



# Market Update

## CONTENTS

Sales .....	Page 2
Auction.....	Page 3
Rents.....	Page 4
Yields.....	Page 5
Regional .....	Page 6
Units .....	Page 7

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## Adelaide house prices soften in conjunction with Federal election

The median house price in Adelaide softened to \$400,000 during the September quarter as a result of the uncertainty of the Federal election coupled with the traditionally quiet winter season.

The \$400,000 median recorded for metropolitan Adelaide was a modest 2.4% decline from last quarter but a 6.7% rise from the same time last year.

REISA President Greg Nybo said vendors and buyers held off until the uncertainty of the Federal election campaign and subsequent hung Parliament had passed.

"History shows that the market really slows during election campaigns and this is especially the case for Federal elections, as they often have more bearing on the economic outlook," he said.

"We had stable interest rates throughout the September quarter but nothing was going to boost the market while the election campaign and result lingered on."

"The winter season is always traditionally slower too, so sales were well down on previous years."

Mr Nybo said it was the first backwards step for the property market since the global financial crisis but long-term prospects were still positive for real estate investment.

"The spring selling season is now upon us and there is a plethora of properties on the market, so there is no better time for buyers to take advantage of the extra stock and find their dream property."

Mr Nybo said the top end of the market continued to have strong growth, with Norwood topping the list with a 53.5% jump to its median house price over the past 12 months to \$997,500 from 14 sales.

"Somerton Park, Largs North and Unley were also standouts at the top end," he said.

"However they were also joined by some in the affordable range, with suburbs around the Salisbury area also performing well in the \$300-400,000 bracket."

**Note:** The median house price is a figure derived only from houses which have sold and settled within the time period. The median is the middle number from a list of figures arranged from lowest to highest and is the most common term used when referring to property prices.

Suburb	Sales Sep09	Median Sep09	Sales Sep10	Median Sep10	Median % Change
Norwood	21	\$650,000	14	\$997,500	53.5%
Somerton Park	18	\$550,000	22	\$777,500	41.4%
Largs North	13	\$384,750	10	\$523,000	35.9%
Unley	11	\$682,000	13	\$860,000	26.1%
Flagstaff Hill	42	\$417,500	32	\$525,000	25.8%
Warradale	19	\$412,000	19	\$497,000	20.8%
West Lakes	19	\$635,250	11	\$767,000	20.7%
Salisbury Heights	20	\$325,000	12	\$390,000	20.0%
Salisbury Park	11	\$262,000	13	\$312,500	19.3%
St Marys	12	\$335,000	13	\$399,000	19.1%
Adelaide Metro	4,865	\$375,000	3,921	\$400,000	6.7%

Median House Prices— September Quarter 2010  
Top 10 growth suburbs with 10 or more sales in each quarter

## Auction popularity soars during September quarter

A record number of auctions were held throughout the September quarter with the success rate also at a healthy 59.1%.

REISA President Greg Nybo said there were 1041 properties auctioned during the quarter - the highest this year - with 615 sold as a result.

"This means an impressive 9.2% of all residential sales during the September quarter were sold by auction, which is the highest percentage we've had in quite some time," Mr Nybo said.

"To have more than 1000 properties auctioned during the quarter is really quite a spectacular feat considering we had a Federal election campaign and the quieter winter season to contend with, not to mention footy finals which really hold the market up."

"A 59.1% clearance rate is also very good considering sales overall have been down in the September quarter."

Mr Nybo said the median sale price for auctioned properties was \$510,000 and a number of record prices were also achieved.

"A mansion at St Georges topped the list of auction prices this quarter at \$3.125 million, which was followed by another luxury property at Toorak Gardens which sold for \$2.5 million."

"There were also another 34 properties which sold for more than \$1 million via auction which really shows the pulling power of this method of sale."

Mr Nybo said buyers were much more confident in purchasing via auction these days.

"Especially for investors and buyers at the top end of the market when finance is secure and not dependent on selling another property," he said.

