

## **Housing prices weather financial storm**

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Despite the slowing economy, Australia's property prices held themselves up according to the latest Australian Bureau of Statistics House Price Index for the September Quarter.

The price index for established houses on a weighted average for Australia's capital cities decreased 1.8% in the September Quarter. This compares with a 2.8% increase over the same period last year.

HIA chief executive for policy Chris Lamont said the result reflects the overall slowing of the economy, but still a far cry from the 40% drop that some commentators have been flagging.

"Relative to other forms of investing, housing is doing very well," said Lamont. "It is worth noting that while other classes of investment have seen a reduction in asset value of 20%-plus, the housing market has been shielded by record levels of underlying demand for housing in excess supply and population growth from immigration.

Lamont said that the recent drops in interest rates and a top-up of the First Home Owner Grant will also help in putting a floor under house prices. However, he warned that a fall in asset prices should be expected during economic uncertainty.

Brisbane experienced the biggest fall in growth over the September period, according to the ABS House Price Index, recording a drop of 3.3%. Canberra was not far behind with a 2.5% decrease. Melbourne fell by 1.9%. Sydney lost 1.8% while Perth fell by 1.1%. Adelaide held its ground at -0.1% growth. Hobart and Darwin bucked the trend by rising 0.7% and 0.1% respectively.