

THIS MONTH IN REVIEW

Welcome to Spring! Traditionally the busiest time of the year for real estate nationwide. Typically, sales and listing volumes both rise from September to November, and while buyer demand and property supply increase over the season, the impact on prices is usually marginal.

As we enter September 2021 however, a large portion of the country remains in lockdown. Demand remains high, but stock volumes are low.

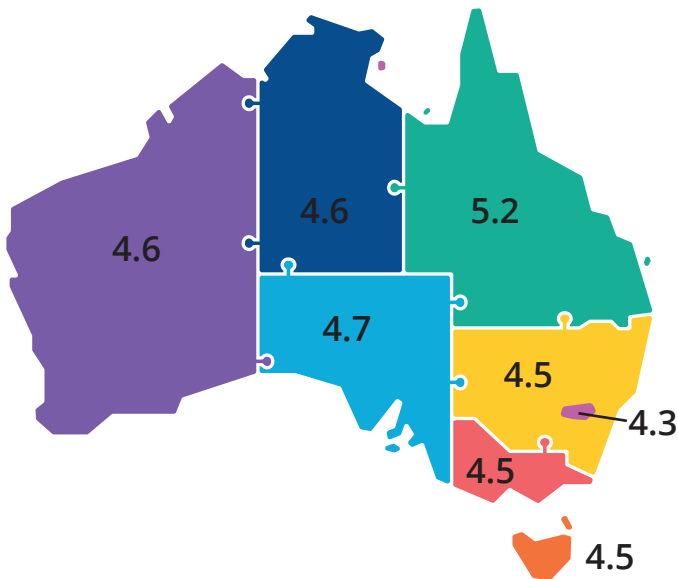
Data from Core Logic shows increasing median prices in most capital cities, quick sales and continuing real estate records, and as lockdowns lift, a robust recovery should follow.

AUCTION CLEARANCE RATE Source: APM PriceFinder

	AUG 1		SEP 4
SYDNEY	75%	▲	86%
MELBOURNE	77%	▼	65%
BRISBANE	74%	▼	73%
ADELAIDE	87%	▼	79%

MONTHLY UNEMPLOYMENT - JULY 2021

Source: ABS (most recent figure at time of publication)



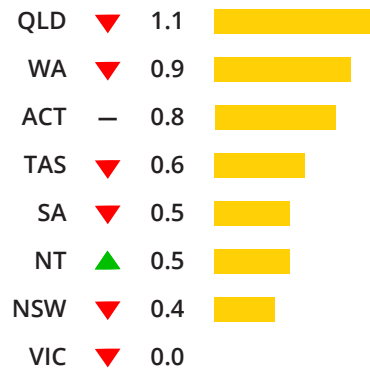
HOUSES	YRLY GRWTH	YIELD	MEDIAN
DARWIN	23.5	4.9%	\$583K
CANBERRA	23.4	4.1%	\$860K
SYDNEY	22.9	2.8%	\$1.225M
HOBART	21.6	4.3%	\$620K
BRISBANE	17.7	3.8%	\$630K
ADELAIDE	17.2	4.0%	\$540K
MELBOURNE	12.3	2.8%	\$860K
PERTH	10.0	4.2%	\$545K

On the plus side, vendor activity is predicted to increase, bringing better listing volumes to market.

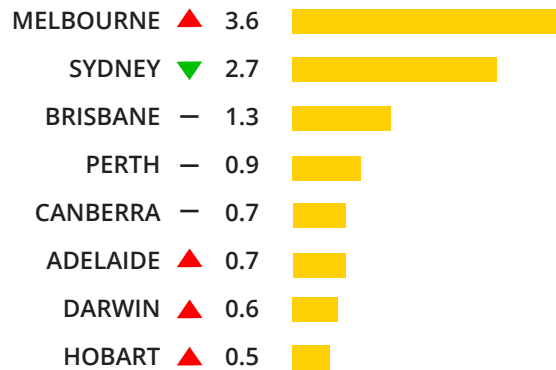
Mortgage rates remain low, household savings have grown, and international borders remain closed; these factors point to increased buyer activity.

However, tightening of credit conditions is being discussed, and affordability constraints, due to the burgeoning marketing, are now starting to impact. If these result in a slowing of buyer activity and there is a lift in supply, we could see a rebalancing between sellers and buyers and a more equitable market as we head into 2022.

