

THIS MONTH IN REVIEW

Welcome to the first Market Essentials report for 2022. Nothing much seems to have changed since we farewelled 2021. The pandemic continues to impact the economy. Prices of real estate Australia wide continue to surge, and prospective buyers are still scrambling to get a piece of the real estate dream here in Australia.

However, as we head the new year, several factors at play that could significantly impact the market in 2022. Bond market rates and inflation have increased in Australia and internationally.

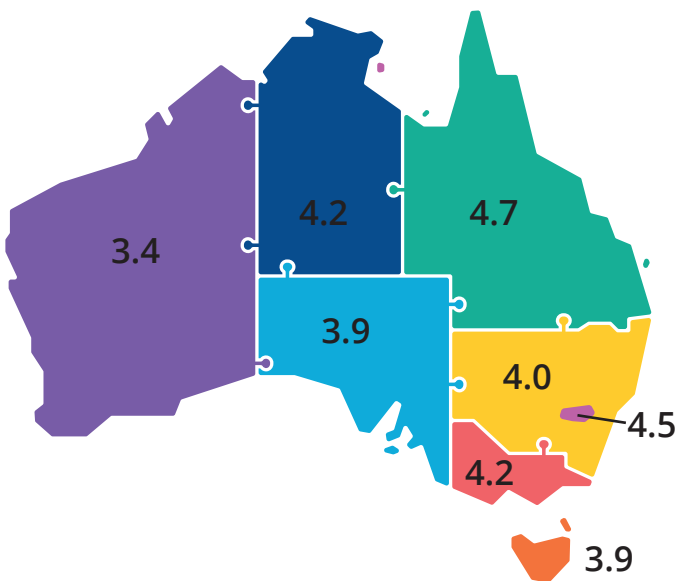
Speculation is mounting that the RBA will raise interest rates ahead of schedule, banks have tightened lending criteria, affordability constraints exist for many, and a Federal election is

AUCTION CLEARANCE RATE Source: APM PriceFinder

	DEC 4		JAN 29
SYDNEY	74%	▼	68%
MELBOURNE	65%	▲	66%
BRISBANE	70%	▲	75%
ADELAIDE	85%	▲	90%

MONTHLY UNEMPLOYMENT - DEC 2021

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



HOUSES

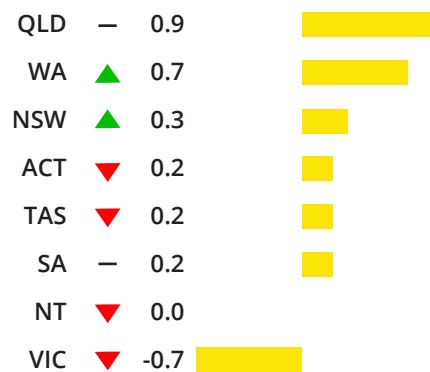
	YRLY GRWTH	YIELD	MEDIAN
BRISBANE	30.3	3.6%	\$710K
SYDNEY	29.6	2.5%	\$1.350M
CANBERRA	27.1	3.9%	\$955K
HOBART	26.7	4.0%	\$730K
ADELAIDE	25.7	4.0%	\$582K
MELBOURNE	17.8	2.6%	\$905K
PERTH	13.3	4.4%	\$525K
DARWIN	12.3	5.3%	\$578K

on the horizon. In addition, an increase in new housing supply and speculation that property listings will increase at some point in 2022 has economists pointing to a significant cooling of the red-hot housing market this year.

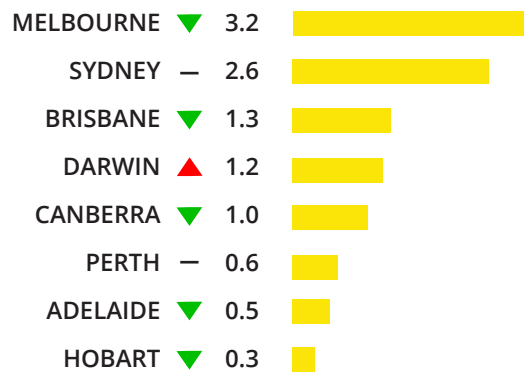
Despite the speculation, sales listings remained lower than expected during January in all state capitals except Melbourne.

Housing values continued to rise, although nowhere near as fast as 2021. One thing is for sure, 2022 looks like it will be an interesting year for the property market, and we look forward to keeping you in the loop.

