

MEDIA RELEASE

Market Update: March 2009

Stock levels have never been this low for this time of the year.

In the last difficult market of 1990, interest rates were at 16-18% which was forcing people to sell. In 2009 interest rates are at a 40 year low and people are holding real estate rather than selling.

Many people are concerned about rising unemployment and have decided to lock into those lower rates and 'batten down the hatches' for the next year or two.

In the upper end of the market in Stonnington and Boroondara stock levels are down by at least 50%.

The acute property shortage has produced some competitive results. Some recent sales to highlight this are 8a Mayfield Avenue, Malvern & 132 Kooyong Road, Armadale. This market will present many great opportunities over the next 12 – 24 months.

Abercromby's has specifically targeted the expatriate market. All of the Directors have over the past eight months spent time in the United Kingdom, UAE, Europe and Asia sourcing expatriates that are wishing to return to Melbourne to live. Clearly luxury and lifestyle properties are keenly sought by the expatriates.

The global financial crisis is expected to have an impact on expatriates in the short to medium term. We have already started to see some expats return because of the weaker economic conditions overseas. This has boosted demand for luxury and lifestyle homes exacerbating an already tight market.

Over the longer term, the relative resilience of Melbourne's housing market may make investing more attractive for expats as they seek to preserve their wealth they are making overseas.