



THIS MONTH IN REVIEW

Welcome to our first report of the new decade!

What will the 20s be like for property markets in Australia? Unfortunately, no one has a crystal ball to be able to accurately predict the future, but when it comes to property, it's crucial to be aware of current trends to help you make the best possible buying or selling decisions.

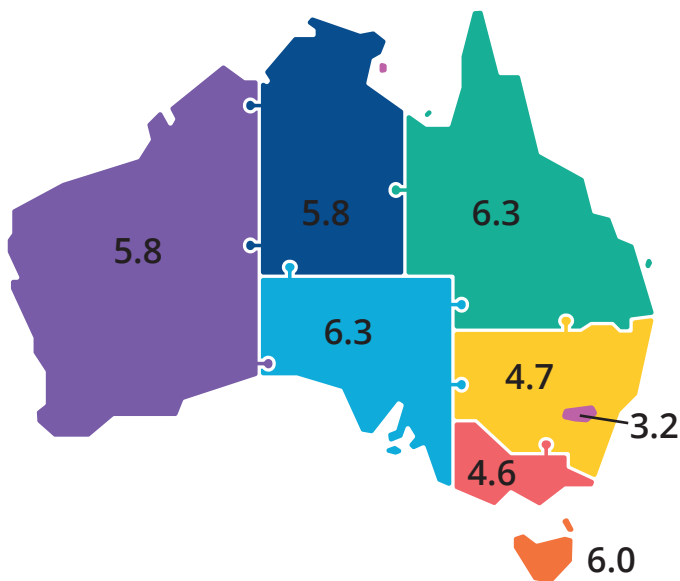
There are clear signs that major Australian property markets like Sydney and Melbourne are recovering after a couple of tough years, while other markets like Perth and Darwin are still struggling.

AUCTION CLEARANCE RATE Source: APM PriceFinder

	DEC 1		FEB 1
SYDNEY	80%	▼	77%
MELBOURNE	74%	▼	65%
BRISBANE	57%	▼	28%
ADELAIDE	71%	▼	72%

MONTHLY UNEMPLOYMENT - NOVEMBER 19 %

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



HOUSES

	YRLY GRWTH	YIELD	MEDIAN
SYDNEY	6.1	3.2%	\$918K
MELBOURNE	4.6	3.1%	\$790K
HOBART	3.9	4.9%	\$476K
CANBERRA	3.9	4.4%	\$665K
BRISBANE	0.3	4.0%	\$560K
ADELAIDE	- 0.3	4.2%	\$480K
PERTH	- 6.7	3.9%	\$500K
DARWIN	- 11.0	5.2%	\$450K

The start of 2020 sees the introduction of the federal government's First Home Loan Deposit Scheme to help first home buyers to enter the property market sooner.

The Scheme will enable up to 10,000 eligible first home buyers per year who have a deposit of as low as 5% to obtain additional government-guaranteed finance to avoid the cost of lenders' mortgage insurance.

According to the latest CoreLogic figures, the average Australian homeowner currently keeps a house for 9.8 years before selling, and a unit for 8.4 years.

POPULATION GROWTH % (Yr ended JUN 2019) Source: ABS

VIC	—	2.1	
QLD	▼	1.7	
ACT	▼	1.5	
NSW	—	1.4	
TAS	—	1.1	
WA	▲	1.1	
SA	—	0.9	
NT	▲	-0.5	

VACANCY RATE % (DEC 2019) Source: SQM Research

SYDNEY	▲	3.6	
DARWIN	▲	3.5	
BRISBANE	▲	2.9	
PERTH	▲	2.5	
MELBOURNE	▲	2.5	
CANBERRA	▲	1.7	
ADELAIDE	▲	1.1	
HOBART	▲	0.6	



UNITS

	YRLY GRWTH	YIELD	MEDIAN
MELBOURNE	6.5	3.8%	\$600K
SYDNEY	3.4	3.9%	\$705K
HOBART	3.8	5.3%	\$372K
ADELAIDE	0.4	4.9%	\$335K
BRISBANE	0.07	5.1%	\$390K
CANBERRA	- 0.07	5.6%	\$462K
DARWIN	- 6.9	6.1%	\$280K
PERTH	- 7.2	4.7%	\$370K

Source: CoreLogic Hedonic Home Value Index and Market Trends Report

CAPITAL CITY UPDATES

SYDNEY NSW

- The latest Domain figures reveal that the volume of house sales in 2019 increased in 60% of Sydney suburbs compared to 2018, while the number of unit sales increased in 66% of Sydney suburbs over the same period.
- Domain data further reveals that since mid-2018, Sydney house prices have regained two-thirds of the value that they lost over the previous 18 months, while Sydney units have regained half the value that they lost over the same period.
- According to CoreLogic, Mosman is currently the most profitable Sydney suburb for home sellers. 98.6% of homes sold in Mosman over the last quarter of 2019 were sold at a profit. The median profit was a healthy \$436,800.