**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.

Week ending	Clearance rates
4 July	54%
11 July	49%
18 July	52%
25 July	58%
1 Aug	61%
8 Aug	47%
15 Aug	54%
22 Aug	55%
29 Aug	52%
5 Sept	56%
12 Sept	54%
19 Sept	47%
26 Sept	45%

Top 10 Residential Auction Sales		
39 Craighill Rd, St Georges	Toop&Toop Norwood	\$3,125,000
122 Grant Ave, Toorak Gardens	Toop&Toop Norwood	\$2,500,000
52A Dutton Tce, Medindie	Toop&Toop Norwood	\$1,800,000
34 Brigalow Ave, Kensngtn Gdns	Brock Harcourts Adelaide	\$1,570,000
1 Andrew Ave, Millswood	Cocks Auld Real Estate	\$1,525,000
36 Northumberland St, Tusmore	Klemich Real Estate	\$1,520,000
10 Tennyson St, Medindie	Klemich Real Estate	\$1,500,000
6 Grandview Grv, Dulwich	LJ Hooker Kensington	\$1,325,000
2 Third Ave, St Peters	Klemich Real Estate	\$1,265,000
54 East Tce, Kensington Gdns	Turner Partners	\$1,240,000

Auction Clearance Rates— September Quarter 2010  
Based on residential properties auctioned in South Australia during the specified period

## Investors well-placed as rental demand rises

Demand for rental properties has soared in recent months as the metropolitan vacancy rate drops below 1%.

REISA President Greg Nybo said while median rental prices for Adelaide had stabilised, the number of properties being rented had jumped substantially.

“The number of houses rented in Adelaide rose to 6,388 during the September quarter, which is considerably more than last quarter and the same time last year,” Mr Nybo said.

“It is pleasing to see that more investors have come on board this year to help ease the high demand we’ve been experiencing.”

“Some pockets of Adelaide have had remarkable price growth over the past 12 months, especially in the eastern and western suburbs.”

“Many of these suburbs now have median rents in the \$350-450 bracket which has traditionally been a harder area for property managers to lease.”

Mr Nybo said investors were very well-placed to buy an established property at the moment.

“This is due to the expected decrease in competition from first homebuyers following the State Government’s decision to cut the first homebuyers’ grant for established homes and target it towards new homes,” he said.

“The rental market could tighten further as potential first homebuyers - especially those wanting to buy in the inner-to-mid suburbs where there is less land available - are forced to stay in the rental market longer as they save for a bigger deposit.”

“Now is the perfect time for investors to consider starting or expanding their portfolios to take advantage of these conditions.”

**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 monthly residential vacancy rate survey conducted by REISA of about 5000 rental properties.

Metro Region	Vacancy Rate
City/ N Adelaide	0.80%
North	0.82%
East	0.72%
South	0.90%
West	1.28%
Hills	2.32%
Adelaide Metro	0.88%

Metro Vacancy Rates September Quarter 2010

Postcode	Main Suburbs	Volume Sep09	Rent Sep09	Volume Sep10	Rent Sep10	Rent % Change
5052	Belair, Glenalta	15	\$310	20	\$388	25.0%
5065	Glenside, Dulwich	40	\$376	35	\$458	21.7%
5050	Bellevue Heights, Eden Hills	15	\$300	10	\$353	17.5%
5010	Angle Park, Ferryden Park	20	\$273	25	\$320	17.2%
5025	Flinders Park, Kidman Park	35	\$310	35	\$360	16.1%
5032	Underdale	45	\$300	60	\$348	15.8%
5016	Largs Bay, Largs North	35	\$285	45	\$330	15.8%
5044	Somerton Park, Glengowrie	70	\$330	40	\$380	15.2%
5063	Fullarton, Parkside	60	\$365	55	\$420	15.1%
5033	Richmond, Cowandilla	65	\$281	65	\$320	13.9%
	Adelaide Metro	5,884	\$290	6,388	\$300	3.4%

Median Weekly Rent for Houses— September Quarter 2010  
Top 10 growth postcodes (metro) with 10 or more rents in each quarter

## Northern and southern suburbs produce strong yields

The northern and southern suburbs are continuing to produce favourable rental yields while Roxby Downs and Murray Bridge have topped the regional centres.

