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MARKET ESSENTIALS | JUNE 2022

THIS MONTH IN REVIEW

As we enter the last month of the financial year, there's been a focus on the state of the property market. The Federal Election is over; there's a new government in town, so what's next for the housing market? Are we still in a boom or bust, or has the market finally returned to 'normal'?

Data from PropTrack Home Price Index found price growth either flat-lined or fell across the country over the last month. House prices in most areas fell for the first time since 2020; however, prices were down for the first time in three years in the ACT.

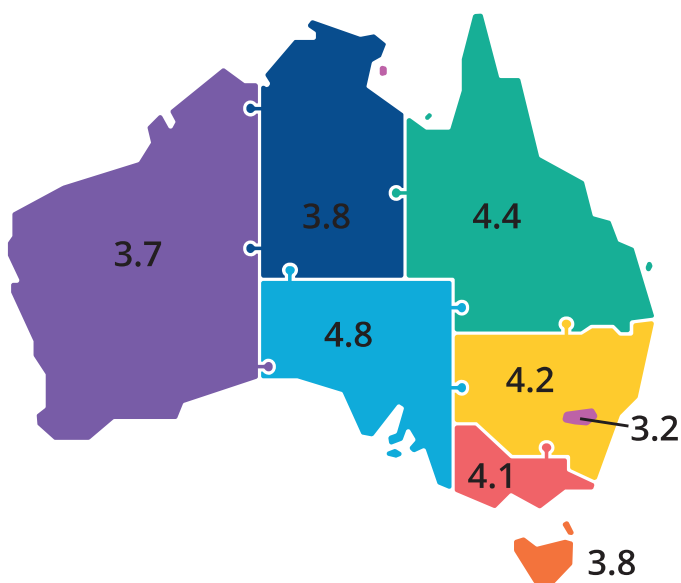
Economists predict that the property market will continue to soften. AMP Capital's chief economist says that Australia should

AUCTION CLEARANCE RATE Source: APM PriceFinder

	APR 30		JUN 04
SYDNEY	63%	▼	54%
MELBOURNE	69%	▼	58%
BRISBANE	68%	▲	70%
ADELAIDE	85%	▼	76%

MONTHLY UNEMPLOYMENT - JAN 2022

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



HOUSES

	YRLY GRWTH	YIELD	MEDIAN
BRISBANE	30.2	3.6%	\$755K
ADELAIDE	28.1	3.9%	\$640K
CANBERRA	18.6	3.7%	\$1.060M
HOBART	17.0	3.7%	\$780K
SYDNEY	12.0	2.4%	\$1.305M
MELBOURNE	6.9	2.5%	\$915K
PERTH	5.9	4.4%	\$546K
DARWIN	4.8	5.2%	\$570K

expect a 10 to 15 per cent drop in house prices in some areas over the next 18 months. However, despite a weakening market, agents report that auction clearance rates remain steady, there's adequate stock available, and for the most part, a buyer for every seller. With predictions that interest rates will increase monthly until the end of 2022, sellers may soon need to adjust their expectations.

The new Labour Government will endeavour to tackle affordable housing, continue to fund the Coalition's Home Guarantee Scheme in the new financial year, and introduce a raft of policy measures designed to address the property market's most significant issues.

POPULATION GROWTH % (Yr ended SEP 2021) Source: ABS

QLD	▼	1.1	
WA	—	0.7	
NSW	—	0.3	
SA	▼	0.1	
TAS	▼	0.0	
ACT	▼	-0.1	
NT	▼	-0.2	
VIC	▲	-0.5	

VACANCY RATE % APR 2022 Source: SQM Research

MELBOURNE	—	1.9	
SYDNEY	—	1.6	
BRISBANE	—	0.7	
PERTH	▲	0.7	
CANBERRA	▲	0.7	
DARWIN	▲	0.6	
ADELAIDE	▲	0.4	
HOBART	▲	0.4	



UNITS

	YRLY GRWTH	YIELD	MEDIAN
CANBERRA	18.9	5.0%	\$580K
HOBART	18.6	4.3%	\$587K
BRISBANE	15.7	4.9%	\$455K
ADELAIDE	13.9	5.0%	\$399K
DARWIN	9.6	6.1%	\$395K
SYDNEY	6.2	3.3%	\$760K
PERTH	3.6	5.1%	\$407K
MELBOURNE	3.5	3.2%	\$635K

Source: CoreLogic Hedonic Home Value Index and Market Trends Report

CAPITAL CITY UPDATES

SYDNEY NSW

- Power seemed to shift to Sydney buyers as the market wrapped up for May. Overall the median house price dipped 0.3 per cent to \$1,416,960, with the median unit prices falling 1.2 per cent to \$830,534. Inner-city suburbs felt the biggest impact, with prices in Darlinghurst down by 8.5 per cent, and Surry Hills down by 7.8 per cent. It was the second consecutive month of falling prices.
- CoreLogic's quarterly Regional Market Update shows the growth rate across regions outside of greater Sydney has slowed in the three months to April 2022. The Hunter Valley was the best performing region, with interest slowing Southern Highlands and Shoalhaven.
- The Property Council of Australia has revealed a 29 per cent increase in commercial occupancy levels across Sydney's CBD in May, signalling the potential for a positive uplift in commercial property.

