

THIS MONTH IN REVIEW

The end of another financial year is upon us.

According to a just released report from ANZ and Core Logic, Australia's housing affordability is the best it's been since 2016, helped by recent falls in property values in the Sydney and Melbourne markets. Sydney property prices have recorded the most significant decrease, dropping by 14.5% since their 2017 peaks.

The number of property listings on the market is currently lower than at any time in the last 12 years, with the slowdown in Sydney and Melbourne again being the most significant. Sellers are

reluctant to list their properties during a market downturn. There has also been a drop in the number of listings in the Brisbane, Canberra and Perth markets.

However, there is speculation that there could be increased interest from Hong Kong buyers looking to buy top-end Australian residential property due to the current tensions between Hong Kong and China.

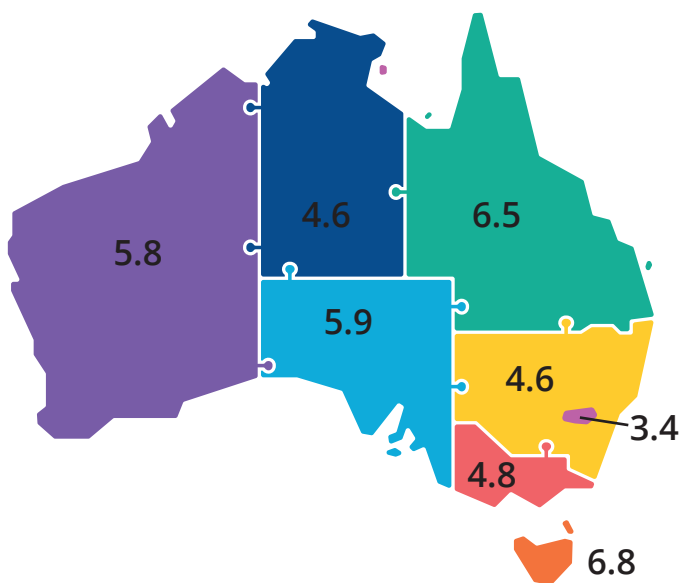
According to CBRE residential senior director Ben Stewart, 'Buyers have rediscovered their appetite for Australian property because they want to get their money out of Hong Kong.'

AUCTION CLEARANCE RATE Source: APM PriceFinder

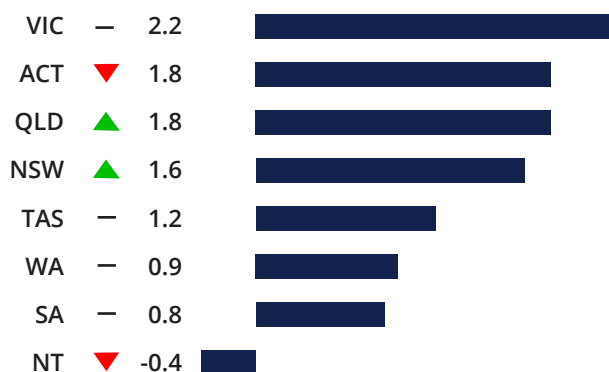
	JUL 1		AUG 3
SYDNEY	68%	▲	71%
MELBOURNE	73%	▲	74%
BRISBANE	37%	▲	47%
ADELAIDE	63%	▼	47%

MONTHLY UNEMPLOYMENT - JUNE 19 %

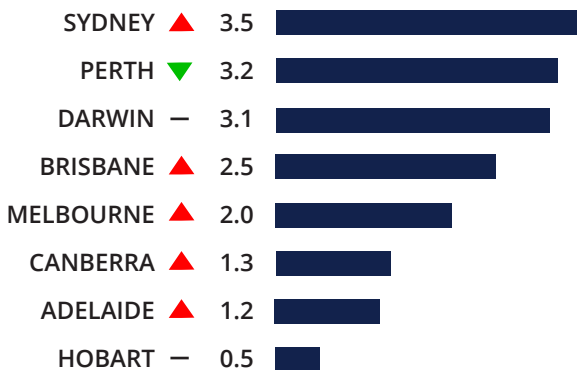
Source: ABS (most recent figure at time of publication)



POPULATION GROWTH % (Yr ended DEC 2018) Source: ABS



VACANCY RATE % (JUNE 2019) Source: SQM Research



HOUSES

	YRLY GRWTH	YIELD	MEDIAN
HOBART	3.1	5.1%	\$460K
CANBERRA	2.4	4.3%	\$658K
ADELAIDE	- 0.5	4.1%	\$479K
BRISBANE	- 2.5	3.9%	\$560K
PERTH	- 8.9	3.8%	\$515K
DARWIN	- 9.3	5.3%	\$485K
SYDNEY	- 10.8	3.1%	\$920K
MELBOURNE	- 11.8	3.1%	\$755K

