



API – REIV State of the Market 2012
Enzo Raimondo, CEO REIV

The Standard for Success.

REIV



Market fundamentals

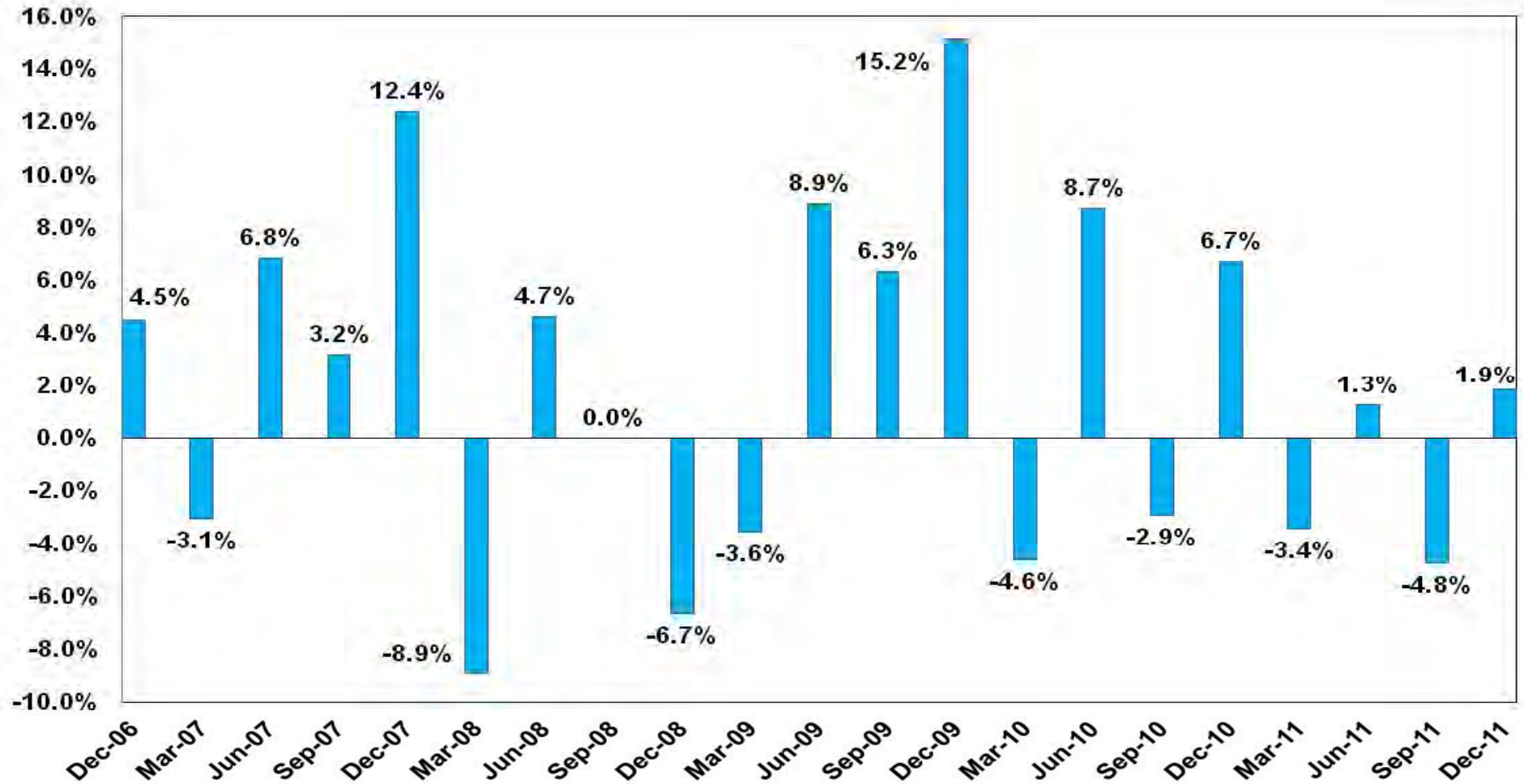
AUCTION

Historical Victorian Residence
1911 Set On A Substantial G
Allotment Measuring 15.6x3

The Standard for **Success.**

REIV

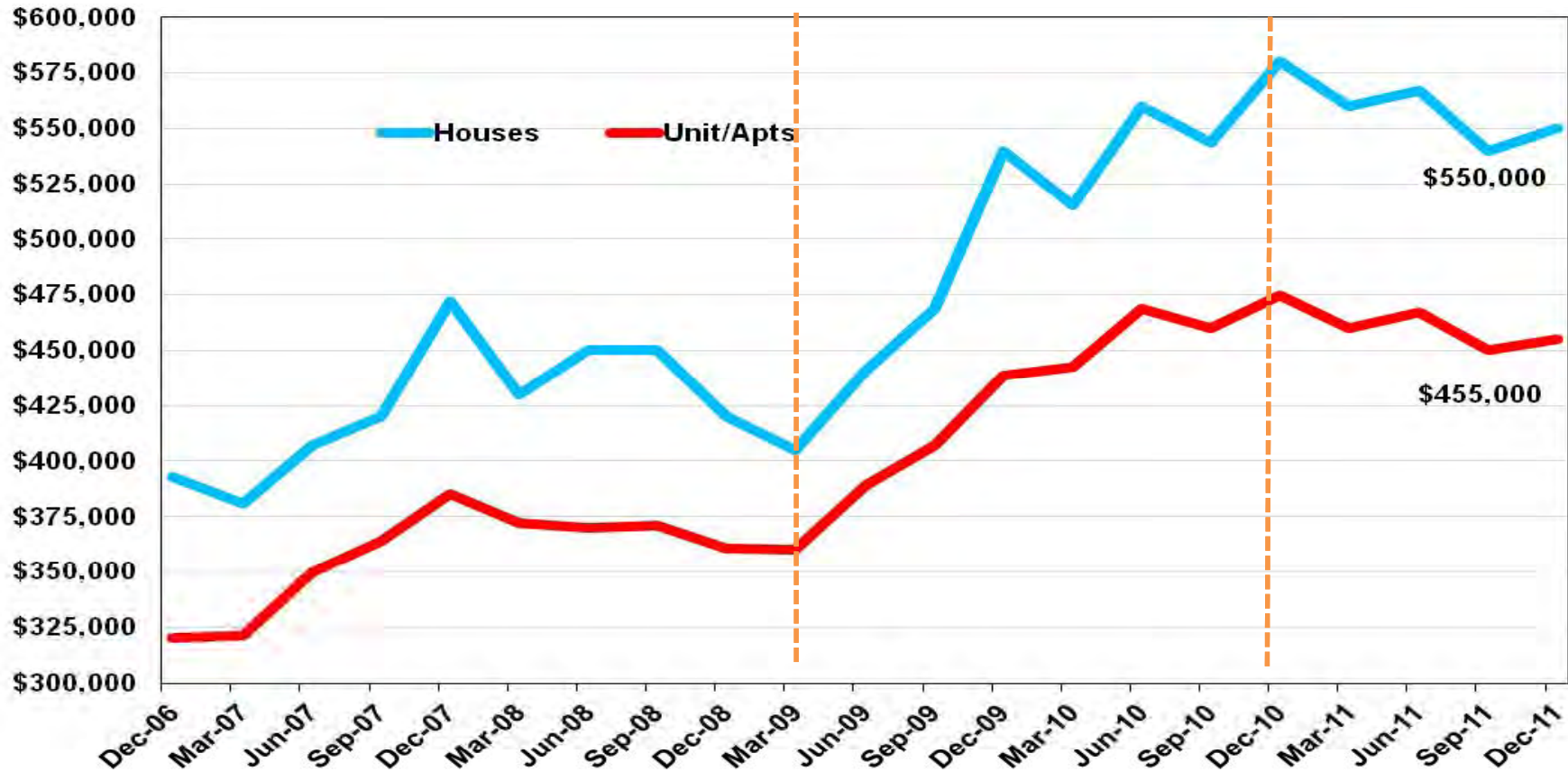
Q change in metro house median over 5 years



