



Market Update

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Metropolitan house prices recover in December quarter

Adelaide's median house price produced a promising result in the last quarter of 2010 reversing the backwards trend it experienced during the September quarter, the Real Estate Institute of SA (REISA) said today.

The majority of sales were dispersed north to north west of the CBD with North Adelaide, West Croydon, and Mile End rating in the top 10 showing the greatest increase in median prices. St Mary's made the top 10 for the second consecutive quarter.

The median house price for the December quarter rose 1.5% in Adelaide over the previous three months to \$406,000, which was also a 5.5% increase over the past 12 months.

"This is a positive result considering we had an interest rate rise in November and there was an abundance of stock in the market-place giving buyers the upper hand," REISA President Greg Nybo said.

"It shows the strength of the Adelaide market that despite some tough times and with sale numbers being down, our prices still hold steady."

The story was similar State-wide where house prices experienced a 2.4% rise over three months and 7.1% increase over 12 months to \$379,000.

Mr Nybo said North Adelaide was a star performer over the past year with strong house sale numbers and price growth of over 45% to a median of \$1,150,500.

"North Adelaide has consistently achieved high prices and sales volume over the past few quarters which is very good for a tightly held suburb, showing vendors at the top end have confidence in selling in today's market."

"A range of other suburbs scattered through Adelaide also performed well over the past 12 months, such as West Croydon (32.7%), Gulfview Heights (22.1%) and Mile End (21%). Most top-performers were generally in the mid \$500,000-\$600,000 range so this bracket appears to be doing well."

Prices for units throughout Adelaide stabilised in the December quarter and had a slight 5.8% rise over 12 months to a median of \$317,500.

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 Dec09	Median Dec09	Sales Dec10	Median Dec10	Median % Change
North Adelaide	10	\$785,000	10	\$1,150,500	46.6%
West Croydon	13	\$390,000	13	\$517,500	32.7%
Gulfview Heights	12	\$384,000	14	\$468,750	22.1%
Mile End	14	\$452,500	10	\$547,500	21.0%
Blackwood	15	\$398,500	22	\$477,500	19.8%
Sellicks Beach	13	\$260,000	18	\$310,000	19.2%
Magill	32	\$506,000	37	\$602,575	19.1%
Mount Barker	57	\$340,000	48	\$400,000	17.7%
McLaren Vale	17	\$327,500	14	\$378,000	15.4%
St Marys	16	\$375,000	10	\$430,000	14.7%
Adelaide Metro	4,621	\$385,000	4,102	\$406,000	5.5%

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

Auctions soften slightly during December quarter

The December 2010 quarter recorded a 41% overall average clearance rate, which is a slight softening from the September 2010 quarter.

REISA President Greg Nybo commented that this quarter saw the highest ever number of properties being auctioned. Of the 1,213 properties that went to auction, 433 were sold under the hammer, whilst 64 were sold before auction.

Although the average clearance rate for the December quarter was less than the previous quarter's 59.1%, the auction results still indicate that the market continues to hold strong.

REISA's CEO, Greg Troughton commented that "The slight decline may be attributed to higher interest rates, the removal of the first homebuyer boost and tighter lending criteria".

"That said, prices have generally held firm over the past 12 months which is an indication of Adelaide's long-term stability."

The most significant auction sale for the quarter was the \$1.9M sale of a luxurious home in Kingswood by Oren Klemich of Klemich Real Estate.

As this quarter witnessed the sale of numerous properties over \$1M, Mr Nybo again made comment that "Buyers are confident in purchasing via auction. The many sales over \$1M indicates the pulling power of this method of sale"

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
3-Oct	46%
10-Oct	43%
17-Oct	56%
24-Oct	53%
31-Oct	44%
7-Nov	44%
14-Nov	46%
21-Nov	37%
28-Nov	39%
5-Dec	38%
12-Dec	31%
19-Dec	37%

Auction Clearance Rates— December Quarter 2010
Based on residential properties auctioned in

Top 10 Residential Auction Sales		
47 Kyre Avenue, Kingswood	Oren Klemich (Klemich RE)	\$1,950,000
8 Gower Street, Glenelg East	Jamie Brown (Bernard Booth)	\$1,602,500
379A Esplanade, Henley Beach	Kerri Oakley (Ray White -	\$1,510,000
22 Knightsbridge Rd, Hazelwood	Hamish Mill (Brock Harcourts)	\$1,450,000
16 Knightsbridge Rd, Hazelwood	Guy Measday (Jock Gilbert	\$1,450,000
26 Egmont Terrace, Hawthorn	David Cocks (Cocks Auld RE)	\$1,400,000
14 Avenel Gardens Rd, Medindie	Hamish Mill (Brock Harcourts)	\$1,400,000
68 Church Terrace, Walkerville	Richard Hayward (Bernard H Booth)	\$1,400,000
37 Sir John Marks Drive, West Lakes	Steve Alexander (Klemich RE)	\$1,390,000
34 Myall Ave, Kensington Gdns	Robin Turner (Turner Partners)	\$1,290,000

Rental demand continues to soar

Rental properties continue to be in demand, as the vacancy rate for Adelaide metro remains under 1% for the December quarter.

REISA President Greg Nybo commented that whilst median rental prices for Adelaide had reached \$310 per week, the number of properties being rented had decreased.

“Rental properties in Adelaide reduced from 6,388 in the September quarter to 5,800 in December, indicating a tight rental market”.

The median weekly rent for houses in metropolitan Adelaide increased by 5.08% over the past 12 months to \$310 per week. The vacancy rate stayed tight at 0.91%.

Vacancy rates for the city and North Adelaide have increased from last quarter, as well as northern and eastern suburbs.

Considerable price growth has been observed in West Hindmarsh and Brompton, with Evandale, St Peters and Maylands following closely behind.

The trend for the December quarter has shown that where vacancy rates have dropped, weekly rents have increased.

Although vacancy rates for western and southern suburbs dropped from last quarter, the western suburbs encountered the most significant fall.

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	1.07%
North	1.11%
East	1.05%
South	0.60%
West	0.66%
Hills	0.00%
Adelaide Metro	0.91%

Metro Vacancy Rates December Quarter 2010

Postcode	Main Suburbs	Volume Dec09	Rent Dec09	Volume Dec10	Rent Dec10	Rent % Change
5007	West Hindmarsh, Brompton	45	\$280	50	\$350	25.00%
5069	Evandale, St Peters, Maylands	30	\$360	30	\$445	23.61%
5025	Kidman Park, Flinders Park	35	\$285	35	\$350	22.81%
5044	Somerton Park, Glengowrie	50	\$330	35	\$400	21.21%
5081	Gilberton, Vale Park, Medindie	30	\$330	35	\$398	20.45%
5041	Panorama, Daw Park	40	\$310	35	\$373	20.16%
5017	Taperoo, Osborne	25	\$238	20	\$285	19.75%
5000	Adelaide	100	\$360	85	\$425	18.06%
5167	Pt Noarlunga, Pt Noarlunga Sth	35	\$263	35	\$310	17.87%
5034	Goodwood, Wayville, Millswood	30	\$360	40	\$420	16.67%
	Adelaide Metro	5,500	\$295	5,800	\$310	5.08%

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

Northern Suburbs continue to produce strong yields

The majority of high yielding properties for the last quarter of 2010 were located north of the city, with the Elizabeth and Smithfield areas performing well.

Yield results overall were similar to the third quarter of 2010 with Hackham and Huntfield Heights being the only southern suburbs rating. Brahma Lodge has dropped significantly from last quarter.

Northern yields have shown a slight overall increase from the third quarter of 2010. REISA's President Greg Nybo attributes this to "it appears that the growth in this area can be attributed to infrastructure, particularly the newly opened Northern Expressway"

In regional areas Roxby Downs continued to lead with an increase in yield of 0.43%. Meanwhile, Port Augusta experienced a significant increase of 0.66% from last quarter.

Other areas had slight overall movement showing that the market is holding steady.

Mr Nybo stated that "long term capital growth should remain the ultimate motivator for entering the investment property market".

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

Location	Median House Price	Median Weekly Rent	Yield Dec10
Elizabeth Park	213,000	\$243	4.74%
Smithfield Plains	205,000	\$225	4.57%
Brahma Lodge	261,500	\$275	4.37%
Huntfield Heights	252,000	\$265	4.37%
Elizabeth Downs	203,500	\$213	4.34%
Hackham	255,500	\$265	4.31%
St. Agnes	337,500	\$340	4.19%
Para Vista	298,500	\$298	4.15%
Elizabeth East	226,500	\$225	4.13%
Smithfield	263,000	\$260	4.11%
Adelaide Metro	406,000	\$310	3.18%

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

Location	Median House Price	Median Weekly Rent	Yield Dec10
Roxby Downs	390,000	\$420	4.48%
Port Augusta	200,000	\$210	4.37%
Renmark	185,750	\$173	3.86%
Murray Bridge	255,000	\$230	3.75%
Port Lincoln	290,000	\$255	3.66%
Mount Gambier	247,250	\$210	3.53%
Walleroo	268,000	\$220	3.41%
Port Pirie	220,000	\$180	3.40%
Whyalla	270,000	\$220	3.39%
Victor Harbor	344,250	\$250	3.02%
Regional SA	270,000	\$225	3.47%

Rental Yields for Houses— December Quarter 2010
SA's main regional centres

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Country house prices stabilise in December quarter

Roxby Downs continues to lead the top rating regional centres, whilst Port Augusta continues to increase significantly from the third quarter of 2010.

Slight drops in regional sales were experienced in other areas but overall the market held steady in most Regional areas.

Country SA's median house price stabilised over the past three months with an unchanged median of \$270,000 for the December quarter, the Real Estate

Institute of SA (REISA) said today.

