

THIS MONTH IN REVIEW

As the year starts to take hold, the national property market is likely to continue to “peter out” over the year, according to researchers at Deloitte, who say tighter lending and expected higher interest rates will start to bite.

Despite this, the Housing Industry Association’s national outlook for 2018 thinks the country is reaching equilibrium for the first time in 15 years, with supply and demand about to break even due to record building on the east coast.

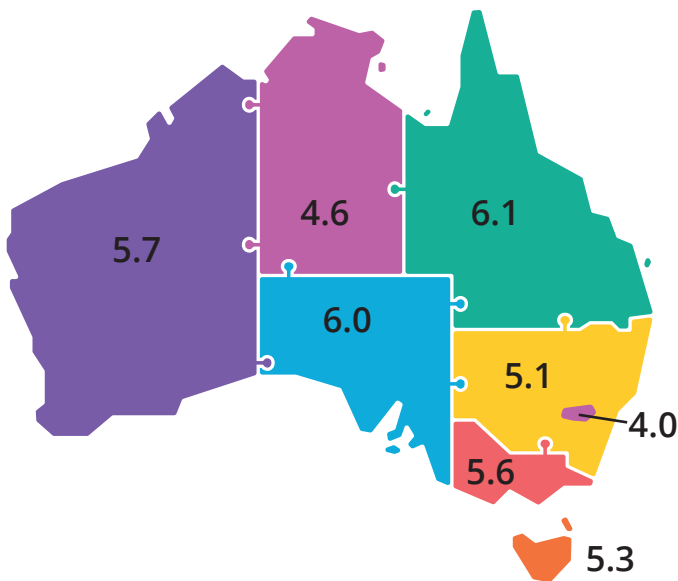
All state and territory governments have been urged to drop

AUCTION CLEARANCE RATE *Source: APM PriceFinder*

	FEB 3		MAR 3
SYDNEY	57%	▲	65%
MELBOURNE	71%	▼	66%
BRISBANE	57%	▼	56%
ADELAIDE	78%	▼	63%

MONTHLY UNEMPLOYMENT - JAN 18 %

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



HOUSES	YRLY GRWTH	YIELD	MEDIAN
HOBART	13.5	5.5%	\$420K
MELBOURNE	6.7	3.2%	\$751K
CANBERRA	3.8	4.4%	\$690K
ADELAIDE	2.5	4.6%	\$450K
BRISBANE	2.2	4.5%	\$539K
SYDNEY	- 2.0	3.2%	\$1M
PERTH	- 2.9	4.1%	\$510K
DARWIN	- 7.1	4.8%	\$500K

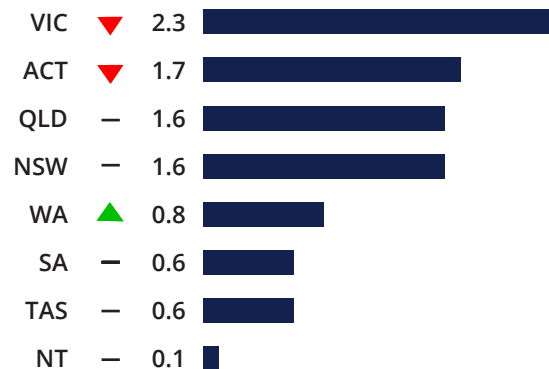
Source: CoreLogic Hedonic Home Value Index and Market Trends Report

stamp duty for first-home buyers, by ACT chief minister Andrew Barr, who thinks it’s a set-back for entry buyers and widely considered inefficient.

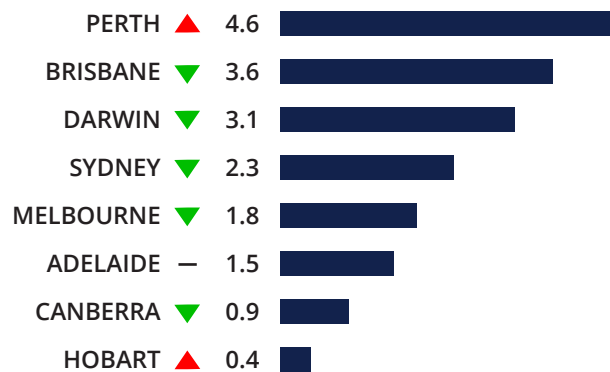
At the Property Council of Australia’s residential outlook in February, HSBC chief economist Paul Bloxham and CoreLogic CEO Lisa Claes also put stamp duty and tax reform at the top of their wish lists.

Kohab, a new platform for co-buying real estate, has been launched and is expected to help home buyers enter the market without having enough money to traditionally buy in.

