

### THIS MONTH IN REVIEW

As we head into December and the final property report for 2021, economists, real estate market analysts and the big banks are each forecasting how the property market will perform during 2022 and 2023.

With the pandemic boom coming to an end and increasing stock levels across all capital cities, the consensus is that the double-digit price increases seen over the last thirteen months won't be repeated. Instead, expect a 5 to 6 per cent increase in 2022 and a price fall of 4 per cent in 2023.

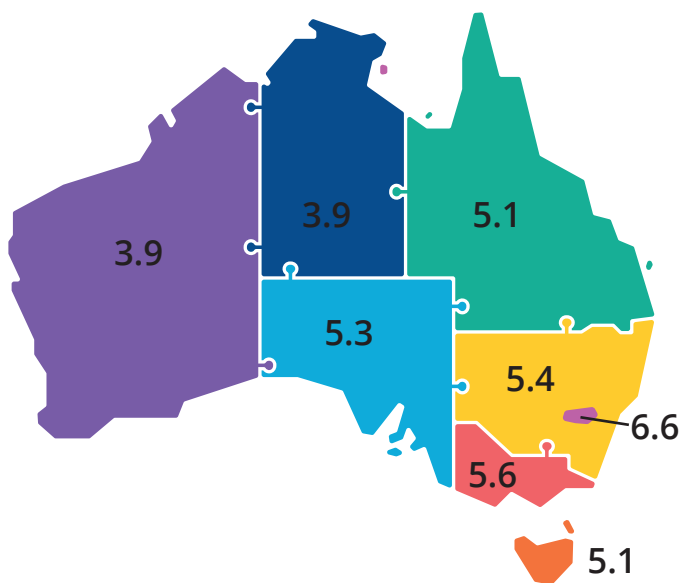
Meanwhile, the talk of interest rate hikes continues, with all big lenders already pushing up their fixed rates in anticipation of

#### AUCTION CLEARANCE RATE Source: APM PriceFinder

	NOV 1		DEC 4
SYDNEY	79%	▼	74%
MELBOURNE	75%	▼	65%
BRISBANE	75%	▼	70%
ADELAIDE	88%	▼	85%

#### MONTHLY UNEMPLOYMENT - OCT 2021

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



#### HOUSES

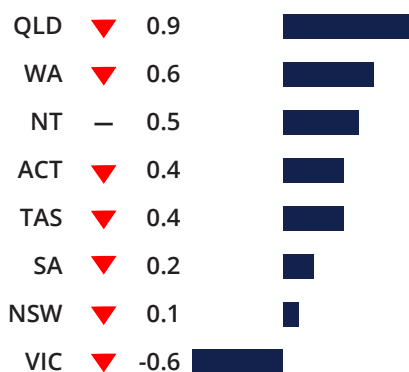
	YRLY GRWTH	YIELD	MEDIAN
SYDNEY	30.3	2.6%	\$1.260M
CANBERRA	29.0	4.0%	\$920K
HOBART	27.2	4.2%	\$670K
BRISBANE	24.7	3.8%	\$650K
ADELAIDE	22.4	4.1%	\$561K
MELBOURNE	19.5	2.7%	\$863K
DARWIN	17.1	5.2%	\$575K
PERTH	16.6	4.3%	\$520K

an expected increase in 2023. Investor finance growth remains positive after more than doubling in May, with investors chasing the capital gains already witnessed throughout 2021.

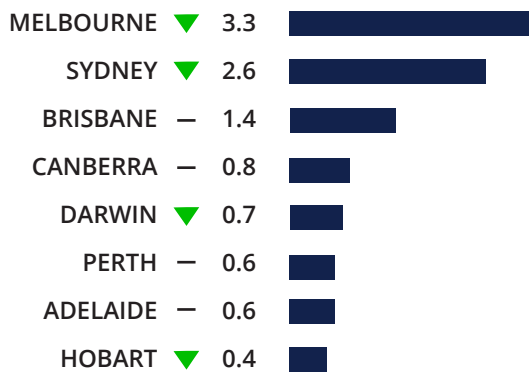
Rents are also starting to rise in anticipation of a return to immigration in 2022. This week, the ANZ reported earlier rental growth gaps between units and houses, and capital cities and regions have largely closed.

Exhausted real estate agents are keen to call close on the year, with many agents wrapping up campaigns and auctions by 18 December, returning to the coal face in mid-January 2022.

