

THIS MONTH IN REVIEW

The end of the year, and the decade, is fast approaching. Property is a long-term investment, so it's a great time to see how it's performed over the last ten years in major markets across Australia. According to the Australian Bureau of Statistics, median house prices in Australian capital cities ten years ago were as follows: Sydney \$595,000, Melbourne \$480,000, Brisbane \$455,000, Perth \$505,000, Canberra \$525,000, Adelaide \$397,500 and Darwin \$520,000.

Current median house prices (along with the percentage growth or decline in market value over the last decade in brackets) are as follows: Sydney \$867,000 (+45.7%), Melbourne \$740,000 (+54.1%),

Brisbane \$555,000 (+22%), Perth \$504,000 (0%), Canberra \$650,000 (+23.8%), Adelaide \$482,000 (+21.3%) and Darwin \$450,000 (-13.5%).

As you can see, property owners in Sydney and Melbourne have been the big winners in terms of capital growth. Darwin and Perth owners have been the big losers, largely due to the end of the mining boom significantly decreasing property demand in both markets.

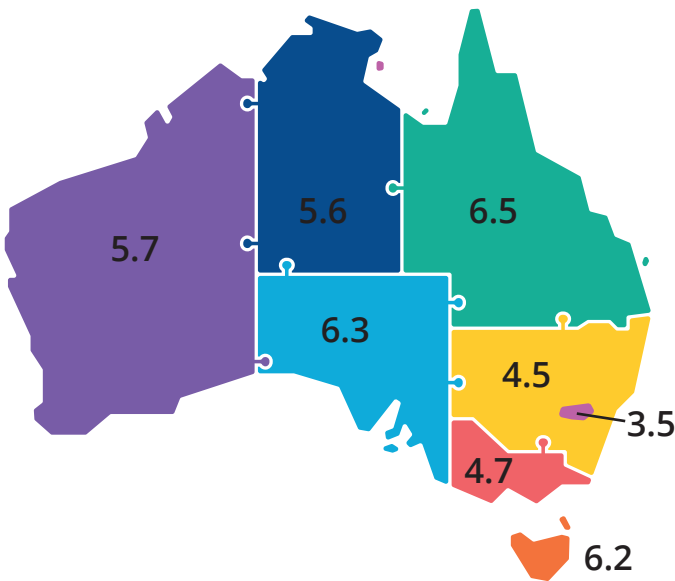
A comparative analysis of the All Ordinaries Index reveals that share prices have increased by 42% over the decade.

AUCTION CLEARANCE RATE Source: APM PriceFinder

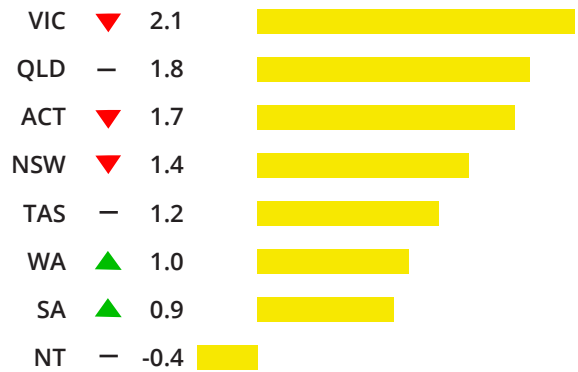
	NOV 2		DEC 1
SYDNEY	77%	▲	80%
MELBOURNE	69%	▲	74%
BRISBANE	49%	▲	57%
ADELAIDE	62%	▲	71%

MONTHLY UNEMPLOYMENT - SEPTEMBER 19 %

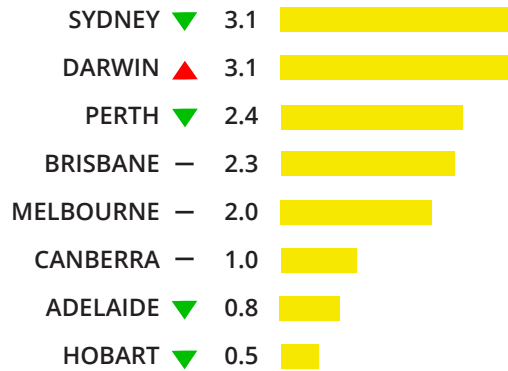
Source: ABS (most recent figure at time of publication)



POPULATION GROWTH % (Yr ended MAR 2019) Source: ABS



VACANCY RATE % (OCT 2019) Source: SQM Research



HOUSES	YRLY GRWTH	YIELD	MEDIAN
HOBART	2.9	5.0%	\$471K
CANBERRA	2.9	4.4%	\$650K
ADELAIDE	- 1.0	4.2%	\$482K
BRISBANE	- 1.4	4.0%	\$555K
SYDNEY	- 2.5	3.2%	\$867K
MELBOURNE	- 2.6	3.1%	\$740K
PERTH	- 8.6	3.9%	\$504K
DARWIN	- 10.1	5.2%	\$450K



