



# NEWSLINK

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## Terry's View

Research published by PIPA (Property Investment Professionals of Australia) shows that all of our major cities have had strong price growth phases at various times of the past 30 years.

Most of the capital cities have had periods in which they were the national market leaders – and, equally, each market has been through periods of downturn.

While media has often referred to Sydney's recent boom as a period of "unprecedented" price growth, the PIPA research indicates that a number of previous cycles have recorded stronger rises – including Brisbane from 1988 to 1992, Melbourne from 1998 to 2002 and Perth from 2003 to 2007. The remarkable 140% uplift in house prices in Perth in that five-year period is the strongest single growth phase of any capital city in the past three decades.

The data is a reminder that Australia is not a single market, but many individual markets which each have cycles dictated by local economic conditions.



**Terry Ryder**  
Australia's Leading Independent  
Property Researcher



## FHBs Rising Strongly In NSW

First-home buyers are "storming" back into the NSW property market. New figures show almost one in four NSW home buyers are now first-home buyers, compared to one in ten a year ago.

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## Prices Stay Strong In FHB Markets

Vacancies have trended lower nationally and in most individual cities over the past 12 months. New data from SQM Research shows the average vacancy rate across the eight capital cities is currently 2.1%, compared to 2.3% a year ago.

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## Price Growth Lead Shared By Cities

Most of Australia's capital cities have had turns at leading price growth performance over the past 30 years, according to a study by the Property Investment Professionals of Australia (PIPA). PIPA conducted a 30-year retrospective study of Australian capital city real estate to identify which cities were the hottest performers across each market cycle. PIPA chairman Peter Koulizos says the research showed no capital city market is ever the nation's top performer indefinitely.

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## Young Aussies Bullish On Ownership

A new study shows that young Australians are overwhelmingly optimistic about home ownership and believe they will one day own property.

The research conducted by ABC program Hack showed that 79% of Aussies aged 18 to 29 believed they would own a house one day.

In other findings, the research showed that 42% of young Aussies still live at home and 28% have over \$5,000 worth of debt.

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## Westpac Lifts But Tips No RBA Rise

Westpac has forecast that the official interest rate set by the Reserve Bank is likely to remain on hold not only through 2018 and 2019 but also 2020 – but has announced it is lifting its own mortgage rates.

Westpac chief economist Bill Evans says the RBA will keep interest rates on hold until 2021, defying RBA Governor Philip Lowe's suggestion that the official rate will rise "at some point" in the near future.

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## Growth Stars Prove To Be Furphies

Media regularly publishes lists of the top locations around the nation for growth in property values. Often these places are labelled the "growth superstars".

Usually, however, they are anything but.

A recurring mistake is that locations with very few sales often produce bizarre median price data.

Our view is that median prices are unreliable if the location has fewer than 30 annual sales.

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