



Residential Property Monitor

August 2009

Supply

On a seasonally adjusted basis:

- After remaining stable in May, national housing approvals picked up its pace in June, increasing by 4.9%. Whilst national housing approvals have been improving since December 2008, annual levels remain below a year ago, by 14.5%. On a state by state basis, housing approvals in June were positive in most states with growth ranging between 0.7% in QLD and 24.8% in WA. NSW was the only major state to record a decline in housing approvals, falling by 1.6% in June.
- National approvals for 'other dwellings' increased by just under 28% in June after falling by 44% in the previous month. Approvals for 'other dwellings' remain a substantial 30% below levels a year ago. On a state by state basis, NSW (14%) and VIC (155.5%) and WA (8.4%) saw positive growth however QLD and SA declined by 44% and 8.2% respectively.

Demand

On a seasonally adjusted basis:

- Nationally, finance commitments by owner occupiers to construct or buy a new dwelling recorded positive growth for the tenth consecutive month in June, at 1.9%. As expected, annual levels have now improved on a year ago, albeit by just 0.8%. On a state by state basis QLD and SA are the only states with levels lower than a year ago, by 14.3% and 3.1% respectively.
- The number of commitments by owner occupiers for existing dwellings (excluding re-financing) has improved for the ninth consecutive month, growing by 1.2% in June. Whilst still improving month on month, growth appears to be showing signs of slowing from levels achieved in late 2008/early 2009. Annual levels remain lower than a year ago, by 7.4%.
- Nationally, investor finance declined in May, falling by 0.5%. While levels have generally improved in 2009 so far, levels remain 21.7% lower than a year ago.

Value

- The ABS released their Q2 2009 data for house prices, which suggests that national house prices increased by around 4.2% over the quarter. This is the first national increase in house prices since Q1 2008, according to the ABS. Surprisingly, all capital cities have shown resilience over Q2, with prices increasing by between 2.4% in Darwin to 5.2% in Melbourne.
- Annually, the ABS house-price indices indicate that prices remain lower than levels a year ago, by 1.4%. While the extent of annual falls has slowed across all states, house prices remain lower than a year ago in Sydney (-0.9%), Melbourne (-1.5%), Brisbane (-3.3%), Perth (-3.7%) and Canberra (-0.2%). Adelaide, Hobart and Darwin are the only capital cities to have recorded annual increases in prices, by 2.7%, 0.1% and 11% respectively.



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Larger State data

Supply Data	Time Period	NSW	VIC	QLD	SA	WA	General Trend
Approvals (original) Houses: Private	June 2009	1,287	3,161	1,779	769	1,613	Stable
Average monthly approval Longer term	1985 to date	2,067	2,352	2,111	638	1,317	-
Approvals (original) Other dwelling: Private	June 2009	422	1,057	271	187	174	Stable
Average monthly approval Longer term	1997 to date	1,588	887	950	159	283	-
Approval growth (sa) Houses: private	May 09 - Jun 09	-1.6%	2.2%	0.7%	8.7%	24.8%	-
Approval growth (sa) Other dwell: Private	May 09 - Jun 09	14.0%	155.5%	-44.0%	-8.2%	8.4%	-

Demand Data	Time Period	NSW	VIC	QLD	SA	WA	General Trend
Owner occupier finance - existing (No.)	Jun 2009	13,478	8,579	8,437	3,334	4,026	Mixed
Longer term monthly average (No.)	1985 to date	8,521	6,091	4,890	2,223	3,161	-
Owner occupier finance new (No.)	Jun 2009	2,112	2,753	1,997	768	1,743	Rising
Longer term monthly average (No.)	1985 to date	1,818	1,810	1,566	572	1,080	-
Price adjusted investor finance	June 2009	\$731 M	\$422 M	\$320 M	\$101 M	\$160 M	Rising
Longer term monthly average	1991 to date	\$500 M	\$237 M	\$234 M	\$64 M	\$99 M	-

