



Home buyers unmoved by budget

The federal budget has failed to restore confidence to the nation's property markets with most capital cities recording weekend auction sales of less than half compared to last year. The poor results come after the Rudd Government

Weekend auction results of capital cities		Corresponding Saturday last year
	Saturday	Saturday last year
Sydney		
Total listed	266	386
Clearance rate	49.2%	61.6%
Brisbane		
Total listed	57	54
Clearance rate	31.7%	53.8%
Adelaide		
Total listed	41	49
Clearance rate	62.5%	87.8%
Melbourne		
Total listed	524	581
Clearance rate	63%	89%

Source: homepriceguide.com.au; REIV

unveiled its \$2.2 b housing affordability package, which included government contributions to first home saver accounts, incentives for low-rent housing and funds to provide new housing infrastructure and cut red tape for development approvals.

In Australia's most expensive city, only \$88 million worth of property changed hands in contrast to \$173 million for the same weekend last year. The Sydney clearance rate was 49.2% compared to 61.6% last year; Adelaide sold \$7.9 million compared to \$17.4 million last year; Brisbane \$8.2 million compared to \$16.2 same time last year; with Melbourne the only city to hold up against the slide. **The Australian, Page 2, 19 May 2008**

House prices soar in mines boom

The resources boom has pushed up residential property prices in some mining towns by more than 44 % in the past year. RP Data research shows prices at Broken Hill in western NSW rose 44.6 % and, at Glen Eden, a suburb in the Queensland city of Gladstone, they rose 44.2 %. Other resource-rich centres where prices jumped in the year included Kalgoorlie in Western Australia (with 36.1 %), Clermont in Queensland (with 39 %) and Whyalla in South Australia (with 35.4 %). Mark Spearing, the Real Estate Institute of Queensland's Gladstone zone chairman, said population growth and billions of dollars of infrastructure work proposed or under way in the region were driving up residential prices and rents. Gladstone had a lack of new dwellings, one of Queensland's lowest vacancy rates and elevated rentals. Only a "handful" (comprising \$246 million) of residential developments were planned or under construction there, he said. **The Australian, Page 27, 15 May 2008**

Mortgage arrears on the rise

Arrears on home mortgages underlying Australian prime residential mortgage-backed securities (RMBS) rose to 1.24% in January from 1.09% in December, according to Standard & Poors. A spokesperson said the January rise was not uncommon due to the seasonal impact of the Christmas-New Year period, and that arrears were expected to continue rising during the first quarter of 2008, with the two official rate rises in February and March having an impact. Arrears on sub-prime loans also rose in January to 13.38% from 12.29% in December. **The Australian Financial Review, Page 69, 15 May 2008**

Move offices out of city urges expert

Businesses should be encouraged to move to regional cities, and restrictions should be placed on commercial development in Brisbane, a leading property analyst says. Matusik Property Insights owner Michael Matusik said southeast Queensland's workforce needs to be decentralised, with businesses urged to move to places like Toowoomba, Ipswich, Maroochydore and Robina. He wants no new office space to be built in Brisbane's CBD for 10 years. These are some of the ideas he wants included in the revised Southeast Queensland Regional Plan, being reviewed by the Department of Infrastructure and Planning. He also wants to reduce the housing density allowed in outer areas; open cane land for development on the Sunshine and Gold Coasts; and has called for better monitoring and reporting of urban land supplies by an independent committee. The SEQ Regional Plan review is expected to be finalised by the middle of next year. Submissions are invited to: www.dip.qld.gov.au **The Sunday Mail, Page 25, 18 May 2008**

Queensland market underpinned by migration

According to the Real Estate Institute of Queensland, the State's population grows by 1200 per week, thanks to overseas and inter-state migration, both of which contribute to a healthy economy and solid property market. A State Government report found that Queensland's overall population has continued to swell at historic rates of more than 60,000 a year, with 1.3 million having moved within Queensland between 2001 and 2006, making up 74% of all the State's migration. The analysis found Brisbane and the Gold and Sunshine coasts taking the top three places for interstate migration. www.propertyreview.com.au, **19 May 2008**

Far north to boom

North Queensland will have to find room for 100,000 new residents in the next 20 years. Cairns will take up to 70% of the population growth, according to the State Government's plans for the region. The Far North Queensland Regional Plan to 2025 will focus on transport, infrastructure, water management, economic and urban growth, the environment and natural resources. An official said most growth outside the Cairns area was expected in Mareeba, Atherton, Innisfail and, to a lesser extent, Tully and Mossman. **The Sunday Mail, Page 29, 18 May 2008**

Residential development released in Mackay

Queensland's "Coal Coast" is in demand for housing, prompting the launch of a new land release at Mackay's Royal Sands development following the near sell out of stage seven, worth \$10 m in sales for developer Consolidated Properties. Stage eight has now commenced construction, with an initial 26 lots ranging 560 sqm to 1432 sqm and priced from \$179,900 released this week. **Australian Property Review, 14 May 2008**

