

# SQM RESEARCH

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STATE OF THE MARKET

# State of the market

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- Capital City House prices
- Sydney Statistics
- Sydney Regional Statistics
- Best performing Suburbs
- Outlook

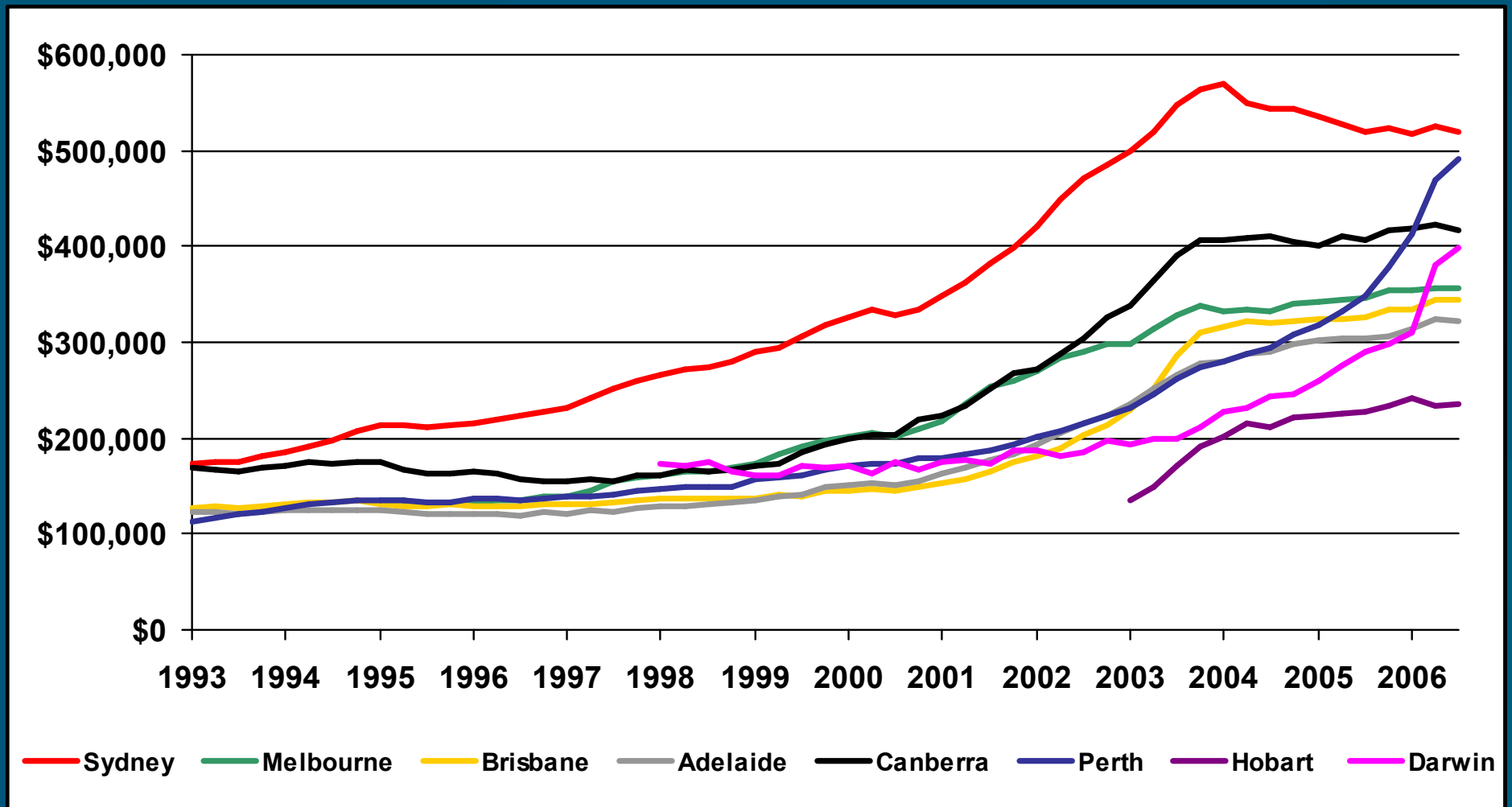
## State of the market

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Has Sydney has reached  
the bottom of the  
housing downturn?