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



VACANCY RATE % (DEC 2021) Source: SQM Research



UNITS

	YRLY GRWTH	YIELD	MEDIAN
HOBART	33.8	4.6%	\$543K
DARWIN	19.0	6.1%	\$380K
CANBERRA	16.7	5.1%	\$535K
SYDNEY	15.1	3.3%	\$790K
BRISBANE	12.7	5.0%	\$430K
PERTH	10.9	5.1%	\$410K
MELBOURNE	8.7	3.2%	\$635K
ADELAIDE	7.7	4.9%	\$380K

Source: CoreLogic Hedonic Home Value Index and Market Trends Report

CAPITAL CITY UPDATES

SYDNEY NSW

- CoreLogic reports that one hundred and thirty-five Sydney suburbs hit the million-dollar club in January. Eliza Owens said that one-quarter of all houses sold for one million dollars or more, up 18 per cent from the same time in 2021.
- With an overflow of buyers hitting the market in January, competition to secure property was fierce. The top-end of town leads the market, with many homes selling off-market.
- House prices rose by 1.1 per cent during the month, with the median house price now 1.6 million dollars; that's a 22.4 per cent increase year on year.
- Surry Hills is emerging as a popular destination for buyers going into 2022. Known as the urban playground with everything at its doorstep, its central location, fine diners and proximity to the Entertainment Quarter and Centennial Park have it on the radar as a suburb to watch.
- The latest research from Sydney Units Cityscope shows that apartment sales in Sydney's CBD have decreased over the last quarter. Overall apartment values are forecast to grow by 2 per cent in 2022.

MELBOURNE VIC

- The Melbourne property market has bounced back in January, with house prices soaring despite increasing supply levels. The median house price is now pushing over one million dollars for the first time, sitting at 1.125 million dollars and increasing 18.9 per cent year on year.
- Growth in the regions continues to be strong, with Melbournites who've given up on staying in the CBD, moving over the Christmas break. The median house price in regional Victoria is \$565,000, up 27 per cent year on year. It's the most significant annual increase in 21 years.
- Despite lockdowns, a lack of international visitors and a slow to boom property market, house rent in Melbourne has hit record highs. House rents are up 3.5 per cent, and unit rents rose 1.4 per cent during the last quarter.

BRISBANE QLD

- Interstate buyers have pushed Brisbane house prices to their steepest rise in more than eighteen years. In figures released from Domain, Brisbane prices have hit a record median high of \$792,065. This was a 25.7 per cent increase over the last twelve months. The hottest suburb for price growth was Point Lookout, followed by Thornlands and New Farm.
- Sunnybank, Woodridge, Pallara and Rochedale are firmly on the radar for families as suburbs closer to the CBD increase in price. These areas are all close to school catchments for four popular Brisbane schools and tick all the family and work-from-home living boxes.
- House rents hit a record high in Brisbane over the last month, with annual growth up 12.9 per cent.

PERTH WA

- Experts predict a year of double-digit growth for Perth in 2022, but it all hinges on when the state reopens. Interstate and international investors and returning ex-pats have been waiting for the borders to open to take advantage of a booming market in a robust economy.
- Perth's top suburbs for the last quarter include Woodlands, Shenton Park, Hillman, Darlington, and North Beach.

CANBERRA ACT

- According to Domain, the capital clocked the country's second-largest price leap in the last quarter, with a record-breaking median house price of \$1,178,364. Prices increased 1.8 per cent in January. Weston Creek and Molonglo Valley have now hit the million-dollar club.
- Canberra's most affordable region is Tuggeranong. Despite prices increasing 31.8 per year on year, the median house price in the district is \$870,000. First-home buyers, downsizers and investors may also want to consider Belconnen, Lawson, Queanbeyan (a short drive from the capital in NSW), Greenway, Mawson and Watson.

ADELAIDE SA

- Adelaide's house prices continue to impress with more than 2 per cent month on month increases. Although supply levels remaining tight, buyer competition puts upwards pressure on prices. The median house price remains at \$565,000, up 15.3 per cent year on year.
- Despite a booming market, there are still affordable suburbs with 10km of the CBD. These include Woodville Gardens, Ferryden Park, Athol Park and Angle Park.
- Adelaide's best-performing suburbs during the last quarter were Mount Barker, Morphett Vale, Paralowie,

DARWIN NT

- According to CoreLogic, Darwin reported the biggest decline in asking prices during January. Despite continued interest in the Territory, the tight rental market and lack of housing have seen prospective buyers look elsewhere as we entered 2022. Asking prices dipped by 1.2 per cent for houses and 2.1 per cent for units.
- Darwin's Casuarina Square shopping centre has changed hands with Brisbane based fund manager Sentinel acquiring the commercial property for \$400 million. The purchase and touted redevelopment of the area indicate that the surrounding suburbs of Wanguri, Wagaman, Nakara and Alawa are set to boom.



AUD
71.3c
US
up from 70.7c in Dec
Source: RBA



RBA Cash Rate
0.1%
steady for February
Source: RBA



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



Inflation
2.7%
year to December
Source: RBA



GDP
-1.9%
year to Sep qtr
Source: ABS



Wage Growth
1.4%
year to May qtr
Source: ABS



Consumer Confidence
-2.0%
down for January
Source: Westpac-Melbourne Institute



Disposable Income
-3.8%
year to Sep qtr
Source: ABS