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MEDIA RELEASE

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ABS House Prices Confirm Modest Falls in 2011

The latest update for the ABS index of established house prices shows a modest easing at the end of last year said the Housing Industry Association (HIA), the voice of Australia's residential building industry.

HIA's Chief Economist, Dr Harley Dale, said that the ABS Index of Established House Prices eased by 1.0 per cent in the December 2011 quarter to be 4.8 per cent lower compared to the December 2010 quarter.

"The ABS existing house price series reveals annual declines in established house prices for all eight capital cities, and quarterly declines with the exceptions of Perth, Hobart, and Canberra," said Harley Dale.

"Today's update does bear some resemblance to the annual declines evident in late 2008 and early 2009. There are, of course, enormous variations in house prices within and across cities (and regions) in Australia, but as was the case in 2008/09, the widespread price plunge portended by some for 2011 predictably never emerged," Harley Dale said.

"Lower interest rates will feed into an improved environment in 2012, although we won't see a return to widespread strong house price growth," Harley Dale said.

The capital city project (new) house price index rose by a bare 0.2 per cent in the December 2011 quarter to be up by 1.5 per cent on a year earlier.

Across capital cities, in the December 2011 quarter the project (new) house price index increased by 0.7 per cent in Sydney, 0.1 per cent in Adelaide, 0.4 per cent in Perth, and 0.1 per cent in Darwin. Prices were flat in Brisbane, Hobart, and Canberra, and fell by 0.3 per cent in Melbourne.

Across capital cities, in the December 2011 quarter the established house price index increased by 0.5 per cent in Perth, 0.8 per cent in Hobart, and by 0.7 per cent in Canberra. The index fell by 1.0 per cent in Sydney, 1.6 per cent in Melbourne, 1.3 per cent in Brisbane, 1.6 per cent in Adelaide, and 1.4 per cent in Darwin. These results will be subject to revision by the ABS, as will the September quarter results.

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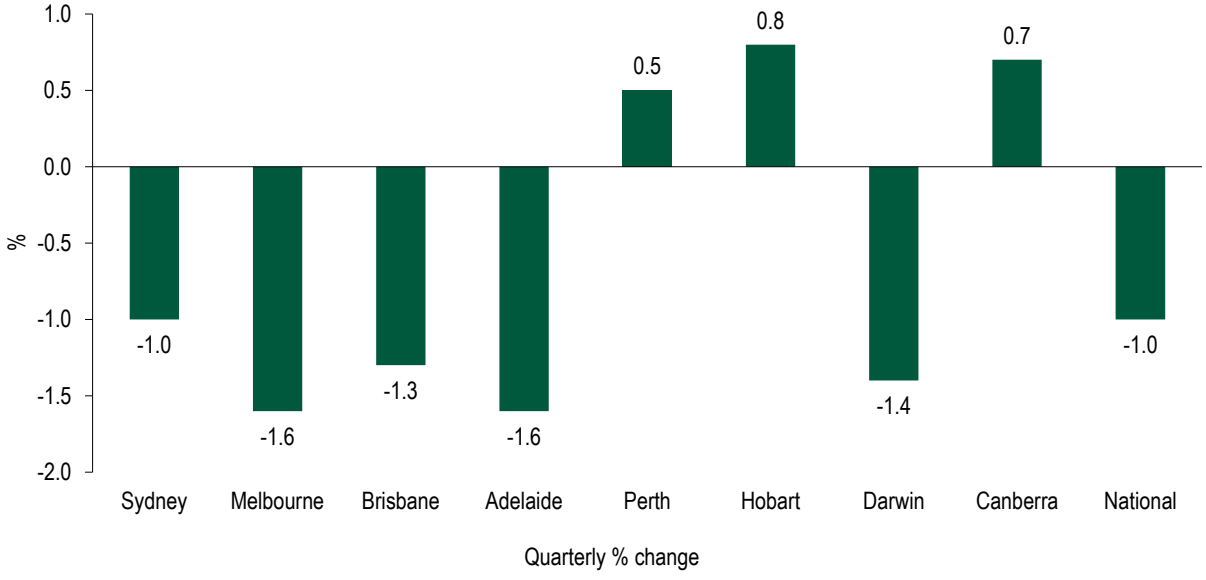
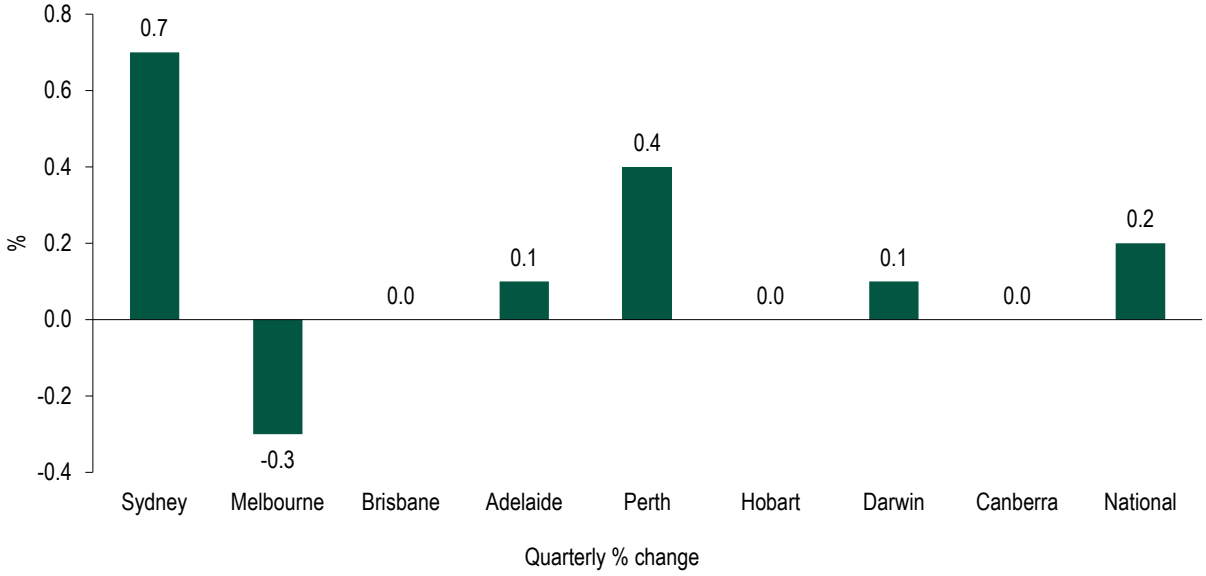
Percentage Change in Established Houses - December 2011 Quarter

Source: ABS



Percentage Change in Project Houses - December 2011 Quarter

Source: ABS