

## THIS MONTH IN REVIEW

Life is getting back to normal for Sydney, Canberra and Melbourne, with lockdown restrictions lifting and business as usual in the real estate market this month.

According to CoreLogic, new listings continue to rise across all capital cities, surging 28.2 per cent in the four weeks to mid-October. While this could signal relief for potential buyers, the Treasurer, Josh Frydenberg, has given the strongest indication yet that a crackdown on home lending is in the works.

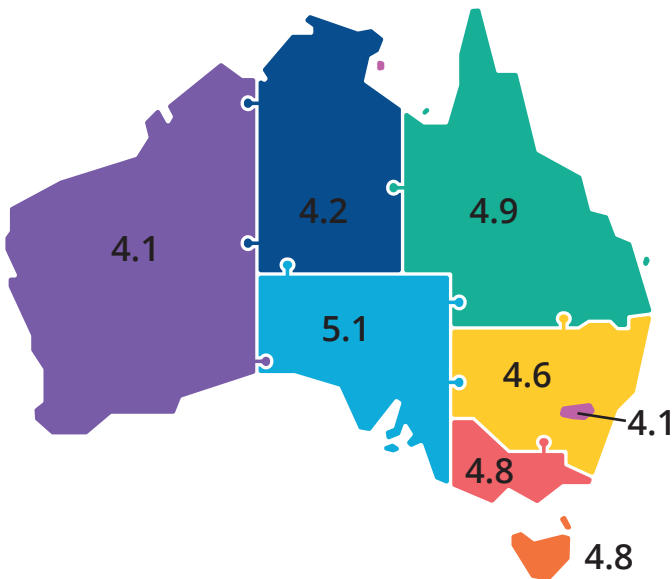
Home loan approvals have jumped by more than two-thirds in 2021 through a combination of low-interest rates, looser lending standards and Government stimulus schemes. But, as house

### AUCTION CLEARANCE RATE Source: APM PriceFinder

	OCT 2		NOV 1
SYDNEY	84%	▼	79%
MELBOURNE	79%	▼	75%
BRISBANE	85%	▼	75%
ADELAIDE	94%	▼	88%

### MONTHLY UNEMPLOYMENT - SEP 2021

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



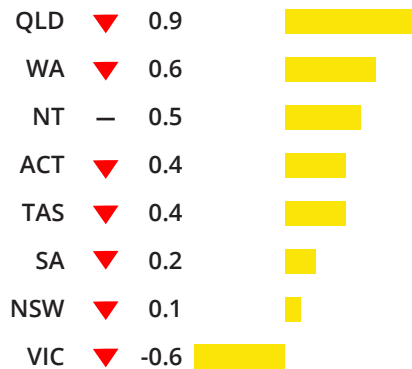
#### HOUSES

	YRLY GRWTH	YIELD	MEDIAN
SYDNEY	28.8	2.7%	\$1.270M
CANBERRA	27.9	4.0%	\$905K
HOBART	25.7	4.2%	\$650K
BRISBANE	22.2	3.8%	\$650K
ADELAIDE	21.3	4.1%	\$551K
DARWIN	18.5	5.1%	\$578K
PERTH	18.4	4.2%	\$535K
MELBOURNE	17.9	2.7%	\$880K

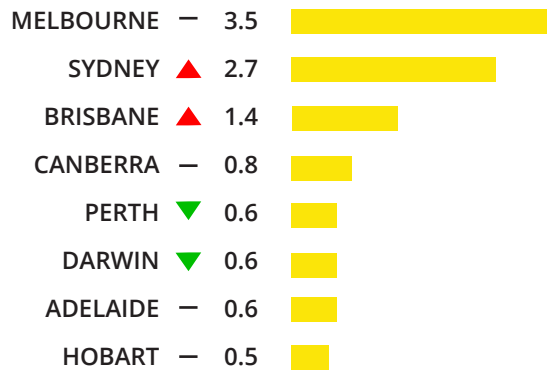
values climb, up more than 18 per cent over the past year, any increase in interest rates could trigger mortgage distress. The Council of Financial Regulators will release new home loan recommendations this week.

The push for affordable housing is back on the agenda. Rising rents and house prices across the country make it increasingly impossible for long-term renters to enter the market. CoreLogic reports that rental prices have increased by an average of 1.8 per cent annually over the past ten years. The ACT tops the list as the most expensive state or territory to rent, with a median weekly rent of \$570 per week.

