

THIS MONTH IN REVIEW

As we head into March, the looming Federal election, increased property listings, and the rumble of an imminent interest rate rise has seen the heat come out of the market in most capital cities.

Vendors keen to take advantage of the pricing boom have come out in force to list their properties, while prospective buyers, feeling uncertain about what may be around the corner, are thinking twice before taking the plunge.

CoreLogic reports that the gap between Australia's house and unit market has hit a record in 2022. Despite record annual growth for both units and houses, a disparity of 28.3 per cent exists between

property values. Although housing growth traditionally outpaces unit growth, the performance gap over the last year has been notably higher. Unit owners looking to upsize and investors should notice better growth towards the end of 2022 due to predicted interest rate rises and affordability constraints.

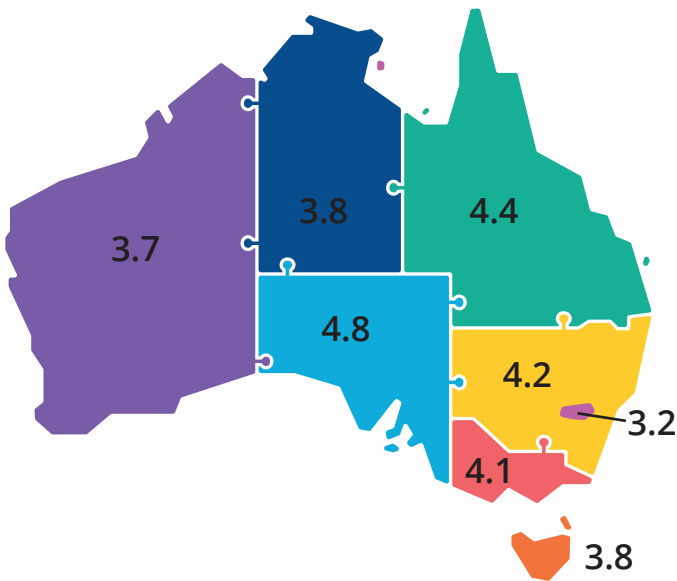
Vacancy rates across Australia have fallen to below one per cent in most capital cities. Driven by landlords who want to cash in on the property boom, data out of Suburbtrends shows that one in ten investment properties nationwide are being sold off. The sell-off trend may increase pressure on the rental market for tenants already struggling with surging rents.

AUCTION CLEARANCE RATE Source: APM PriceFinder

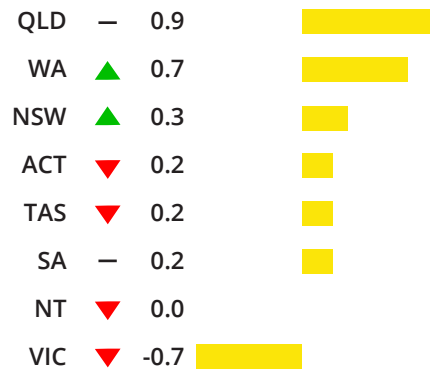
	JAN 29		FEB 26
SYDNEY	68%	▲	76%
MELBOURNE	66%	▲	67%
BRISBANE	75%	▼	74%
ADELAIDE	90%	▼	85%

MONTHLY UNEMPLOYMENT - JAN 2022

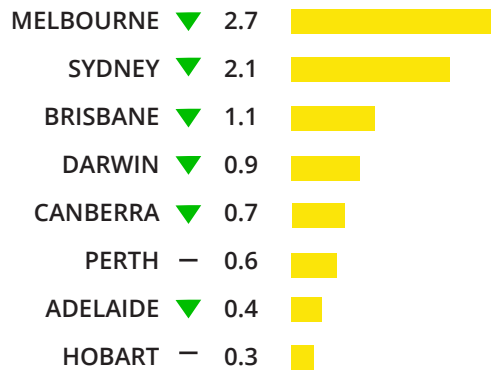
Source: ABS (most recent figure at time of publication)



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



VACANCY RATE % (JAN 2022) Source: SQM Research



HOUSES	YRLY GRWTH	YIELD	MEDIAN
BRISBANE	32.3	3.6%	\$730K
SYDNEY	29.8	2.5%	\$1.385M
CANBERRA	27.8	3.8%	\$1.002M
HOBART	26.3	4.0%	\$745K
ADELAIDE	27.3	4.0%	\$608K
MELBOURNE	17.7	2.6%	\$945K
PERTH	11.3	4.4%	\$540K
DARWIN	8.4	5.2%	\$579K



UNITS	YRLY GRWTH	YIELD	MEDIAN
HOBART	32.8	4.4%	\$546K
DARWIN	21.2	6.0%	\$390K
CANBERRA	17.1	5.1%	\$561K
SYDNEY	15.4	3.2%	\$795K
BRISBANE	13.8	4.9%	\$440K
PERTH	9.6	5.1%	\$410K
MELBOURNE	8.1	3.2%	\$645K
ADELAIDE	9.4	4.9%	\$386K

Source: CoreLogic Hedonic Home Value Index and Market Trends Report

CAPITAL CITY UPDATES

SYDNEY NSW

- Property prices in Sydney moved into negative territory for the first time since October 2020 during February, falling by 0.2 per cent. CoreLogic reports that a surge in listings and weakening demand from buyers are beginning to impact the market.
- Rental demand should increase now that international borders have reopened. Here are the top ten Sydney suburbs for apartment investors: Dee Why, Manly Vale, Brookvale, Maroubra, Kensington, Kingsford, Dulwich Hill, Leichhardt, Lane Cove and Lane Cove North.
- Domain has reported four standout Sydney suburbs for annual growth year to date. They are Warriewood on Sydney's Northern Beaches, now boasting a median house price of \$2.19 million and a 51.6 per cent annual price growth. Palm Beach, