



# Market Update

## CONTENTS

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

Brought to you by...

---

## Property market on the way up for 2012

The property market is starting to show signs of a steady recovery in 2012 with the official December quarter data showing a slight lift in settlement prices, coupled with strong buyer activity in the market place.

Official settlement data for the period of October to December with the median house price for the Adelaide metropolitan area finishing the quarter at \$390,000 which is \$3,000 higher than the winter quarter. The median is 3.7% less than the same time last year.

REISA President, Mr Greg Moulton, said that the quarterly rise was a sign that the market was starting to lift and 2012 could be a stronger year for real estate sales.

“This small rise in the median price is important as it shows that prices have leveled out a little and buyers are starting to become more active again,” he said.

“Also, we saw a lot of buyers sign contracts in late 2011 so the stock on market is slowly starting to move and we will see the result of this activity over the coming months.”

“There is no doubt 2011 was a really tough year for real estate, so we are quietly confident that 2012 will be stronger.”

Analysing the volume of sales for the quarter, REISA estimates that when the data for December is

finalised, the metropolitan area will settle around 5000 houses for the quarter, which is around the same as the previous quarter.

Commenting on suburbs which performed stronger over the past 12 months, Mr Moulton said that it really was a mixed bag with no clear pattern on wider areas experiencing a boom.

“The market is still patchy and buyers are looking at individual properties rather than specific areas when considering their purchases,” Mr Moulton said.

“In a high market, when stock is low, buyers will snap up what they can in specific areas, but when the market is slower, they tend to take their time more and choose their properties very carefully.”

**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 Dec10	Median Dec10	Sales Dec11	Median Dec11	Median % Change
PORT WILLUNGA	10	\$281,500	11	\$415,000	47.42%
SOMERTON PARK	21	\$590,000	12	\$790,000	33.90%
MUNNO PARA	10	\$242,500	22	\$305,000	25.77%
WEST LAKES	14	\$650,000	11	\$785,750	20.88%
BLAKEVIEW	25	\$292,500	28	\$345,000	17.95%
ROYAL PARK	10	\$340,000	14	\$388,200	14.18%
MOANA	15	\$370,000	12	\$412,500	11.49%
ENFIELD	21	\$335,000	18	\$371,250	10.82%
SALISBURY HEIGHTS	16	\$357,500	17	\$391,250	9.44%
BRIDGEWATER	13	\$404,500	15	\$435,000	7.54%
<b>Adelaide Metro</b>	<b>4,202</b>	<b>\$405,000</b>	<b>3,468</b>	<b>\$390,000</b>	<b>0.65%</b>

Median House Prices— December Quarter 2011  
Top 10 growth suburbs with 10 or more sales in each quarter

## Hammer falls as summer auctions pick up

The final months of year saw the hammer fall regularly to signal a sale as around 100 properties a week were offered for sale by an auctioneer.

Following traditional patterns, the last quarter of Spring saw a flurry of auction activity as vendors worked to sell before Christmas and start the new year in a new property.

Clearance rates lifted a little from the winter quarter, to edge closer to 42%. This includes properties that were successfully negotiated on the day of sale.

REISA President, Mr Greg Moulton said that auction was a great way to profile prestige property and the top sales for the quarter show that.

“Properties which are unique and well located will attract a range of buyers and the auction system lets those interested buyers negotiate in the public forum.”

“There’s nothing like the atmosphere at a successful auction when the buyer and seller shake hands and do the deal after the hammer falls.”

Commenting on the auction activity so far in 2012, Mr Moulton said the level of activity was relatively consistent with previous years.

“The auction season starts after the Australia Day long weekend, and we’ve seen a good volume of properties go under the hammer in the past few weeks .”

“Any fall in interest rates will further stimulate the market and the outlook for 2012 is positive.”

**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
2 Oct	53%
9 Oct	31%
16 Oct	44%
23 Oct	49%
30 Oct	35%
6 Nov	39%
13 Nov	49%
20 Nov	40%
27 Nov	37%
4 Dec	33%
11 Dec	35%
18 Dec	40%

Top 10 Residential Auction Sales		
8 Glenwood Rd, Springfield	Anne Einarson, Toop & Toop Real Estate	\$3,225,000
48 Eton St, Malvern	Sue Windebank, Toop & Toop Real Estate	\$2,000,000
33 Marine Pde, Seacliff	Stephanie Williams, Toop & Toop Real Estate	\$1,800,000
12 Burlington St, Walkerville	Richard Thwaites, L J Hooker - Kensington	\$1,750,000
130 Grant Av, Toorak Gardens	Patrick Booth, Bernard H Booth - Adelaide	\$1,500,000
11 Roberts St, Unley	Stephanie Williams, Toop & Toop Real Estate	\$1,450,000
8 Grandview Gr, Dulwich	Alexander Ouwens, Brock Harcourt - Ouwens Casserly	\$1,290,000
30 Lerwick Av, Hazelwood Park	Kay Morris, Toop & Toop - Norwood	\$1,255,000
66 Gilbert St, Gilberton	Rosalind Neale, Neale Realty	\$1,150,000
294 Young St, Wayville	Sharon Gray, Cocks Auld Real Estate - Unley	\$1,150,000

Auction Clearance Rates— December Quarter 2011  
Based on residential properties auctioned in South Australia during the specified period

## Rental market eases into 2012

The State's only rental market survey has revealed vacancies and activity has been steady over the past quarter, recording little change in vacancies and finishing the quarter with the state wide rate of 3.3%, only a fraction above the September rate of 3.21%.

