

Newcastle and Wollongong forecast price growth almost matching Sydney over next three years: BIS

By Larry Schlesinger
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The key regional NSW cities of Newcastle and Wollongong are expected to come close to matching Sydney's median house price growth over the next three years.

BIS Shrapnel forecasts Sydney house prices to rise 19% over the next three years to June 2016, leading an uneven recovery in the housing market.

The forecasts for Newcastle and Wollongong are for gains of 18% and 17% respectively between now and June 2016, and more concentrated in the latter two years.

In contrast, Melbourne median house prices are forecast to rise just 5% over this time frame.

"Residential property prices in Newcastle and Wollongong usually benefit when Sydney experiences strong price growth and migration into these regional centres increases, says BIS Shrapnel senior manager Angie Zigomanis.

"With affordability in Sydney relatively attractive in a long term sense, an acceleration in prices in these regions is expected to be a little behind that of Sydney, picking up over 2014/15 and 2015/16 as a combination of price rises in Sydney and an expected tightening in [interest rate](#) policy begin to reduce affordability in the capital," he says.