The Standard for Success.



Metro Melbourne 5yr Median Prices



Source: REIV

The Standard for Success.



The big picture - Victoria

Year	Total sales (res, house, unit)	Total transaction value
2010	104,704	\$62B
2009	127,078	\$56B
2008	111,865	\$48B
2007	143,731	\$58B
2006	116,908	\$43B
2005	118,133	\$42B
2004	112,063	\$39B
2003	128,293	\$40B
2002	133,780	\$34B
2001	141,756	\$31B
2000	119,575	\$24B

Victoria SOURCE: VG,

The Standard for **Success.**

REIV

The big picture – metro

Year	Total sales (res, house, unit)	Total Auction sales	Auction sales %	Change in median %
2011	68,000*	16,116**	24*	-1.5**
2010	78,519	24,079	31	20.4
2009	95,752	19,796	21	7.4
2008	84,060	18,051	21	3.1
2007	109,755	26,718	24	11.3
2006	87,211	17,811	20	5
2005	87,188	14,784	17	-2.3
2004	81,014	13,035	16	2.2
2003	93,313	22,790	24	7.5
2002	97,288	25,801	27	11.7

Metropolitan Melbourne SOURCE: VG, REIV

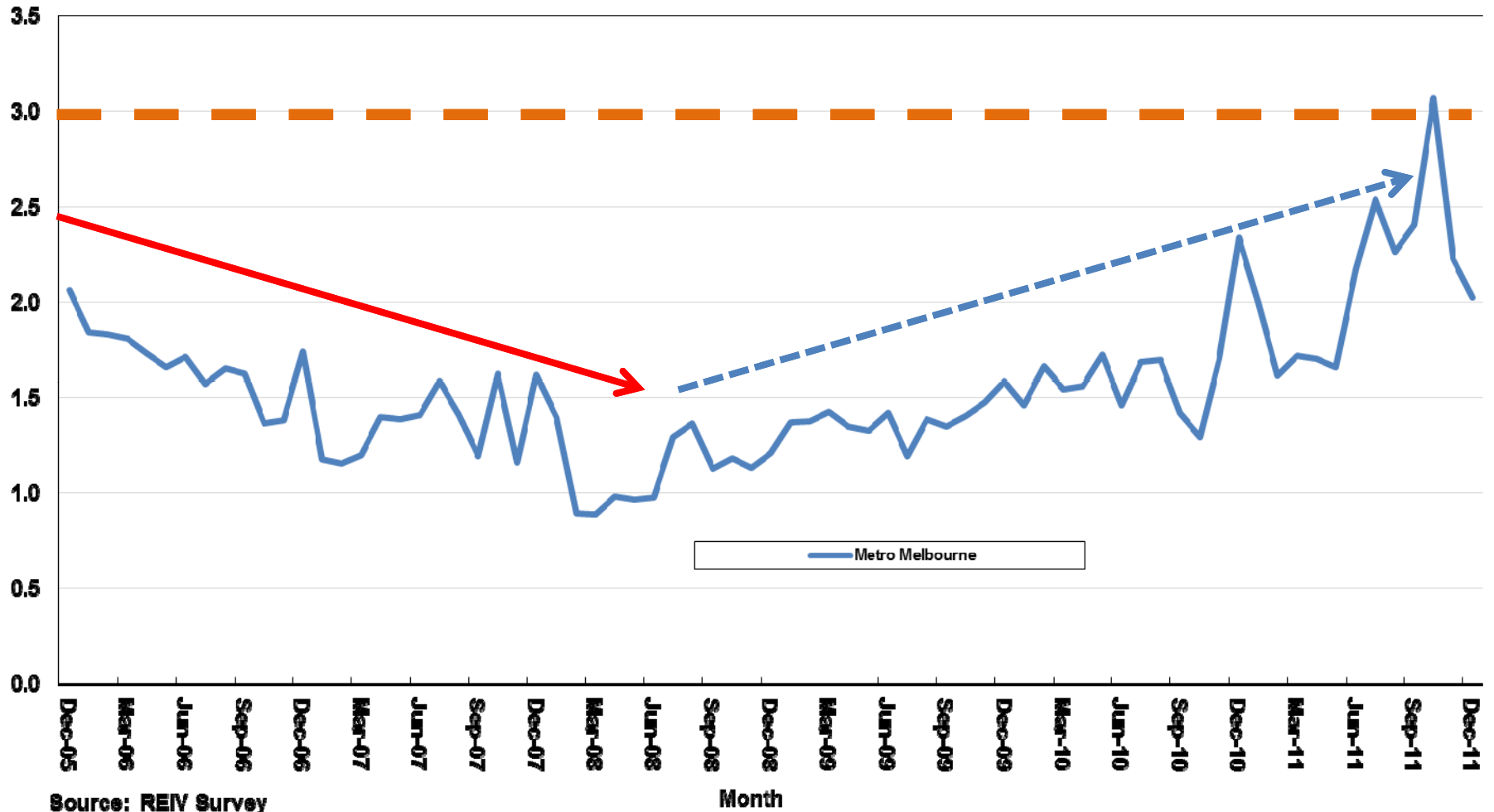
*This is an estimate based on VG data in first 6 months