REISA President Greg Nybo said Evanston, near Gawler, produced the highest yield in the September quarter of 4.43%.

“Investment prospects in this region could be boosted even further with the opening of the new Northern Expressway last month,” Mr Nybo said.

“This new infrastructure cuts off travel time between Gawler and Port Adelaide by about 20 minutes so it could be a big boon for both these areas.”

“It is always important to note though that yields are not the most important thing when looking to purchase an investment property. Long term capital growth continues to be the most important factor.”

Mr Nybo said a boost to employment prospects in Roxby Downs had helped increase its rental figures and overall rental yields, while Murray Bridge’s stable house price figures contributed to its standing.

**Note:** The rental yield is calculated by dividing the median annual rental income from the median house price of the suburb. A 20% leeway is given to account for expenses such as maintenance, bills, property management fees, etc.

Location	Median House Price	Median Weekly Rent	Yield Sep10
Evanston	\$272,500	\$290	4.43%
Brahma Lodge	\$255,000	\$270	4.40%
Para Hills West	\$282,500	\$293	4.31%
Salisbury North	\$261,000	\$270	4.30%
Pooraka	\$329,000	\$340	4.30%
Hackham West	\$260,000	\$265	4.24%
Para Hills	\$287,500	\$293	4.23%
Ingle Farm	\$295,000	\$300	4.23%
O’Sullivan Beach	\$276,000	\$280	4.22%
Elizabeth Downs	\$207,500	\$210	4.21%
Adelaide Metro	\$400,000	\$300	3.12%

Rental Yields for Houses— September Quarter 2010  
Top 10 suburbs with more than 10 sales

Location	Median House Price	Median Weekly Rent	Yield Sep10
Roxby Downs	\$390,000	\$380	4.05%
Murray Bridge	\$236,278	\$230	4.05%
Whyalla	\$287,500	\$270	3.91%
Port Pirie	\$189,000	\$170	3.74%
Port Augusta	\$347,000	\$220	3.71%
Renmark	\$232,500	\$190	3.40%
Mount Gambier	\$246,750	\$200	3.37%
Walleroo	\$290,000	\$228	3.27%
Port Lincoln	\$312,500	\$245	3.26%
Victor Harbor	\$340,000	\$253	3.10%
Regional SA	\$267,000	\$230	3.58%

Rental Yields for Houses— September Quarter 2010  
SA’s main regional centres

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## Regional prices ease but outlook is positive

The median house price in country SA eased to \$267,000 during the September quarter but the outlook looks positive following strong September rains.

The \$267,000 median was a modest 1.6% decline from last quarter but an 8.9% rise from last year. Median house rents performed well rising to \$230 per week.

REISA President Greg Nybo said harvest had begun in some regional communities and early forecasts indicated it would be a record crop this season, boosting local economies.

“Sale numbers were down over the September quarter but we expect this to pick up now during spring. Mining projects are also on track now that the furor has died down following the Federal election.”

Mr Nybo said the most affordable places performed well over the past 12 months with Renmark, Port Augusta and Port Pirie topping the list with medians under \$250,000.

“Port Augusta also recorded strong rental growth which shows the market is correcting itself again there following a slight drop recently.”

Regional Town	Sales Sep09	Median Sep09	Sales Sep10	Median Sep10	Median % Change
Renmark	24	\$180,000	11	\$232,500	29.2%
Port Augusta	39	\$207,500	23	\$247,000	19.0%
Port Pirie	73	\$170,000	33	\$189,000	11.2%
Victor Harbor	89	\$310,000	83	\$340,000	9.7%
Wallaroo	17	\$270,000	15	\$290,000	7.4%
Mount Gambier	110	\$234,250	72	\$246,750	5.3%
Roxby Downs	18	\$374,560	13	\$390,000	4.1%
Port Lincoln	52	\$302,500	50	\$312,500	3.3%
Whyalla	49	\$280,000	22	\$287,500	2.7%
Murray Bridge	81	\$235,000	66	\$236,278	0.5%
Regional SA	548	\$245,000	354	\$267,000	8.9%
South Australia	6,440	\$345,000	5,128	\$370,000	7.3%

