

Newslink

September 2016

Terry's View

One of the greatest myths in real estate, perpetrated by economists who don't understand the housing market, is that "low interest rates" means "national property boom". Both logic and recent history indicates that we're more likely to have a national boom when interest rates are rising, not falling. Australia's had record low rates for several years, but few places have had property booms. Perth, Darwin and some regional centres have been going sharply backwards. Canberra, Adelaide, Brisbane and many regional cities have had stagnant markets or only moderate price growth. The most significant exception, Sydney, has been boosted by the strongest economy and the biggest infrastructure spend in the nation. Interest rates are low because the national economy is lukewarm (and struggling in some sectors), the conditions least likely to deliver a national boom. A study of the past 30 years shows that all significant booms have happened at times of rising interest rates (with authorities lifting rates to keep a lid on things). In the late 1980s interest rose repeatedly and had to hit 17% before the property boom stopped. Rates were also rising in the early years of this century, the last time we had a genuine national real estate boom.



Terry Ryder
Founder of Hotspotting

Price Stats Exposed As Dodgy Data

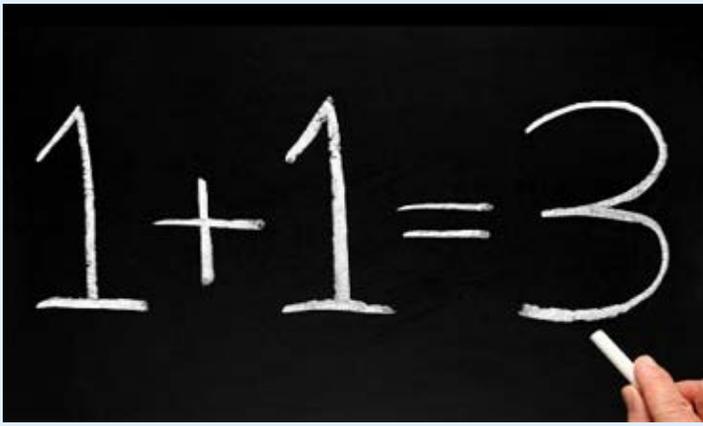
The RBA has disregarded CoreLogic price data because it overstated Sydney growth. Our research shows that growth statistics are often rubbery figures.

[Read Full Article](#)

Most Want Stamp Duty Stamped Out

A national survey finds most Australians think cutting stamp duty is the best way to help people into home ownership, rather than abolishing negative gearing.

[Read Full Article](#)



RBA, PM Attack Banks Over Rates

Very few lenders, large or small, have passed on the RBA's interest rate reduction in full. Prime Minister Malcolm Turnbull and the Reserve Bank have criticised the major banks for their response.

[Read Full Article](#)



More Articles

- [Hobart Best, Perth Worst On Vacancies](#)
- [Home-buyers Return To Market Dominance](#)
- [Free Buyer Service Slammed As Misleading](#)