

THIS MONTH IN REVIEW

The September quarter saw auction volumes increase across all capital cities. Auction clearance rates also increased, and this trend has continued into October. According to the RBA in its latest financial stability review, October was the month where most mortgage deferrals were due to expire. The coming months will shed light on how many vendors need to sell because of mortgage distress, and if this contributed to the increase in new listings during October. However this week's interest rate announcement by the RBA may help bring relief to some borrowers as rates continue to fall to all time lows.

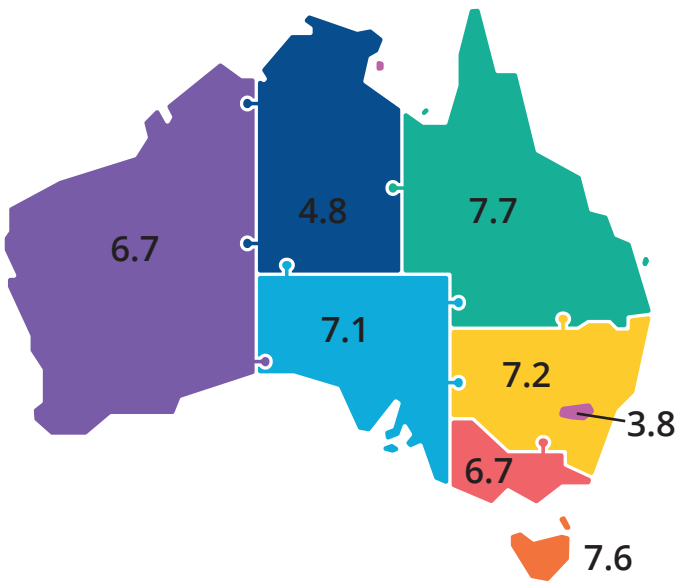
Property investor activity in the Australia housing market continues to fall. The latest ABS housing finance data has reported

AUCTION CLEARANCE RATE *Source: APM PriceFinder*

	OCT 3		NOV 1
SYDNEY	72%	▲	77%
MELBOURNE	61%	▲	74%
BRISBANE	36%	▲	52%
ADELAIDE	0%	▲	72%

MONTHLY UNEMPLOYMENT - SEP 20

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

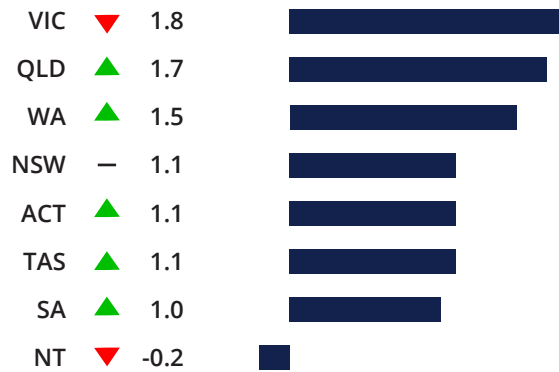


HOUSES	YRLY GRWTH	YIELD	MEDIAN
SYDNEY	8.6	2.8%	\$915K
MELBOURNE	2.9	3.0%	\$724K
CANBERRA	6.9	4.2%	\$718K
HOBART	6.9	4.6%	\$521K
BRISBANE	4.5	3.9%	\$550K
ADELAIDE	3.5	4.2%	\$475K
DARWIN	5.0	5.0%	\$468K
PERTH	-0.8	4.0%	\$476K

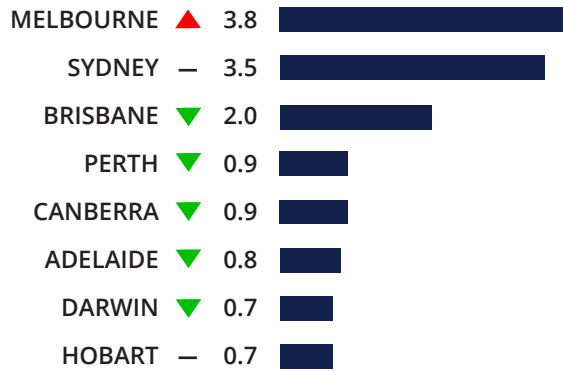
that investor lending has fallen to a new record low of 23.5%. Core Logic says that continued decline in investor activity will be determined at the state level as various market and economic factors continue to impact the markets due to the pandemic.

The Federal Budget in October saw three significant housing-related measures highlighted that are expected to fuel new demand in the property market. The measures include an extension of the First Home Loan Deposit Scheme, additional low-cost financing for affordable housing and additional funding for the Indigenous Home Ownership program. A proposed capital gains tax exemption for granny flats from July 2021 was also announced.