#### POPULATION GROWTH % (Yr ended MAR 2021) Source: ABS



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



#### UNITS

	YRLY GRWTH	YIELD	MEDIAN
HOBART	31.6	4.6%	\$520K
DARWIN	23.2	5.9%	\$393K
PERTH	14.1	5.0%	\$415K
SYDNEY	13.5	3.3%	\$775K
CANBERRA	12.9	5.2%	\$520K
BRISBANE	10.3	4.9%	\$425K
MELBOURNE	9.2	3.3%	\$628K
ADELAIDE	5.7	4.9%	\$380K

Source: CoreLogic Hedonic Home Value Index and Market Trends Report

## CAPITAL CITY UPDATES

### SYDNEY NSW

- RiskWise Property Research warns that buyers looking at property around the Northern Beaches, Inner West, and the Eastern suburbs may be at the greatest risk of capital losses in the coming years as the market cools. With median prices between \$2 million and \$4 million, buyers wanting into these areas should keep a cool heading when purchasing.
- CoreLogic reports that Sydney property growth rates are continuing to slow. Following a peak increase in dwelling values of 3.7 per cent in March 2021, growth slowed to 1.5 per cent in October. Affordability constraints and the higher levels of new stock have triggered the change.
- Terrigal on the Central Coast has recently ranked third in Australia for the annual growth of prices over the past year. The Central Coast is fast becoming the sea-change destination for Sydney-siders keen to get out of the hustle and bustle. Realestate.com reports it's a combination of 'commutability, liveability and affordability' that is putting North Avoca, Pearl Beach and Killcare on the top of the buyer's wish list.

### MELBOURNE VIC

- Property growth in the Melbourne market has slowed to 1 per cent during October, according to CoreLogic. Melbourne also saw the most significant uplift in new listings across all capital cities this month. Despite the slowdown, the monthly growth is still well above the average monthly movement of 0.4 per cent a decade ago.
- As the spring selling season wraps up, Domain reports that Melbourne is seeing 'more normal market activity'. Listings volumes are up, and clearance rates have moved back to a more normal level, and the number of prospective buyers attending auctions is almost half what it was two weeks ago.
- The rental market remains stable in Melbourne. According to the Real Estate Institute of Victoria the median weekly rental rate remains unchanged over the last two months. The vacancy rate has decreased by 0.1 per cent in the metro and regional areas.

### BRISBANE QLD

- This week, the Real Estate Institute of Queensland reported that first home buyers are bucking the national trend snapping up real estate at the fastest rate in thirteen years. First home buyers are downsizing their expectations, preferring to take every opportunity to get into the market.
- As the growth rates in other capitals slow, the opposite can be said for Brisbane, with property values increasing by 2.5 per cent this month, the highest increase since November 2003.
- Properties in the luxury market are in demand in Brisbane. High-end homes are smashing records, and agents reporting 100 per cent increases in interest from interstate buyers. Indooroopilly, St Lucia and Fig Tree are the most sought after areas.

### PERTH WA

- Post pandemic apartment living in Perth is getting a shake-up with a new 'co-living' development set to launch in the heart of Perth. Realestate.com reports The Switch will have flexible leases, shared communal living spaces, bars, community gardens and co-working spaces. The Switch Perth is now open, with additional locations planned in Adelaide and Sydney in 2022 and Melbourne in 2023.
- Extended border closers, affordability constraints, and increased new listings saw the Perth property market value decrease by -0.1 per cent this month.

### CANBERRA ACT

- Despite the spring real estate season coming to an end, stock volumes in the capital remain low. Dwelling values have slowed as a result to 1.9 per cent.
- Townhouses have filled the void for buyers and investors wanting to secure property in the ACT. While the median house price sits at a record high of \$1,074,187 according to the latest Domain House Price Report, it's possible to purchase a townhouse with an initial budget of \$500,000. Lawson, Harrison, Campbell and Chifley are the go-to locations for established townhouses. Off-the-plan townhouses sell well in Taylor, Googong, Stathnairn and Denman Prospect.

### ADELAIDE SA

- Adelaide's bullish commercial property market shows no signs of slowing with the strongest selling conditions since the 2009 financial crisis. With over \$205 million in sales negotiated in quarter one of the 2021-22 financial year, the city is on the radar for local and international investors.
- Adelaide's property market is benefiting from solid interstate migration, with the housing market's highest monthly increase since 2003 this month. House prices increased on average 2.2 per cent while unit prices increased by 1 per cent.

### DARWIN NT

- According to CoreLogic, monthly property market growth rates remain volatile across Darwin, with large fluctuations in property prices over the last three months. Over the three months to end October, increases averaged 0.1 per cent.
- This week Canstar revealed Darwin's best five suburbs for investors. They are Leayner, Lyons, Moulden, Rapid Creek and Tiwi. Canstar also predicts strong growth in the local property market for at least the next ten years.



AUD  
**70.7c**  
US

down from 75.4c in Nov  
Source: RBA



**RBA Cash Rate**

**0.1%**

steady for December

Source: RBA



**Cash Rate Forecast**

**0.1%**

12 mths to Dec '22

Source: Westpac



**Inflation**

**2.1%**

year to September

Source: RBA



**GDP**

**0.7%**

year to Jun qtr

Source: ABS



**Wage Growth**

**1.4%**

year to May qtr

Source: ABS



**Consumer Confidence**

**0.6%**

up for November

Source: Westpac-Melbourne Institute



**Disposable Income**

**2.1%**

year to Jun qtr

Source: ABS

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