

**MEDIA RELEASE**

## House prices record strongest growth since 2003

Most expensive suburbs lead the charge

**Thursday, 28 January 2010:** After a sluggish start to the year, 2009 ends with the strongest annual house price growth since 2003, according to Australian Property Monitors' Quarterly Housing report.

For the December quarter the Australian property market posted a near five per cent rise (4.8 per cent) in median house prices nationally, with a 12.1 per cent rise overall for the year.

Melbourne, having the strongest housing market in the country for the second consecutive quarter, recorded the highest annual growth rate of 18.5 per cent, forcing house prices past the \$500,000 barrier for the first time.

Sydney's market, the biggest in the country, also performed well as house prices rose by exactly the national average of 12.1 per cent, following the third consecutive quarter of growth.

Although first home buyer demand sustained the market in the early part of the year, ultimately it was upgraders and investors that drove the extraordinary overall result for 2009, as activity in the more expensive suburbs benefited from the surprisingly resilient jobs market experienced in late 2009 and a strongly rising share market.

"The price growth seen in the more expensive suburbs in 2009 has largely been a recovery of the price falls that have occurred since late 2007 and early 2008. This top-end recovery has been completed in most capitals with median house prices surpassing pre-GFC highs for the first time in the December quarter in Sydney, Brisbane, Adelaide and Perth," said Matthew Bell, Economist for Australia Property Monitors.

"Rising interest rates and the full expiry of the First Home Owner Boost at the end of December are likely to continue to slow activity for first home buyers, while the recovery of top end prices to pre-GFC levels means that median price growth is likely to moderate across all sectors of the market in the first half of 2010, with the medium-to-long-term outlook for property prices remaining strong," finished Mr Bell.

The suburbs that experienced the highest growth in 2009\* are:

	House		Unit	
	Suburb	2009 % Change	Suburb	2009 % Change
<b>Sydney</b>	Sylvania Waters	53.8%	Campbelltown	33.8%
	Taren Point	38.4%	Forest Lodge	31.3%
	Palm Beach	35.0%	Minto	31.1%
	Malabar	34.4%	Woolooware	29.5%
	Waterloo	31.9%	Cremorne Point	25.7%
<b>Melbourne</b>	East Melbourne	58.9%	Sunshine	51.2%
	Black Rock	31.8%	Forest Hill	47.7%
	Dallas	26.1%	Altona North	27.7%
	Malvern	22.0%	Northcote	24.2%
	Westmeadows	21.8%	Ascot Vale	23.7%
<b>Brisbane</b>	Grange	15.6%	Fairfield	26.7%

	Chelmer	11.7%	Nundah	19.1%
	Kenmore Hills	10.8%	Morningside	16.9%
	Shorncliffe	10.6%	Eagleby	14.6%
	Hendra	10.1%	East Brisbane	14.5%
<b>Adelaide</b>	Gilberton	30.5%	Mile End	27.9%
	Rossllyn Park	25.0%	Mitchell Park	18.3%
	Wayville	24.5%	Adelaide	17.2%
	Glenunga	20.4%	Salisbury East	17.1%
	Salisbury Plain	20.4%	Findon	16.9%
<b>Perth</b>	Churchlands	43.8%	East Fremantle	37.2%
	Guildford	30.6%	Shoalwater	13.3%
	Attadale	25.4%	Bayswater	12.6%
	Nedlands	25.0%	Como	12.5%
	Darlington	23.5%	Mosman Park	10.8%
<b>Hobart</b>	Battery Point	28.4%	Battery Point	32.8%
	Chigwell	18.9%	Lindisfarne	25.6%
	Carlton	17.8%	Sandy Bay	24.6%
	Seven Mile Beach	17.3%	Kingston	6.6%
	Dynnyrne	15.9%	Hobart	6.0%
<b>Canberra</b>	Torrens	20.2%	Mawson	32.6%
	Lyneham	15.7%	Barton	23.3%
	Macquarie	14.8%	Griffith	15.8%
	Downer	14.1%	Curtin	15.0%
	Gilmore	13.7%	Phillip	11.2%
<b>Darwin</b>	Fannie Bay	39.4%	Darwin	33.6%
	Bayview	24.2%	Karama	27.4%
	Ludmilla	21.6%	Bayview	27.2%
	Wagaman	19.2%	Brinkin	25.9%
	Anula	18.1%	Millner	22.8%

\* Figures show percentage change between 2008 median prices and 2009 median prices. Suburbs are the top five performers considering only suburbs with at least 20 annual sales and with full price histories.

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**About the Composition Adjusted Housing Price Series**

APM uses a stratified median price methodology developed by the Reserve Bank of Australia (RBA) in its Research Discussion Paper RDP 2006-04: "Measuring Housing Price Growth – Using Stratification to Improve Median-based Measures". APM, working in partnership with the RBA, has further refined this methodology to better address the issue of compositional change within the Australian property market. APM's price series is used by the RBA, Australia's leading banks and property commentators.

**About Australian Property Monitors (APM)**

APM is a leading national supplier of property price information to home buyers and sellers, professional real estate agents, mortgage brokers, valuers, banks and financial markets. APM has been helping our customers make informed decisions about property since 1989. APM monitors residential property activity from a variety of sources including auctions, government and semi-government agencies, real

estate advertising, real estate agents and APM's own researchers. This vast pool of information ensures APM's databases contain the latest and most detailed house price information available.