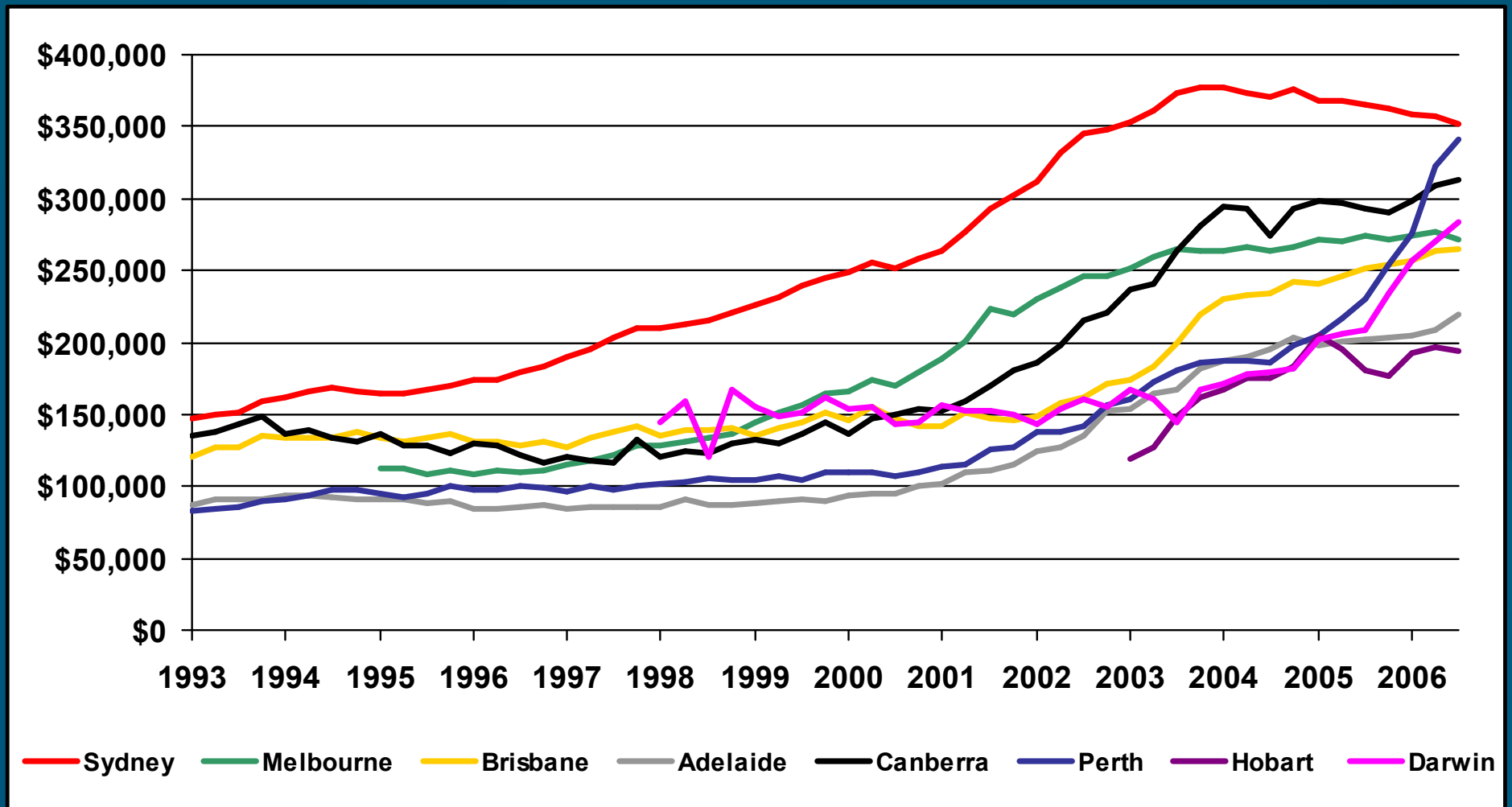


# Composition Adjusted House Prices 1993 - 2006



Source: APM, SQM Research

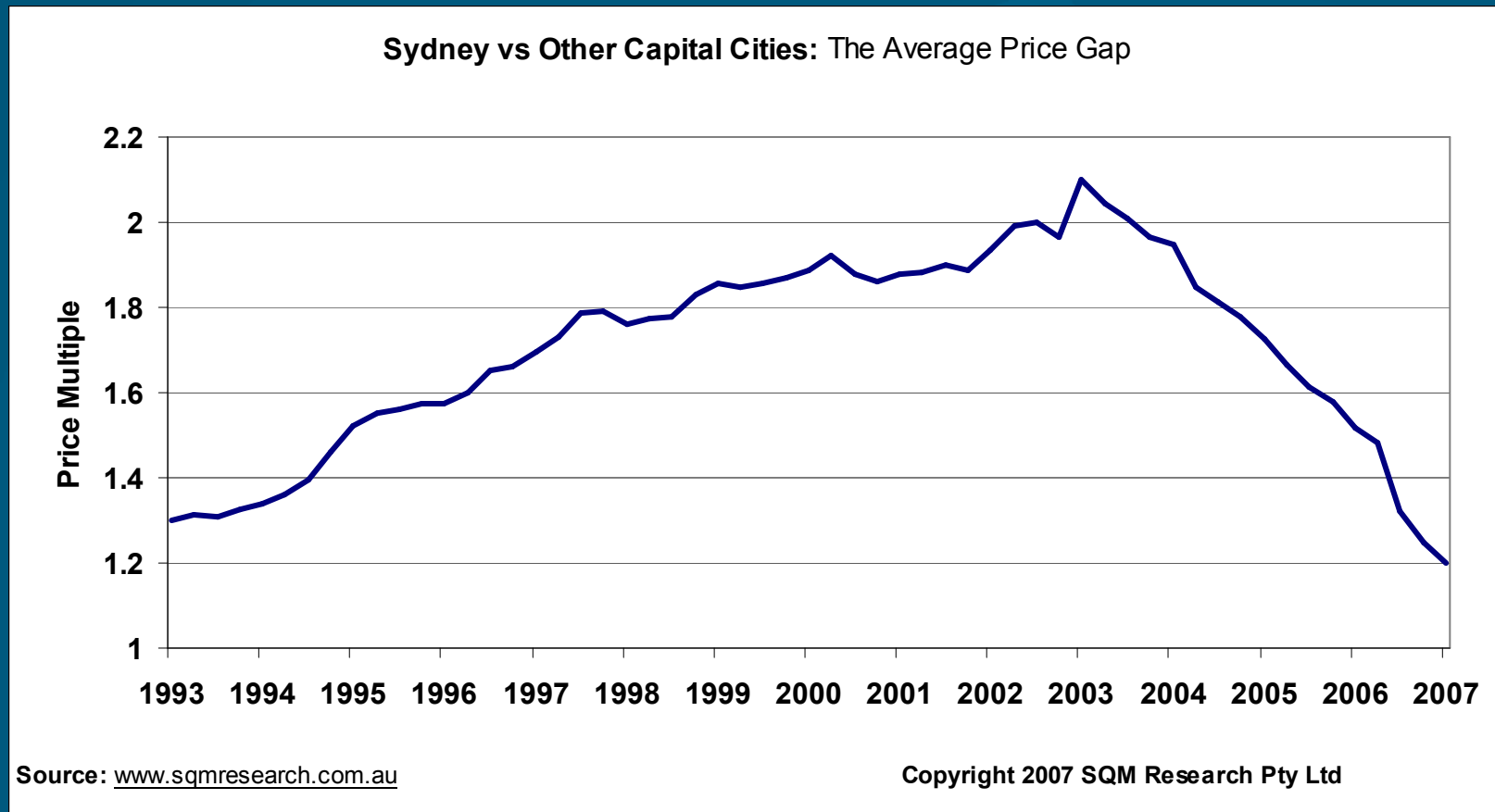
# Composition Adjusted Unit Prices 1993 - 2006



