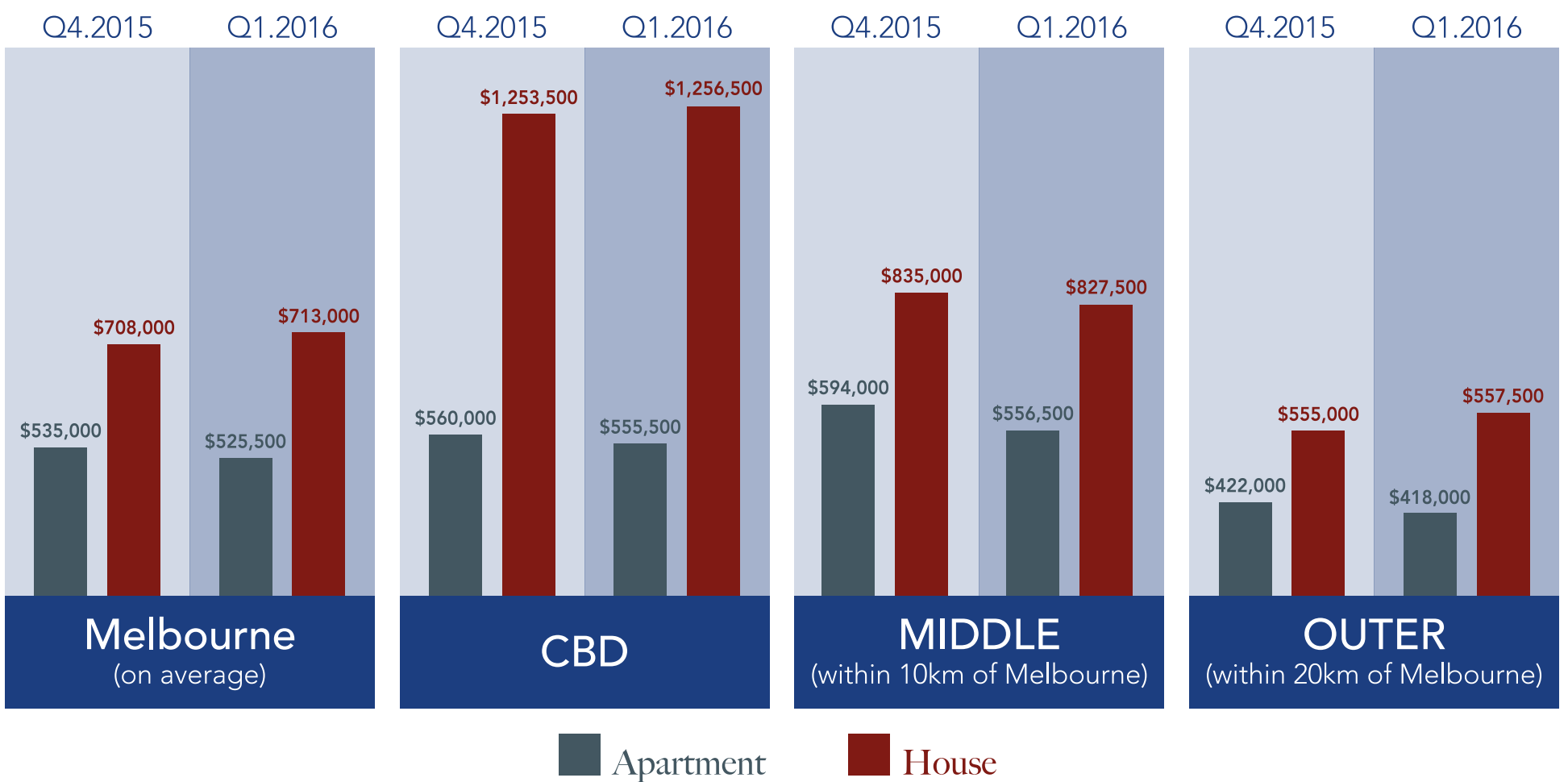


# PROPERTY TALKS



## Melbourne Property Market Trend in Q1 of 2016

Melbourne property market has remained stable in the first 3 months in 2016. Its median house price is at AUD713,000, a slight rise of 0.7% comparing to that in Q4 of 2015; while median apartment price is at AUD525,500, a drop of 1.8%.



Apartment ▼ -1.80%	Apartment ▼ -0.80%	Apartment ▼ -6.30%	Apartment ▼ -0.90%
House ▲ +0.70%	House ▲ +0.20%	House ▼ -0.90%	House ▲ +0.50%

\*All quarterly median prices are seasonally adjusted and quarterly. All prices stated in the charts are in AUD.

Source: reiv

According to the table above, we noticed that buyers are more interested in house in suburb areas, which has shown a 0.5% increase in terms of price. Outer Melbourne proved to be the best performing area of Melbourne, with most of the top growth suburbs in the north and west of Melbourne. Thanks to the state's urban planning projects on transportation and infrastructure, these make traveling between suburbs, CBD and other cities much more convenient. Apart from this, house in suburbs is more value-for-money than those in CBD, which is more than half price cheaper. We believe that house in suburb is getting popular and will have a higher yield of return.

## Foreign Home Buyers Face Stamp Duty Rise from 3% to 7% in Australian State of Victoria starting from 1 July 2016



### Is it really a bad news to foreign buyers?

No doubt that this piece of news has frightened overseas property buyers, especially those buying Melbourne property for investment. Though there may be negative impact to short term investors, we believe it is something positive for a stable development of Australian property market in the long run.

Melbourne has been one of the overseas property investors' favorite choices, credit to the freehold of the property, low currency rate of AUD as well as the increasing no. of immigrants and overseas students. Despite of this, no. of foreign property investors is just accounted for less than 5% among the Australian property market. Government of Australian State of Victoria has realized that some foreign investors trade their properties in a short period of time to earn quick profit, which may fluctuate the property market. To help prevent such act from becoming a social problem, this is why the Government has decided to impose 4% increase of stamp study to 7% on foreign home buyers starting on 1 July 2016.

To invest in a property, this is something long term and we should evaluate on the city's development, economic growth and its political stability, but not solely on its taxation or the property price difference in a year. To support its economic growth, different Australian states are now undergoing urban planning, infrastructure and transportation network projects. Moreover, Australia is renowned for being politically stable and enjoying high standard of living. These are all favorable factors for property market. Thus, we believe the increase of stamp duty will not have a big impact to the property market. Instead, this will actually help maintain a healthy and steady property growth in the long run.