



# Home price lift expected

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Short supply and a series of interest rate cuts will boost residential real estate prices and some capital cities can expect gains of 15 to 22 per cent over the next three years, according to BIS Shrapnel.

Meanwhile, weekend clearance rates at auctions in Sydney and Melbourne were in line with previous weeks at 56 per cent, data from Australian Property Monitors and the Real Estate Institute of Victoria has shown.

The BIS *Residential Property Prospects 2012-2015* report forecast Sydney

prices would jump 17 per cent by June 2015 while Perth prices, underpinned by the mining boom, would rise 22 per cent.

Improvements would not be uniform: Melbourne, Canberra and Hobart could expect growth of less than 5 per cent over the same period, the report said.

Price improvement would be due to a shortage of dwellings, which was already affecting the NSW market and was increasing in Western Australia and Queensland as population growth outstripped dwelling starts.

Interest rate cuts have contributed to property affordability in major cities.