Source: APM, SQM Research

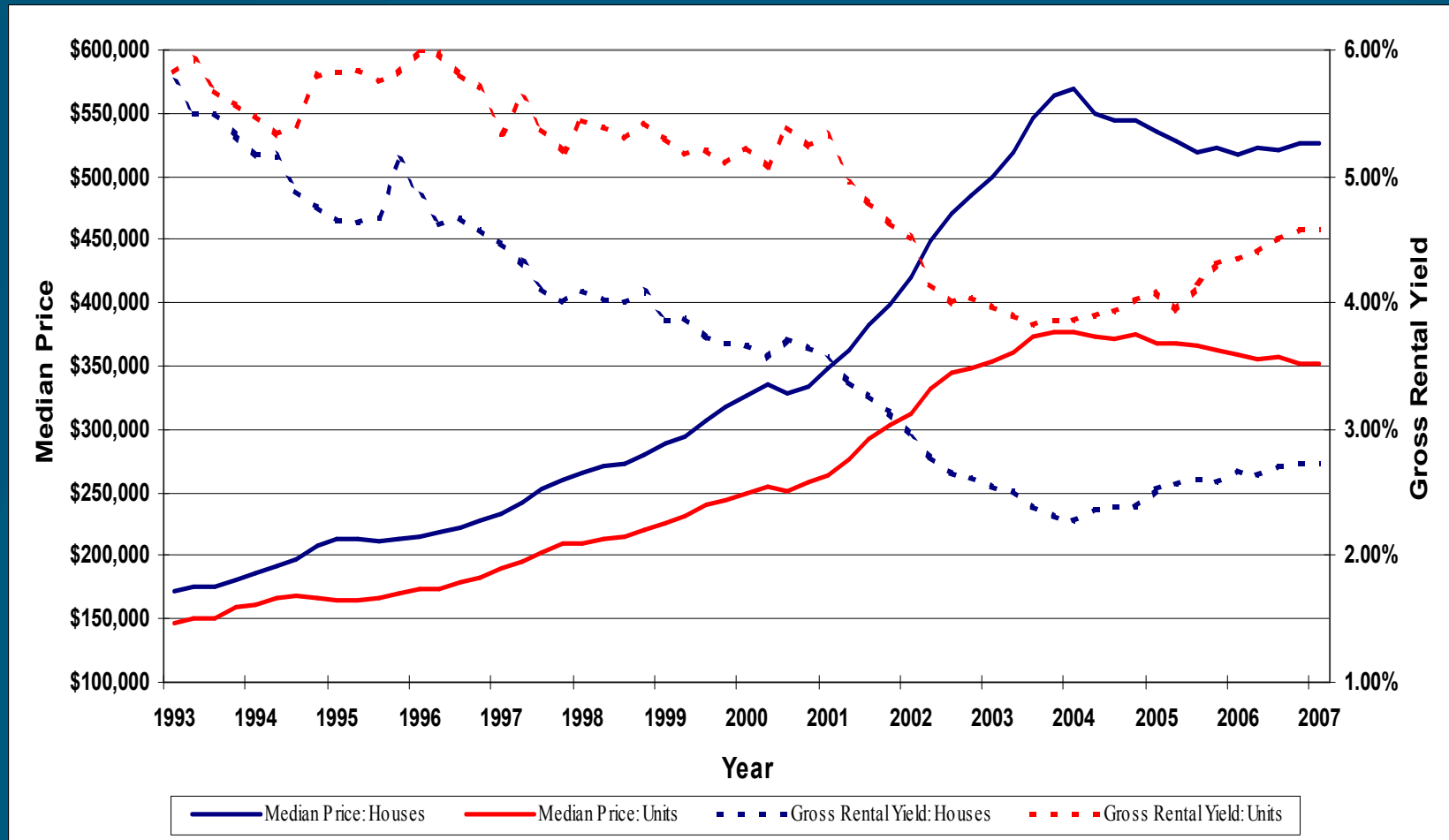
# Sydney prices compared to rest of country

