



Market Update

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Metropolitan house values continue to strengthen in March quarter

Adelaide's median house prices continued to modestly strengthen in the first quarter of 2011, following a growing trend from the last quarter of 2010, the Real Estate Institute of SA (REISA) said today.

The median house price for the March quarter rose 0.49% in Adelaide over the previous three months to \$410,000, which was also a 1.23% increase over the past 12 months.

REISA President Greg Nybo said this was a positive result considering we had an interest rate rise in December to 4.75%, and there has been an abundance of stock in the marketplace.

"Sales figures from the first quarter of 2011 indicate Adelaide's stability, and although sales numbers were down from last quarter 2010, house prices are holding. The RBA's decision to hold interest rates this month is also promising for those in the market for the second quarter of 2011".

The story was similar State-wide where house prices experienced a rise of 0.14% over three months and 2.99% increase over 12 months to \$379,000.

Mr Nybo said Morphett Vale was the strongest performer in terms of volume of sales over the past 3 months with over 75 houses sold with a median house price of \$290,000. North Adelaide again starred in the top with quarterly growth of over 13% and a median house price of \$908,000.

"North Adelaide has again achieved high prices and sales volume for the first quarter of 2011, indicating that buyers are still active in the top end of today's market."

"A range of other suburbs scattered through Adelaide also performed well over the past 12 months, such as Salisbury Heights (37.89%), Littlehampton (37.14%) and Hove (25.37%). Most top-performers were generally in the mid \$500/600,000."

There was a slight softening of unit prices for March quarter, with a median unit price of \$310,000, down from a median unit price of \$317,500 in the December 2010 quarter, however REISA has noted this was also on lower volumes..

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 Mar10	Median Mar10	Sales Mar11	Median Mar11	Median % Change
Salisbury Heights	21	351,000	14	484,000	37.89%
Littlehampton	17	350,000	11	480,000	37.14%
Moana	15	402,500	12	480,000	19.25%
West Croydon	14	471,000	12	550,000	16.77%
Marion	11	420,000	11	489,500	16.55%
Redwood Park	15	340,000	11	390,000	14.71%
Crafers	10	578,250	11	660,000	14.14%
Fulham Gardens	16	540,000	21	615,000	13.89%
North Adelaide	12	801,250	10	908,000	13.32%
Burton	24	309,750	18	350,000	12.99%
Adelaide Metro	4,208	405,000	3,457	410,000	5.5%

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

Auction prices steady for first quarter

Adelaide's auction results for the first quarter 2011 shows steady demand, with weekly clearance rates averaging around 50%.

Following on from a softened December 2010, this quarter shows the auction market is starting to strengthen.

"This quarter recorded a number of properties sold for over \$1M, demonstrating the pulling power of auction and the demand people place on quality real estate in highly sought after locations.

"These results are impressive, considering January is usually a slow month with many people on holidays." REISA President Greg Nybo said.

"Numerous sales over the \$1M mark in the first quarter, indicated that there is still strong demand for high-end properties. However agents are saying that vendors need to be realistic in setting their reserve price."

The top of the quarterly auction sold list was a sale of a gorgeous home at Malvern for \$2,940,000 by Brock Harcourts.

"The SA Market has proved its resilience and this positive trend in the auction market is predicted to continue for the remained of 2011. SA's market is characterised by its reliability, proving that our state is the state for investment".

"This data highlights the benefits of using an auction in a slower sales period; auctions generally accelerate the sale time."

"This is a plus for motivated vendors and is one of the reasons the number of properties being offered for sale by auction is high."

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
Jan 2011	No Data
13-Feb	48%
20-Feb	48%
27-Feb	48%
6-Mar	48%
13-Mar	51%
20-Mar	49%
27-Mar	45%

Top 10 Residential Auction Sales		
182 Cross Road, Malvern	Tony Matthews (Brock Harcourts)	\$2,940,000
26 Royal Avenue, Burnside	Scott Robinson (Ray White)	\$2,100,000
13 Farrell Street, Glenelg South	Brett McCammon (Phil McMahon RE)	\$1,430,000
108 First Avenue, Joslin	Marina Ormsby (Toop & Toop)	\$1,400,000
67 Linden Ave, Hazelwood Park	Richard Thwaites (LJ Hooker)	\$1,305,000
24 Rostrevor Rd, Crafers West	Josh Biggs (LJ Hooker)	\$1,300,000
6 Ashley Grove, Unley Park	Guy Measday (Jock Gilbert RE)	\$1,275,000
128 William Street, Norwood	Judy Morris (Klemich RE)	\$1,191,000
20 Hastings St, Glenelg South	Brad Allan (Gary J Smith RE)	\$1,185,000
9 Elm Street, Unley Park	Lew Toop (Toop & Toop)	\$1,170,000

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

Rental market stabilises as vacancy rate increases

Demand for rental properties remained stable for the March 2011 quarter, increasing over the last 12 months by 5% to \$315 per week for a standard 3-bedroom home.