UNITS	YRLY GRWTH	YIELD	MEDIAN
MELBOURNE	2.5	3.9%	\$575K
HOBART	1.0	5.3%	\$355K
ADELAIDE	0.2	4.9%	\$340K
BRISBANE	- 0.6	5.1%	\$390K
CANBERRA	- 1.5	5.6%	\$435K
SYDNEY	- 2.1	3.9%	\$680K
DARWIN	- 7.2	6.1%	\$317K
PERTH	- 9.2	4.7%	\$370K

Source: CoreLogic Hedonic Home Value Index and Market Trends Report

CAPITAL CITY UPDATES

SYDNEY NSW

- According to Core Logic, Sydneysiders are now paying 8.2 times their annual income to buy a home, compared to 6.6 times their income ten years ago. House price rises over the decade have significantly outstripped wage rises.
- In addition, Core Logic data reveals that the most affordable Sydney suburbs in terms of the current price-to-income ratio include homes in Blacktown and Mount Druitt. On the flip side, the least affordable are in Dural, Manly and Carlingford.
- Unit prices in Sydney over the past year have been negatively impacted by oversupply, weaker buyer demand, and fears of structural defects sparked by problems with some high-profile developments. However, according to Domain, unit values in two Sydney suburbs have bucked the trend and recorded double-digit increases: Haymarket (18.9%) and Kellyville (18.3%).

MELBOURNE VIC

- According to the latest figures from Domain, it's now cheaper to buy than rent a unit in more than 19 Melbourne suburbs due to interest rate decreases that have occurred in 2019. Average mortgage repayments are significantly lower than average rents for units in Travancore, Carlton and Southbank.
- Real Estate Institute of Victoria (REIV) analysis has revealed that land values have more than doubled over the last five years in 17 Melbourne suburbs, including in Brooklyn, Glenroy, Essendon West and Briar Hill.
- Early work on the 26-kilometre North East Link is expected to start in 2020. This motorway will be Melbourne's largest ever road project. It will link the Metropolitan Ring Road with the Eastern Freeway, reducing travel times.

BRISBANE QLD

- According to Domain, the current oversupply of units in the Brisbane market will continue into 2020 with more new developments being released, especially in the CBD. This oversupply is likely to continue to keep Brisbane unit prices flat.
- According to Core Logic, the number of property listings in Brisbane is currently 12% down on this time last year, and 17% down on the decade average.
- The federal government has announced the fast-tracking of funding for the widening of the Pacific Motorway to improve traffic flow. This fast-tracking will allow planned longer-term Pacific Motorway improvements to be brought forward to 2020 and 2021.

PERTH WA

- According to Domain, it's now cheaper to buy than rent a house in 53 Perth suburbs. Average mortgage repayments are significantly lower than average rent payments for houses in Stratton, Medina and Leda.
- The state government has announced a 75% discount on stamp duty costs for people buying off-the-plan units in Western Australia for the next two years. The number of new units being built in Western Australia has halved since 2014.
- The federal government has fast-tracked funding for the planned extension of the Tonkin Highway to the South Western Highway. The funding will now be received within the next 18 months, rather than 4 years.

CANBERRA ACT

- The latest Core Logic figures reveal that average time between listing and sale for Canberra properties is less than 50 days, comparable to the average selling time in both the Sydney and Melbourne markets.
- According to Domain, approvals for new unit developments have increased by 30% in Canberra over the past year, indicating a significant increase in future supply.
- New rental laws have been introduced in the ACT, making it easier for tenants to keep pets, make minor property modifications and avoid unfair rent increases.

ADELAIDE SA

- According to Domain, it's now cheaper to buy than rent a house in 55 Adelaide suburbs. Average mortgage repayments are significantly lower than average rent payments for houses in Elizabeth Downs and Elizabeth North.
- The latest Core Logic figures show that the number of new listings in Adelaide has dropped by 10.3% over the past year. Current new listing levels are also 6.2% below the Adelaide decade average.
- According to the latest Real Estate Institute of South Australia (REISA) figures, Morphett Vale, Hallett Cove and Aldinga Beach have recorded the highest number of sales transactions over the past quarter:

DARWIN NT

- New dwelling completion rates for houses and units in Darwin have fallen by 60% since their peak in 2014, according to SQM Research. The supply of new houses and units is tipped to further decrease in 2020.
- In addition, the latest SQM Research figures reveal that 65% of current Darwin property listings have been on the market for 180 days or more, reflecting the weak buyer demand that has been affecting the market since it peaked in 2014.
- The latest Core Logic data shows that the number of new Darwin listings has dropped by 40% over the past year.



AUD
67.7^c
US

down from 69.0c in Nov
Source: RBA



RBA Cash Rate

0.75%

Steady for December
Source: RBA



**Cash Rate
Forecast**

0.5%

12 mths to Dec '20
Source: Westpac



Inflation

1.7%

year to December
Source: RBA



GDP

1.4%

year to Jun qtr
Source: ABS



Wage Growth

2.2%

year to Sep qtr
Source: ABS



**Consumer
Confidence**

4.5%

up for Dec

Source: Westpac-Melbourne Institute



**Disposable
Income**

4.4%

year to Jun qtr

Source: ABS