**will be revised in late Feb 2012

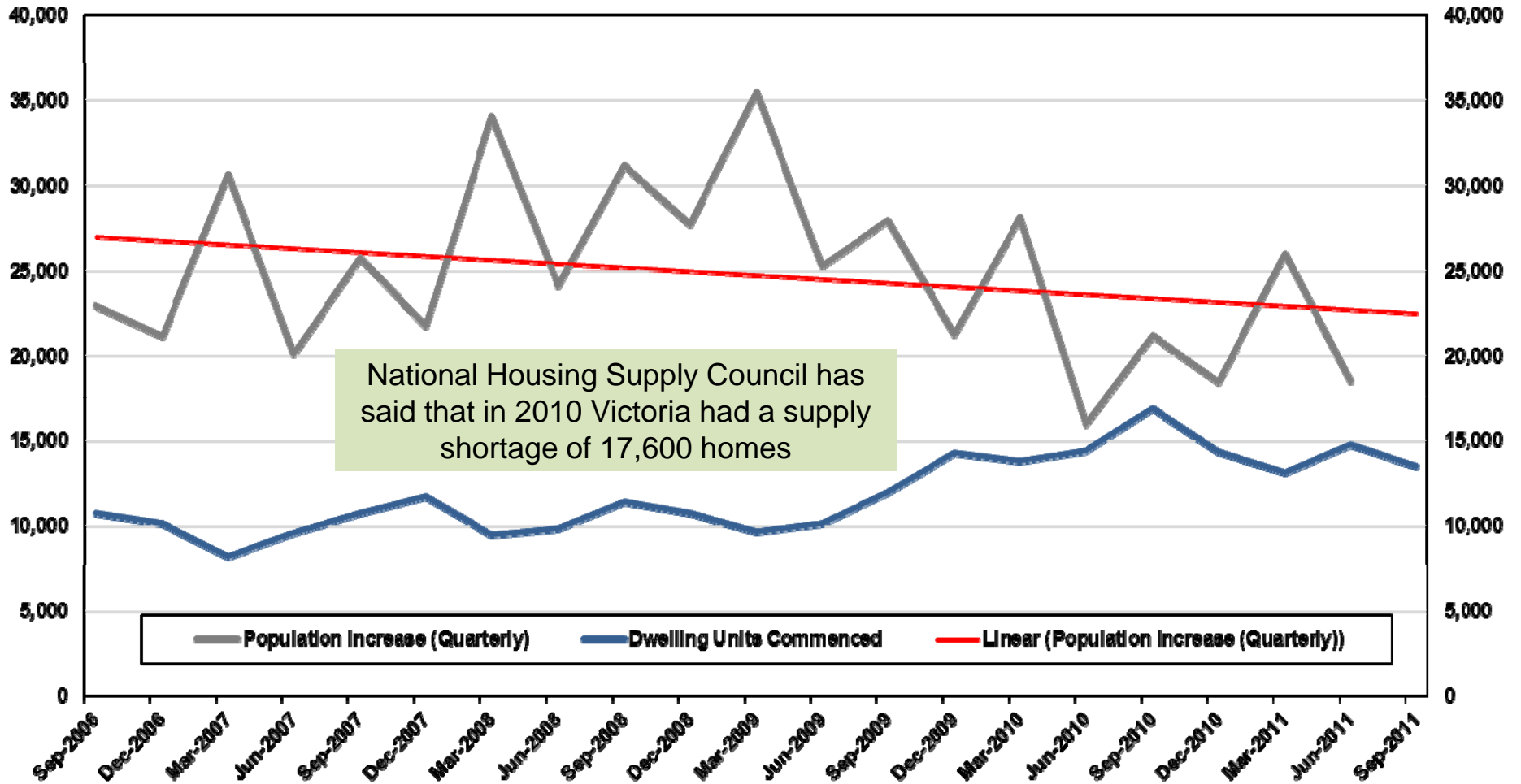
The Standard for **Success.**

REIV

Vacancy rates easing

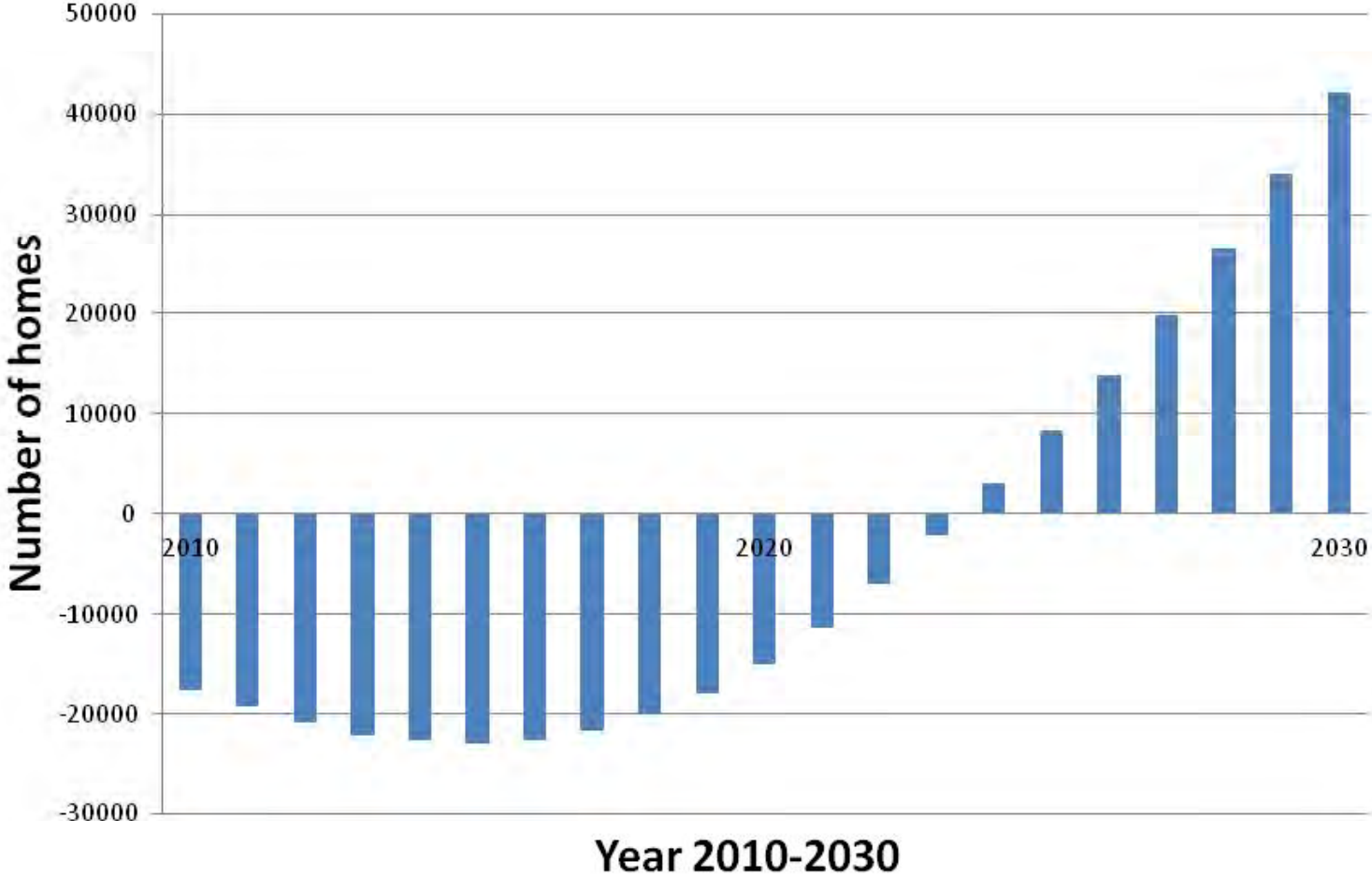


