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MEDIA RELEASE

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ABS says House Prices up in June 2012 quarter

The latest update for the ABS Index of Established House Prices shows that prices rose in the three months to June 2012, but remain down by 2.1 per cent on prices of one year ago, said the Housing Industry Association (HIA), the voice of Australia's residential building industry.

"The ABS established house price series reveals that in the three months to June prices rose in five of Australia's capital cities, and on average prices were up by 0.5 per cent nationally," said HIA's Senior Economist, Andrew Harvey.

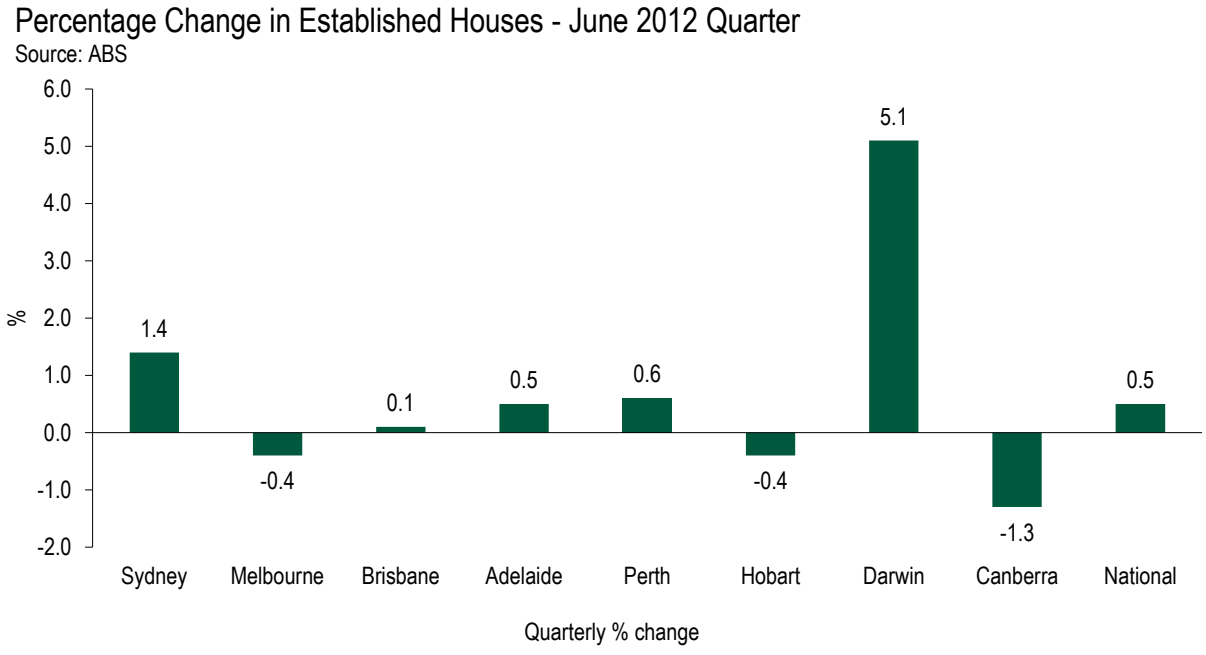
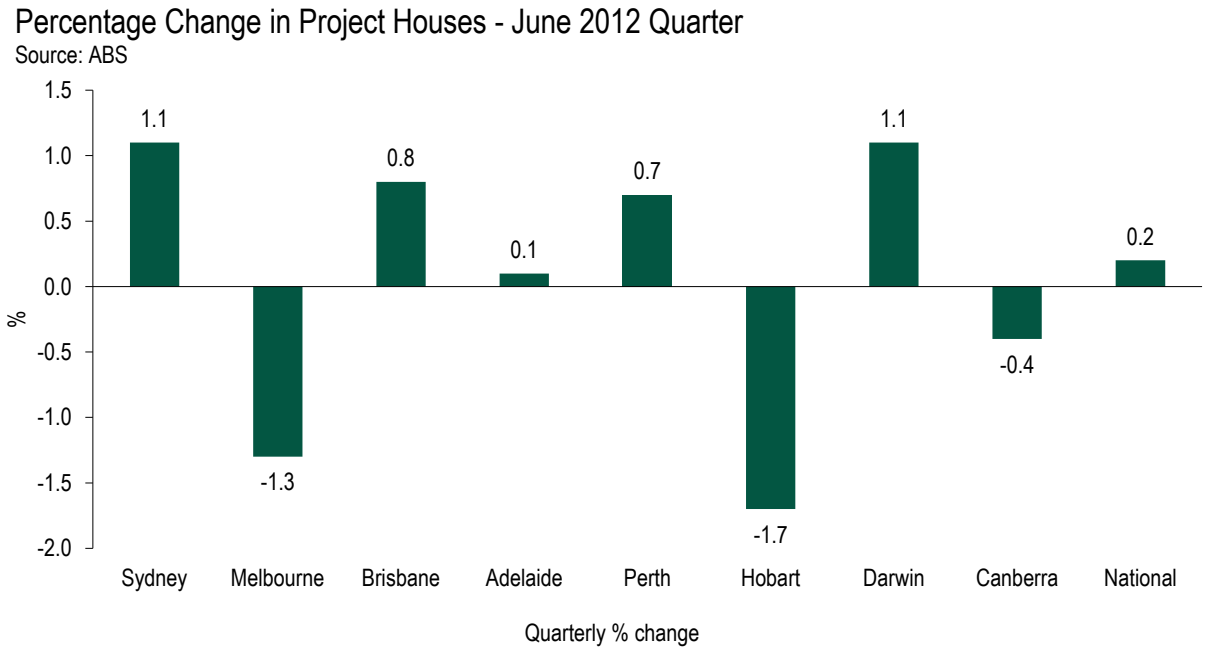
"Today's update may be an indication that we are returning to an environment of housing price growth in some of Australia's major housing markets. Given that housing affordability is at its highest level in more than two years the result is not a surprise – good earnings growth and interest rate cuts may mean the end of the modest correction we have been seeing in house prices," said Mr Harvey.

"The data will be yet another blow to the housing market doomsayers that, against all available evidence, continue to portend a collapse in Australia's housing market. The fundamentals of Australia's housing market remain very strong – rents continue to grow at a rate well above headline inflation, rental vacancy rates are tight, and Australia's unemployment rate remains the envy of the developed world," added Andrew Harvey.

The capital city project (new) house price index rose by 0.2 per cent in the June 2012 quarter to be up by 0.2 per cent on a year earlier.

Across capital cities, in the June 2012 quarter the project (new) house price index increased by 1.1 per cent in Sydney, 0.8 per cent in Brisbane, 0.1 per cent in Adelaide, 0.7 per cent in Perth, and 1.1 per cent in Darwin. Prices fell in Melbourne (-1.3 per cent), Hobart (-1.7 per cent) and Canberra (-0.4 per cent) over the June quarter.

Across capital cities, in the June 2012 quarter the established house price index increased by 1.4 per cent in Sydney, 0.1 per cent in Brisbane, 0.5 per cent in Adelaide, 0.6 per cent in Perth, and 5.1 per cent in Darwin. The index fell by 0.4 per cent in Melbourne, 0.4 per cent in Hobart, and 1.3 per cent in Canberra. These results will be subject to revision by the ABS, as will the March quarter results.

For further information please contact:
Andrew Harvey, HIA Senior Economist, 0408 081 977

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