

## THIS MONTH IN REVIEW

The Australian property market is booming. Prices returned to record highs in January, and February saw the sharpest monthly increase in house prices since August 2003. Primarily due to record-low interest rates, a strong economy and high buyer demand against very low stock volumes. Analysts are still scratching their heads and wondering where it will all end.

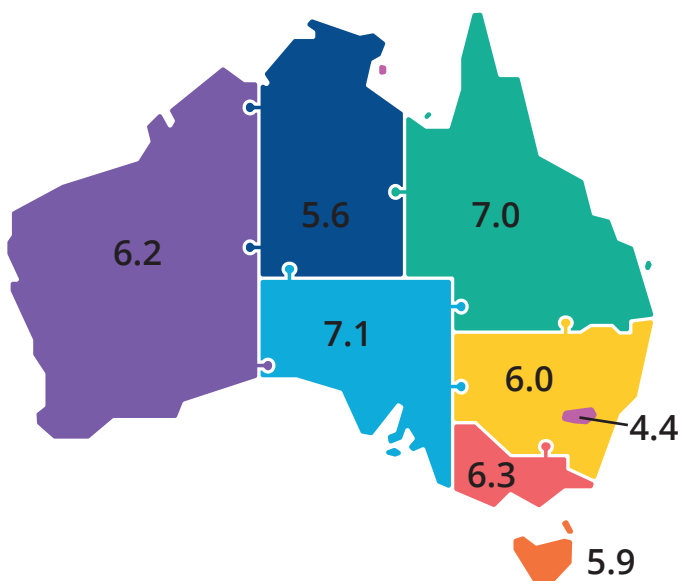
Despite continued market growth however, there are concerns that with the Federal Government stimulus measures expiring at the end of March, the boom may be interrupted. Just what impact the end of JobKeeper, mortgage holidays, and the HomeBuilder grants will have remains to be seen.

### AUCTION CLEARANCE RATE Source: APM PriceFinder

	MAR 1		APR 1
SYDNEY	88%	▼	85%
MELBOURNE	79%	▼	75%
BRISBANE	71%	▼	61%
ADELAIDE	88%	▼	73%

### MONTHLY UNEMPLOYMENT - JAN 2021

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



#### HOUSES

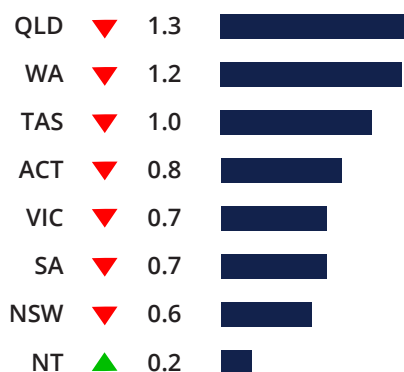
	YRLY GRWTH	YIELD	MEDIAN
DARWIN	16.2	4.9%	\$515K
CANBERRA	11.0	4.2%	\$780K
HOBART	10.2	4.4%	\$581K
ADELAIDE	7.6	4.1%	\$511K
BRISBANE	5.8	3.8%	\$581K
PERTH	5.0	4.0%	\$530K
SYDNEY	4.3	2.9%	\$1030K
MELBOURNE	-1.7	2.9%	\$806K

Still, with house prices continuing to rise, investors returning to the market and banks lending more easily, the overall impact is likely to be minimal.

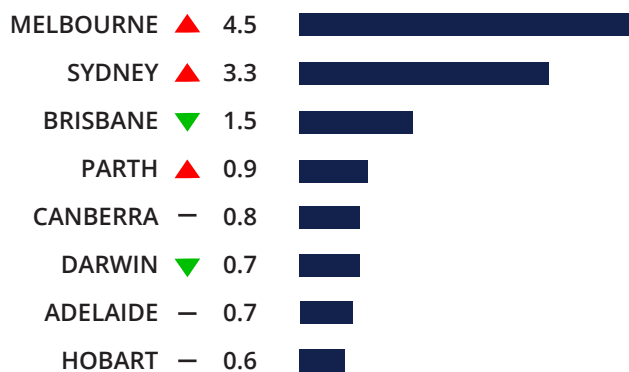
A Westpac survey released this week has revealed that 27 per cent of Aussies want to live somewhere regional; about a third of those are currently living in a capital city.

Household wealth has hit a new record high. The ABS has reported that the December 2020 quarter's growth was driven by rising residential property prices, record-low interest rates, and Government support. Household debt fell 2.5 per cent in 2020, the most significant fall since 1990.