Green light for amended plan

Brisbane City Council has finally endorsed a neighbourhood plan for Albion after pulling the pin on a proposal this time last year. The plan outlines moves for higher density development in the area with a mix of uses. Albion Village will continue to be the core retail, restaurant and entertainment precinct, while the mixed use development of the station precinct will be an extension of that. Community access to the waterfront will also be improved through a change of use of council-owned land in Argyle Street. **The Courier-Mail, Page 86, 16 May 2008**

Project builder hits the wall

The largest project home builder in NSW, Beechwood Homes, was placed in voluntary administration yesterday in another blow to the near moribund state housing industry. The collapse could catch 300 homeowners for whom Beechwood is building homes in Sydney and on the North, South and Central Coasts. However, the administrator, Andrew Wily of Armstrong Wily, said that "at this stage" the company was continuing to build with the support of its banks. Beechwood would be the largest failure in the project home industry since the Melbourne-based Avonwood collapsed in 2000. **The Australian Financial Review, Page 4, 14 May 2008**

NZ property sales fall further

New Zealand residential property sales fell further in April, to 4,464, down 45.5% on the sales figure a year ago of 8,194 and the national median price was down from \$349,000 in April 2008, compared with the April 2007 median of \$349,000. REINZ's national president Murray Cleland said he thought that the March sales figure of 5,129 was low. "But April shows that the loss of confidence in the housing market is deeper than we had anticipated," he added. In the Auckland market sales were down by 52.5% from 2,843 in April 2007 to just 1,350 sales in April 2008, compared with Wellington where sales were down 33.5% from 842 in April 2007 to 560 in the latest month. www.propertyreview.com.au, **19 May 2008**

No-carbon house not likely here

Construction giant Barratt Developments has become the first volume builder to unveil a zero-carbon house in the UK. Barratt's Green house, north of London, has solar panels, rainwater harvesting and an air source heat pump. It has a new kind of concrete for the walls and floors, combined with super insulation and triple-glazed windows, which mean that heat requirements will be minimal, as it is airtight. Fresh air is brought in through a heat exchanger which extracts the heat from outgoing stale air and puts it back into the house. UK government legislation has made zero-carbon houses mandatory from 2016. Archicentre managing director Robert Caufield said Australia's green initiatives were being taken one step at a time and zero-carbon homes did not allow for windows to be opened, something that would not be popular. **The Weekend Australian Financial Review, Page 16, 17-18 May 2008**

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Consumers can't save US economy this year

The full impact of the credit squeeze has yet to hit the American economy. (While) monetary easing and liquidity boosting efforts from the Federal Reserve have clearly triggered Wall Street hopes that US economic woes are approaching an end...a turnaround in the housing market appears alarmingly out of reach at present, despite the occasional hopeful pronouncement by market commentators. Lehman mortgage strategists expect foreclosure on 1.2 million single-family home mortgages **this year and on 1.4 million next year, with foreclosures** likely to account for 30% of total single-family existing home sales over the next two years. Such homes are likely to sell at a discount to the market, lowering the average selling price and, corrosively, infecting neighbourhood prices. Predictions are for a 15% to 20% drop in home prices from the end of last year to the end of next year. **The Australian Financial Review, Page 23, 19 May 2008**

Shadow lengthens over UK housing

House prices fell in every region in Britain in April with reports of the widest margin of decline in at least 30 years, indicating the housing downturn is gathering momentum. The Royal Institution of Chartered Surveyors' house price balance fell to minus 95.1 in the three months to April from minus 79.4 in March, the weakest since the series began in January 1978. A RICS spokesman said the real issue was the collapse in the number of housing transactions, with real implications for the property industry and the wider economy. **The Australian Financial Review, page 61, 14 May 2008**

Money still good in property...for now – says Avdiev

The money is still flowing for anyone employed in the property industry, but the party may well be over, according to recruitment specialist Rita Avdiev. "Almost everyone in property got a raise in the latest remuneration reviews," Avdiev said, "but what will happen next?" she asks, warning that the massive reduction in property share prices over the last six months may well impact upon property industry employment numbers in the future. The forecasts are for an average of 5%, to reward good performance. www.propertyreview.com.au, **15 May 2008**

Social status is all a state of mind

The human brain seems to be hard wired for social status. US researchers found different brain areas are activated when a person moves up or down a pecking order or just looks at perceived social superiors or inferiors. When this happens the brain responds as it would if they had just won or lost money. The research, conducted at the National Institute of Mental Health, describes brain responses at the top of an unstable hierarchy. The more positive the mood experienced while at the top, the stronger the brain activity when the person views a threat to move them down in status. Basically, it means people who feel more joy when they win, feel more pain when they lose. **The Australian Financial Review, Page 82, 15 May 2008**

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