

Kate Boddington
National Media Manager
Mob: +61 418 754 281
Email: media@prd.com.au

Quarterly Economic & Property Report Released by PRDnationwide

April, 15, 2010, Australia –

An economic and property snapshot produced by PRDnationwide reveals a healthy property market, increased business confidence, and continued population growth.

Figures published in PRDnationwide's *Quarterly Economic & Property Report* show business confidence has hit a sixteen year high and commodities increased 1.9 per cent.

Report author Aaron Maskrey, said during March 2010, consumer sentiment increased in Queensland (10%), South Australia (2.6%) and New South Wales (0.3%), but fell in Victoria (6.1%) and Western Australia (1.7%).

"The successive rises in the cash rate has lead consumers to act conservatively – consumers are now more likely to use savings to reduce their debt, rather than to spend," he said.

The PRDnationwide research director said the report showed numbers of new dwellings increased in the fourth quarter by 13.8% - or 5096 new homes across Australia.

"Commencements have been increasing since the March 2009 quarter, which brings a much needed boost to the property industry," said Mr Maskrey.

"However early figures coming through from the ABS for January have building approvals softening for the first time in five months. Possibly a result of the Federal stimulus package being wound back at the end of 2009," he said.

The median house price in Australia climbed on average by 12.76% - the highest level in 2009.

Darwin has once again recorded the biggest increase of 19.7 per cent while Melbourne prices rose 19.3 per cent.

"Price growth will continue in the Victorian capital, with properties located within 10-15 kilometres likely to be the best prospects for growth," said Mr Maskrey.

Figures show business confidence of 17.7 index points has not been this high since the end of 1994.

“This is a dramatic increase from the previous year when sentiment was at one of its all time lows of -30.5 index points,” said Mr Maskrey.

The report states coal and iron ore should experience large increases in price, with Australia likely to earn \$63 billion from these exports alone in 2010 and potentially rising to \$95 billion in 2011.

“High commodity prices are one of the primary drivers behind Australia’s robust economy, influencing real estate prices particularly in Western Australia, Northern Territory, Northern Queensland and as of late South Australia,” said Mr Maskrey.

“Coupled with the resource industry boom, employment and population growth follow, which spurs demand for housing and rental accommodation, particularly in neighbouring resource rich regions.”

Mr Maskrey predicts the cash rate will continue to climb to 5 per cent by the end of 2010.

“With household wealth recovered to almost boom-time highs, almost all analysts are in agreement that the RBA will continue to raise the cash rate,” he said.

Contact PRDnationwide for your copy of the full report 07 3229 3344

- end -

About PRDnationwide

PRDnationwide was founded on Queensland’s Gold Coast in 1975. The company has specialised in residential project marketing for more than three decades and it has a strong commercial presence in both the Gold Coast and Brisbane markets. It has a total of 139 franchise offices and corporate offices in Melbourne, Sydney, Brisbane and the Gold Coast. For further information about PRDnationwide visit www.prdnationwide.com.au.

For further information please contact:

Kate Boddington
Media Manager
Mob: +61 418 754 281
Email: media@prd.com.au