

Half of all capital cities now have record high dwelling values

BY: MICHELLE HELE

FROM: NEWS LIMITED NETWORK

10 HOURS AGO APRIL 01, 2014 1:16PM

AFTER a flat February the property market has rallied to finish the first quarter of the year on a strong note.

Half of all Australia's capital cities are now recorded record high dwelling values.

Dwelling values went up 2.3 per cent during March, resulting in a 3.5 per cent increase for the quarter, according to the latest RP Data-Rismark March Hedonic Home Value Index.

Apart from Perth, every capital city recorded a rise in dwelling values during the past three months with Melbourne the strongest performer.

It's median values went up by 5.4 per cent for the quarter.

Hobart and Sydney also had solid increases of 4.7 per cent and 4.4 per cent respectively.

Brisbane values were up only 1.5 per cent for the quarter but 2.9 per cent for March.

Darwin was the stronger performer for March with its values up 3.3 per cent.

Perth recorded the smallest increase for the month of 0.6 per cent and was down 0.6 per cent for the quarter.

RP Data research director Tim Lawless, said Sydney's housing market showed the most substantial increase beyond its previous market high.

"Sydney dwelling values are now 15.8 per cent higher than their previous peak, substantially more than Melbourne where dwelling values are 4.7 per cent higher than their previous peak," he said.

"Perth and Canberra values have risen to be 2.9 and 1.2 per cent higher than their previous high point, respectively."

Mr Lawless said values were up 15.8 per cent since the last peak of the market, with much of the growth occurring since June last year.

He warned over the long term such a strong pace of growth could not be sustained.

"We expect housing market conditions to cool down as the year progresses. If the pace of capital gains doesn't slow, we may see higher interest rates realised much earlier than previously expected," he said.

Ben Skilbeck of Rismark said the March result is potentially so strong because of seasonal factors.

"March and September have a history of being comparatively strong seasonal months for dwelling value changes," he said.

SOURCE: <http://www.news.com.au/finance/real-estate/half-of-all-capital-cities-now-have-record-high-dwelling-values/story-fncq3era-1226870863585>