Median House Prices - September Quarter 2010  
SA's main regional centres

Postcode	Regional Town	Volume Sep09	Rent Sep09	Volume Sep10	Rent Sep10	Rent % Change
5700	Port Augusta	85	\$185	105	\$220	18.9%
5211	Victor Harbor	90	\$230	100	\$253	9.8%
5253	Murray Bridge	180	\$210	175	\$230	9.5%
5600	Whyalla	20	\$248	45	\$270	8.9%
5725	Roxby Downs	60	\$350	85	\$380	8.6%
5341	Renmark	45	\$180	50	\$190	5.6%
5556	Wallaroo	40	\$220	45	\$228	3.4%
5290	Mount Gambier	140	\$198	155	\$200	1.0%
5540	Port Pirie	140	\$170	140	\$170	0.0%
5606	Port Lincoln	100	\$250	115	\$245	-2.0%
	Regional SA	2,551	\$210	2,732	\$230	9.5%
	South Australia	8,435	\$270	9,120	\$290	7.4%

Median Weekly Rent for Houses - September Quarter 2010  
SA's main regional centres

## Beachside suburbs hot for unit sales

Units near the beach were in high demand during the September quarter with prices soaring in some high-end areas.

REISA President Greg Nybo said Findon topped the list for unit growth over the past 12 months following the sale of some newly constructed properties near Ray Street.

"Suburbs near Glenelg also performed well and are expected to continue to be popular as summer hits and everyone wants a piece of land close to the beach."

"For many people, a unit or apartment is a more affordable way to access these highly sought-after suburbs or they are the ideal way to size-down and enjoy beach walks in retirement."

"They are also great options for investment purposes as many tenants seek to live near the beach."

The western suburbs were also standouts for unit rental growth, along with various other areas in the north, east and south.

Suburb/Town	Sales Sep09	Median Sep09	Sales Sep10	Median Sep10	Median % Change
Findon	14	\$209,000	11	\$399,000	90.9%
Glenelg North	24	\$297,500	20	\$410,000	37.8%
Glenelg	43	\$345,000	31	\$470,000	36.2%
Glenelg East	11	\$296,000	10	\$399,000	34.8%
Norwood	22	\$440,000	26	\$560,600	27.4%
Prospect	12	\$320,500	17	\$390,000	21.7%
Somerton Park	20	\$299,750	11	\$358,000	19.4%
Parkside	16	\$384,000	23	\$455,000	18.5%
West Beach	10	\$314,000	11	\$370,000	17.8%
Henley Beach	10	\$424,000	12	\$475,000	12.0%
Adelaide	1,647	\$300,000	1,429	\$330,000	10.0%
Regional SA	176	\$162,000	114	\$180,000	11.1%

Median Unit Prices - September Quarter 2010

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

Postcode	Main Suburbs/Towns	Volume Sep09	Rent Sep09	Volume Sep10	Rent Sep10	Rent % Change
5025	Flinders Park, Kidman Park	10	\$220	15	\$290	31.8%
5167	Port Noarlunga, PN South	10	\$190	10	\$250	31.6%
5066	Burnside, Hazelwood Park	15	\$255	20	\$310	21.6%
5112	Elizabeth, Elizabeth South	20	\$145	20	\$175	20.7%
5006	North Adelaide	85	\$300	95	\$360	20.0%
5042	Pasadena, Clovelly Park	65	\$210	55	\$250	19.0%
5008	Croyden, Renown Park	35	\$190	25	\$225	18.4%
5075	Dernancourt, Paradise	20	\$245	20	\$290	18.4%
5016	Largs Bay, Largs North	30	\$220	30	\$260	18.2%
5037	Netley, Kurralta Park	55	\$223	50	\$260	16.6%
	Adelaide	3,945	\$250	3839	\$260	4.0%
	Regional SA	687	\$165	767	\$170	3.0%

Median Weekly Rent for Units - September Quarter 2010

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