Demand and supply more balanced



Source: ABS Cat No. 3101.0 and 8752.0

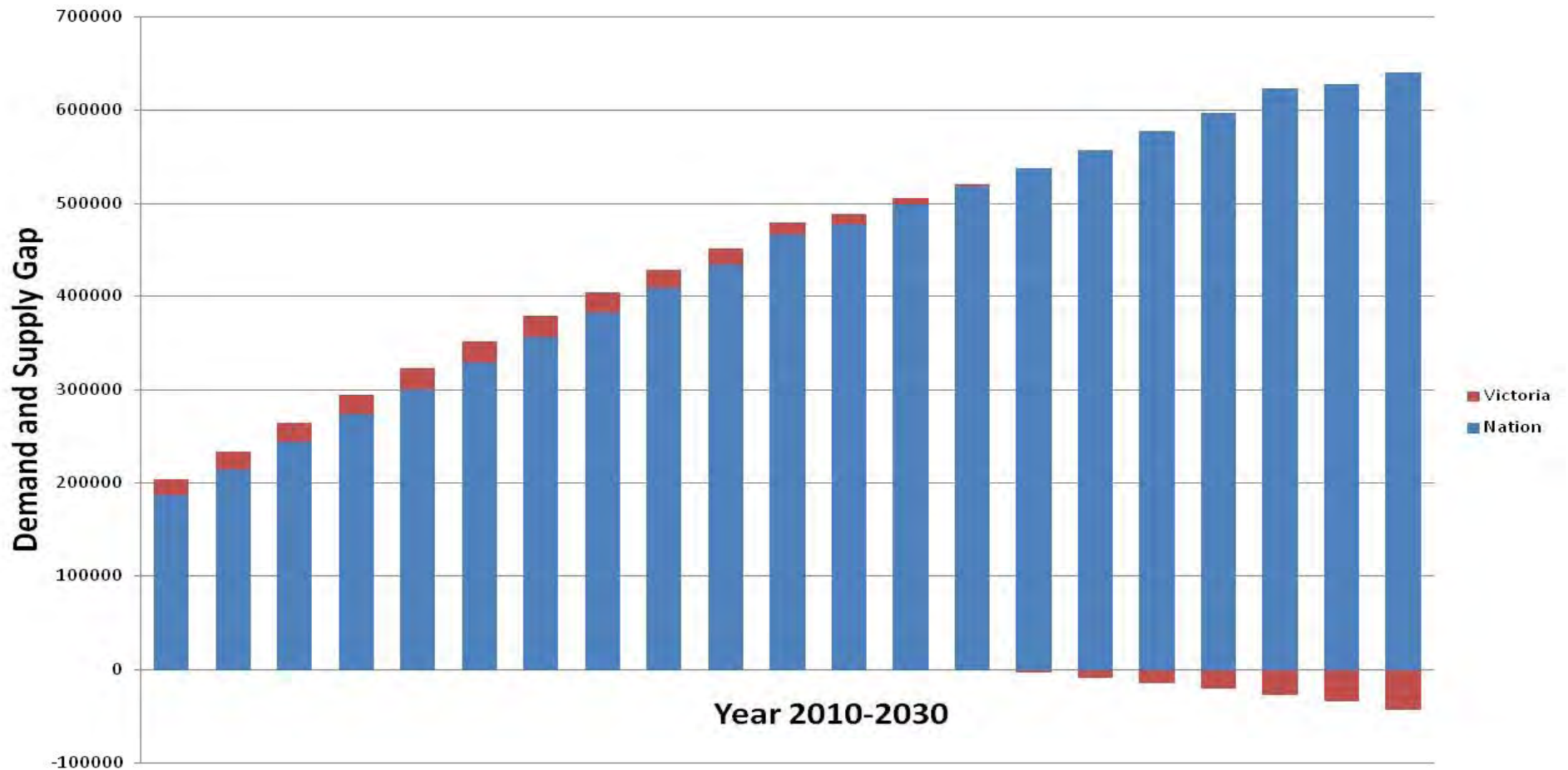
Vic Demand & Supply Gap 2010-2030



The Standard for Success.