MELBOURNE VIC

- Melbourne's median house price sits at just above \$900,000 this month as price growth continues to decline. Down by 0.27 per cent, some areas saw much more significant declines. Park Orchids, Toorak, Balaclava and Port Melbourne saw declines of over 5 per cent. CoreLogic also reports declines of 5 per cent plus in unit prices in Watsonia, Hampton East and Heidelberg.
- Domain's chief of research and economics, Nicola Powell, says that rents will soar in Melbourne due to the drop in the supply and availability of rentals. Supply dropped by 8.5 per cent during the month, the most significant decline of any capital city.
- The slowing market has seen some Melbourne vendors keen to sell discounting over the last month. On average, discounts were 5.4 per cent; however, in some suburbs, discounts of almost 10 per cent were on offer. Bargain shopper's suburbs include Stonnington, Darebin, Maroondah and Yarra.

BRISBANE QLD

- Brisbane is now emerging as one of the strongest housing markets in the country, bucking the universal negative growth trend for May, with overall house prices up by 0.35 per cent during the month. The Queensland capital is now considered one of the most popular 'affordable lifestyle regions' in the country, according to PropTrack.
- CoreLogic reports that Brisbane suburbs of Banyo, South Brisbane and West End all experienced negative growth during the quarter to April 2022. Additionally, Hendra saw negative growth for units and Sherwood and Nundah saw negative housing price growth.
- According to the PropTrack Home Price Index, pockets of affordable housing still exist in the outer Brisbane suburbs of Stapylton, Riverview, One Mile and Madeay Island, all within 40km of the CBD.

PERTH WA

- Despite house prices falling in Perth by 0.11 per cent in May, property sales in the WA capital hit a twelve year high during the month. Low supply and stable demand have seen a more 'balanced market' according to REIWA President Damian Collins. While rising interest rates will impact affordability, economists predict that WA's strong employment rates and strong economic growth should result in a stable property market in the months ahead.
- CoreLogic reports that Perth suburbs Bateman, Peppermint Grove, and Como have seen negative house-price growth in the last quarter. For those buyers looking for units, check Booragoon, Ardress and Shoalwater, where there's also been negative quarterly growth.

CANBERRA ACT

- After riding high, property prices in the ACT have fallen for the first time in three years. While CoreLogic's May data shows the overall market holding steady with a 0.1 per cent drop, house prices dipped 0.4 per cent during the month. The median house price still sits at well over a million dollars, with the median unit price now \$622,000.
- Ainslie, Dickson, and Watson saw house prices drops between 2.2 and 3.4 per cent during the month, with slight decreases in unit prices in Narrabundah, Forrest and Macquarie.

ADELAIDE SA

- According to data from PropTrack, South Australia was named the most affordable state for buyers looking to purchase a home or unit less than 40km from the city. Elizabeth South boasts a median price of \$221,068, while Elizabeth Vale's median is \$146,173.
- Looking for a bargain in Adelaide? According to CoreLogic, the best suburbs to research for units are Findon, Blackwood and St Marys, and for houses, look at Malvern, Unley and Bellevue Heights.

DARWIN NT

- Humpty Doo, Darwin and Karama were the three suburbs showing negative quarterly growth for the quarter ending April 2022, according to CoreLogic's Property Pulse. In addition, unit prices dropped in Larrakeyah and Bakewell, with median prices less than half a million dollars.
- Happy to live up to an hour from the Darwin CBD, check out Moulden, Gray, Woodroffe, Driver and Berry Springs, where median prices start at \$223,895.



AUD **71.7^c** US
up from 71.4c in May
Source: RBA



RBA Cash Rate
0.85%
up for June
Source: RBA



Cash Rate
Forecast
2.25%
12 mths to June '23
Source: Westpac



Inflation
3.2%
year to March
Source: RBA



GDP
-1.8%
year to Sep qtr
Source: ABS



Wage Growth
2.1%
year to Nov qtr
Source: ABS



Consumer
Confidence
-5.6%
down for May
Source: Westpac-Melbourne Institute



Disposable
Income
-4.0%
year to Sep 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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