Gap narrowest in 15 years



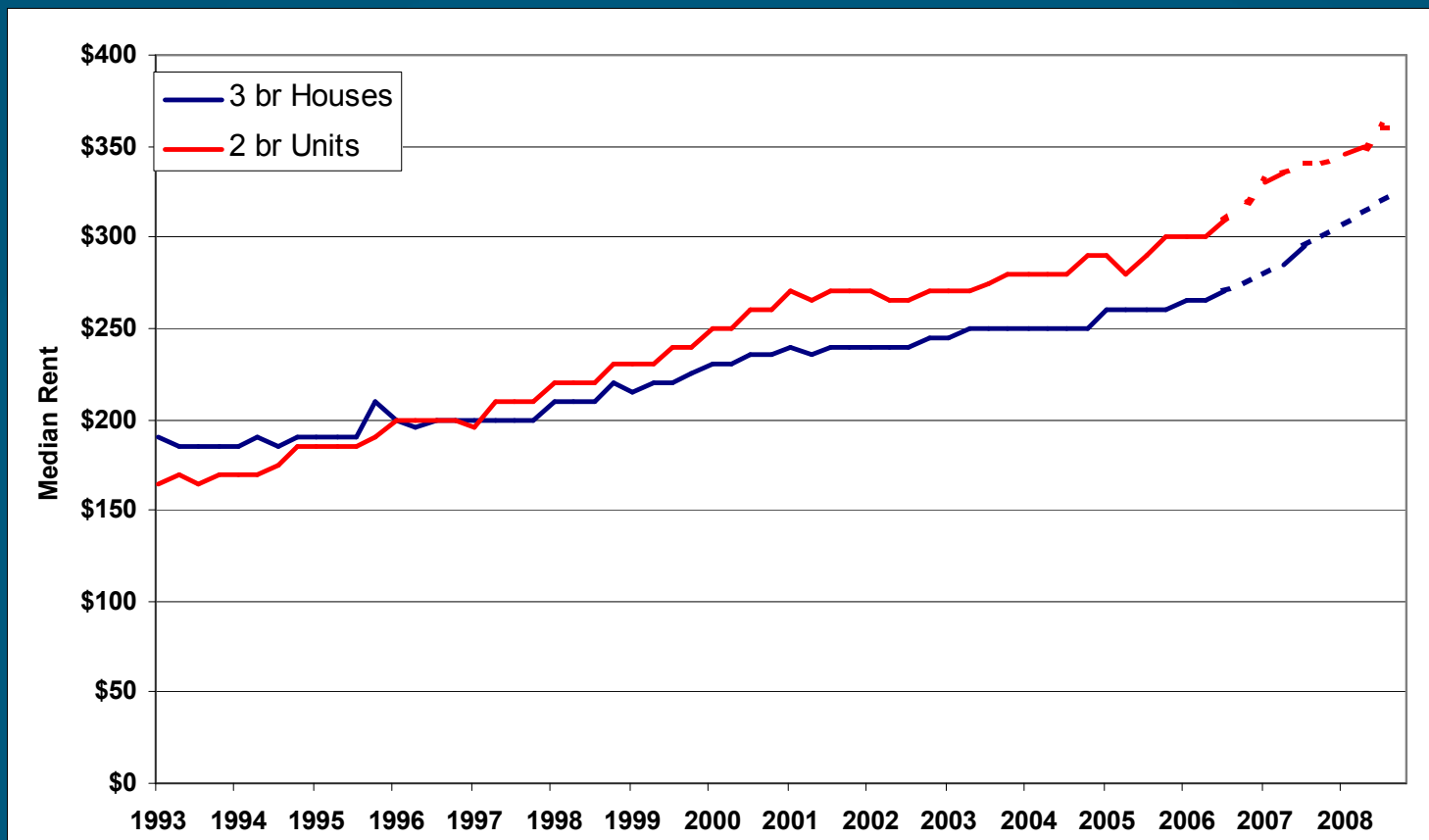
Source: SQM Research Pty Ltd

# SYDNEY Quarterly Median Prices and Gross Rental Yields 1993 - 2007



Source: SQM Research, APM, Dept of Housing

# SYDNEY Quarterly Median Rents 1993 – 2009



**Actuals:**

