



Chatswood Real Estate Market Review—December 2013

The month of December continued in the same vein as the latter half of 2013. Our last Auction for the year was held on December 21st and the property sold for \$135,000 above the reserve.

Demand for property in Sydney continues to be very strong, and to fuel prices, there are a limited number of properties on the market. This also means MINIMAL days on market for Sydney property, so if you are buying, you want to see new property in the first week, as it may not be there 14 days later!

We do have a strong Asian buyer market in Chatswood, but it was interesting to see in the news lately that Chinese ownership of Australian property is actually third in the world, with the USA being first - although these figures may have included Commercial property.

The following observation, published a few years ago, is interesting..... (with thanks to Wikipedia)

A number of economists, such as [Macquarie Bank](#) analyst Rory Robertson, assert that high immigration and the propensity of new arrivals to cluster in the capital cities is exacerbating the nation's housing affordability problem.^[29] According to Robertson, Federal Government policies that fuel demand for housing, such as the currently high levels of immigration, as well as capital gains tax discounts and subsidies to boost fertility, have had a greater impact on housing affordability than land release on urban fringes.^[30]

The Productivity Commission Inquiry Report No. 28 First Home Ownership (2004) also stated, in relation to housing, "that Growth in immigration since the mid-1990s has been an important contributor to underlying demand, particularly in Sydney and Melbourne."^[31] This has been exacerbated by Australian lenders relaxing credit guidelines for temporary residents, allowing them to buy a home with a 10% deposit.

The Migration Programme for 2013–14 will offer 190,000 places, which remains unchanged from the 2012-13 Migration Programme.

So there are 3,653 people arriving in Australia every week and we believe 35% settle in Sydney, so that's 1,278 people a week. That's a lot of housing!

So while the interest rates are low, the economy is steady & 1,278 people arrive in Sydney every week, the housing demand will continue to keep Sydney prices firm and rising.

