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HD **A housing shortage, spring is the best time to sell and the Great Australian property dream is dead: Twenty of the biggest real estate myths BUSTED**  
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\* Australian real estate analysts burst the bubble on housing myths

\* Hotspotting.com.au publish a range on misinformation you're likely to be fed regarding the housing market

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\* From housing shortages, to lack of land and inflated prices, there's plenty of incorrect information according to managing director Terry Ryder

\* He said there is no 'housing bubble' in Australia and the only capital city experiencing a 'boom' is Sydney

Forget everything you've ever heard about Australia's housing market, because the bubble surrounding the nation's greatest property myths is about to be burst.

National real estate analysts Hotspotting.com.au have broken down the 20 greatest myths you're ever likely to hear from real estate agents, developers and other property gurus spinning tales about panic in Australia's residential market.

From 'the shortage bandwagon' to inflated statistics about increased house prices across the country, Hotspotting.com.au managing Director Terry Ryder dispels it all.

Scroll down for video

Published in the Spring edition of the Ryder Report, Mr Ryder makes the claim that 'jumping on the shortage bandwagon is the ultimate example of lazy analysis of residential property.'

He said research or evidence suggesting the shortage theory has never be proven, but it is nevertheless accepted by most people as accurate.

'The shortage myth has been generated by organisations which represent developers and builders,' he writes.

'They've achieved this by pumping out a stream of press releases over many years, each of them blaming all the problems in the residential market on a shortage of houses.'

He draws on research from the Australian Bureau of Statistics to refute suggestions that Australia has had a nationwide increase of 10 per cent over the last year.

'But Australian house prices have not risen 10%.' He said growth of that magnitude has occurred only in one city, Sydney.

Prices on average have increased 16-17 per cent and that has inflated the overall city average. No other city has had double-digit price growth.'

'There is no Australian **property** boom. There has been, so far, a Sydney **property** boom.'

But does Sydney's high prices constitute a bubble?

'No.' 'This is the first major growth in Sydney prices in 10 years.'

He writes despite the growth of the past 18 months, the average annual rise in house prices in most Sydney suburbs has been three per cent to four per cent in the past decade.

'Prices have barely kept pace with inflation. Even with the most vivid imagination, it is impossible to construct a bubble from those facts.'

And when it comes to believing the myth that there's an under-supply of land, My Ryder writes there's plenty around but all the 'major land developers are sitting' on them.

'They drip-feed to the market to suit their own agendas.'

'If you want to **buy** a housing allotment in Brisbane and South-East Queensland, there are many dozens of options.'

He quotes no less than five major developers who have big titles of new housing estates going up in south east Queensland alone.

'If you want to **buy** a housing allotment in Brisbane and South-East Queensland, there are many dozens of options.'

'Developer Devine is currently marketing five estates in the region. Stockland has four estates in the market. Lend Lease has five communities under development. Australand has three. The Peet **Group** has seven.'

'There are many others.'

Hotspotting also cracks the con that 'Spring is the selling season.'

Mr Ryder says It's lavishly promoted by marketing agents and by media as the best time to sell homes – and also the best time to **buy**, but it can't be both.

'There's no evidence that selling in Spring gets better prices and it's difficult to imagine how it can be the best time to act for both buyers and sellers. It's a hype-fest, basically.'

**Property** Investment Professionals of Australia has developed a spring buying checklist to help investors and home-buyers make good decisions.

PIPA chair Ben Kingsley says it's important for aspiring buyers to keep a cool head and steer clear of **property** spruikers.

'Unscrupulous operators have been quick to eye opportunity in the market.'

'Steer clear of any so-called **property** investment experts who won't disclose how they earn their income or push you towards one-size-fits-all **property** strategies that don't consider your own circumstances.'

#### THE 20 GREATEST **PROPERTY** MYTHS BUSTED

1 A serious housing shortage - Vested interests like the HIA and UDIA claim a shortage but never produce evidence – because most of the data disproves the claim.

2 The affordability crisis - Affordability is the best it's been in 10 years but the industry keeps stating as a fact that young people can't afford to **buy**. It's a lie.

3 The 'national **property** market' - Economists chatter about 'the **property** market' but there are many thousands of independent local markets all doing their own thing.

4 The national **property** boom - It's amazing how many 'analysts' look at average growth figures and declare a national boom. Only Sydney has boom conditions.

5 House prices are soaring - Media reports 'spiralling' prices, when only Sydney has recorded double-digit growth. Most cities have only moderate growth rates.

- 6 Rising prices are a bad thing - Media tends to portray rising home values as a problem. But for most households, and for the nation, it's a major positive.
- 7 It's all about interest rates - Economists think interest rates are the key factor in price trends, but if that were so all of Australia would have booming prices.
- 8 The Great Australian Dream is dead - First-home buyers are active but many are not being counted in the stats because grants are no longer available for established homes.
- 9 Faster approvals is the answer - Developers claim easier approvals will make housing affordable. It won't. It will make developers wealthier.
- 10 The inner-city grows fastest - The research contradicts the claim that the so-called prime inner-city suburbs show the best capital growth over time.
- 11 Distant suburbs don't grow - In most capital cities, the best long-term capital growth rates happen in affordable suburbs a long way from the CBD.
- 12 Master-planned is best - In most cities, suburbs created by master-planned developments show inferior capital growth to older, cheaper suburbs nearby.
- 13 Houses grow faster than units - The dominant paradigm in **property**, that land content drives value, needs to be re-visited. More and more are choosing to live in units.
- 14 Spring best time to sell and **buy** - The 'spring selling season' is one of real **estate**'s biggest cons. It's marketed as the best time to sell – and **buy**. It can't be both.
- 15 Negative gearing is for rich folk Media has created the false notion that negative gearing is a tax break for rich people. 70% of claimants earn less than \$80,000.
- 16 Negative geared investors drive prices - Investors are a minority presence in the market. Prices are driven by home buyers (other than first-timers) who dominate the market.
- 17 FHB grants drive prices - Some economists claim grants hurt first-timers because they push up prices. They never produce any evidence to support the claim.
- 18 Foreign investors are to blame - **Chinese** buyers especially are blamed for pricing out young Aussie buyers, but their price impact in FHB areas is close to zero.
- 19 Economists know real **estate** - Media is obsessed with the real **estate** views of economists. It's like asking a chess expert to provide expert commentary on football.
- 20 Economists know anything at all - When their data forecasts are wrong, which is often, economists express shock and amazement, and denounce the official data.

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