**Houses: 2.8%pa**

**Units: 5.3%pa**

**Forecast:**

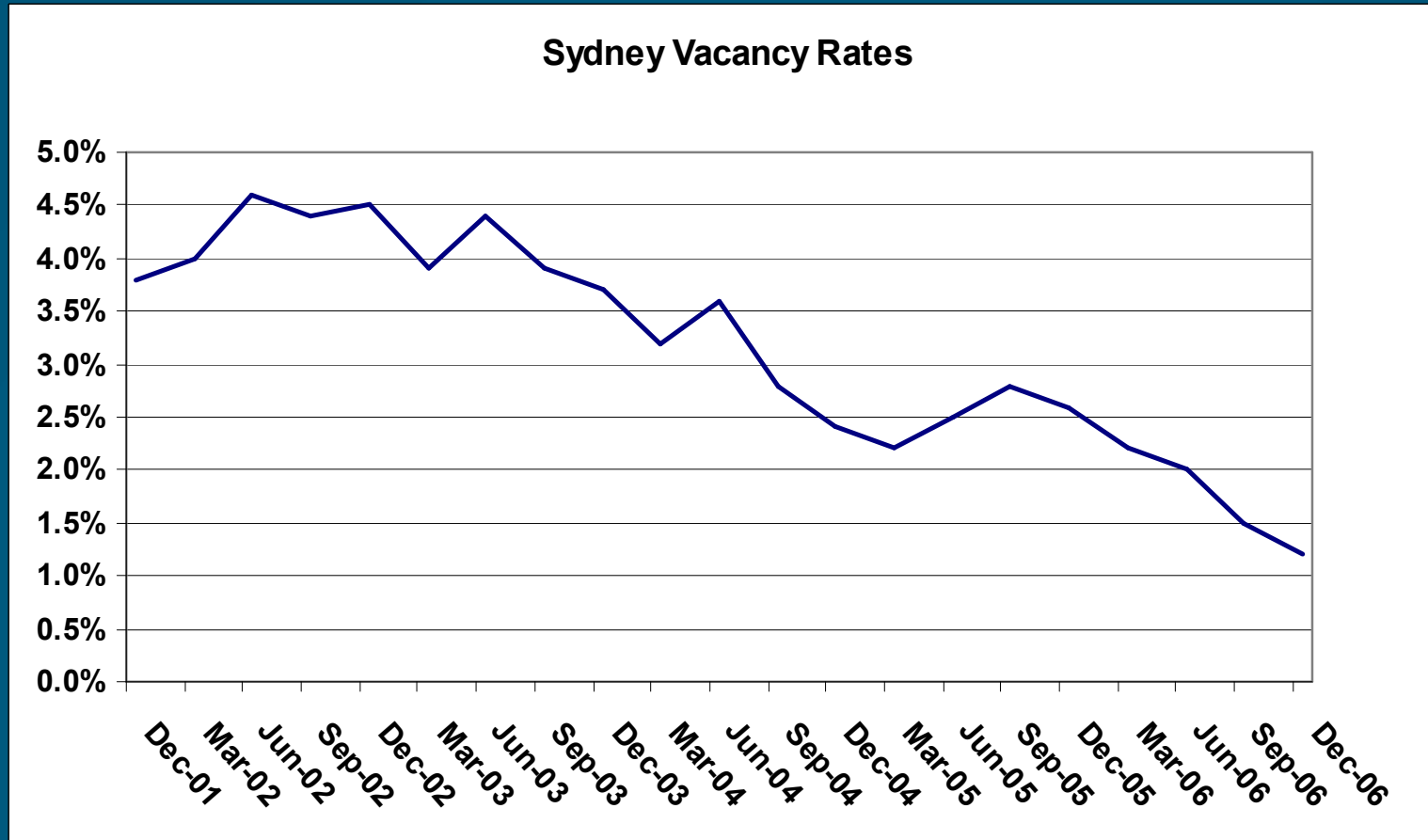
**Houses: 10.2% pa**

**Units: 8.0% pa**

**Source: SQM Research, Dept of Housing**



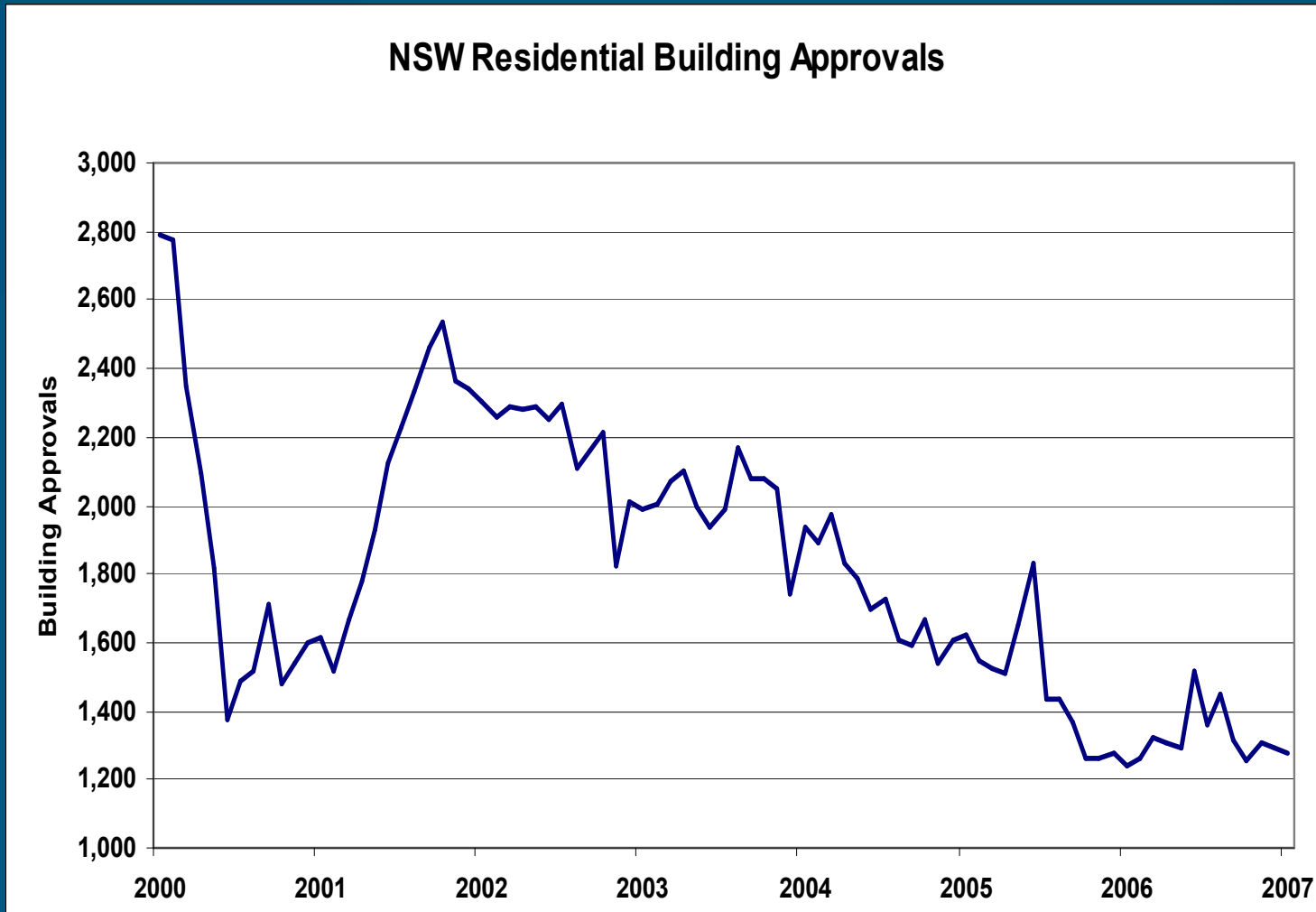
# Sydney Quarterly Vacancy Rates 2001 - 2006



