

THIS MONTH IN REVIEW

Auctions go digital during lockdown, and house prices in suburbs across all capital cities soar as we enter August.

It seems that not even the economic uncertainty of continued lockdown events has dampened the countries appetite for real estate. In a survey conducted by Finder.com, close to one in seven Australians are reported to be considering a property purchase within the next six months. Approximately 7 per cent of those were looking to buy property as an investment.

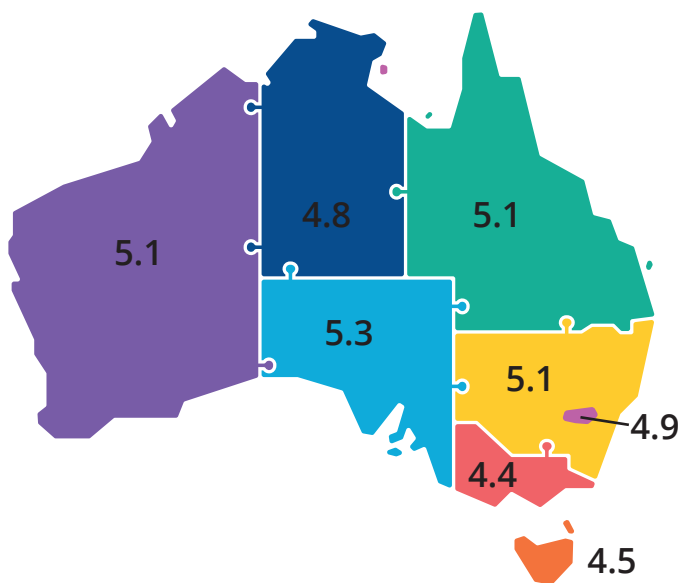
Sales of luxury inner-city and CBD apartments are also on the rise, with buyers spending big money on prestige property with state of the art security and top of the line fixtures, finishes and

AUCTION CLEARANCE RATE Source: APM PriceFinder

	JUL 3		AUG 1
SYDNEY	69%	▲	75%
MELBOURNE	73%	▲	77%
BRISBANE	54%	▲	74%
ADELAIDE	79%	▲	87%

MONTHLY UNEMPLOYMENT - JUN 2021

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



HOUSES

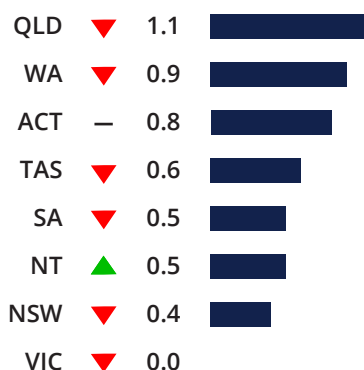
	YRLY GRWTH	YIELD	MEDIAN
DARWIN	21.3	5.0%	\$575K
CANBERRA	20.7	4.1%	\$830K
SYDNEY	19.3	2.9%	\$1160K
HOBART	19.1	4.3%	\$601K
ADELAIDE	15.2	4.1%	\$530K
BRISBANE	14.7	3.8%	\$620K
PERTH	10.0	4.0%	\$540K
MELBOURNE	8.8	2.8%	\$850K

amenities. Property traditionally sold to overseas buyers is now being marketed almost exclusively to domestic buyers.

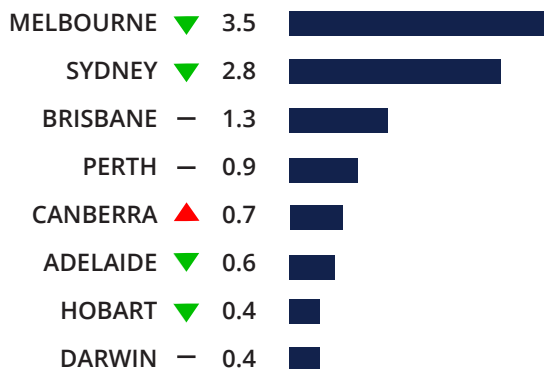
Meanwhile, rents continue to increase at the greatest rate in over twelve years. CoreLogic's national rent index has reported that national rents have recorded their highest annual growth since 2009, surging on average 6.6 per cent.

In the commercial sector, retail vacancies are on the rise. The fallout from the pandemic has also seen retail property values decrease in Sydney and Melbourne CBDs, something that will no doubt continue alongside a prolonged lockdown.