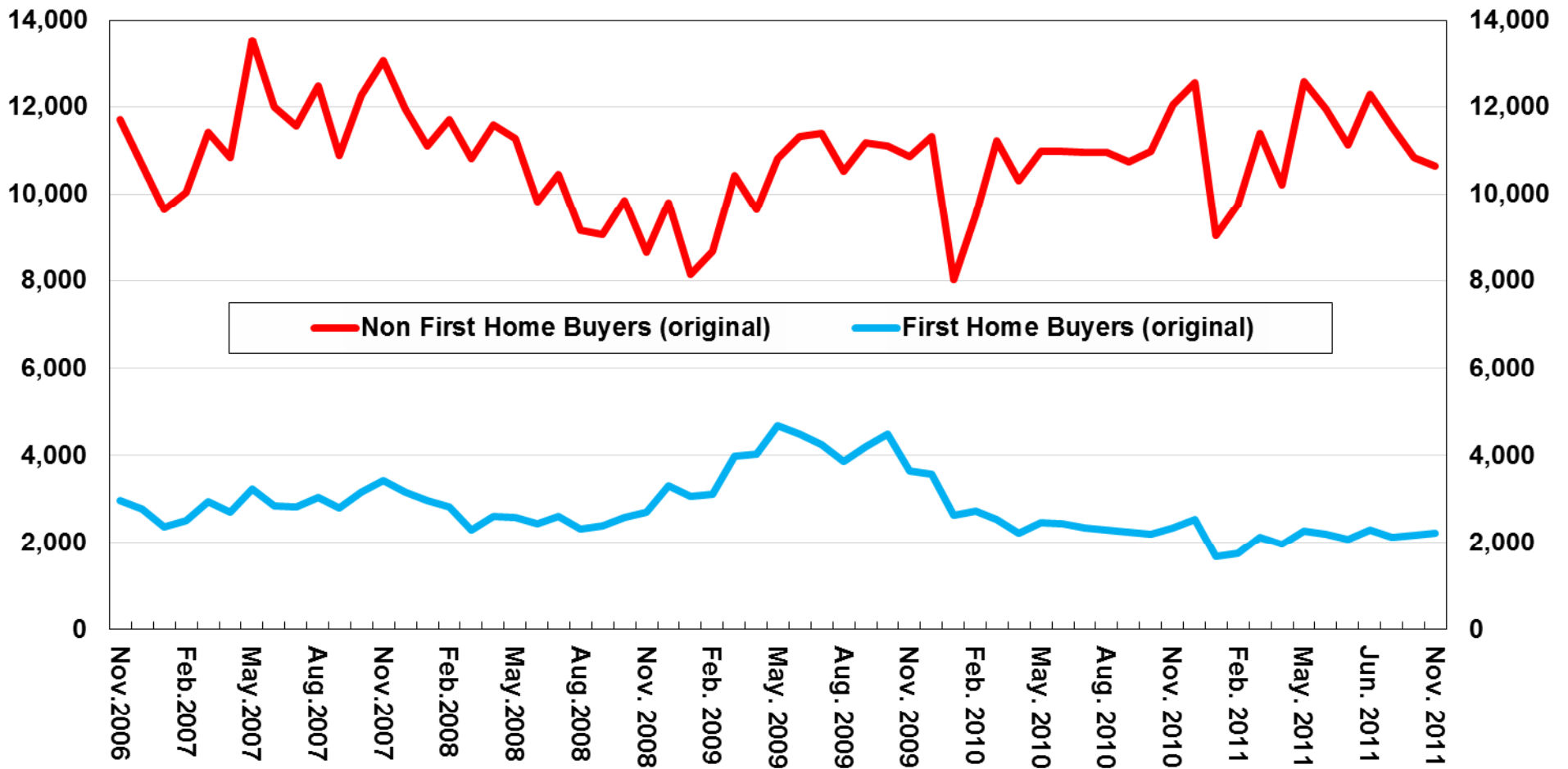
Demand and Supply over 20 years



The Standard for **Success.**

REIV

Home loans indicate static demand

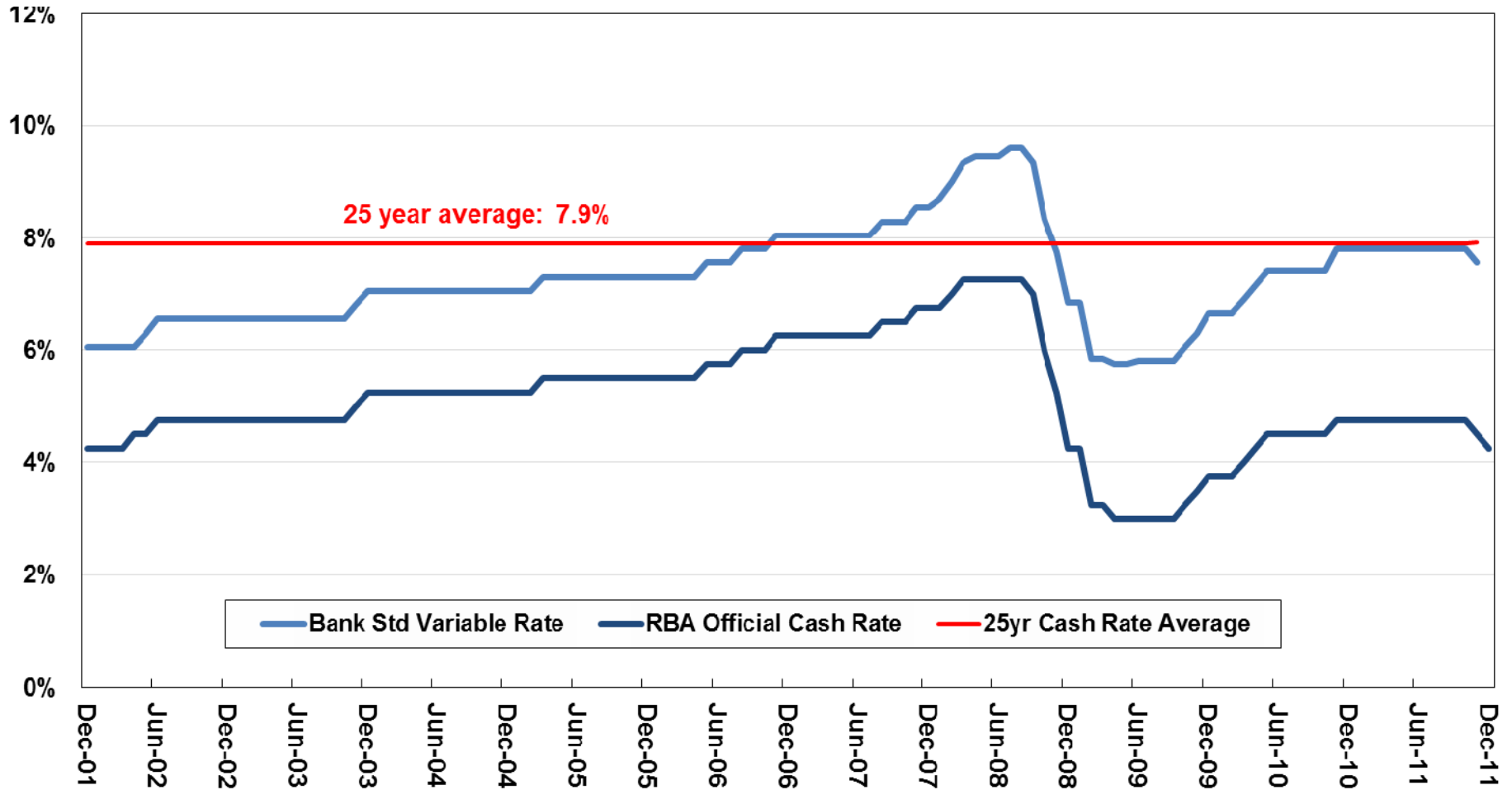


Source: ABS Cat No.

