

Agents await home truths

Natalie Gerritsen

Janusz Hooker is "quietly confident" about the future of Australia's struggling residential property market.

The chief executive of national real-estate chain LJ Hooker says the fundamentals are in place to ensure a recovery in the medium-term.

"We have population growth, rising wages, savings are at an all-time high and [there is] a lack of dwellings across the country," Hooker tells the *Weekend Financial Review*.

The past month brought encouraging news for real estate watchers, with the glut of supply starting to ease, home loan approvals up and the median house price rising slightly.

However, agents country-wide agree it is difficult to determine if they have yet seen the worst of the downturn.

"Whether we're at the bottom of the market or there's more to come, it's hard to say," Hooker comments.

In Queensland, buyer activity is improving but Ray White chairman Brian White says properties can still take up to 100 days to sell.

"Stock levels are pretty consistent but we are noticing a lot of buyers sense the bottom of the market is about to happen."

While prices on the Gold Coast remain low, White says the number of buyers taking advantage of that fact has risen sharply.

In Western Australia, Acton managing director Graeme Baxter is optimistic that the state is experiencing a slight recovery.

"Our sales volume is up considerably, about 48 per cent on last year ... but values are down about 8.6 per cent," he tells the *Weekend Financial Review*.

Waterside suburbs continue to perform well, Baxter says, adding that he is in the process of closing a \$5.2 million sale near Perth's northern beaches.

In the more stable market of South Australia, Brock Harcourts

Signs of recovery

Early signs of recovery in Australian housing market

	July 2010	December 2010	June 2011
New owner-occupier mortgages	47,169	51,294	n/a
Median house price	\$549,929*	\$554,230	\$550,946
Number of properties on market	309,000	328,270	363,839
Rental vacancies	2.1%	2.2%	n/a
June quarter gross rental yield (Sydney houses and units)	4.38% houses	4.36% houses	4.46% houses
	4.97% units	4.91% units	5.06% units



* March APM figures

SOURCE: SQM, APM, REIA

SA chief executive Greg Moulton expects the backlog of oversupply to clear by Christmas.

"Investors are picking up on the low rental vacancy rate ... and the middle market of upgraders is

interest rates will be maintained, and for Victoria that's crucial," O'Neil says. "Any rise would see that flattening of the market become a decline."

Hooker says Sydney prices are 1 per cent higher than the previous year and he expects investor activity to pick up as yields increase.

The agents all say the first-home buyer market is extremely quiet. "The government stimulus from 18 months ago brought forward a lot of people into the market, potentially earlier than anticipated," Hooker says.

"We're still not seeing a new wave coming."

The agents agree it is too soon to gauge the effect of a carbon tax but that any uncertainty can dampen buyer confidence. with Ruth Liew

Whether we're at the bottom of the market, it's hard to say.

Janusz Hooker

doing well," Moulton says.

In Victoria, however, the market has plateaued, says Hocking Stuart chief executive Nigel O'Neil.

"Economic indicators suggest