Source: CoreLogic Hedonic Home Value Index and Market Trends Report



UNITS

	YRLY GRWTH	YIELD	MEDIAN
HOBART	2.1	5.4%	\$356K
ADELAIDE	0.9	4.9%	\$335K
CANBERRA	- 1.9	5.6%	\$440K
BRISBANE	- 2.8	5.2%	\$382K
MELBOURNE	- 3.3	4.0%	\$552K
SYDNEY	- 8.0	3.9%	\$700K
DARWIN	- 9.0	6.2%	\$317K
PERTH	- 9.8	4.7%	\$380K

Source: CoreLogic Hedonic Home Value Index and Market Trends Report

CAPITAL CITY UPDATES

SYDNEY NSW

- According to Core Logic Australia's Head of Research Cameron Kushner, the Sydney property market will remain 'a buyer's market' for some time to come.
- Vacancy rates in the Sydney apartment market are currently at 3.4%, their highest level since 2005. According to My Housing Market chief economist Andrew Wilson, 'We've come through a massive apartment boom in Sydney, and we're now at peak supply.'
- Rent rates fell for only the second time on record in Sydney in the March quarter of 2019.
- The number of new dwellings under construction in the Sydney market is now 9% lower than the same time 12 months ago.

MELBOURNE VIC

- The latest CoreLogic data reveals that Melbourne property prices have dropped by 11.1% since their 2017 peaks. The decline in the unit market has been less severe than in the housing market.
- However, recent Valuer-General figures show that property sales in some suburbs have defied the downward trend and recorded double-digit increases, including Cairnlea (12.5%).
- CoreLogic data shows that Melbourne homes took an average of 44 days to sell in the March quarter, compared to 29 days a year earlier.
- Auction clearance rates in Melbourne were above 65% in June for the first time in more than a year.

BRISBANE QLD

- Property prices in Brisbane dropped by 1.5% in the March quarter according to figures released this month by the Australian Bureau of Statistics (ABS).
- The unit oversupply affecting the market in recent years is slowly being absorbed by the rising population.
- The latest CoreLogic data reveals that 12.7 per cent fewer properties sold in the Brisbane market over the past 12 months than in the previous financial year.
- Land tax increases announced in the Qld State Budget in June may impact the level of new property development. The state government has increased tax rates on land holdings valued at more than \$5 million by 0.25%.

PERTH WA

- CoreLogic data indicates that the Perth property market is currently experiencing its deepest decline for the past 30 years. However, some suburbs that have defied the trend include high-end suburbs like Cottesloe, Mount Pleasant, Ardross and West Leederville.
- Perth property prices dropped by 1.1% in the March quarter according to just published ABS data.
- Perth is now one of the most affordable property cities in Australia.
- The average number of days on the market for a Perth property is now 57 days, an increase of 8 days from 12 months ago.

CANBERRA ACT

- The latest ABS figures released in June reveal that the ACT had the highest increase in housing approvals of any market in Australia in April (7.7%).
- Prime residential development sites in Phillip, Gungahlin and Belconnen will be available for sale within the next 12 months.
- ABS March quarter data reveals that Canberra property prices dropped by 0.9%, however, realestate.com data indicates that several Canberra suburbs recorded double digit price increases over the past financial year, including Spence (15%), Latham (14%), Duffy (13%), Chapman (13%) and Holder (12%).

ADELAIDE SA

- The latest ABS figures show that Adelaide property prices dropped by 0.2 per cent in the March quarter. This is the first time that market values have decreased in six years. However, this decline is the lowest out of all of Australia's major capital cities.
- According to REA Group data, the northern suburb of Highbury recorded the highest average selling price increase of any Australian metropolitan suburb (26%) over the past financial year. Other high-performing suburbs were North Adelaide (20%) and Smithfield Plains (20%).
- The number of current property listings in the Adelaide market is slightly higher than it was 12 months ago, bucking the national trend.

DARWIN NT

- Darwin is now the most affordable capital city for buyers according to the ANZ-Core Logic research released this month. This affordability is on the back of prices falling 30% over the past 5 years after the end of the resources boom.
- The Darwin market also has more current property listings than it did 12 months ago, defying the national trend and placing further downward pressure on prices.
- Vacancy rates on rental properties in the Darwin market are also comparatively high, due to its transient working population.



AUD
68.1c
US

down from 70.1c in July
Source: RBA



RBA Cash Rate

1.0%

steady for August
Source: RBA



Cash Rate Forecast

0.50%

12 mths to Sept '20
Source: Westpac



Inflation

1.6%

year to July
Source: RBA



GDP

1.8%

year to June qtr
Source: ABS



Wage Growth

2.3%

year to Mar qtr
Source: ABS



Consumer Confidence

-4.1%

down for July

Source: Westpac-Melbourne Institute



Disposable Income

3.0%

year to Mar qtr

Source: ABS

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