaide predicts that an additional 560,000 people will live in the metropolitan area in the future and these people will need quality accommodation which will fuel along the rental market.”

Reviewing the average median rentals, there has been a modest shift over the past 12 months with the median house rental price moving up by \$10 per week to \$325 for metropolitan houses. In regional areas, the movement was larger at \$20 per week to \$250 for houses in regional towns.

REISA Vacancy Rates March Quarter 2012

City/ North Adelaide	1.6%
West	6.5%
South	3.1%
East	4.3%
North	3.0%
Hills	3.6%
Eyre Peninsula	6%
Upper Spencer Gulf	3.2%
Mid North	1.3%
Fleurieu/Kangaroo Island	4.9%
South East	4.7%
Riverland	6.5%
Yorke Peninsula	11.5%

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 27,000 properties under management were used in the March 2012 survey.

Top 10 performing suburbs for rental increases

Suburb	Weekly advertised rental median	12 Month rental change
WOODVILLE	\$355	51.06%
GLEN OSMOND	\$550	48.65%
MALVERN	\$590	47.50%
WEST BEACH	\$450	28.57%
SOUTH BRIGHTON	\$465	28.10%
FULHAM	\$398	27.00%
PARK HOLME	\$360	26.32%
UNLEY	\$520	25.30%
BURNSIDE	\$450	25.00%
STEPNEY	\$400	23.08%

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

Sales/Rental Results - Units

Unit market steady right across the State

The unit market in both metropolitan and regional areas have remained steady, following similar volume and price change patterns as traditional houses.

Units in popular suburbs and the eastern suburbs are continuing to attract buyer interest as many demographic groups seek property without the maintenance costs and time investment.

“Units appeal to quite a wide range of buyers, including parents who are downsizing after the kids move out of home and it appears the appeal for small properties is growing,” REISA President, Mr Greg Moulton said.

“In some suburbs, we are seeing developments which focus on building low maintenance living and these properties are selling solidly.”

Reviewing unit appeal in the rental market, there has no major change to the median price in metropolitan areas, stable at \$275 per week. In regional areas, units have moved from \$180 to \$190 per week

Sales Results

Suburb	Sales Volume	Median Price	12 Month % Growth
HENLEY BEACH	21	\$575,000	33.4%
PORT LINCOLN	19	\$232,500	26.6%
PROSPECT	10	\$369,500	10.4%
MURRAY BRIDGE	13	\$219,000	8.3%
GLENELG SOUTH	11	\$470,000	7.4%
PARKSIDE	13	\$396,000	5.2%
GLENELG	25	\$390,000	3.4%
SEATON	15	\$292,000	3.3%
NORWOOD	31	\$490,000	-0.6%
ADELAIDE	65	\$422,000	-3.1%

Median Unit Prices – March Quarter 2012

Top 10 growth suburbs/towns with 10 or more sales in each quarter

Rental growth

Suburb	Weekly rental (\$)	12 month % Change
FERRYDEN PARK	\$300	17.6%
PASADENA	\$255	17.2%
MARRYATVILLE	\$340	17.2%
MILE END	\$330	16.8%
PORT WILLUNGA	\$245	16.7%
SEMAPHORE	\$275	14.6%
MYRTLE BANK	\$340	13.3%
BURNSIDE	\$350	12.9%
ROSE PARK	\$420	12.0%
FREWVILLE	\$335	11.7%

Median Weekly Rent for Units – March Quarter 2012

Top 10 growth suburbs/towns with 10 or more rents in each quarter

Yields

Mining boom linked to higher yields

Towns and suburbs which are closely aligned with mining activity are pushing through as the top performers in the rental return analysis data.

Looking at areas which are attracting the strongest rent, when compared to purchase price, there is a distinct pattern which shows mining is a key feature.

"In the regional areas, we're seeing the towns which are already busy in mining and exploration heading to the top, but more than that, northern suburbs are also joining the pack," Mr Greg Moulton said.

"The northern suburbs are where many businesses who support the mining industry base themselves, so this makes them attractive for workers to live close by."

Top Metro Suburbs by yield

Suburb	Median Price	Median rental	Yield
DAVOREN PARK	\$180,000	\$228	5.26%
ELIZABETH EAST	\$198,750	\$250	5.23%
ELIZABETH PARK	\$202,500	\$250	5.14%
ELIZABETH DOWNS	\$199,000	\$230	4.81%
CHRISTIE DOWNS	\$246,500	\$280	4.73%
PARAFIELD GARDENS	\$260,000	\$290	4.64%
PARA HILLS	\$275,000	\$300	4.54%
CRAIGMORE	\$271,500	\$295	4.52%
EVANSTON PARK	\$291,000	\$315	4.50%
REDWOOD PARK	\$292,750	\$315	4.48%

Top regional towns by yield

Suburb	Median Price	Median rental	Yield
WHYALLA	\$245,000	\$350	5.94%
ROXBY DOWNS	\$404,000	\$520	5.35%
BERRI	\$148,875	\$185	5.17%
NARACOORTE	\$202,500	\$220	4.52%
PORT AUGUSTA	\$222,500	\$240	4.49%
WALLAROO	\$230,000	\$235	4.25%
PORT PIRIE	\$200,000	\$200	4.16%
MURRAY BRIDGE	\$250,000	\$240	3.99%
MOUNT GAMBIER	\$243,000	\$230	3.94%
PORT LINCOLN	\$288,500	\$270	3.89%

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