The Standard for Success.



Home loans more affordable

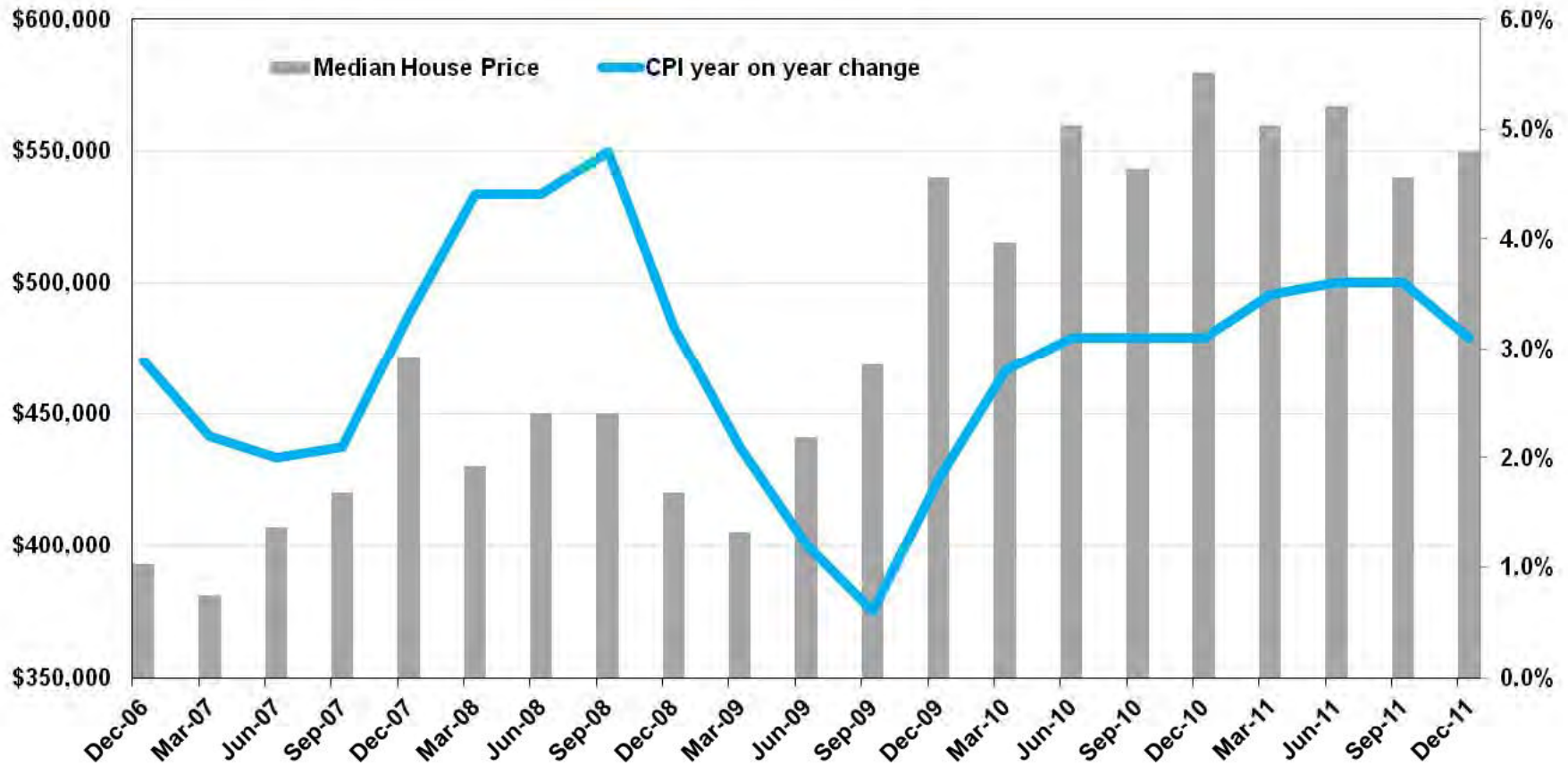


Source: RBA

The Standard for Success.

REIV

Metro Median change vs Victorian CPI



Source: REIV, ABS

The Standard for Success.