REISA President Greg Nybo said this result showed promise considering there was a slight decline in median house prices last quarter. The \$270,000 was also an 8% jump on prices 12 months ago.

"This shows the strength of the SA market considering we have had some tough times with an interest rate rise in November and sale numbers being down – our prices can still hold steady," Mr Nybo said.

Regional Town	Sales Dec09	Median Dec09	Sales Dec10	Median Dec10	Median % Change
Mount Gambier	128	\$240,000	75	250,000	4.17%
Murray Bridge	71	\$240,000	46	257,500	7.29%
Port Augusta	53	\$210,500	26	205,000	-2.61%
Port Lincoln	53	\$270,000	37	308,167	14.14%
Port Pirie	76	\$190,000	29	220,000	15.79%
Victor Harbor	117	\$331,500	76	360,000	8.60%
Whyalla	52	\$300,000	34	270,000	-10.00%
Berri	8	\$215,000	13	142,500	-33.72%
Naracoorte	25	\$208,500	14	209,500	0.48%
Renmark	13	\$194,250	13	177,000	-8.88%
Regional SA	579	\$250,000	335	\$270,000	8%
South Australia	6,191	\$352,000	4437	\$338,000	-4%

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

Postcode	Regional Town	Volume Dec09	Rent Dec09	Volume Dec10	Rent Dec10	Rent % Change
5725	Roxby Downs	55	\$350	50	\$420	20.00%
5700	Port Augusta	95	\$178	95	\$210	17.98%
5540	Port Pirie	165	\$160	155	\$180	12.50%
5290	Mount Gambier	145	\$200	170	\$210	5.00%
5253	Murray Bridge	175	\$220	165	\$230	4.55%
5211	Victor Harbor	85	\$240	75	\$250	4.17%
5606	Port Lincoln	90	\$250	85	\$255	2.00%
5556	Wallaroo	35	\$220	40	\$220	0.00%
5341	Renmark	50	\$175	55	\$173	-1.43%
5600	Whyalla	45	\$280	45	\$235	-16.07%
	Regional SA	2,540	\$220	2,520	\$225	2.27%
	South Australia	8,037	\$275	8,321	\$290	5.45%

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

Unit prices hold strong in December quarter

Unit sales in most metropolitan Adelaide areas continue to grow, with the strongest performer being Glenelg South with 34.38% growth over the last 12 months.

Units near the beach were in high demand during the December quarter, REISA's President Greg Nybo commented that "Coastal suburbs such as Glenelg are performing very well as investors want land near the beach."

"For those that want to either down-size or enjoy beach lifestyle, a unit or apartment is a more affordable way to access these highly sought after coastal suburbs."

Other areas have seen significant sales numbers with Adelaide being a standout with 106 for the December quarter.

Rental demand for units in Regional areas has increased with Whyalla Stuart and Port Pirie making the top 10 rentals.

Suburb/Town	Sales Dec09	Median Dec09	Sales Dec10	Median Dec10	Median % Change
West Lakes	17	\$430,000	15	\$520,000	20.93%
North Adelaide	25	\$580,000	24	\$503,000	-13.28%
Norwood	32	\$432,500	29	\$500,000	15.61%
Parkside	20	\$371,250	16	\$488,750	31.65%
Unley	14	\$329,200	17	\$452,000	37.30%
Adelaide	125	\$442,000	106	\$432,500	-2.15%
Glenelg South	11	\$320,000	11	\$430,000	34.38%
Brompton	10	\$378,750	11	\$421,000	11.16%
Glengowrie	24	\$399,000	15	\$412,500	3.38%
Magill	10	\$342,500	14	\$388,000	13.28%
Adelaide	1,254	\$300,000	1,073	\$317,500	6%

Median Unit Prices - December Quarter 2010
Top 10 growth suburbs/towns with 10 or more sales in each quarter

Postcode	Main Suburbs/Towns	Volume Dec09	Rent Dec09	Volume Dec10	Rent Dec10	Rent % Change
5608	Whyalla Stuart	10	\$103	15	\$170	65.05%
5047	Sturt, Seacombe Gardens	10	\$218	10	\$340	55.96%
5540	Port Pirie	15	\$122	15	\$160	31.15%
5016	Largs Bay, Largs North	25	\$200	25	\$260	30.00%
5046	Oaklands Park, Warradale	30	\$240	30	\$300	25.00%
5063	Fullarton, Highgate,	60	\$253	70	\$315	24.51%
5109	Salisbury East	35	\$190	25	\$230	21.05%
5088	Holden Hill	10	\$205	10	\$245	19.51%
5008	Croyden, Croyden Park	25	\$185	20	\$220	18.92%
5012	Woodville Nth, Athol Park	35	\$195	35	\$230	17.95%
	Adelaide	3,355	\$250	3,480	\$260	4.00%
	Regional SA	735	\$160	680	\$175	9.38%

Median Weekly Rent for Units - December Quarter 2010
Top 10 growth suburbs/towns with 10 or more rents in each quarter