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



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



#### UNITS

	YRLY GRWTH	YIELD	MEDIAN
HOBART	31.1	4.7%	\$520K
DARWIN	23.2	6.0%	\$398K
PERTH	14.9	5.0%	\$416K
CANBERRA	11.6	5.2%	\$525K
SYDNEY	11.5	3.3%	\$775K
BRISBANE	8.8	4.9%	\$425K
MELBOURNE	8.3	3.3%	\$636K
ADELAIDE	5.7	4.9%	\$383K

Source: CoreLogic Hedonic Home Value Index and Market Trends Report

## CAPITAL CITY UPDATES

### SYDNEY NSW

- A new report from UBS has named Sydney as one of 25 cities in the world on the verge of a property “bubble-burst”. Sydney was named and shamed for its double-digit price growth and market imbalance.
- CoreLogic quarterly Rental Review reports that Sydney rents have increased by 2.3 per cent during the September quarter. Rents are now 7.2 per cent higher than they were this time last year. However, CoreLogic also found that Sydney rental yields dropped by .5 per cent during September. The city offering the poorest return in Australia for investors.
- Domain reports that demand for fully renovated homes has increased over the last two months. Sydney buyers are prepared to pay a premium for properties that need little or no work.
- Property reselling is becoming more popular in the Sydney market as prices continue to soar during Spring. Realestate.com told the story of a Sydney couple who this week made \$600K on a Kensington townhouse they had owned for a mere nine weeks. The vendors made no improvements to the property and sold off-market to a buyer who bought the property sight-unseen.

### MELBOURNE VIC

- Open homes are set to return to Melbourne’s real estate market on 29 October. Despite continuing lockdown, Melbourne has entertained two of the busiest auction weeks so far this year. REA Group Senior Economist Eleanor Creagh says the Melbourne market will now see seller confidence return.
- CoreLogic reports that Melbourne has recorded a 15 per cent property price increase this year, the lowest annual gain across all capital cities. However, significant variations in growth rate occurred across Melbourne. Mornington Peninsula had the highest annual growth rate of 31 per cent, while sub-regions of Melbourne’s West and inner city showed increases of 9.4 per cent and 10.4 per cent, respectively.
- New listings are now tracking 18.3 per cent above the annual average. The higher stock levels are expected to take some heat out of the market.
- Richmond has been voted Time Out’s coolest neighbourhood in Australia. Time Out released its annual list of the 49 coolest neighbourhoods in the world this week, and this year Richmond finished tenth.

### BRISBANE QLD

- Lockdown-fatigued buyers from the southern states are putting upward pressure on the Brisbane housing market. BIS Oxford Economics reported that the median house price in Brisbane is due to reach \$806,000 by 2024; that’s an increase of 18 per cent over the next three years.
- As soon as Brisbane was announced as the host of the 2032 Olympics, the local real estate market began to buzz. Investors are buying up early, anticipating price growth as the need for athlete accommodation near venues and interest from international buyers increases.

### PERTH WA

- The Real Estate Institute of WA has released a list of the top 50 performing suburbs for median house sale price growth to September 2021. Bitcon recorded the strongest increase, followed by Ascot and Claremont. Other suburbs performing well were Salter Point, Cottesloe, Medina and City Beach.
- According to Domain’s Nicola Powell, Perth’s house and unit rent prices have stabilised over the last four weeks, suggesting that the peak rate of rental growth has passed. Perth is now the third most affordable capital city in which to rent a house or unit.
- Units are becoming the popular alternative for investors and buyers looking to enter the Perth market. Suburbs on the radar include Joondalup, Maylands, Mosman Park and Como.

### CANBERRA ACT

- The first stage of a new land release, Hamilton Rise, is expected before Christmas, with construction scheduled to commence early 2022. The new community is located at the northern gateway to Yass, about 50 minutes from the centre of Canberra.
- According to the Domain Rent Report, cashed-up investors are targeting some of the capitals most expensive suburbs, driving up median asking rents by 30 per cent over the last year. The most popular suburbs include Yarralumla, Deakin, Campbell and Ainslie.

### ADELAIDE SA

- Adelaide is still Australia’s cheapest capital city for rentals, with the median cost to rent in the city \$440 per week. Despite lower rental yields, the investor market has been going from strength to strength over the last four weeks, with interstate investors buying homes sight unseen. Popular suburbs include Tennyson, Walkerville, Glenunga and Semaphore.
- Adelaide’s coastal market is tipped for a strong summer selling season with increasing interest from both regional areas and interstate buyers. Suburbs to watch are Middleton, Grange and Encounter Bay.

### DARWIN NT

- Renters in Darwin have faced staggering rent increases this year. CoreLogic reports that rents have increased on average by 16.7 per cent, with the median rental cost now \$520 per week.
- This week saw a new price record in the commercial sector as residential property prices soared in Darwin. The 6200-square-metre Darwin Transit Centre sold for \$16.25 million. The new owners are expected to develop the area with a mix of retail and high-rise residential properties.



AUD  
**75.4c**  
US  
up from 72.1c in Oct  
*Source: RBA*



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



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



**Inflation**  
**2.1%**  
year to October  
*Source: RBA*



**GDP**  
**0.7%**  
year to Jun qtr  
*Source: ABS*



**Wage Growth**  
**1.4%**  
year to May qtr  
*Source: ABS*



**Consumer Confidence**  
**1.5%**  
down for October  
*Source: Westpac-Melbourne Institute*



**Disposable Income**  
**2.1%**  
year to Jun qtr  
*Source: ABS*