Breaking down the metropolitan and regional areas shows that our city areas are recording a total vacancy rate of 3.4% (up from 3.08% in the last survey) whilst regional areas tightened to 2.83% (down from 3.91%).

"The level of activity in the rental market has been steady, but REISA members are saying that it's generally a little flatter than previous years at the same time," Mr Moulton said.

"Over the past 12 months, we have seen a slower economy and that has led to people moving less and waiting to see what happens a little more."

"However, REISA property managers are clearly saying that when the property is well located, in good condition and priced to meet the market, it will quickly rent."

"Pricing has definitely been a key to the vacancies from our last survey. In the outer suburbs, above \$300 makes it a little slower to lease and closer to the city, we're seeing that \$350 is generally a critical price point."

"The data also shows that more properties have entered the rental pool as vendors who've not been able to sell at their optimum price have chosen to hold on to the investment and rent it to the private market."

Turning to median rentals, there has been little shift over the past 12 months with the median house rental price only moving up by \$5 per week to \$315 for metropolitan and by \$15 per week to \$240 for houses in regional towns. There was little movement over the quarter in median house price rentals.

**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 quarterly vacancy rate survey conducted with the REISA membership. Over 26,000 properties under management were used in the September 2011 survey.

### REISA Vacancy Rates Dec Quarter 2011

City/ North Adelaide	3.6%
West	3.5%
South	3.3%
East	3.9%
North	3.3%
Hills	2.3%
Eyre Peninsula	1.5%
Upper Spencer Gulf	4.6%
Mid North	1.1%
Fleurieu/Kangaroo Island	3.8%
South East	3.8%
Riverland	3.2%
Yorke Peninsula	5.1%

### Top 10 performing suburbs for rental increases

Suburb	Weekly advertised rental median	12 month rental growth
MARDEN	\$453	37.12%
OSBORNE	\$ 335	34.00%
WEST BEACH	\$ 455	30.00%
NEW PORT	\$443	26.43%
LOWER MITCHAM	\$410	26.15%
WEST LAKES	\$378	24.79%
ALLENBY GARDENS	\$350	22.81%
BRIDGEWATER	\$380	22.58%
TUSMORE	\$450	22.45%
WEST LAKES SHORE	\$420	20.00%

Median Weekly Rent for Houses— December Quarter 2011  
Top 10 growth suburbs with 10 or more rents in each quarter

## Yields show the long-term stability of bricks and mortar

Investors are slowly returning to the market due to the stability of property investment and good yields.

“Long-term averages show that property is a really smart investment and there are still some solid yields being returned,” said REISA President Greg Moulton.

“Looking at other investment options, you just can’t go past bricks and mortar.”

“There are some good buys out there for smart investors at the moment, and the yield will be one consideration, whilst capital growth will be the another.”

**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.

### Top metro suburbs by yield

SUBURB	Median price	Median rental	Yield
PICCADILLY	\$370,000	\$500	5.62%
ASHFORD	\$383,500	\$500	5.42%
EXETER	\$326,000	\$425	5.42%
BRAHMA LODGE	\$225,000	\$280	5.18%
SMITHFIELD PLAINS	\$185,000	\$230	5.17%
DIREK	\$280,000	\$345	5.13%
SMITHFIELD	\$219,000	\$260	4.94%
ALBERTON	\$280,000	\$330	4.90%
ELIZABETH NORTH	\$187,000	\$220	4.89%
ELIZABETH PARK	\$220,000	\$253	4.78%

### Top regional towns by yield

SUBURB	Median price	Median rental	Yield
PORT AUGUSTA	\$160,000	\$233	6.05%
ROXYBY DOWNS	\$410,000	\$550	5.58%
NARACOORTE	\$171,000	\$220	5.35%
KANMANTOO	\$285,000	\$328	4.78%
MURRAY BRIDGE	\$223,000	\$240	4.48%
BRUKUNGA	\$242,500	\$255	4.37%
PORT PIRIE	\$182,500	\$190	4.33%
WHYALLA	\$282,250	\$288	4.24%
MILLICENT	\$174,000	\$175	4.18%
RENMARK	\$180,000	\$180	4.16%

Rental Yields for Houses— December Quarter 2011  
Top 10 suburbs and towns with more than 10 sales





REI House  
249 Greenhill Road  
Dulwich, South Australia 5065

*“There was never any doubt as to who I was going to study with and gain real estate knowledge through - REISA were amazing.”*

**Jaynie Morris**  
Harris Real Estate

*“REISA continually keep me up to date with industry developments and legislative changes.”*

**Andrea Cottier**  
Turner Partners

**Thinking about a real estate career?  
Trust REISA training to kick-start your career!  
Visit [www.reitraining.com.au](http://www.reitraining.com.au)**

## Regional property market patchy after a tough year

The Official December quarter data has recorded strong growth in some areas and tougher times in others, with the median house price for regional South Australia finishing the quarter at \$251,250, which is 4.7% higher than the winter quarter, but with patchy results across the State.

