# Property Talks

## MELBOURNE HOUSE PRICES GROWTH RATE IS 3 TIMES HIGHER THAN SYDNEY IN SEPTEMBER

According to a real estate research, the detached house prices in Melbourne have surged sharply in September, which has driven the overall property prices to rise hand in hand. The growth rate is 3 times higher than Sydney. As the Australian news report, Melbourne house prices rose 2.2% in September; while Sydney's rose 0.7%; Adelaide increased 2.1%; Brisbane remained flat; Perth fell by 2.9%.

Although the growth rate of Sydney's real estate market has slowed down, Sydney is still rated as the world's fourth largest "housing bubble" by UBS. The UBS Global Real Estate Bubble Index report revealed the sharp recession may suspend, however the liquidity and tight supply might lead to unsustainable price increases. Vancouver, London, Stockholm, Sydney, Munich and Hong Kong are listed as the world's six major cities to experience a property bubble risk. Investors in overvalued markets should not expect real price appreciation in the medium to long run. The property market in Vancouver has the greatest risk.

For the Australian property market, Economists believe that the price will continue to rise. Reserve Bank of Australia (RBA) shall maintain the interest rates at a record low of 1.5% in order to further stimulate the market.

## AUSTRALIA JOBLESS RATE FALLS TO 5.6%

Australia's transition towards more part-time work continued last month, as a plunge in full-time work was offset by more casual hiring. The jobless rate fell to 5.6 per cent from an upwardly-revised 5.7 per cent in August, which was previously reported at 5.6 per cent, the Australian Bureau of Statistics said. Overall employment fell 9800 in the month, compared to forecasts for a 15,000 job increase. The jobless rate matched the 5.6 per cent forecast by economists.

Australia's steady jobless rate remains a source of confidence for the Reserve Bank of Australia, but there are widespread concerns that not enough higher-paying full-time jobs are being produced. Full-time employment decreased 53,000 to 8.11 million jobs and part-time work rose 43,200 to 3.84 million. The participation rate slipped to 64.5 per cent from 64.7 per cent.

Traders pushed the Australian dollar down by around a third of a per cent to US76.97¢ from around US77.33¢.

## BUY-TO-LET RENTS RISE TO ALL-TIME HIGH AS DEMAND FOR HOMES OUTSTRIPS SUPPLY IN THE UK

Rents had been expected to fall as landlords rushed to buy property ahead of the new stamp duty rates for buy-to-let properties in April. Your Move's index shows a slowdown in the early part of summer, but surveys suggest that demand for rental property is outstripping supply.

According to the latest monthly index of buy-to-let rentals from the estate agents of UK, the average monthly rent for a home in England and Wales rose to an all-time high of £846 in July, amid strong demand for let accommodation. The overall figure for England and Wales was 5.2% higher than a year previously. The biggest year-on-year increase occurred in south-east England, with rental costs rising by nearly 15% to £924 as people moved out of London to escape the capital's high rents.

The latest report from the Royal Institution of Chartered Surveyors (Rics), published in September; shows demand from tenants gathered pace in July, while there was a reduction in the number of new properties for renting. Rics spokesman said this supply/demand mismatch is expected to squeeze rents higher during the year ahead. This is generally the case across the whole of the UK, although London is a slight exception. The figures show that average rents in London were down by 0.7% in the 12 months to July, and, at £1,225, were below the peak of £1,301 recorded in September 2015.

The agency also asked landlords about whether they planned to add to their portfolios following the UK's decision to leave the EU. It found 72% were equally, or more likely, to buy more properties. The UK's vote to leave the EU has not caused any immediate change in the rental market, although we must wait for longer term trends to develop. For landlords, market sentiment remains positive with the vast majority still looking to add to their portfolio of properties, despite the Brexit vote.

## Property highlight in Australia : St. Andrews

St. Andrews, a luxurious townhouse project in Melbourne, Australia. With land area ranging from 120 square meter to 288 square meter, the townhouses only cost from AUD480,000 to AUD650,000. Nested in Sunshine North, Melbourne's Western district, the project offers a serene and relaxing living environment with comprehensive amenities and good city connections. It is anticipated that St. Andrews will soon become an investment hotspot in Australia. St. Andrews possesses convenient city connections where Melbourne CBD is only 12km away and Sunshine Station us only a 5-minutes ride away. The project is in close proximity to various shopping centres and leisure attractions, such as Highpoint Shopping Centre, Sunshine Plaza Shopping Centre, Medway Golf Club and various parks and reserves.