

Price of houses hold up

Small drop for Hunter

By **ALYSSON WATSON**
Property Editor

NEWCASTLE house prices fell almost 5 per cent last year, in line with Sydney, but the Hunter fared well overall, shedding 0.67 per cent only.

In the same period, Newcastle unit prices fell 3.6 per cent, but the Hunter's dropped 0.74 per cent only.

This compares with a statewide drop in house prices of 3.89 per cent and a drop in unit prices of 2.37 per cent. The big growth came in the state's west, where house prices rose 9 per cent.

NSW land prices rose 17.5 per cent, increasing in Newcastle by 3.36 per cent, the Hunter by 5.77 per cent and Sydney by 4.7 per cent.

The figures were reported in the latest Real Estate Institute quarterly bulletin, which described the real-estate market as having had a "soft landing" rather than the crash feared after a three-year boom.

Newcastle spokesman Wayne Stewart said the local market had "not fared too badly", and that the small drop should be viewed alongside the previous three years' gains of up to 30 per cent.

Also, an increase in sales and inquiries in the first quarter of this year

indicated that the market was recovering.

"We've seen a dramatic increase in buyer activity this year, especially from first home buyers," Mr Stewart said.

"And homes on the market at the right price are selling quickly."

While the downturn might be easing, analysts do not predict a speedy recovery.

Westpac senior economist Andrew Hanlan told a meeting of the Australian Property Institute in Newcastle on Thursday that house prices would stagnate for at least this year.

"Sydney has dropped 10 per cent in two years, and that's probably enough of a correction to restore equilibrium with other capitals," he said.

"There is light at the

end of the tunnel, but the market won't be roaring back."

Hunter Valley Research Foundation researcher Caroline Veldhuizen told the gathering that recovery would be steady.

She said that although there were positive signs of recovery in the Hunter, the region tended to follow the state and there was no reason to expect it would recover more quickly.

In December, Newcastle's median house price was \$290,000 and the Hunter's was \$295,000.

Newcastle's median unit price was \$269,000 and the Hunter's was \$283,000.

The median land sale price was \$200,000 in Newcastle and \$193,000 in the Hunter.