

House Price Recovery Continues

The ABS index of established house prices increased for a second consecutive quarter in September 2009 said the Housing Industry Association (HIA), Australia's largest building industry association.

HIA's Chief Economist, Dr Harley Dale said renewed growth in house prices over 2009 flies in the face of doom-sayer predictions earlier in the year that home values would tumble in Australia.

"Increasing signs of life in the real estate market this year has helped boost consumer confidence and spending and has been a component of Australia's economic out-performance.

"As we head towards 2010 we need a keen focus on lifting new home construction to an extent that removes unnecessary upward pressure on home prices.

"A recovery in new residential construction is underway, but there is a very real risk that costly delays in planning approvals and land shortages will combine to blunt the magnitude of that recovery," said Harley Dale.

The weighted average capital city established house price index increased by 4.2 per cent in the September 2009 quarter to be 6.2 higher when compared to the same period last year. The established house price index increased by 4.3 per cent in Sydney, 4.7 per cent in Melbourne, 4.4 per cent in Brisbane, 1.7 per cent in Adelaide, 4.5 per cent in Perth, 1.8 per cent in Hobart, 3.4 per cent in Darwin, and 4.3 per cent in Canberra.

The weighted average index for project homes across Australia's eight capital cities increased by a moderate 1.3 per cent in the September 2009 quarter to be up by 2.5 per cent compared to the same period last year.

The capital city project house price index increased in the September quarter by 0.7 per cent in Sydney, 3.3 per cent in Melbourne, 0.1 per cent in Brisbane, 0.8 per cent in Adelaide, 0.3 per cent in Perth, 3.7 per cent in Hobart, 0.2 per cent in Darwin, and 1 per cent in Canberra.

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