Source: Real Estate Institute of New South Wales

Source: [www.reinsw.com.au](http://www.reinsw.com.au)

# NSW Building Approvals – Supply at record lows



Source: Australian Bureau of Statistics Cat. 8731.0

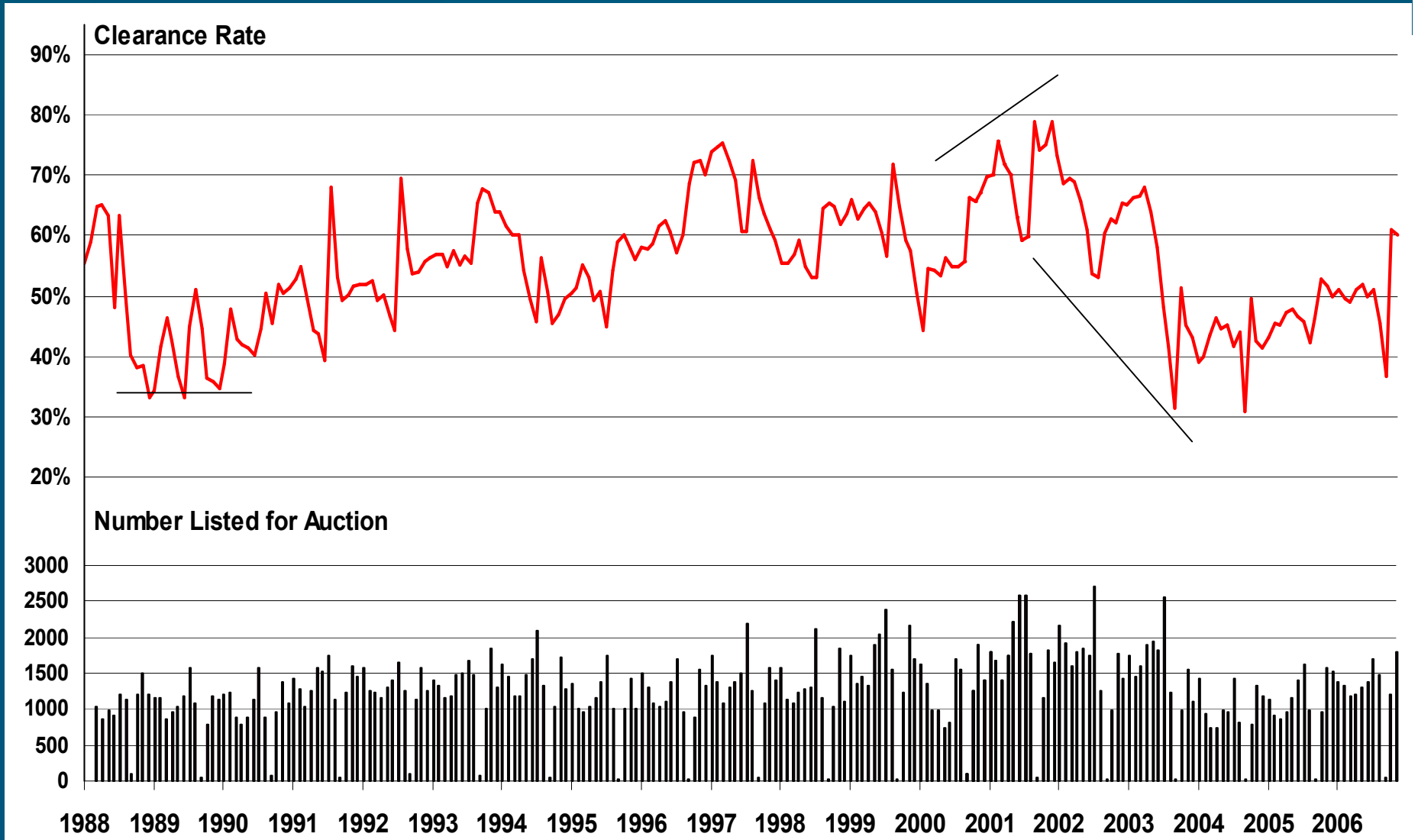
# Sydney Weekly Auctions – Activity rising

Clearance rates and volumes up  
on levels recorded this time last year.

