

In this issue, I have the figures available for 2018 from around Australia for capital growth. Next issue I will look at rental returns, which will definitely surprise you, vacancy rates and what could happen if negative gearing is abolished.

Newsletter #01/19:

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1. HOW WAS THE MARKET IN 2018?

You no doubt have seen conflicting information about the state of the property market in Australia so here are the latest statistics and facts.

According to the latest figures from SQM Research to January-February 2019, Australian house and apartment prices declined over the previous 12 months in most capital cities, with the exception Melbourne apartments and Brisbane houses.

According to the data, Sydney houses finally ended their long boom, falling 9.6% over the period, while apartments fell just 4.7%. However, that still means the 3 years % change sees Sydney houses are up 8.7% and apartments are up 9.9%.

Melbourne houses fell 3.4%, but apartments saw a rise as supply dropped despite concerns around an oversupply of inner city units with a capital gain of 2.6% over the past 12 months, with the three year figure being up 23.6%. Melbourne houses over the past three years are up 32.5%.

Brisbane housing market conditions have remained relatively subdued, although apartments did see a small drop of 1.3% while houses rose 1.6%.

The trend of negative price movements in Perth has continued over 2018 although falls have moderated during the 12 months to just -2.5% for apartments and -2.1% for houses. A good time to invest in Perth?

Australia as a whole saw overall house price decreases of 4.5% and apartments down 2.3%, meaning the three year increase is 13.5% for houses, and 10.3% for apartments.

2. INDIRECT INVESTMENT POPULAR

A growing trend particularly from overseas investors is seeing them invest in Australian property through indirect investment. This alternative way of investing can help investors to become part of the Australian property market and take immediate advantage of the lower Aussie dollar, without having to worry about the financial burdens of stamp duty, buyer taxes, legal and bank fees, dealing with tenants, going through complicated compliance measures and more.

We will cover this in more detail in future issues.

More next issue!

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