

THIS MONTH IN REVIEW

With the economy weakening this month, and Treasurer Frydenberg forecasting an increase in unemployment and continued economic slowdown, house prices have remained resilient for the most part.

Over the three months to August, Core Logic reports that Sydney, Melbourne and Brisbane have had small value dips, but Adelaide and Canberra, as well as many regional centres, have seen values increase.

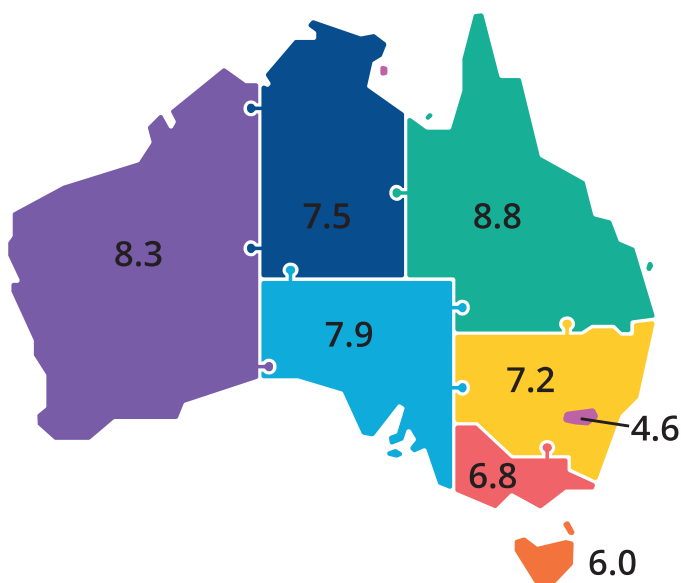
While the property market is not immune to the Covid-19 economic fallout, sellers are returning. According to Core Logic, most plan on selling for "lifestyle reasons rather than economic

AUCTION CLEARANCE RATE Source: APM PriceFinder

	AUG 1		SEP 1
SYDNEY	65%	▲	68%
MELBOURNE	58%	▼	39%
BRISBANE	39%	▲	63%
ADELAIDE	65%	▲	73%

MONTHLY UNEMPLOYMENT - JULY 20%

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



HOUSES

	YRLY GRWTH	YIELD	MEDIAN
SYDNEY	13.2	2.9%	\$960K
MELBOURNE	8.9	3.0%	\$748K
CANBERRA	8.4	4.3%	\$705K
HOBART	6.3	4.7%	\$500K
BRISBANE	4.3	3.9%	\$550K
ADELAIDE	2.3	4.2%	\$475K
DARWIN	-0.2	5.0%	\$480K
PERTH	-2.5	4.0%	\$471K

hardship". It's expected that buyer confidence will increase over the coming months and that well-located homes and investment properties will attract healthy competition at auction.

Following an announcement this month that the NSW and ACT Governments are fast-tracking critical infrastructure in an endeavour to create more affordable housing, the Federal Government is being urged to do the same.

With 781 new homes and 260 new homes slated for construction in NSW and the ACT respectively, an opportunity exists for both first-home buyers and investors looking to enter the market.

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

VIC	—	1.9	
QLD	—	1.6	
NSW	—	1.1	
ACT	—	1.0	
TAS	—	1.0	
WA	—	1.3	
SA	—	0.9	
NT	—	-0.4	

VACANCY RATE % (JULY 2020) Source: SQM Research

SYDNEY	▼	3.6	
MELBOURNE	▲	3.1	
BRISBANE	▼	2.2	
DARWIN	▼	1.4	
PERTH	▼	1.3	
CANBERRA	▼	1.0	
ADELAIDE	▼	0.9	
HOBART	▼	0.7	



UNITS

	YRLY GRWTH	YIELD	MEDIAN
SYDNEY	9.4	3.7%	\$730K
MELBOURNE	8.1	3.7%	\$590K
HOBART	4.1	5.1%	\$457K
ADELAIDE	2.9	5.0%	\$342K
CANBERRA	2.7	5.6%	\$440K
BRISBANE	1.2	5.0%	\$375K
PERTH	-2.0	4.8%	\$344K
DARWIN	-5.7	6.3%	\$268K