			2007		2006	
			Number Listed for Auction		Number Listed for Auction	
			Clearance Rate		Clearance Rate	
Saturday clearance rate			SYDNEY			
10-Mar	UP		295	62.4%	233	49.3%
3-Mar	UP		333	58.5%	261	50.8%
24-Feb	UP		356	59.0%	389	55.1%
17-Feb	UP		173	65.3%	218	62.6%
10-Feb	UP		113	50.9%	112	50.0%
3-Feb	DOWN		66	44.4%	61	46.9%
27-Jan	DOWN		12	36.4%	18	50.0%
20-Jan	DOWN		19	16.7%	14	28.7%

Source: APM, SQM Research

# Sydney Historical Auction Clearance Rates

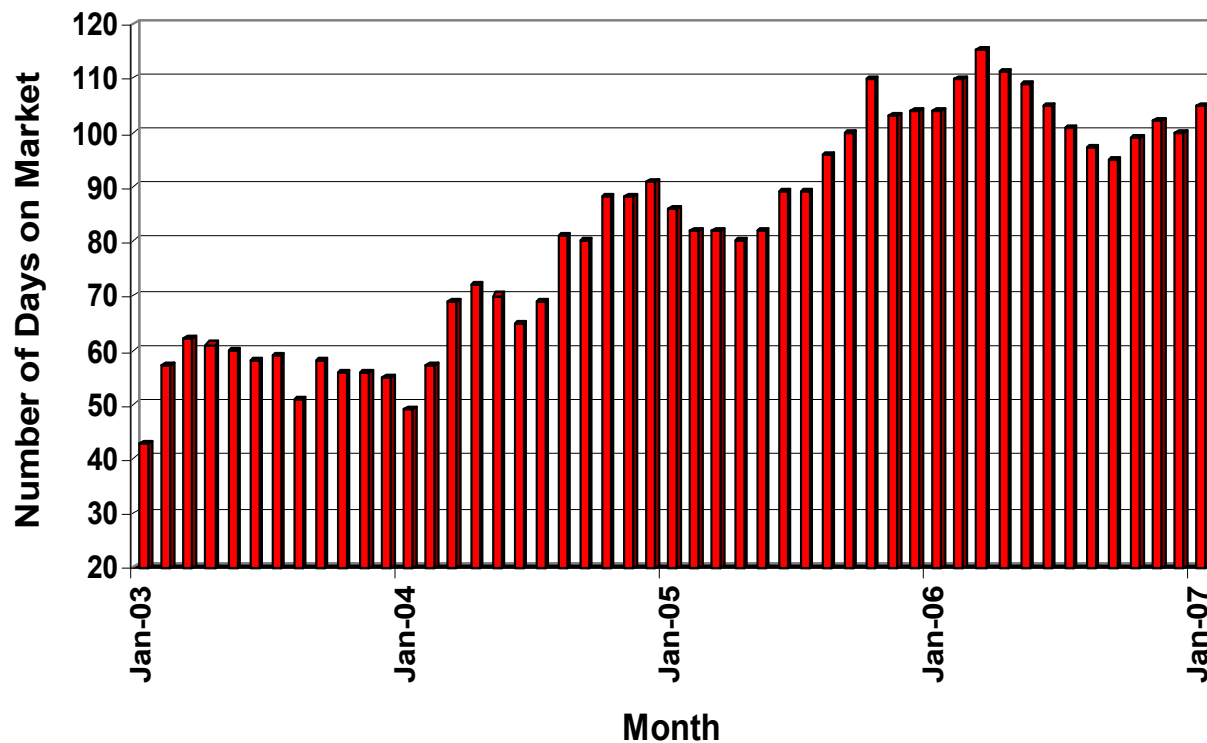


Source: Australian Property Monitors

# Sydney Days on Market

Days on market still high

Sydney Private Treaty Days on Market



Source: APM, SQM Research

# Sydney's Regions

Region	Median Price	12 months % Change	Average Annualised Growth
Northern Beaches	\$880,000	6%	11%pa
Upper North	\$755,000	2%	11%pa
Central Coast	\$352,000	2%	13%pa
Lower North	\$1,073,000	0%	10%pa
Inner West	\$640,000	-2%	12%pa
North West	\$495,000	-2%	8%pa
City & East	\$903,000	-3%	11%pa
South	\$650,000	-4%	12%pa
Illawarra	\$343,000	-4%	13%pa
South West	\$340,000	-6%	14%pa
West	\$355,000	-6%	14%pa
Blue Mountains	\$340,000	-6%	14%pa

