

The biggest property myth of 2011

Probably the biggest property myth of 2011 was the claim that Australia was in a property bubble that was about to burst according to leading property commentator Michael Yardney, of Metropole Property Strategists. Despite all the doomsayers and the overseas economists predicting that our property markets would suffer a similar fate to the American real estate markets, the Australian market dropped less in a year than the share market falls in a typical day, according to Yardney. In his latest Australian property market commentary <http://propertyupdate.com.au/the-biggest-property-myth-of-2011/> Yardney expects Australian housing market will be a "tug-of-war" this year with low interest rates pulling hard on one end of the rope and economic uncertainty joining forces with subdued prospects for economic, income and employment growth at the other. Yardney expects the economic side of the equation to win out in the near-term, influenced in the first half of 2012 at least by continuing global financial turbulence. This is likely to cause the RBA to drop interest rates once or twice in the first half of the year and this should underpin our property markets.

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