Source: CoreLogic Hedonic Home Value Index and Market Trends Report

CAPITAL CITY UPDATES

SYDNEY NSW

- Crows Nest, on Sydney's Lower North Shore has topped the Core Logic list of growth suburbs, with the median apartment value showing a 29 per cent growth over the year. Proximity to the CBD as well as new infrastructure including an underground metro, shopping centre and café precinct has revitalised the suburb.
- According to Domain research analyst Nicola Powell, more than one in seven Sydney homes are dropping price expectations in a bid to sell. "In a weak market we get a rising level of discounting", she said. "What we're seeing is a broader number of properties being discounted, and hefty price drops". Discounting was the widest spread in Narrabeen, Mona Vale and Avalon Beach, all on Sydney's Northern Beaches.
- In the wake of the pandemic, residents of Sydney and its suburbs continue to leave the city preferring to sell up and move to regional areas. Wellington, near Dubbo, Malua Bay and Yass, as well as East Ballina appear to be the regions of choice for those making the exodus; demand in all locations has seen price increases of between 17 and 26 per cent.

MELBOURNE VIC

- Stage 4 lockdown in Victoria is set to lift mid-September. While prices are expected to remain flat, Nerida Conisbee, Chief Economist at Realestate.com.au, predicts a sharp increase in first home buyer activity. Due to international border closures, Conisbee also predicts that investors will remain quiet.
- Homebuyers looking for a bargain and those interested in buying a premium property are on the rise in Melbourne. With online searches for both types of property increasing during lockdown 2.0. Clayton, Dandenong, Vermont and Knoxfield are of interest for the bargain hunters. At the other end of the market, the most significant jump in searches was in the Mornington Peninsula.
- The rental market continues to struggle in the Victorian capital with a continued influx of rental properties on the market. With border closures and migration coming to a halt, it's expected that investors with an inner-city property will be feeling the pain over the next 12 to 24 months.

BRISBANE QLD

- Core Logic has also revealed Brisbane's "recession-proof suburbs", citing Macgregor, Mount Gravatt East and Moorooka as those likely to "rebound faster from the present downturn". "Outer regions" of Brisbane should also be on the radar for buyers and investors.
- Despite border closures, there has been a surge in property hunters from the southern states, according to Domain, with reports of buyers snapping up new property sight unseen. Data from Domain's quarterly House Price Report revealed that most buyers intend to move north permanently with units and larger properties on the outskirts of Brisbane, the best performers.

PERTH WA

- Multi-million-dollar mansions are being snapped up in Perth, despite the national recession. The past month has seen significant sales in the premium property market, with Peppermint Grove and Dalkeith, the suburbs of choice for those looking to buy.
- Realestate.com.au's Nerida Conisbee predicts strong growth in the WA property market. "The first home buyer stimulus has been particularly positive for Perth", she says. With a large number of WA ex-pats now returning home, the market is expected to continue to perform well as 2020 closes out.
- Land sales in Perth have surged to a record high. The June quarter saw a 30-year record set for the highest number of blocks sold in the capital. The City of Swan in Perth's eastern suburbs was the most popular for land sales.

CANBERRA ACT

- According to the latest Domain House Price Report, the suburbs of Banks, Macgregor, Ngunnawal and Gordon are among the most affordable suburbs in the nation's capital. Investors looking to buy units should consider Bruce, Belconnen and Barton.

ADELAIDE SA

- Latest figures from Core Logic show the number of properties listed for sale across Adelaide has dropped by 20 per cent in the past year. However, Real Estate Institute of South Australia president Brett Roenfeldt expects activity to pick up over the next few months. With demand expected to outstrip supply, house hunters may be struggling to find a new home in the city of churches.
- Adelaide's prestige property market is set to surge with local agents tipping a strong and early start to the Spring season. According to Domain, with people unable to travel, they are putting their money back into real estate. Malvern and Millswood are the most sought-after suburbs.

DARWIN NT

- With the NT property market continuing to move in a positive direction, experts predict a strong finish in 2020 despite the impact of Covid-19. REINT Chief Executive Quentin Kilian says that after "a long period of a very dull market, people are in a position where there is a perfect storm for buying. There are low-interest rates, stock available, home-buyer incentives and really good pricing".
- The most recent Domain House Price Report has named the Darwin property market as one of the most affordable in the country. Nightcliff was named as one of the in-demand suburbs.



AUD
72.9c
US
up from 72.1c in Aug
Source: RBA



RBA Cash Rate
0.25%
Steady for September
Source: RBA



Cash Rate Forecast
0.25%
12 mths to Sep '21
Source: Westpac



Inflation
-0.3%
year to September
Source: RBA



GDP
1.4%
year to Mar qtr
Source: ABS



Wage Growth
1.8%
year to June qtr
Source: ABS



Consumer Confidence
9.5%
down for August
Source: Westpac-Melbourne Institute



Disposable Income
2.4%
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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