Source: SQM Research, APM

## Top 10 Suburbs by Average Annualised Growth

Suburb	Property Type	Region	Median Price	12 months % Change	Average Annualised Growth
<b>Sandingham</b>	House	South	\$1,400,000	2%	16%pa
<b>Stratfield South</b>	Unit	Inner West	\$325,000	-2%	16%pa
<b>Queenscliff</b>	House	Northern Beaches	\$1,258,000	-35%	14%pa
<b>Darling Point</b>	House	City and East	\$4,025,000	6%	14%pa
<b>Tamarama</b>	House	City and East	\$2,434,000	7%	14%pa
<b>Belvue Hill</b>	House	City and East	\$2,640,000	20%	13%pa
<b>Double Bay</b>	House	City and East	\$1,760,000	15%	13%pa
<b>Killcare</b>	House	Central Coast	\$960,000	13%	13%pa
<b>Bondi</b>	House	City and East	\$965,000	-1%	12%pa
<b>Clovelly</b>	House	City and East	\$1,300,000	13%	12%pa

Source: SQM Research, APM

## SO HAVE WE BOTTOMED?

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### FOR

- Rents rising
  - Price gap between Sydney and rest of country narrowest in 15 years
  - Auction clearance rates rising despite rate hikes
  - Upper end of the market rising
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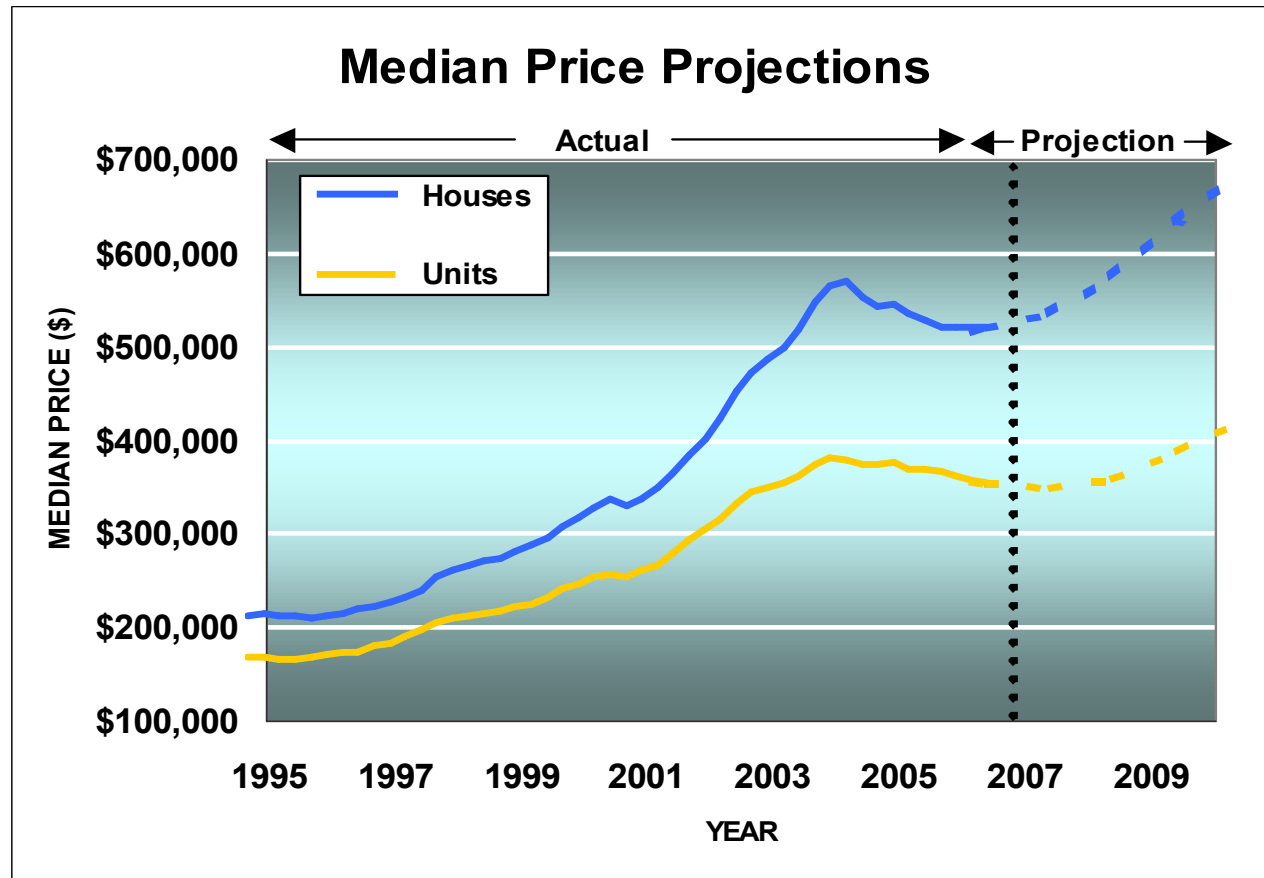
## SO HAVE WE BOTTOMED?

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### AGAINST

- Days on market high and recently rising.
- Many regions still recording negative prices.
- Yields still very low.
- Recent interest rate rises still working through economy?

# Sydney Projections: March 2007 to Dec 2009



**Actuals:**  
Houses 8.6%pa

Units 7.7%pa

**Forecasts:**  
Houses: 9.2%pa

Units: 6.9%pa

**Source: SQM Research, APM**

# WHAT IS SQM RESEARCH?

- **Asset Consulting**
- **Property, Economic Forecasting**
- **Independent Research and Analysis**

