

Average mortgage highest ever as investors, upgraders return

INCREASING property prices and positive news stories have enticed investors and upgraders back to the residential real estate market.

As a result, the average value of a new mortgage in Australia has risen to the highest ever level.

Recently released figures from national mortgage broker AFG show the average new mortgage lodged in Australia rose to a record \$354,137 in July this year.

The previous record was \$353,223 in October last year.

PRDnationwide research manager Dean Dederer said the data also showed that first home buyers were no longer as dominant in the mortgage market as they had been in recent months.

"In July 2009, first home buyers only

made up 19 per cent of the mortgage market, which is a big drop from 28 per cent just four months earlier in March," Mr Dederer said.

"This is largely due to the return of upgraders and investors.

"Investors dominated the mortgage market in July, with 30 per cent of all new mortgages. This is up from a low of 24.5 per cent in March 2009.

"These proportions show that fewer first home buyers are entering the market and suggest that with the rise in the average mortgage value, second and third home buyers are now active in the market alongside investors."

Mr Dederer said recent reports of house price increases at all levels — affordable, middle and top end —



had stimulated the market as a whole. "The return was imminent as sales volumes began to climb. Any

potential buyer, whether an investor or an upgrader who has been watching the market to see when it will bottom has noticed that time has



been and is now largely gone," he said.

"Sales volumes are continuing to rise, and along with it median prices are beginning to move again following a period of stagnation.

"It stands to reason that new median price and average mortgage value records will be continually set while there is any amount of inflation in the economy."

Mr Dederer said continued growth in developing countries such as China and India meant inflationary pressures would continue to exist while demand for finite resources was rising.

Gulliver named an Australian hotspot

GULLIVER has scraped in as one of only two non-metropolitan suburbs to feature in a list of national property hotspots.

The National Hotspot report, compiled by RP Data on behalf of St George Bank, highlighted 24 up-and-coming suburbs that buyers and investors should target.

The report based its findings on a number of factors, such as proximity to employment centres and public transport/roads, renovation potential and housing stocks.

It said Gulliver, with a median house price of \$294,500, represented value for money after prices dipped 9.4 per cent over the past year.

Townsville real estate agents said strong sales activity at the affordable end of the market contributed to the

lower median house price.

Gulliver had 54 house sales over the reported period.

RE/MAX Excellence agents Lyn Griffiths and Rohan Banning said buyers were targeting fringe and central suburbs within 15km of the city where supply was always going to be tight.

Ms Griffiths said while many fringe city suburbs had attracted huge attention, a number of others had flown below the radar of investors.

"Gulliver is a prime example of a suburb that is close to the city, central to many amenities and offers an affordable entry into the property market," Ms Griffiths said.

"It is a suburb on the rise, where people have been restoring older homes yet there are ample

opportunities to buy Queenslanders and cottages in their original condition.

"As Townsville grows further north and traffic congestion becomes an issue, we can expect areas such as Gulliver will attract a lot more attention.

"Townsville's central suburbs are prime targets for investors since entry prices are lower and both houses and units will always remain in demand from renters."

The RP Data report found Australia's median house price had risen slightly to \$471,818 after dipping between February and December last year.

The outlook is also positive for Townsville, with a Herron Todd White report showing sales volumes had rebounded from last year's lows to



reach around 320 a month.

Mr Banning said other fringe city suburbs such as Oonoonba, Garbutt, Aitkenvale, Currajong and Heatley had not attracted the same level of attention as nearby blue-chip suburbs.

"Over the next year, as property prices stabilise and start to recover, investors in particular will be shopping in the value-for-money suburbs," Mr Banning said.



"These areas haven't seen the level of growth or revitalisation compared to the blue-chip suburbs nearby.

"But with work powering ahead on upgrades to major infrastructure such as suburban shopping centres and schools, the outlook appears positive for fringe city and central suburbs."

Ray White's October Auction Event

Tuesday 06 October, 6:00pm – Ray White Rooms: 71 Eyre St, North Ward

Lot 1	46 Corveth St, KIRWAN	Shay Bell	0410 436 924
Lot 2	10 Oriole Court, CONDON	Warren Lingard	0418 759 174
Lot 3	1/2 Mckinley Street, NORTH WARD	Kimberley Orr	0415 038 321
Lot 4	73 Sanctuary Drive, IDALIA	Warren Lingard	0418 759 174
Lot 5	22 Wilkie Street, HEATLEY	Chris Orr	0413 642 584
Lot 6	4 Carter Street, NORTH WARD	Brad Matheson	0418 777 670
Lot 7	94 Stagpole Street, WEST END	Simon Clayton	0415 196 270
Lot 8	9/181 Mitchell Street, NORTH WARD	Danny Cody	0404 077 102
Lot 9	44 Boston Crescent, DOUGLAS	Kimberley Orr	0415 038 321
Lot 10	Lot 15 Webb Road, CALCIUM	John Soutar (Ray White Rural)	0429 770 018

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Ray White

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