POPULATION GROWTH % (Yr ended MAR 2020) *Source: ABS*



VACANCY RATE % (SEP 2020) *Source: SQM Research*



UNITS	YRLY GRWTH	YIELD	MEDIAN
SYDNEY	5.4	3.6%	\$708K
MELBOURNE	3.4	3.7%	\$580K
HOBART	4.0	5.1%	\$380K
CANBERRA	4.1	5.6%	\$445K
ADELAIDE	4.0	5.1%	\$335K
BRISBANE	0.6	5.1%	\$385K
PERTH	-1.6	4.8%	\$365K
DARWIN	-4.1	6.4%	\$269K

Source: CoreLogic Hedonic Home Value Index and Market Trends Report

CAPITAL CITY UPDATES

SYDNEY NSW

- Lennox Head, along with other areas of the Northern NSW corridor has seen the median house price hit \$1 million. Regional property and the Sydney premium property markets have continued to show positive growth throughout October with properties in Lindfield and inner-city Sydney smashing suburb records.
- The Domain House Price Report shows Sydney's median house prices increasing by 1.2 per cent for the September quarter. The market rebounded the best in the lower north shore, while house prices in the inner city and the eastern suburbs also increased. Senior analyst Nicola Powell said that "Sydney house prices had regained more than half of the value lost over the June quarter".
- Meanwhile, new figures show that Sydneysiders looking for a sea-change are choosing locations such as Wagga Wagga to the south, and Evans Head and Richmond Valley to the north, putting pressure on housing costs for locals.

MELBOURNE VIC

- Despite the extended lockdown, new listing volumes in Melbourne have soared since onsite inspections resumed on 28 September. In the four weeks to 18 October, new listings have increased by over 330%.
- Regional rent prices are skyrocketing as people move out of Melbourne and into established country towns. The state government shows rent hikes as high as 15.4 per cent in some regional areas such as Benalla, the Grampians, Moyne and Indigo.
- New data available through Domain has shown Melbourne's house prices have flatlined through the worst of the coronavirus crisis. House prices are still 1.6 per cent better than the equivalent period in 2019; however, it's hoped that the next few months will see a short-term rebound for the local market.

BRISBANE QLD

- Latest figures released by the ABS show that consumer confidence continues to rise in Brisbane, and more broadly in the Queensland market. With crowds increasing across all auctions held during the month and owner-occupiers creating the most significant demand, records are expected to be broken.
- Brisbane's best-buy suburbs for October where property can be bought under \$800,000 include Upper Mount Gravatt, Mansfield, Cleveland and Greenslopes.
- Brisbane's bayside area of Redland Bay, Rochedale South and Toowong have been shortlisted as the "suburbs to watch" going into 2021. While Redland Bay is 45km by car from the CBD, new infrastructure improvements and the country town vibe seem to be creating interest in the area.

PERTH WA

- Rents across Perth have risen rapidly over the last month, with the city recording the strongest increases of all Australian capital cities. Domains senior analyst Nicola Powell said, "the surge in asking rents was the steepest quarterly gain since 2012". REIWA data for the week ending 18 October revealed that the number of properties for rent was down by 53% compared to the same period last year.
- With local agents reporting high demand from local, interstate and international buyers, Perth's property market is set for a bumper summer. Undersupply has seen property sell for more than the asking price and long queues outside open homes.
- REIWA has compiled a list of the fastest-selling suburbs in Perth where demand continues to exceed supply. Among those are Shenton Park, Kingsley, Heathridge, Manning and Kinross.

CANBERRA ACT

- The ACT property market continues to remain robust despite the pandemic, with soaring demand from buyers across several areas of the city. Realestate.com data shows that Torrens, Yarralumla, Moncrieff and Coombs are the most in-demand suburbs, with demand increasing more than 200% in the 12 months to August 2020.
- Data also shows increased demand for apartment living in the ACT. Popular suburbs include Gungahlin, Tuggeranong, Palmerston and the Molonglo Valley.

ADELAIDE SA

- The Gawler area on the outskirts of Adelaide is emerging as a growing hotspot for people seeking an affordable tree-change within a commutable distance of the CBD. Agents have reported increases of up to 6.7 per cent for the year.
- October saw property prices in Adelaide reach record highs with median prices increasing to prices not seen since 2013. Homes sold in Westbourne Park set property records, while those looking for a bargain flocked to Adelaide's northern suburbs of Elizabeth Downs, Davoren Park and Smithfield Plains.

DARWIN NT

- The coronavirus seems to have turned Darwin's rental market on its head. A city where rental prices have slowly been dropping for close to six years has seen unprecedented demand in the rental market. The NT Government estimates that between 2,000 and 4,000 people have relocated to the Northern Territory since the pandemic began. As a result, rental prices have risen 7 per cent between March and September.
- According to Domain, Darwin median house prices recorded the second-strongest quarterly growth of all Australian capital cities, with median house prices increasing 7.2 per cent year on year.



AUD
70.3c
US

down from 71.3c in Oct
Source: RBA



RBA Cash Rate

0.1%

dropped for November
Source: RBA



**Cash Rate
Forecast**

0.1%

12 mths to Nov '21
Source: Westpac



Inflation

0.7%

year to November
Source: RBA



GDP

-7.0%

year to Jun qtr
Source: ABS



Wage Growth

4.8%

year to May qtr
Source: ABS



**Consumer
Confidence**

11.9%

up for November

Source: Westpac-Melbourne Institute



**Disposable
Income**

-7.8%

year to Jun qtr

Source: ABS

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