



THIS MONTH IN REVIEW

As we enter 2021, the real estate sector, predicted to crash and burn in 2020, is stronger than ever. Despite the 'mortgage-holiday' expiring in March 2021, experts predict that demand will remain at elevated levels, with more investors expected to return to the market.

Whether it was working from home, home-schooling or 'lockdown', the pandemic changed forever what buyers are searching for in a home. Buyers are now looking to regional and coastal areas for their next forever home or rental, and 'study' was the most searched keyword on realestate.com in the second half of 2020. Buyers and renters will prioritise work from home spaces and

properties with flexible living spaces in 2021, in the event another lockdown is on the cards.

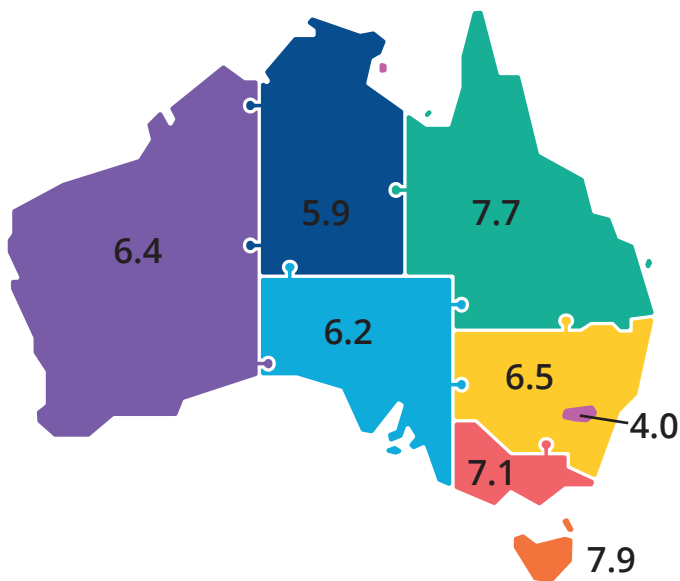
Domain senior research analyst Nicola Powell says, "Housing affordability constraints in major cities had seen the shift to regional Australia, but Covid has seen it explode". The Central Coast in NSW, Lennox Head and Ballina have become popular. Brisbane sees strong interest from the southern states with Logan City and Ipswich expected to do well. In WA, Geraldton, Busselton and Scarborough are showing strong growth. In Victoria, buyers continue to radiate to the Mornington Peninsula, with city suburbs of St Kilda and Elwood reporting strong demand.

AUCTION CLEARANCE RATE Source: APM PriceFinder

	DEC 1		FEB 1
SYDNEY	78%	▲	80%
MELBOURNE	73%	▲	82%
BRISBANE	67%	▼	58%
ADELAIDE	79%	▼	76%

MONTHLY UNEMPLOYMENT - NOV 20

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



HOUSES	YRLY GRWTH	YIELD	MEDIAN
DARWIN	11.9	4.9%	\$500K
CANBERRA	8.5	4.2%	\$750K
HOBART	7.6	4.5%	\$545K
ADELAIDE	5.9	4.1%	\$505K
BRISBANE	4.5	3.9%	\$570K
SYDNEY	3.9	2.9%	\$977K
PERTH	1.9	4.0%	\$510K
MELBOURNE	-1.9	3.0%	\$750K

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

QLD	▼	1.6	
VIC	▼	1.5	
WA	—	1.5	
ACT	—	1.1	
TAS	—	1.1	
NSW	▼	0.9	
SA	▼	0.9	
NT	▲	-0.1	

VACANCY RATE % (DEC 2020) Source: SQM Research

MELBOURNE	▲	4.7	
SYDNEY	—	3.6	
BRISBANE	▼	1.8	
CANBERRA	▲	1.1	
DARWIN	▲	0.9	
PERTH	—	0.9	
ADELAIDE	▼	0.7	
HOBART	—	0.6	



UNITS	YRLY GRWTH	YIELD	MEDIAN
ADELAIDE	5.6	4.7%	\$375K
CANBERRA	4.0	5.5%	\$475K
DARWIN	3.5	6.6%	\$295K
PERTH	1.2	4.9%	\$375K
HOBART	0.05	5.1%	\$426K
MELBOURNE	0.04	3.7%	\$585K
SYDNEY	-0.1	3.6%	\$722K
BRISBANE	-0.6	5.1%	\$400K

Source: CoreLogic Hedonic Home Value Index and Market Trends Report

CAPITAL CITY UPDATES

SYDNEY NSW

- According to Core Logic, nine in ten Sydney properties sold for a profit in 2020. However, investors didn't fare as well with 17 per cent of investors, particularly those with units, selling at a loss. Suburbs with the highest profitability were Hunters Hills and the Blue Mountains while investors with property in Parramatta, Strathfield and Ryde suffered the most significant losses.
- Domain reports that Sydney house prices have surpassed pre-Covid prices, reaching record highs and increasing by a median-average of nearly \$50,000. The Sydney median house price is now \$1,211,488, surging by 4.8 per cent during the December 20 quarter. The Domain House Price Report also notes that apartment prices have stopped falling with the median price just \$20,000 short of the previous record median set in March 2020.

