

Hunter housing prices jump more than 12%

BY KATE TARALA
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Hunter house prices rose more than 12 per cent in the past year, boosted by increases of more than 15 per cent in Lake Macquarie, Singleton and Maitland, figures show.

But the Hunter Valley Research Foundation (HVRF) warned that growth could stall due to levelling interest rates and poor affordability for first home buyers.

HVRF figures showed that in the year to March, house prices rose substantially for the first time since 2003, to a median of \$355,000.

HVRF research fellow Simon Deeming said house prices across the Hunter rose significantly over the year and sales volumes were strong, supported by strong employment figures and population growth.

“The momentum in the wider market evidently flowed into new residential development activity, producing strong vacant lot sales and triggering developers and house builders to pursue new dwelling approvals,” Mr Deeming said.

Mr Deeming said the outlook was uncertain because of the withdrawal of affordable housing stimulus, the reduction in first home buyer grants, weaker buyer sentiment and poor affordability.

But he said housing finance data suggested new housing could prove resilient.

RP Data national research director Tim Lawless said housing figures due to be issued on Friday were expected to show a continuing slowdown in the market, caused by higher interest rates, lower auction clearances and slowing housing finance.

Newcastle real estate agents told the Newcastle Herald yesterday the market was still buoyant.

George Rafty, of PRD Nationwide Newcastle and Lake Macquarie, said he had sold 11 properties in the past four weeks, ranging from \$299,000 to over \$1million.

Home Central First National principal Lynette Allison has sold 10 properties this month, with three deals pending. She said demand in the middle price bracket, between \$400,000 and \$850,000, was very strong.

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REAL ESTATE BOOM: Sales were up in the Hunter this year.