

Property has bottomed out and heading for “healthy” growth rates of around 4% to 5% per annum

Mortgage industry bigwig John Symond has tipped a gradual improvement in the housing market in 2013 and for interest rates to fall further.

“I am pretty confident the housing market throughout the country has bottomed out,” he says.

Symond believes there will be a “very gradual increase in [property] values across the board”, but not the 15% or 20% annual spike that occurred pre-GFC.

Mirroring comments made by RBA governor Glenn Stevens about sustainable house price growth, Symond said such price spikes were “not healthy”

Rather, he says a gradual increase of 4% to 5% would be “a good healthy return year-on-year”.

“I believe the property market will now head into a healthy state of growth with only gradual increases and that is on the back of low interest rates,” he says.

He is also starting to see a return of property investors to the market due them having the “greatest choice in the number of properties on the market in Australia’s history” combined with the low interest rates.

“I am confident we will see a healthy gradual improvement in housing across the country and I believe the regional centres will see that increase as well because overall Australia still

has a shortage of housing," he says.

Symond says he also expects interest rates to head lower in 2013.