MELBOURNE VIC

- According to Domain, Melbourne unit price growth is currently the strongest in Australia. Prices are 7.5% higher than their previous peak in early 2018. Average unit prices in Melbourne are now higher than median house prices in Adelaide, Perth, Darwin and Hobart.
- Over the last six months, the latest Domain data reveals that Melbourne house prices have regained almost all of the value that they lost during the eighteen-month downturn that occurred between January 2017 and mid-2018.
- Frankston is the most affordable Melbourne suburb according to Domain, with a current median house price of \$570,000 that is well below the Melbourne median of \$790,000.

BRISBANE QLD

- Only 63.5% of Brisbane units are currently selling at a profit according to CoreLogic. A number of new unit developments have flooded the Brisbane market in recent years. Prices are currently 8.7% below their mid-2016 peak. It is a buyer's market.
- Work on the Queensland Government's signature infrastructure project for Brisbane (the Cross River Rail network) will increase in 2020, with 11 new work sites becoming operational in addition to the 7 that are currently underway. The new network will ease traffic congestion and the pressure on Brisbane's heavily utilised existing public transport system.
- Domain research has revealed that four Brisbane suburbs achieved double digit house price growth in 2019 in an otherwise flat market: Fig Tree pocket (30.2%), Windsor (22.1%), Wilston (17.5%) and Newmarket (10.1%).

PERTH WA

- According to the latest CoreLogic figures, only 48% of listed Perth units have recently sold at a profit, compared to 67% of Perth houses. Both of these figures are well below the national average of 80% and 90% respectively for profitable unit and home sales.
- Homes in the Perth suburb of Peppermint Grove are currently a notable exception, with the CoreLogic data showing that no homes there sold at a loss in the December quarter and that sellers made a median profit of \$185,750.
- The latest Real Estate Institute of Western Australia (REIWA) figures show that is currently taking an average of 67 days to sell a Perth home, and that 8% fewer properties were sold in the December quarter in 2019 than during the same period in 2018.

CANBERRA ACT

- Domain research reveals that Canberra is the most expensive capital city in Australia to rent a house, and the second most-expensive to rent a unit (behind Sydney).
- Rents in Canberra have been rising by an average of 3% over the past five years according to CoreLogic, which is well ahead of the national average of 1% over the same period. Population growth in Canberra has been strong during that time.

ADELAIDE SA

- The latest CoreLogic data reveals that selling price records were set by homes in 61 Adelaide suburbs in 2019, despite a flat market.
- The latest Real Estate Institute of South Australia (REISA) research reveals that Adelaide suburbs with the highest capital growth for home prices over the past year were Taperoo, Gulfview Heights and Greenwith.
- The REISA research further reveals that the largest number of recent Adelaide home sales have occurred in Morphett Vale and Hallett Cove.

DARWIN NT

- According to Core Logic, 48% of Darwin's listed homes (61.8% of units and 39% of houses) are currently selling at a loss, reflecting the overall depressed state of the market.
- Domain research shows that over the last five years, Darwin has gone from being the second most expensive city in Australia in terms of house prices, to the cheapest.
- SQM Research predicts that Darwin will be the only capital city where property prices will fall in 2020 on the back of excess stock, low demand and a struggling local economy.



AUD
67.2c
US

down from 67.7c in Jan

Source: RBA



RBA Cash Rate

0.75%

Steady for February

Source: RBA



**Cash Rate
Forecast**

0.25%

12 mths to Feb '21

Source: Westpac



Inflation

1.7%

year to February

Source: RBA



GDP

1.7%

year to Sep qtr

Source: ABS



Wage Growth

2.2%

year to Sep qtr

Source: ABS



**Consumer
Confidence**

1.8%

down for Jan

Source: Westpac-Melbourne Institute



**Disposable
Income**

4.8%

year to Sep 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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