Commenting on the release REISA President Mr Greg Moulton, said that the quarterly rise was a sign that the market was starting to lift and 2012 could be a stronger year for real estate sales.

REISA members are saying that they saw more buyers sign contracts in late 2011 though so the stock on market is slowly starting to move and we will see the result of this activity over the coming months .

Analysing the volume of sales for the quarter, REISA estimates that when the data for December is finalised, the regional area will settle around 500 houses for the quarter, which is around the same as the previous quarter.

Regional Town	Sales Dec 10	Median Dec 10	Sales Dec 11	Median Dec 11	Median % Change
BERRI	14	\$148,000	5	\$299,000	102.03%
WHYALLA	35	\$270,000	49	\$282,250	4.54%
PORT LINCOLN	41	\$290,000	40	\$295,000	1.72%
MOUNT GAMBIER	78	\$247,750	82	\$245,000	-1.11%
BARMERA	4	\$205,000	7	\$202,500	-1.22%
MILLICENT	13	\$176,500	15	\$174,000	-1.42%
REMARK	14	\$185,750	14	\$180,000	-3.10%
VICTOR HARBOR	83	\$362,950	61	\$351,250	-3.22%
MURRAY BRIDGE	50	\$265,000	45	\$223,000	-15.85%
PORT PIRIE	33	\$217,500	22	\$182,500	-16.09%
<b>REGIONAL SA</b>	<b>360</b>	<b>\$270,000</b>	<b>343</b>	<b>\$251,250</b>	<b>-6.94%</b>
<b>SOUTH AUSTRALIA</b>	<b>5,522</b>	<b>\$375,000</b>	<b>4,343</b>	<b>\$360,000</b>	<b>-4.00%</b>

Median House Prices - December Quarter 2011  
SA's main regional centres

SUBURB	Dec 2011 Rent (\$)	12 month % change
PENOLA	\$210	35.48%
ROXBY DOWNS	\$550	30.95%
WHYALLA	\$288	30.68%
STREAKY BAY	\$210	27.27%
ANDAMOOKA	\$223	23.61%
COOBER PEDY	\$160	23.08%
LOXTON	\$190	22.58%
WHYALLA JENKINS	\$350	20.69%
PORT MACDONNELL	\$205	20.59%
NARACOORTE	\$220	18.92%

Median Weekly Rent for Houses - December Quarter 2011  
SA's main regional centres

## Units prices consistent with market trends

Unit prices across the State have continued to mirror house prices with most suburbs remaining relatively consistent over the past 12 months.

“Of course there are always stand-out suburbs, and these show that units can still be a very sensible buy for either owner-occupier or investor,” REISA President, Greg Moulton said.

“In many suburbs, we are seeing development

focus on smaller living choices and this is also a contributor to the higher medians around units, as they are generally newer builds.”

“Units are a great option for buyers who are looking for low maintenance living.”

Suburb	Sales vol	Median price	12 month % growth
PROSPECT	11	\$275,000	13.8%
ASCOT PARK	14	\$335,925	11.0%
PARKSIDE	10	\$527,500	5.6%
HOPE VALLEY	10	\$333,000	5.0%
GLENELG	19	\$495,000	4.6%
SEATON	15	\$292,000	4.2%
WEST CROYDON	14	\$383,750	2.0%
OAKLANDS PARK	19	\$330,000	-0.7%
WEST LAKES	12	\$482,500	-1.1%
ADELAIDE	67	\$427,000	-1.6%

Median Unit Prices - December Quarter 2011  
Top 10 growth suburbs/towns with 10 or more sales in each quarter

Suburb	Weekly rental (\$)	12 month % growth
SALISBURY	\$218	8.8%
DAVOREN PARK	\$200	8.1%
OAKLANDS PARK	\$295	7.3%
GLENELG NORTH	\$300	7.1%
SEATON	\$275	5.8%
ASCOT PARK	\$290	5.5%
ELIZABETH SOUTH	\$200	5.3%
SALISBURY NORTH	\$230	4.5%
MORPHETT VALE	\$250	4.2%
WEST LAKES	\$333	3.9%

Median Weekly Rent for Units—December Quarter 2011  
Top 10 growth suburbs/towns with 10 or more rents in each quarter