REISA President Greg Nybo said the steady increase is indicative of a steady return of investors to the market.

“The balance of supply and demand is slowly changing with more investors returning to the market.”

“In general, the vacancy rate has increased slightly over the past quarter which is typical coming out of the first quarter.”

Anecdotal data from Property Managers has indicated that this quarter has seen an increase in vacancies for the Hills areas, particularly in Mount Barker. Additionally, increases in vacancy rates have been

noted for northern suburbs, in particular Salisbury and Munno Para.

Areas that have had a reduced market vacancy rate are city/North Adelaide, northern and eastern suburbs.

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 monthly residential vacancy rate survey conducted by REISA of about 5000 rental properties.

Metro Region	Vacancy Rate
City/ N Adelaide	0.79%
North	0.49%
East	1.15%
South	2.15%
West	1.16%
Hills	3.77%
Adelaide Metro	1.41%

Metro Vacancy Rates March Quarter 2011

Postcode	Main Suburbs	Volume Mar10	Rent Mar10	Volume Mar11	Rent Mar11	Rent % Change
5725	Roxby Downs	45	\$340	45	\$450	32.35%
5020	West Lakes Shore	15	\$370	10	\$480	29.73%
5170	Maslin Beach	10	\$253	15	\$300	18.58%
5084	Blair Athol, Kilburn	85	\$260	65	\$300	15.38%
5112	Elizabeth, Elizabeth Vale	150	\$200	140	\$230	15.00%
5355	Nuriootpa	45	\$243	50	\$275	13.17%
5034	Clarence Park	55	\$380	35	\$430	13.16%
5280	Millicent	35	\$168	40	\$190	13.10%
5047	Darlington, Seacombe Gardens	65	\$310	65	\$350	12.90%
5035	Ashford	20	\$350	30	\$395	12.86%
5000	Adelaide Metro	6,705	\$300	6,795	\$315	5.00%

Median Weekly Rent for Houses— March Quarter 2011
Top 10 growth postcodes (metro) with 10 or more rents in each quarter

Yields strengthen as long term investments prosper

The March 2011 quarter saw a steady increase in rental yields with outer suburbs producing the majority of highest yields.

Glanville was the top performer this quarter with a yield of 5.87% followed closely by outer southern and northern suburbs.

Again the March 2011 yield figures indicate a continuing trend for yield growth in these suburbs.

REISA President Greg Nybo said lower purchase prices and higher rents in these areas is a strong factor in high yields.

Regional areas also indicated a very similar trend with Roxby Downs topping the charts with 5.8%.

Overall, median yield for March 2011 quarter has increased from the December 2010 quarter and REISA's Greg Nybo commented that the remarkable growth in both metro and regional areas demonstrates that real estate is a dynamic investment earning property investors with good returns.

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.

Location	Median House Price	Median Weekly Rent	Yield Mar11
Glanville	269,500	\$380.00	5.87%
Old Noarlunga	200,000	\$280.00	5.82%
Port Adelaide	260,000	\$350.00	5.60%
Gulfview Heights	340,000	\$450.00	5.51%
Elizabeth Park	192,750	\$240.00	5.18%
Ashford	430,000	\$520.00	5.03%
Smithfield Plains	205,000	\$235.00	4.77%
Elizabeth Downs	199,000	\$220.00	4.60%
Pasadena	368,000	\$400.00	4.52%
Callington	260,000	\$280.00	4.48%
Adelaide Metro	410,000	\$315.00	3.20%

Rental Yields for Houses— March Quarter 2011
Top 10 suburbs with more than 10 sales

Location	Median House Price	Median Weekly Rent	Yield Mar11
Roxby Downs	\$ 395,000	\$450	5.81%
Whyalla	\$ 250,000	\$290	5.91%
Murray Bridge	\$ 222,500	\$240	5.50%
Renmark	\$ 181,750	\$185	5.19%
Port Lincoln	\$ 280,000	\$258	4.69%
Port Pirie	\$ 197,500	\$180	4.64%
Walleroo	\$ 275,000	\$240	4.45%
Port Augusta	\$ 250,000	\$210	4.28%
Mount Gambier	\$ 265,000	\$200	3.85%
Victor Harbor	\$ 376,250	\$185	2.51%
Regional SA	\$278,500	\$230	4.21%

Rental Yields for Houses— March Quarter 2011
SA's main regional centres

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Country house prices strengthen in March quarter

Country SA's median house price has modestly strengthened over the past three months with a median of \$278,500 for the March quarter, the Real Estate Institute of SA (REISA) said today.

REISA President Greg Nybo said this positive result showed relative stability in the country market. The March quarter median house is a 3.15% increase from the 4th quarter of 2010.

"The stability in pricing for regional residential housing is reassuring for the long term." Mr Nybo said.

Sales state-wide were also continuing a similar trend, with house prices experiencing a 0.14% rise over three months and 2.99% increase over 12 months to a median of \$379,000.

