

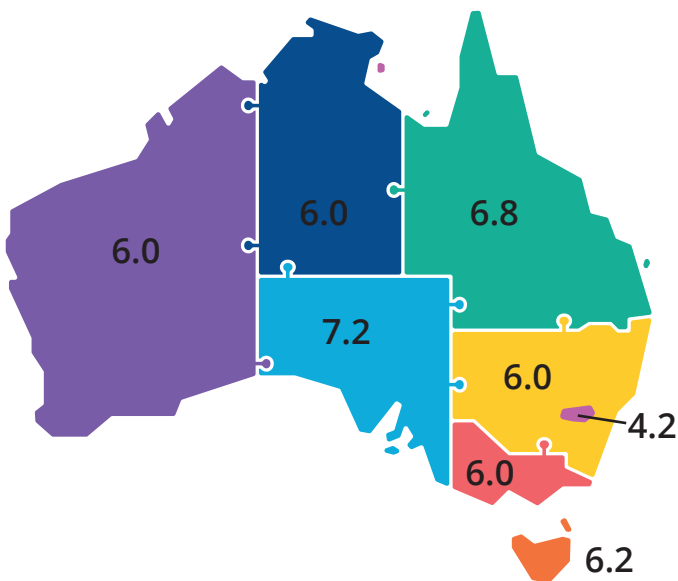
THIS MONTH IN REVIEW

Property values fell slightly across the five major capital cities during June with markets in Canberra, Darwin and Hobart each recording a small increase. Core Logic reported a second consecutive month of falls with the national Home Value Index down 0.7% in June. Overall market activity showed improvement with a 21.5% surge in sales activity through May. Core Logic estimates that home sales in June were up a further 29.5%.

CoreLogic's head of research, Tim Lawless, said "Downwards pressure on home values has remained mild to-date, with capital city dwelling values falling a cumulative 1.3% over the past two months. A variety of factors helped to protect home values from more significant declines, including persistently low advertised

AUCTION CLEARANCE RATE *Source: APM PriceFinder*

	JUNE 1		JULY 4
SYDNEY	62%	▲	66%
MELBOURNE	65%	▼	62%
BRISBANE	37%	▼	27%
ADELAIDE	N/A	—	71%

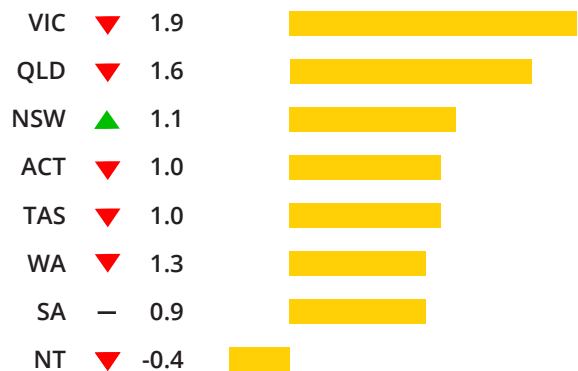
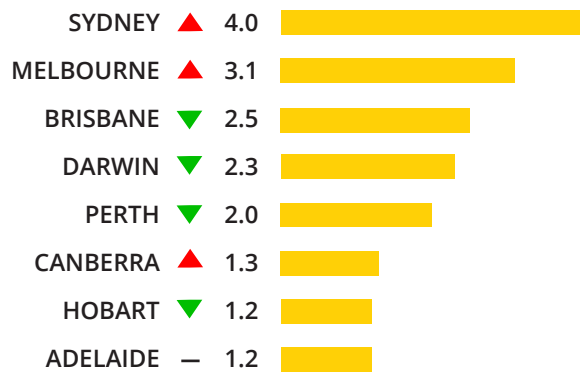
MONTHLY UNEMPLOYMENT - APRIL 2020
Source: ABS (most recent figure at time of publication)

HOUSES

	YRLY GRWTH	YIELD	MEDIAN
SYDNEY	15.5	3.1%	\$927K
MELBOURNE	12.1	3.1%	\$733K
HOBART	6.7	4.9%	\$531K
CANBERRA	6.3	4.4%	\$700K
BRISBANE	4.8	4.0%	\$545K
ADELAIDE	1.7	4.3%	\$465K
DARWIN	- 1.6	5.4%	\$470K
PERTH	- 2.1	4.1%	\$480K

stock levels and significant government stimulus. Additionally, low-interest rates and forbearance policies from lenders have helped to keep urgent sales off the market, providing further insulation to housing values."

Regional markets remain resilient in the current environment with a 'tree-change' trend emerging as city dwellers snap up acreage close to the city centre.

Meanwhile, the Federal Government's Homebuilder program and the second intake of the First Home Loan Deposit Scheme are having a positive impact on the market.