POPULATION GROWTH % (Yr ended DEC 2020) Source: ABS



VACANCY RATE % (JUL 2021) Source: SQM Research



UNITS	YRLY GRWTH	YIELD	MEDIAN
HOBART	23.0	4.8%	\$506K
DARWIN	22.7	6.1%	\$369K
CANBERRA	9.9	5.3%	\$512K
PERTH	8.0	5.0%	\$415K
SYDNEY	7.5	3.4%	\$760K
BRISBANE	7.0	4.9%	\$419K
ADELAIDE	6.3	4.7%	\$378K
MELBOURNE	5.8	3.4%	\$626K

Source: CoreLogic Hedonic Home Value Index and Market Trends Report

CAPITAL CITY UPDATES

SYDNEY NSW

- It's a sellers' market in Sydney right now as low supply and high demand continue to impact prices. The median house price in Sydney is now \$1,275,000, making Sydney the 3rd least affordable city in the world.
- Loans to Sydney property buyers have increased by 249 per cent in the last twenty years, going from an average of \$157,000 in 2001 to \$500,000 in 2021. As regulators start to look closely at credit control, housing affordability in Sydney is well and truly in the spotlight.
- In August, the best performing Sydney suburbs were North Kellyville, Stanhope Gardens, Turramurra, Kings Langley, Gordon, Middleton Grange, Belfield, Picnic Point, Menai, and Gymea Bay.
- The NSW government has amended public health orders to allow investor inspections to continue during lockdown. Investors interested in regional property will require a permit to leave Sydney. Domain reports that downsizers determined to move now are now looking at apartment living in the inner city as a result.

MELBOURNE VIC

- The Melbourne property market is in hibernation, with in-person private tours and public auctions banned during lockdown. Frustrated buyers are now looking further afield at regional centres, while Melbournites, fed up with lockdown, are increasingly looking to Tasmania and South Australia for a fresh start.
- According to Domain, Elwood, St Albans, St Kilda and Newcomb boast the best homes for sale below the current median house price.
- Thinking of downsizing and want the best value for money? Consider these areas – Fitzroy, South Yarra, Richmond and Kew. For those wishing to go a little further afield Nagambie, Kyneton and Warrnambool.
- With lockdown impacting volume and auctions over the last few weeks in Melbourne, the prestige property market remains in high demand, with interest in suburbs in the inner south and inner east up by 20 per cent.

BRISBANE QLD

- Select Brisbane suburbs are booming at the moment as a shortage of stock and continued interest from interstate buyers push house prices sky-high. According to realestate.com.au, Gordon Park is the latest suburb to see a house go under the hammer for \$2 mil plus, with several suburban records broken at auction over the last weekend in August.
- By contrast, less than 10 km from Brisbane's CBD, houses are selling for under \$500,000. Rocklea, Spring Hill and Wynnum are offering some of the best bargains in the city.

PERTH WA

- The latest data from Core Logic highlights the suburbs in Perth, where it's now cheaper to buy than rent. These include Brentwood, Medina, Parmelia, Leda and Orelia.
- Buyers looking for premium real estate should consider riverfront suburb Bitcon and City Beach; both suburbs continue to break records.
- The Real Estate Institute of Western Australia has launched an accreditation program for real estate agents to improve service standards within the industry.

CANBERRA ACT

- Since 12 August 2021, Covid restrictions in the ACT have meant that the local real estate industry has not been able to bring any new properties to market. However, as of 27 August, the local Government will allow building inspections, energy efficiency rating reports and photography/videography. Hannah Gill, President of the Real Estate Institute of ACT, has welcomed the measures, saying that it will "allow our industry to keep moving", despite some tough restrictions remaining in place.
- According to Domain, the capital has hit a record-high median house price of \$1,015,833, the steepest acceleration in three decades. Woden was the best performing suburb with the highest yearly growth, while Belconnen and Gungahlin remain the stand-out suburbs for affordability.

ADELAIDE SA

- The Adelaide market is heating up early this Spring, with realestate.com.au suggesting that buyers focus their property search on those suburbs with the most significant jump in listings over the last week. These include – Roseworthy, Athol Park, Old Reynella and Pennington. Kangarilla, Seaford Meadows and Gawler all recorded the largest drop in house listings.
- Magill, Enfield, Athelstone, Grange, Ingle Farm and Seaton are all of buyer's hit-lists heading into the Spring season.
- Investor demand is rising in Adelaide. According to Domain, the city is now the only state capital, apart from Hobart, where rents have not fallen in any suburb over the last five years.

DARWIN NT

- According to Core Logic, enquiries from NSW buyers looking to purchase property in the top-end have increased by 20 per cent during the last month. The prolonged lockdown has been the catalyst for the interest of both buyers and investors alike.
- According to Domain, units are the best performers in the current market, with the average unit price increasing \$5,000 per week, each week during the last quarter.



AUD
74.2c
US
up from 73.8c in Aug
Source: RBA



RBA Cash Rate
0.1%
steady for September
Source: RBA



Cash Rate Forecast
0.1%
12 mths to Sep '22
Source: Westpac



Inflation
3.8%
year to September
Source: RBA



GDP
1.8%
year to Mar qtr
Source: ABS



Wage Growth
1.4%
year to May qtr
Source: ABS



Consumer Confidence
4.4%
Down for August
Source: Westpac-Melbourne Institute



Disposable Income
3.4%
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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