

ACT Market Update

4th Quarter
Oct - Dec 2011

This edition of my quarterly update looks at the market differences within the last 12 months, and some recent statistics in the ACT

Australia's RP Data and Rismark International ("Rismark") have a highly accurate and timely suite of world-class property price indices that have transformed the way Australians measure and understand changes in the value of residential real estate.

In May 2009, CommSec's chief economist, Craig James, commented; *"The RP Data-Rismark index has emerged as Australia's authoritative source on home price trends. The property database is Australia's largest and, unlike the Bureau of Statistics, all properties are counted, not just free-standing homes."*

Number of homes for sale:

Residential property listings advertised for sale over the month ending 9/10/11 is higher than last year. RP Data figures are based on a rolling monthly count of unique properties that have been advertised for sale. In Canberra there are 1,833 homes currently for sale now, which is 425 more homes than there was advertised this time last year at 1,408.

This time of year is renowned for sellers to put their homes on the market. The Spring season sees homes at their best, but it also means more competition amongst sellers competing with one another.

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Not something to be outdone, I have met many people at open homes who have started their

search for a home within the last 2-4 weeks. Many buyers take 2-3 months before they have assessed the market in varying locations and have a clear idea of what property prices are doing. As a result, coupled with buyers who started mid to late year, homes are still selling very well.

The average time on the market in Canberra according to allhomes is just over 100 days! For me, my days on the market is 1/3 that of other agents. Usually Canberra sees average days around 50-65 days so this data is all the more reason to make sure you engage the best possible agent to sell your most valuable asset.

Australian Money Magazine published an article in September titled 'What's an agent worth'. It was a fantastic read about who, what, where and how much to compare agents.



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The cheapest agent will not get you the premium price. You can read the PDF article on my website under news and updates www.sambuchanan.com

An ever increasing undersupply of rental properties is a solid indication that Canberra is still growing and this too can be seen in the capital growth. Other major capitals such as Perth, Brisbane, Sydney and Melbourne have seen negative growth of up to 7% this year! Canberra however has stayed very steady after a red hot market in late 2009 and 2010.

Independent Property Group's vacancy rate for September was at 0.4%! This is consistent with our vacancy rate staying at an average below 1% since late 2009, well below the Canberra average of 1.5%. The industry benchmark vacancy rate is considered to be a value of 3%. Vacancy rates lower than that indicated a strong demand for rental accommodation, which is certainly true of the Canberra market.

When the rental market is tight, it produces an increase demand for first home buyers

driven by affordability and opportunity to enter the market; and investors who are seeing both attractive rental returns and security of their income stream.

In terms of future prognosis, it seems that Canberra's combination of highly paid workers, low vacancy rates and undersupply of homes will make it very much a case of steady as she goes for the foreseeable future whilst reaping better capital gains and returns than investors in the other states and territories.

Residential real estate continues to be the basis of financial security and the preferred investment choice for a large percentage of Australians. The opportunities on offer now demonstrate why this is the case. It is likely that the property market will experience an investor led recovery and those who act early are often those who benefit most. The primary driver of growth will continue to be an under supply of housing as has been the case for many years coupled with extraordinary housing demand fuelled by population growth.



A professional agent achieving results

To predict future outcomes from an agent, you need to look at their past results.

Sam Buchanan's clients have been impressed by his honesty & professionalism, as well as the excellent results he has achieved for them.

To find out more about this exciting agent & see what his clients say, visit his website or call Sam direct.

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