POPULATION GROWTH % (Yr ended SEP 2019) *Source: ABS*

VACANCY RATE % (MAY 2020) *Source: SQM Research*

UNITS

	YRLY GRWTH	YIELD	MEDIAN
SYDNEY	11.6	3.9%	\$717K
MELBOURNE	10.6	3.9%	\$579K
HOBART	4.3	5.3%	\$418K
ADELAIDE	2.0	5.1%	\$329K
BRISBANE	1.5	5.2%	\$385K
CANBERRA	0.9	5.7%	\$440K
PERTH	- 1.9	4.9%	\$370K
DARWIN	- 4.5	6.2%	\$287K

Source: CoreLogic Hedonic Home Value Index and Market Trends Report

CAPITAL CITY UPDATES

SYDNEY NSW

- Job market uncertainty and concern about the current economic outlook saw property values in Sydney fall slightly by 0.8% over June.
- According to Core Logic, 644 homes were auctioned in Sydney week ending 28 June with a clearance rate of 62.9%; an increase on the previous week in which 61.6% of the 522 properties up for auction sold.
- As Sydney continues to exit lockdown and market confidence grows, it appears that inner suburban residents are more willing to list their home and buy back into the market. Predominantly high-rise inner-city residences and those in some outer suburbs are proving less resilient due to a lack of tourists and the exodus of migrant-workers returning overseas. REINSW data puts the inner ring vacancy at 5 per cent, the highest in 18 years.

MELBOURNE VIC

- There was a reintroduction of level 3 restrictions on open-for-inspections and public auctions in 36 suburbs in Melbourne's inner north, west and north-west for the next 4 weeks, following a spike in Covid-19 cases in those areas. REIV President Leah Calnan stated, "most agents... will remove the on-site (auction) component and continue solely with their online platform for the next four weeks".
- According to Core Logic's Home Value Index, Melbourne saw the largest decline in property values over June with a 1.1 per cent fall on the previous month.
- Domain economist Trent Wiltshire believes "prices in Melbourne are probably the most likely to fall furthest. Inner Melbourne had more investors and bigger job losses, it's more reliant on migration and international students and tourism, so all these factors have weighed on the Melbourne market more so than most other capital," he said.

BRISBANE QLD

- Brisbane house prices fell 0.4 per cent over the month. A total of 90 properties were auctioned in the last week of June with a clearance rate of 40.7%.
- Border closures and lack of tourists are beginning to have an impact on the market with the Australian Bureau of Statistics reporting that apartment approvals have hit an 11 year low, down 7.4% in May. Approvals on private sector houses are down 9.9 per cent, the highest drop in the country.
- Brisbane residents are embracing the 'tree-change' trend. Tyson Clarke from Sotheby's International advised that "inquiry levels for luxe acreage properties have surged".
- Regional hotspots such as the Sunshine Coast, Mackay and Gympie are all performing well with an average price increase of around 4% according to Canstar.

PERTH WA

- The Housing Industry Association WA has forecast a "bounce back in the building sector to pre-pandemic levels by next year". According to the peak body, state and federal grants announced in June have seen a 132% rise in consumers visiting display homes. HIA WA Executive Director Cath Hart said "this forecast showed a solid recovery for residential building in WA."
- Following a 1.1 per cent decline in property value over June, Eliza Owen, Head of Research at Core Logic, suggested that "the loss of jobs and income had created a bit of a shock to the market" in Perth. Only 19 properties were auctioned in Perth in the last week of June with a clearance rate of 47.06 per cent.

CANBERRA ACT

- Canberra was the best performing capital city throughout June with an 84.4 per cent auction clearance rate in the last week of June. Property values were up by 0.1 per cent over the month.
- The overall auction clearance rate for June was 72 per cent in the countries capital; a 10 per cent increase from May and up from the April low of 45 per cent. Year-on-year, the June 2020 result was substantially higher than the 47 per cent result in June 2019. However, while clearance rates seem to have rebounded, it's worth noting that auction volumes remain weak.

ADELAIDE SA

- Core Logic's Home Value Index showed a drop of 0.2 per cent in Adelaide's median dwelling price, the lowest fall across the country, and following small increases in March, April and May this year. Brett Roenfeldt, the President of the Real Estate Institute of South Australia, said the result proves "our market is still very steady. If we had a huge injection of stock though, you could well find some severe adjustments".
- Despite the pandemic's impact on the market, some suburbs are still recording strong growth. According to realestate.com, in the 11 months to May 2020, Glenelg North and Henley Beach have recorded a year-on-year increase of 23 per cent. North Adelaide, Mount Barker and Findon were also performing well.

DARWIN NT

- The Darwin property market continues to defy the odds and remains resilient. Core Logic reports property value increases in every month since March 2020. Realestate.com advises that "buyer activity was thriving with demand exceeding supply for the first time in more than six years".
- The NT Government's housing stimulus packages are also having a positive impact on the market with homeowners now choosing to renovate rather than sell, and former renters now choosing to buy.



AUD
69.4c
US

up from 66.5c in June
Source: RBA



RBA Cash Rate
0.25%

Steady for July
Source: RBA



Cash Rate
Forecast
0.25%

12 mths to Jul '21
Source: Westpac



Inflation
2.2%

year to July
Source: RBA



GDP
1.4%

year to Mar qtr
Source: ABS



Wage Growth
2.1%

year to Mar qtr
Source: ABS



Consumer
Confidence
16.4%

up for June
Source: Westpac-Melbourne Institute



Disposable
Income
2.4%

year to Mar qtr
Source: ABS

All data shown is the latest available for the issued month. Any information contained within this document should not be considered investment or financial advice. Before acting on any information please speak with a qualified investment adviser, accountant and solicitor. The information contained in this document has been obtained from various sources and other third parties and is indicative and to be used as a guide only. To the extent permitted by law, BuySide Pty Ltd and its associates will not be liable for any costs, loss or damage arising in any way from the information contained within this document, including file attachments.

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