Current market



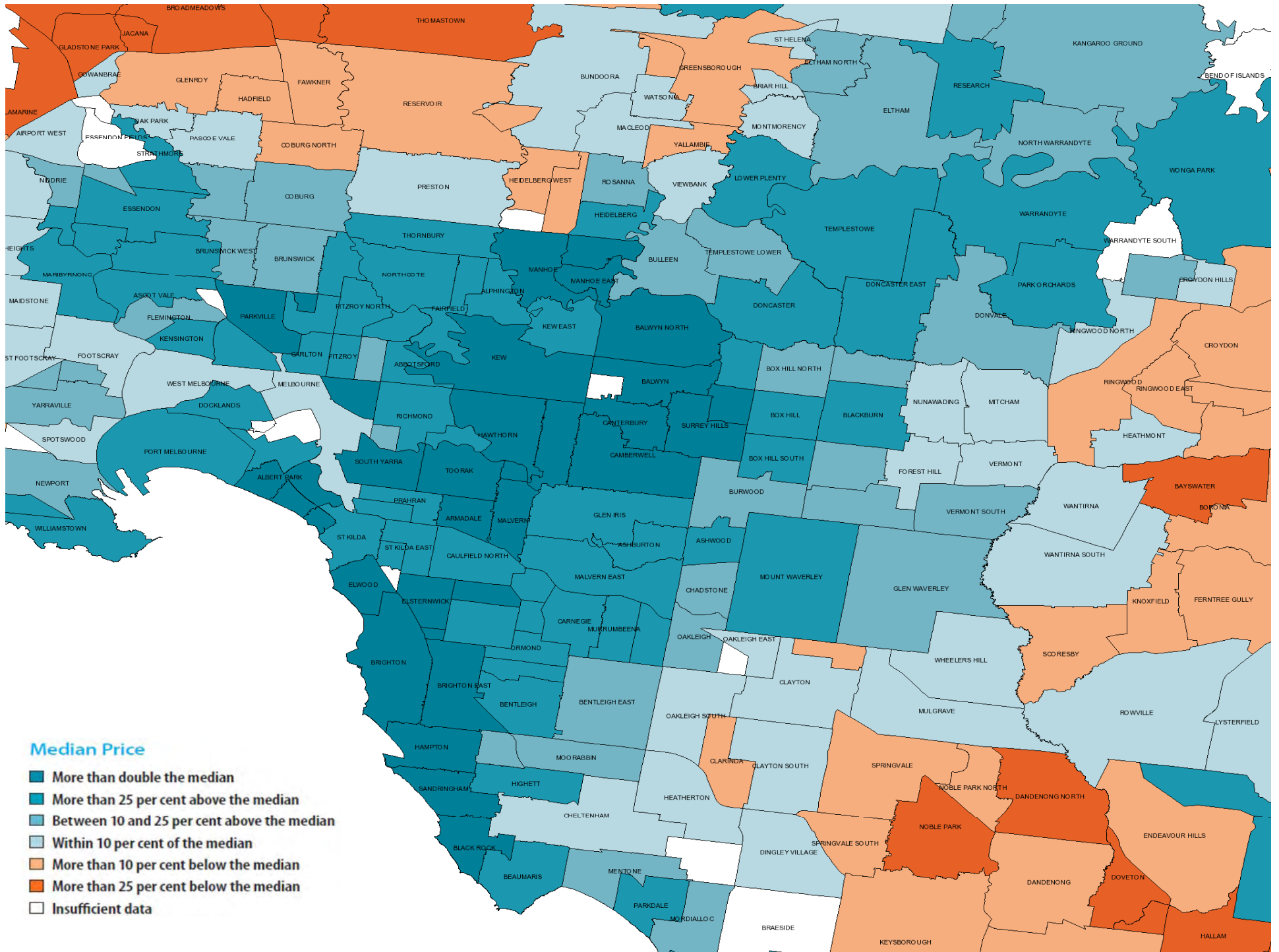
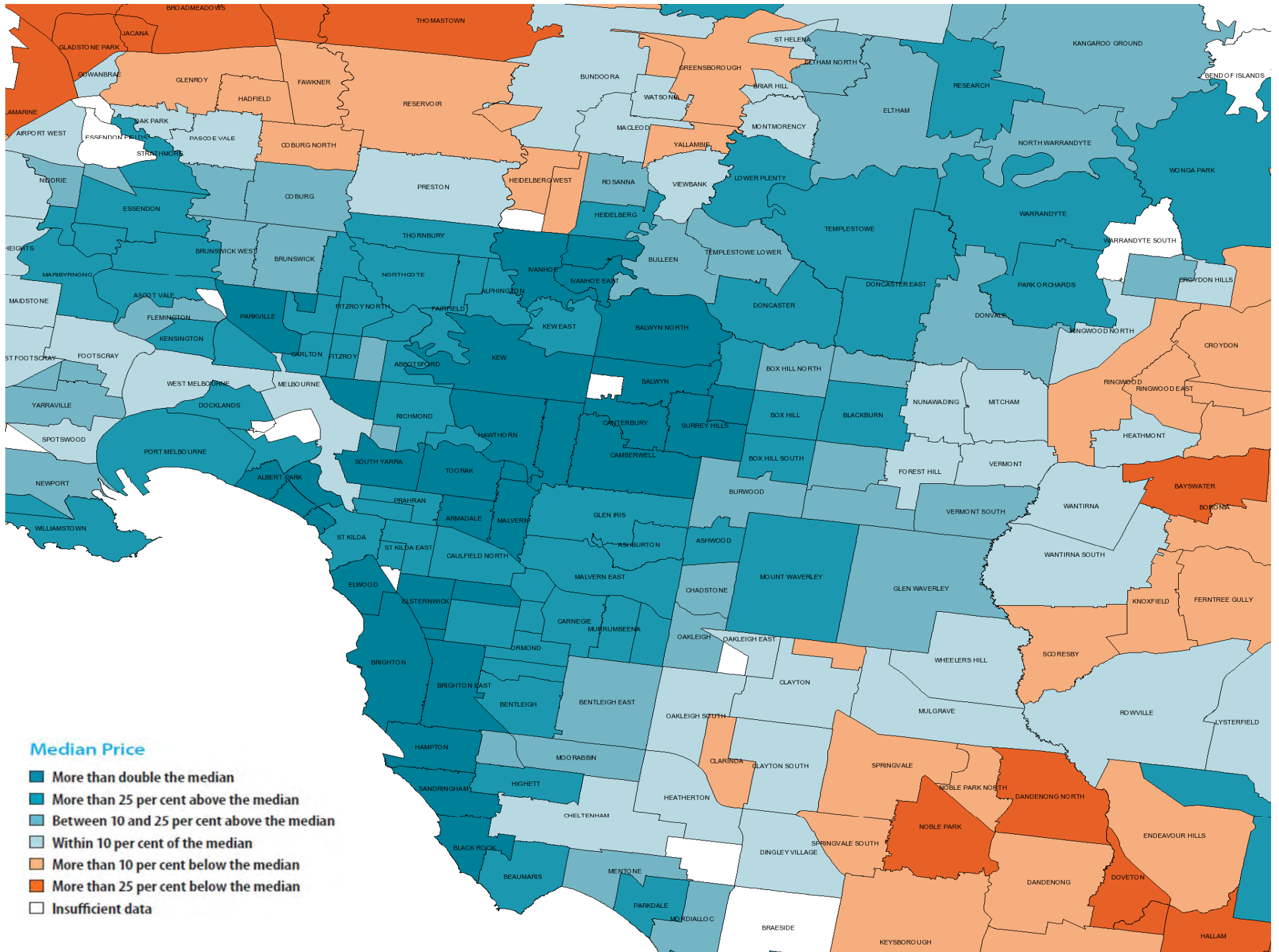
The Standard for **Success.**

REIV

The Melbourne residential median house price was **\$550,000** in the **December Q 2011**.

This represented an **increase of 1.9 per cent** since the September Q 2011 and a **5.2 per cent decrease** since the December Q 2010.