MELBOURNE VIC

- Victoria will introduce mandated rental reforms in March 2021. Key reforms will require minimum standards such as providing basic amenities; mould and damp-free rooms, a functioning deadlock on external doors, hot and cold water in the bathroom and laundry, functioning kitchen appliances and working heaters. Tenants will no longer require landlord permission to add picture hooks, replace curtains, renew paint, add security systems, fly screens or energy-efficient LED lights.
- The extended Melbourne lockdown resulted in an end-of-year comeback in the city, with sales surpassing pre-pandemic levels and new house and unit record-prices achieved. The Domain House Price Report says that median house prices rose 5.3 per cent during the December quarter and now sit at \$936,073. Unit medians increased by 4.4 per cent to \$569,677, higher than the previous record set in 2019.

BRISBANE QLD

- Double-digit price growth is predicted in the Queensland capital. Record low listings, off-market sales and out of state interest continue to drive prices up. Realestate.com has reported record high searches for properties, with data showing searches jumped by 41% compared to the same time last year. Property in the 'outer inner-ring', that's 3 to 5 kilometres from the CBD, are expected to perform the best.
- The latest Domain House Price Report for December shows that Brisbane house prices have soared to record highs after a steady twelve months of growth. Over 2020, house prices rose 4.7 per cent and median house price now at \$738,000 is a city record.

PERTH WA

- Recovery is well underway in Perth's property market with house prices recording their most substantial annual growth in six years. The Domain House Price Report for the December quarter reports median house prices at a three-year high of \$563,214 and unit prices at a median of \$347,585. Areas showing the highest price growth were Mosman Park, Armadale, Vincent, Mundaring and Joondalup.
- Economists continue to expect strong growth in Perth during 2021, with ANZ tipping a 12 per cent rise in house prices.
- The Urban Development Institute said that lack of supply and record annual growth in rentals, up by 13.5 per cent YoY, would impact the tight rental market, driving demand from investors and owner-occupiers.

CANBERRA ACT

- The housing market in the nation's capital has recorded the most significant growth for the December 2020 quarter. Domain advises that median prices reached a record of \$855,530 up 6.4 per cent over the quarter. Canberra unit prices increased by 3 per cent over the same period.
- The best performing suburbs in 2020 were in the Inner North, up 15.6 per cent, followed by Woden Valley and Tuggeranong. The strongest yearly growth for units in the ACT was seen in Tuggeranong, followed by Belconnen and Greater Queanbeyan.
- The federal government has now approved the smart city technology grant for new development Googong with the township releasing a blueprint for developers, planners and councils. Five suburbs are planned for the location heralded as 'one to watch' for investors and home-buyers.

ADELAIDE SA

- New figures from CoreLogic reveal that auctions are now the most successful way to sell Adelaide property. In the three months to December 2020, clearance rates were 67 per cent. With buyer numbers outstripping supply, sellers are interested in cash-ready buyers prepared to buy at auction.
- The Quarterly Rental Review for December 2020 shows that median rent for houses and units combined rose by 3.2 per cent in 2020. Despite the growth, Adelaide remains the cheapest place to lease a property in the country.

DARWIN NT

- Real Estate Institute of NT CEO Quentin Kilian predicts that local market trends indicate a positive outlook for 2021. "I'm quite positive we're going to see sales volumes continue to increase", he said. "We have some of the best median pricing of any capital city in Australia".
- Darwin's top-tier apartments are regaining lost ground returning to their original sale prices. According to realestate.com, increased demand for high-end accommodation has seen more than ten apartments for sale in January with price tags above one million dollars.



AUD
76.4c
US
up from 73.7c in Dec
Source: RBA



RBA Cash Rate
0.1%
steady for February
Source: RBA



Cash Rate Forecast
0.1%
12 mths to Feb '21
Source: Westpac



Inflation
0.9%
year to February
Source: RBA



GDP
3.3%
year to Sep qtr
Source: ABS



Wage Growth
4.8%
year to May qtr
Source: ABS



Consumer Confidence
-4.5%
down for January
Source: Westpac-Melbourne Institute



Disposable Income
4.8%
year to Sep qtr
Source: ABS

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