Although prices have held firm, there was some decline in the volume of sales which saw 316 properties sold in the first quarter of 2011, compared with 362 in the December 2010 quarter. This is consistent with REISA member feedback commenting that the first few months of 2011 have been slower than previous years.

Regional Town	Sales Mar 10	Median Mar10	Sales Mar11	Median Mar11	Median % Change
Port Pirie	36	\$186,500	10	\$235,750	26.41%
Walleroo	23	\$226,000	18	\$275,000	21.68%
Renmark	20	\$165,250	15	\$194,500	17.70%
Port Augusta	35	\$210,000	13	\$225,000	7.14%
Roxby Downs	7	\$380,000	16	\$395,000	3.95%
Mount Gambier	95	\$245,000	67	\$250,000	2.04%
Whyalla	34	\$289,000	11	\$280,000	-3.11%
Clare	16	\$314,000	15	\$299,950	-4.47%
Naracourte	19	\$215,000	21	\$203,000	-5.58%
Murray Bridge	58	\$263,750	39	\$241,000	-8.63%
Regional SA	470	\$276,500	316	\$278,500	0.72%
South Australia	5,739	\$368,000	4,625	\$379,000	2.99%

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

Postcode	Regional Town	Volume Mar10	Rent Mar10	Volume Mar11	Rent Mar11	Rent % Change
5600	Whyalla	125	\$190	45	\$290	52.63%
5725	Roxby Downs	45	\$340	45	\$450	32.35%
5341	Renmark	55	\$168	55	\$185	10.12%
5253	Murray Bridge	190	\$220	185	\$240	9.09%
5556	Walleroo	45	\$220	50	\$240	9.09%
5606	Port Lincoln	125	\$240	100	\$258	7.29%
5211	Victor Harbor	110	\$240	95	\$255	6.25%
5540	Port Pirie	155	\$170	165	\$180	5.88%
5700	Port Augusta	115	\$200	90	\$210	5.00%
5290	Mount Gambier	195	\$200	190	\$200	0.00%
	Regional SA	2,800	\$220	2,745	\$230	4.55%
	South Australia	9,508	\$280	9,538	\$295	5.36%

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

Unit prices on the rise

Unit prices in metro Adelaide suburbs are reaching record high with West Lake's median reaching nearly \$550,000.

Inner city suburbs such as Norwood and Parkside demonstrated demand for well-priced units indicating demand for affordable housing in upper end suburbs.

Again, Adelaide was the top performer in sales volume, with 82 sales recorded for the March quarter.

The rental market is holding steady in all metro areas for units and apartments.

Unit rental prices showed a different trend this quarter with outer metro suburbs recording notable rental decreases compared to 12 months ago.

However, although unit sales numbers were down slightly, the resulting percentage change was an increase of 5.77%

Suburb/Town	Sales Mar10	Median Mar10	Sales Mar11	Median Mar11	Median % Change
West Lakes	13	\$390,000	14	\$546,060	40.02%
Mount Gambier	21	\$139,000	18	\$179,500	29.14%
Glenelg East	10	\$305,500	13	\$355,000	16.20%
Plympton	17	\$253,000	16	\$288,051	13.85%
Norwood	28	\$455,000	30	\$505,000	10.99%
Adelaide	81	\$430,000	82	\$468,750	9.01%
Parkside	10	\$455,000	14	\$492,500	8.24%
Seaton	16	\$297,500	10	\$320,050	7.58%
Glenelg South	12	\$402,500	10	\$430,000	6.83%
Warradale	15	\$360,000	10	\$376,150	4.49%
Adelaide	89	\$385,000	69	\$420,000	9.09%

Median Unit Prices - March Quarter 2011

Top 10 growth suburbs/towns with 10 or more sales in each quarter

Postcode	Main Suburbs/Towns	Volume Mar10	Rent Mar10	Volume Mar11	Rent Mar11	Rent % Change
5169	Moana, Seaford, Seaford Rise	90	\$285	10	\$298	4.39%
5075	Dernancourt, Paradise	50	\$300	15	\$300	0%
5095	Mawson Lakes	120	\$313	120	\$310	-0.96%
5025	Flinders Park, Kidman Park	50	\$350	10	\$345	-1.43%
5725	Roxby Downs	45	\$340	25	\$330	-2.94%
5007	Bowden, Brompton, West Hindmarsh	50	\$330	30	\$320	-3.03%
5252	Nairne, Kanmantoo	35	\$290	10	\$275	-5.17%
5125	Greenwith, Golden Grove	95	\$315	15	\$293	-7.14%
5167	Pt Noarlunga, Pt Noarlunga South	45	\$280	10	\$260	-7.14%
5173	Aldinga, Port Willunga	170	\$280	20	\$260	-7.14%
	Adelaide	4,805	\$260	4,765	\$275	5.77%
	Regional SA	870	\$165	770	\$180	9.09%

Median Weekly Rent for Units - March Quarter 2011

Top 10 growth suburbs/towns with 10 or more rents in each quarter