Prices static over last six months and **90 per cent suburbs below peak**



Melbourne Auction Market

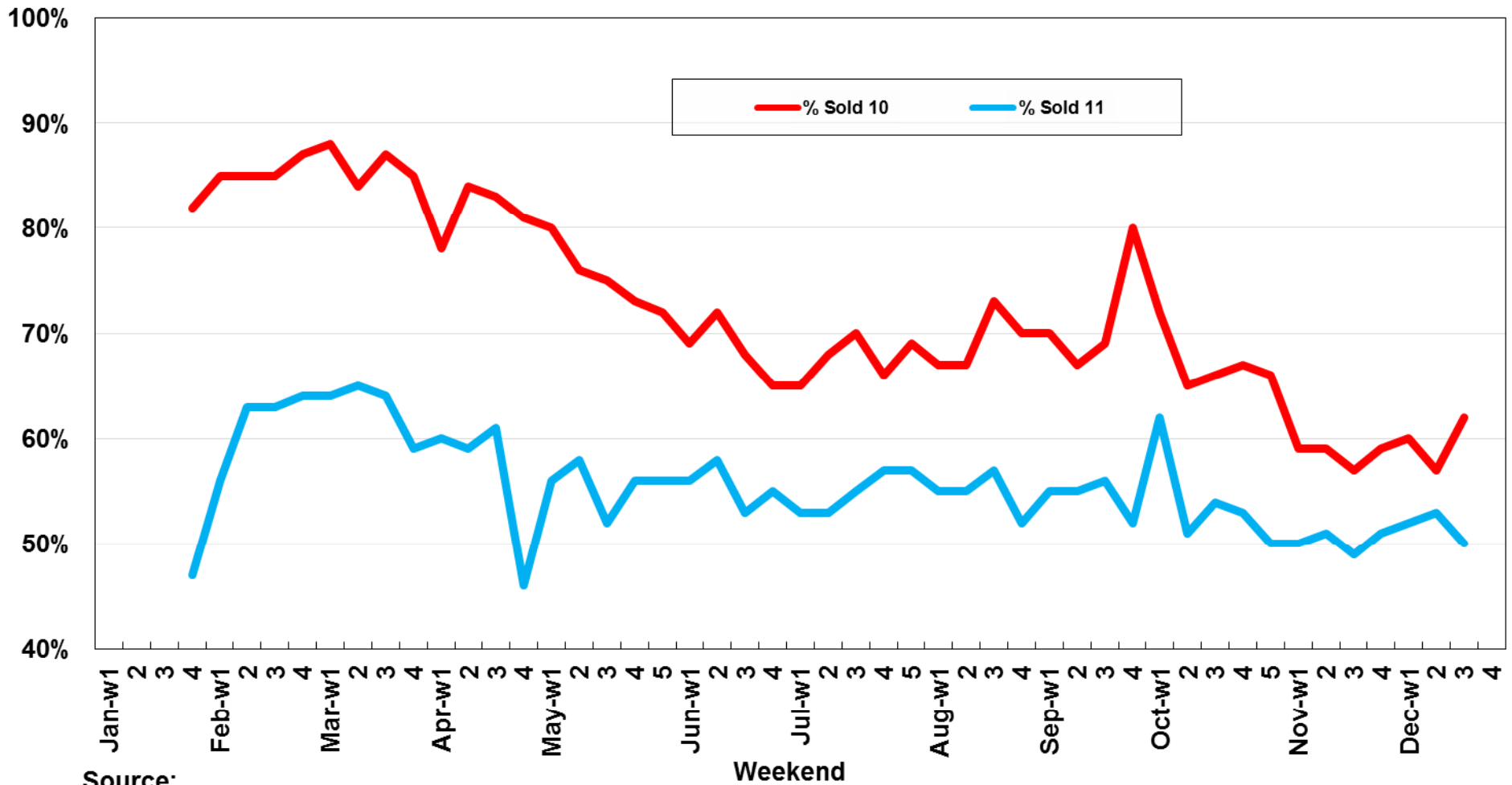
	Total auctions reported	Total sold	Clearance rate (%)
2011	28,807	16,116	56%
2010	32,497	22,983	71%
2009	22,586	18,364	81%
2008	26,645	16,852	63%



The Standard for **Success.**

REIV

Clearance rates 2011 v 2010



Source:

The Standard for Success.



Melbourne's current hotspots: prices (quarter)

	<u>Dec-11 Median</u>	<u>Sept-11 Median</u>	<u>Quarterly Change</u>
Kew	\$1,600,000	\$1,175,000	36.2%
Prahran	\$997,500	\$875,000	14.0%
Kensington	\$725,000	\$645,000	12.4%
Mornington	\$510,000	\$460,000	10.9%
Port Melbourne	\$911,000	\$830,250	9.7%
Balwyn North	\$1,154,500	\$1,070,000	7.9%
Blackburn	\$768,000	\$715,000	7.4%
Wantirna South	\$556,000	\$520,000	6.9%
West Footscray	\$515,000	\$485,000	6.2%
Mount Waverley	\$740,000	\$706,000	4.8%

The Standard for **Success.**

REIV

Little variation across the city

Region	Median	Median Sep-11	Median Dec-10	Quarterly Change	Annual Change
INNER	\$850,000	\$850,000	\$881,000	0.00%	-3.50%
MIDDLE	\$590,050	\$595,000	\$637,750	-0.80%	-7.50%
OUTER	\$430,000	\$430,000	\$455,000	0.00%	-5.50%
CITY	\$550,000	\$540,000	\$580,000	1.90%	-5.20%

The Standard for **Success.**

REIV

Melbourne suburbs at peak value

	<u>Dec-11 Median</u>
Albert Park*	\$1,712,000
Box Hill*	\$ 990,500
Greenvale*	\$ 673,250
Lilydale	\$ 490,000
Upwey*	\$ 483,750
Derrimut*	\$ 480,000
Narre Warren South*	\$ 452,500
Mernda*	\$ 421,000
Albanvale*	\$ 359,000
Hoppers Crossing	\$ 340,000

The Standard for **Success.**

REIV

Summary

- Lower interest rates and lower prices
- Minimal price growth expected this year
- Transaction levels impacted by confidence
- Health of the economy to be the major determinant over the next 12-18 months
- Demand and supply in better long-term balance

MPTV

Melbourne Property TV

**NEW SEASON
COMMENCING 5th MARCH**

Monday Nights 8:30pm
Channel-31 (Digital 44)

Also Screening on
Television 4 (Digital 64 Regional)

*Everything you need to know
about Melbourne property!*

REIV realestateview.com.au
the view that counts

for more information visit:
www.melbournepropertytv.com.au



MPTV host, Des Dowling



The Standard for **Success.**

REIV



@REIVictoria

General market information

@Enzo_Raimondo

News from CEO

@TrevBooth

Updates from the REIV President

@RealestateVIEW

realestateVIEW.com.au

The Standard for **Success.**

REIV