

**Senate Economics Legislation Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Additional Estimates, 15 February 2006

**Question: AT 1**

**Topic:** *Trend of property prices in NSW*

**Hansard Page:** E7

**Senator SHERRY asked:**

Just going to the issue of housing prices, which you mentioned, what has been the trend of housing property prices—when I say ‘housing’ I include units—in New South Wales, particularly Sydney, versus the rest of the country?

**Dr Kennedy:** I do not have the numbers to hand, but there has been a decline in house prices in New South Wales whereas in other states—in WA, and particularly in Perth—house prices are in fact still rising. The Australia-wide number is dead flat. Basically, house prices have been flat since about the December quarter 2003/March quarter 2004, but house prices in Sydney in particular have fallen by around five or 10 per cent, I think, but I would have to check the details of that.

**Answer:**

The ABS price index for established houses covers transactions only in detached dwellings - excluding units - and data are available for capital cities and national average. Since the December quarter 2003, house prices have fallen by 8.4 per cent in Sydney while prices for Australia increased by 2.5 per cent.

The Australian Property Monitors provide composition-adjusted measure for houses and units separately for capital cities. Prices for houses and units in Sydney have fallen by 8.3 per cent and 6 per cent respectively since the December quarter 2003, while national average prices (calculated by the Reserve Bank) increased by 1.7 per cent for houses and have been flat for units for the same period.