POPULATION GROWTH % (Yr ended DEC 2020) Source: ABS



VACANCY RATE % (JUN 2021) Source: SQM Research



UNITS

	YRLY GRWTH	YIELD	MEDIAN
HOBART	21.3	4.9%	\$470K
DARWIN	19.8	6.1%	\$348K
CANBERRA	8.6	5.4%	\$499K
PERTH	8.0	4.9%	\$411K
ADELAIDE	5.6	4.7%	\$370K
BRISBANE	5.6	5.0%	\$415K
SYDNEY	5.1	3.5%	\$749K
MELBOURNE	4.7	3.5%	\$620K

Source: CoreLogic Hedonic Home Value Index and Market Trends Report

CAPITAL CITY UPDATES

SYDNEY NSW

- Suburb records continue to tumble despite lockdown, with house listings in Erskineville, Blacktown and Liverpool increasing in July. Median prices in some suburbs across Sydney have soared to \$3m.
- The NAB property forecast report predicts house prices will increase by 21.6 per cent this year before decelerating to 3.1 per cent growth in 2022.
- The inner-city is losing its shine, according to the University of Technology Sydney. New research has found that Sydneysiders were now far less prepared to pay extra to live closer to the CBD. Prospective buyers are looking for quality of life as they telecommute and work in hubs closer to home.
- CoreLogic reports that suburbs between Manly and Palm Beach led the property boom in July. Over 98.4 per cent of all sales recorded in the area reported a median profit of \$856,300. At the other end of the scale, properties in the Botany Bay and Parramatta Councils suffered a 15.6 per cent median loss.

MELBOURNE VIC

- According to Domain's Chief of Research and Economics, Nicola Powell, 'upgraders', buyers wanting more space at home, are the driving force behind the Melbourne property market increases. Buyers are looking for homes and apartments that suit work from home arrangements for multi-family members.
- NAB Chief Economist Alan Oster is predicting that home values in Melbourne will continue to surge this year despite outbreaks of Covid-19 and the continued threat of lockdown. Prices are forecast to increase by 17.6 per cent by the end of 2021, followed by an additional 3.5 per cent in 2022.
- Rising rents and low rental stock volumes in some of Melbourne's outer suburbs have forced tenants to move further out of the city. As a result, rental increases of up to 11.1 per cent are common in outer suburbs, with increases of 27.4 per cent typical closer to the CBD.

BRISBANE QLD

- Realestate.com reports that Brisbane homeowners are selling to cash in on the property boom. With the city now hosting the 2032 Olympic Games, suburbs in the heart of the games precinct are expected to attract top dollar. Kangaroo Point and Woolloongabba are suburbs to watch in Brisbane, with Burleigh Heads, Palm Beach and Currumbin on the Gold Coast also on the radar.
- According to Domain, for Brisbane's best property buys this month look to Fortitude Valley, Waterford, Daisy Hill and Bulimba.

PERTH WA

- Domain reports that Perth rents are now at a six-year high and have recorded the strongest annual growth of all Australian Capital cities. With an average 21.6 per cent yearly increase reported, some tenants are looking to move towards homeownership over renting.
- Median house prices in Perth are increasing, with the Real Estate Institute of WA data revealing the southern suburb of Salter Point's median is up 44.7 per cent. Ascot has also shown similar hikes in median house prices with a 42.1 per cent increase. Other suburbs showing impressive growth include Bicton, Claremont and Medina.

CANBERRA ACT

- Large scale development continues throughout the country's capital - a mixed-use development on the southern edge of the Gungahlin Town Centre will host 329 residential dwellings and 500 square meters of commercial space. In addition, a three-tower, 24 storey development is now being considered in Woden, and a 106 residential unit commercial development is slated for Kingston.
- CoreLogic reports that there have been 60 record-breaking suburb sales so far this year. These include million-dollar sales in Holder, Chisholm, Weston, Crace and Casey.
- From 1 July 2021, all buyers signing off-the-plan contracts for property purchases up to \$500,000 will not have to pay stamp duty. ACT Chief Minister Andrew Barr hopes the move will increase the supply of affordable housing across Canberra.

ADELAIDE SA

- Historically not reliant on auctions as a sales vehicle, Adelaide's auction clearance rate remains one of the highest in the country despite easing over the last month. Auctions are now one of the best ways to sell property across the state, according to REISA.
- Property reselling is becoming popular in Adelaide as homeowners work to cash in on the increasing property prices. Realestate.com reports that some inner-city homes are being resold within six to nine months of an initial sale for profits over \$350,000.
- As snap lockdowns continue in South Australia, 'lifestyle' suburbs like West Lakes, Semaphore Beach and Tennyson are growing in popularity for prospective buyers.

DARWIN NT

- The Australian Bureau of Statistics reports that Northern Territory new home approvals have increased by 64 per cent. This is the highest they have been in five years and prompted by the federal and NT Covid-19 building stimulus schemes.
- CoreLogic reports that homes values continue to achieve record growth, with homes in Darwin up 20 per cent in the past year. Best buy areas remain Stuart Park, Fannie Bay and Darwin City.



AUD
73.8c
US
down from 74.6c in July
Source: RBA



RBA Cash Rate
0.1%
steady for August
Source: RBA



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



Inflation
3.8%
year to August
Source: RBA



GDP
1.8%
year to Mar qtr
Source: ABS



Wage Growth
3.2%
year to Nov qtr
Source: ABS



Consumer Confidence
1.5%
Up for July
Source: Westpac-Melbourne Institute



Disposable Income
3.4%
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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