### POPULATION GROWTH % (Yr ended SEP 2020) Source: ABS



### VACANCY RATE % (FEB 2021) Source: SQM Research



#### UNITS

	YRLY GRWTH	YIELD	MEDIAN
DARWIN	8.6	6.5%	\$320K
CANBERRA	5.1	5.5%	\$480K
ADELAIDE	5.1	4.7%	\$367K
HOBART	2.5	4.9%	\$428K
PERTH	1.9	4.9%	\$387K
BRISBANE	1.0	5.0%	\$413K
SYDNEY	-0.8	3.6%	\$732K
MELBOURNE	-0.4	3.6%	\$610K

Source: CoreLogic Hedonic Home Value Index and Market Trends Report

## CAPITAL CITY UPDATES

### SYDNEY NSW

- The Department of Fair Trading in NSW is cracking down on real estate agents underquoting on property. Minister Kevin Anderson announced that a team of inspectors would be focusing on the illegal practice of falsely advertising property or indicating that property would sell for less than the estimated selling price.
- According to SQM Research, Sydney has the second-highest rate of rental vacancies in the country at 3.6 per cent. The asking price for Sydney apartments plummeted by 10.3 per cent over the last year, with inner city property heavily impacted.
- South-west Sydney is having a major growth spurt. With many neighbourhoods still under construction, demand for the new housing estates makes the region the fastest growing local government area in Australia. Edmondson to Oran Park, Bradfield, and Glenfield to Leppington are the areas to watch.
- Regional hotspots for NSW include Byron Bay, Coffs Harbour, Shellharbour and Shoal Haven.

### MELBOURNE VIC

- According to Core Logic's daily hedonic home value index, Melbourne dwelling values have now surpassed their April 2020 peak by 0.2 per cent. Following a decline of more than 6 per cent during Covid-19, values are currently sitting at a new record high with a median value of \$736,478.
- Apartment and unit vacancy rates across greater Melbourne have more than doubled since the start of the pandemic. The CBD, Southbank, South Yarra and Docklands have the most vacancies. As a result, rents are being substantially reduced, and unit property prices are stagnant.
- Victorian city dwellers looking for a tree-change are focusing on the regional areas of Torquay, the Surf Coast and the Bass Coast.

### BRISBANE QLD

- Key pockets of Brisbane's inner and middle rings are set for significant precinct renewal and transport infrastructure upgrades. Core Logic reports that suburbs impacted would 'reap major benefits by 2025'. Suburbs expected to see substantial growth include Yeronga, Clayfield, Albion, Nundah, and Woolloongabba. Experts predict price growth of up to 20 per cent.
- New data from the Real Estate Institute of Queensland showed 49 suburbs in Greater Brisbane where the median house price is \$350,000 or less. With the vast number of properties listed for sale by private treaty, some suburbs to watch are Caboolture, Prenzlaw, Lowood and Woodridge.
- Queensland residents looking for a tree-change are flocking to the Gold Coast and Sunshine Coast. Both areas saw a 2.5 per cent increase in population in 2020.

### PERTH WA

- According to Domain, the Perth property market has just recorded its strongest annual growth in six years. Median prices are now at the three year high of \$563,214, while unit prices are at a median of \$347,585. House prices have increased by more than 6 per cent and unit prices by more than 4 per cent in the last year alone.
- Nicola Powell, Domain senior research analyst, reports that 'Perth remains the second-most affordable capital city to purchase a house or unit'.
- The top regions for the highest house price growth rate are Mosman Park, Mundaring and Joondalup.

### CANBERRA ACT

- Realestate.com has described Canberra as one of the 'hottest markets in the country', with chief economist Nerida Conisbee saying the 'national capital was off the Richter'. The best performing properties are Higgins, Farrer, Giralang, Curtain, Franklin, Oxley, and Latham. With substantial increases in employment in the government sector, the market shows little sign of abating.
- New developments of Taylor and Denman Prospect are attracting buyers and investors alike. The suburbs boast refreshed infrastructure, open space, environmental design elements and the close proximity to the CBD. Domain picks these suburbs as 'ones to watch'.

### ADELAIDE SA

- According to realestate.com, if you're looking to invest, Adelaide is the place to do it. Thirty-eight suburbs have made the list of suburbs where it's cheaper to buy than rent. The Playford council area dominated the list, with the Salisbury council coming in next.
- Property values in nine out of ten Adelaide suburbs are on the rise. According to PointData, a third of Adelaide's suburbs had price increases of more than 5 per cent in the last six months, with the southern suburbs outperforming the north. The suburbs of Ashford, Fullarton, Craigburn Farm, Upper Sturt and Myrtle bank were solid performers.

### DARWIN NT

- The property market continues to build in Darwin, with vendors making more than 10 per cent above their asking price in recent weeks. Property hot-spots include Casuarina, Wagaman and Nakara.
- The current median house in Darwin is \$500,000. Median rents also increased in the Greater Darwin area, with house rental prices up by 6.9 per cent to \$430 per week and unit rental prices up 6.6 per cent to \$460 per week. According to Quentin Killian from REINT, the market boom is expected to continue, as interest from interstate buyers remains constant.



AUD  
**75.4c**  
US  
down from 78.2c in Mar  
*Source: RBA*



**RBA Cash Rate**  
**0.1%**  
steady for April  
*Source: RBA*



**Cash Rate Forecast**  
**0.1%**  
12 mths to Apr '22  
*Source: Westpac*



**Inflation**  
**0.9%**  
year to April  
*Source: RBA*



**GDP**  
**3.1%**  
year to Dec qtr  
*Source: ABS*



**Wage Growth**  
**3.2%**  
year to Nov qtr  
*Source: ABS*



**Consumer Confidence**  
**2.6%**  
up for March  
*Source: Westpac-Melbourne Institute*



**Disposable Income**  
**4.9%**  
year to Dec 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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