POPULATION GROWTH % (Yr ended JUN 2017) *Source: ABS*



VACANCY RATE % (18 JAN 2018) *Source: SQM Research*



UNITS	YRLY GRWTH	YIELD	MEDIAN
HOBART	10.7	5.8%	\$317K
MELBOURNE	7.5	4.4%	\$537K
SYDNEY	2.9	3.9%	\$722K
CANBERRA	1.1	5.4%	\$441K
ADELAIDE	0.3	5.1%	\$380K
BRISBANE	- 0.5	5.2%	\$415K
PERTH	- 2.0	4.4%	\$405K
DARWIN	- 8.0	5.3%	\$370K

Source: CoreLogic Hedonic Home Value Index and Market Trends Report

CAPITAL CITY UPDATES

SYDNEY NSW

- Investors are continuing to back out of Sydney's property market, but Frasers Property Australia CEO Rod Fehring thinks this will push developers to lift building standards.
- North west suburbs Kellyville has smashed a new record after a three-storey home's a \$3.325 million sale.
- Celebrated architect Niall Durney, known for Centrepoint Tower, said planning and design needs to be slowed down to offset the impacts of developers looking to maximise profit rather than create a city for the future.
- The City of Sydney has done a U-turn and is now all for owners collectively making the final call on whether Airbnb should be allowed in apartment buildings, a sharp detour from its original position.

MELBOURNE VIC

- Melbourne-based first-home buyers and renters are leaving the city and heading to Geelong, Ballarat and Bendigo, with Real Estate Institute of Victoria data saying available rentals have plummeted in these areas as a result.
- The Melbourne market's clearance rate has fallen to below 70 per cent for several consecutive weeks in February, with a slow downwards trend on Australian Property Monitors' data.
- One way to make your property more valuable is to ensure it's in a suburb with a tram terminus but no train station, with 11 of 18 suburbs analysed by Domain Group with this criteria having higher median prices.
- Melbourne City Council plans to stop developers from including above-ground parking has upset the Victorian Property Council, which says it threatens commercial viability for some buildings.

BRISBANE QLD

- The middle ring of Brisbane is becoming popular for renters, with the vacancy rate falling from 3.4% to 2.1% on Real Estate Institute of Queensland figures.
- Looking one suburb away from your top-pick location could be beneficial, with "sister suburbs" in Brisbane regularly hundreds of thousands of dollars cheaper, reveals data from realestate.com.au.
- Brisbane city, Fortitude Valley and South Brisbane are among the top suburbs of concern for oversupply, with a report by RiskWise saying lenders will see them as high-risk.
- Brisbane developer Jemalong has offered a handful of buyers five years to settle on their apartments, hoping lending restrictions will have eased at this point.

PERTH WA

- Renovations have fallen sharply over the last few years, with the Housing Industry Association of WA recording a high of \$5.9 billion in the 2010/11 financial year, pulling back to \$879 million for the June 2017 quarter.
- An Applecross development worth \$350 million has had its first buyers sign up for the 30-storey project, in a potential sign the market is shifting.
- LMW property valuer Rod Davidson has a positive outlook for Perth, saying the short term is "somewhat patchy" but population growth signalling strengthening fundamentals for the long term.
- CoreLogic's Consumer Price Index has found Perth's prices have fallen 25.4 per cent in the past 10 years when inflation is factored in.
- Listing levels, sales activity, average selling days and median prices have all been trending positively, with REIWA saying the market stabilised at the end of 2017.

CANBERRA ACT

- Three records for Canberra have already been smashed this year, though by small margins, including Evatt, Gilmore and Scullin.
- The ACT government wants to ban rent-bidding apps after an online petition with hundreds of signatures, saying use of apps such as RentBerry and RentWolf pushes up the rent.
- Building regulations across the territory are under review after an ABC investigation about defect-ridden apartments across Canberra.

ADELAIDE SA

- Real Estate Institute of South Australia figures have put Adelaide's median price at an all-time high of \$465,000, with sales up 10 per cent over the last quarter.
- Another tram extension to North Adelaide has become part of a Labor election promise, with a \$259 million spend to be added to the existing \$279 million anticipated spend on the Norwood tram line.
- Urban infill has been heating up in Adelaide, with 7000 subdivision applications lodged from January 2016 to January 2018 on Planning Department data.

DARWIN NT

- Darwin has been described as one of the "dirty dozen" by Hotspotting's Terry Ryder, which said high vacancy rates, falling prices and dropping rents had left the market languishing.
- CoreLogic data shows Darwin's vendor discounting for houses and units was at 8 per cent and 15.5 per cent respectively, with houses taking 99 days on average to sell.
- Asti Motel in the CBD is set to be turned into a public housing development worth \$40 million, as the government aims to ease housing stress.



AUD
77.7c
US

up from 79.2c in Feb
Source: RBA



RBA Cash Rate

1.5%

steady for March
Source: RBA



Cash Rate
Forecast

1.5%

12 mths to Mar '19
Source: Westpac



Inflation

1.9%

year to Mar qtr
Source: RBA



GDP

2.8%

up to Sept qtr
Source: ABS



Wage Growth

2.1%

year to Dec qtr
Source: ABS



Consumer
Confidence

2.3%

positive for Feb
Source: Westpac-Melbourne Institute



Disposable
Income

4.5%

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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