Value Data	Time Period	SYD	MEL	BRIS	ADE	PER	General Trend
Gross Value (median unit yield)	Mar 09 Quarter	5.7%	4.6%	5.1%	4.5%	5.2%	Rising
Long term yield	1988 to date	5.3%	5.5%	6.2%	6.1%	5.8%	-
Vacancy Rate	Mar 09 Quarter	1.2%	1.4%	1.7%	1.8%	2.9%	Rising
Long term vacancy rate	1980 to date	2.3%	2.6%	2.6%	2.7%	3.3%	-
Affordability Index	Mar 09 Quarter	33.0	36.1	33.2	35.1	38.6	Rising
Long term affordability rate	1980 to date	34.4	42.3	40.4	41.9	45.6	-
Change Median Other Dwelling Prices	Mar 09 Quarter	0.8%	-0.8%	-1.4%	-5.2%	1.9%	Falling
Inflation adjusted growth (LT Avg)	Mar 09 Quarter 1980 to date	0.8% 0.6%	-1.1% 1.0%	-1.6% 0.8%	-5.2% 0.8%	2.0% 0.9%	Falling -
Change Median House Prices	Mar 09 Quarter	-0.5%	-3.1%	0.3%	-1.9%	2.4%	Mixed
Inflation adjusted growth (LT Avg)	Mar 09 Quarter 1980 to date	-0.5% 0.6%	-3.3% 0.9%	0.0% 1.0%	-1.9% 0.9%	2.5% 0.9%	Mixed -

* For Sydney only 'Houses' now include houses, cottages, terraces, semi detached dwellings, townhouses and villas. 'Units' includes units, studios and duplexes. These definitions are for Sydney only and are different from those used by the ABS and REIA.

ABS Sources:

8731.0 Building Approvals Australia, June 2009
5690.0 Housing Finance, June 2009
5671.0 Lending Finance, June 2009

Other Sources:

REIA/Mortgage Choice, Market Facts, March 2009
Deposit Power/REIA Home Loan Affordability Report, March 2009



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Tasmania, Northern Territory and ACT

Supply Data	Time Period	TAS	NT	ACT	General Trend
Approvals (original) Houses: Private	June 2009	216	56	196	Stable
Average monthly approval Longer term	1985 to date	188	55	122	-
Approvals (original) Other dwelling: Private	June 2009	47	14	79	Stable
Average monthly approval Longer term	1997 to date	24	50	84	-
Approval growth (sa) Houses: private	May 09 - Jun 09	n/a	n/a	n/a	-
Approval growth (sa) Other dwell: Private	May 09 - Jun 09	n/a	n/a	n/a	-

Demand Data	Time Period	TAS	NT	ACT	General Trend
Owner occupier finance - existing (No.)	June 2009	864	343	705	Stable
Longer term monthly average (No.)	1985 to date	615	230	497	-
Owner occupier finance new (No.)	June 2009	187	43	201	Mixed
Longer term monthly average (No.)	1985 to date	492	51	132	-
Price adjusted investor finance	June 2009	\$11 M	\$18 M	\$48 M	Stable
Longer term monthly average	1991 to date	\$10 M	\$16 M	\$25 M	-

Value Data	Time Period	HOB	DAR	CAN	General Trend
Gross Value (median unit yield)	Mar 09 Quarter	5.5%	5.1%	5.7%	Rising
Long term yield	1988 to date	7.0%	5.9%	6.3%	-
Vacancy Rate	Mar 09 Quarter	2.1%	1.8%	2.5%	Rising
Long term vacancy rate	1980 to date	3.5%	6.2%	2.6%	-
Affordability Index	Mar 09 Quarter	36.0	46.0	59.4	Rising
Long term affordability rate	1980 to date	48.3	57.9	58.8	-
Change Median Other Dwelling Prices	Mar 09 Quarter	-1.0%	3.3%	0.1%	Mixed
Inflation adjusted growth (LT Avg)	Mar 09 Quarter 1980 to date	-1.2% 1.0%	3.2% 1.7%	-0.1% 0.9%	Mixed -
Change Median House Prices	Mar 09 Quarter	-2.1%	5.3%	1.1%	Mixed
Inflation adjusted growth (LT Avg)	Mar 09 Quarter 1980 to date	-2.4% 1.2%	5.3% 1.2%	1.0% 1.0%	Mixed -

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