



## NSW Treasury figures reveal property prices have hit rock bottom, but there is some good news

# It's time to buy

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and ADAM BELL

THE property slump in NSW has officially hit rock-bottom, and housing prices are not expected to fall any further.

A serious shortage of rental properties and a growing population are combining to turn around the ailing economy, according to a NSW Treasury Corporation report.

The report, tabled in State Parliament, represents the first official sign of a possible recovery in the market — and it means those keen to buy a house should move quickly.

“Recent trends in dwelling approvals and finance approvals for housing suggest the NSW housing sector has bottomed,” it says.

Although dwelling investment remained weak in the year to June, this is expected to stabilise next year as Sydney's population grows and rental vacancies decline.

The report also says net interstate migration out of NSW appears to be declining and population growth is edging higher.

“A decline in rental vacancy rates is beginning to strengthen the case for new investment,” it says.

These comments are expected to provide welcome relief to buyers who bought at the height of the boom, only to watch their investments plunge in value.

Evidence of the report's findings came yesterday when a waterfront mansion on the Georges River sold for \$6 million — nearly half the price it was listed for three years ago.

The 1960s Blakehurst bolthole, known as The Castle to locals, was originally listed by racehorse breeder Jim Fleming with \$10 million expectations.

The buyer, Biagio Signorilli, said he had taken advantage of the weak mar-

ket by buying three homes in the past three weeks for his family.

Agent Sasha Tasic, of Terry Pfeiffer Real Estate, said: “I think we've seen the market hit rock-bottom, and we definitely won't see house prices go much lower.

“Now is a good opportunity to upgrade, and I think a lot of people are just biting the bullet.

“I mean, \$6 million today ... the buyer of this property will be laughing all the way to the bank.”

Rising interest rates have also forced many over-mortgaged buyers to sell for less than they paid.

But for those who have the cash, Sydney is bargain-priced, NSW Real Estate Institute president Cristine Castle says.

“The market is flat, and has been for the past year, but it's no longer dropp-

ing,” she says.

“Sydney is a fantastic bargain at the moment.

“If you have the cash, it's an excellent time to buy.”

Sydney's reputation for having the highest median house price in Australia could soon be overtaken by Perth, where property values have risen 45 per cent in the past year. The median house price in Sydney is \$525,000.

As the median house price in Perth is now \$490,000, some market experts predict that city will eclipse Sydney some time next year.

The Treasury report follows revelations last week by *The Sunday Telegraph* that rents have risen as much as 40 per cent.

The biggest increases were found in the city's inner west, St George and the Hills district.



Well bought: Biagio Signorilli with his \$6 million Blakehurst bargain

Picture: Michael Perri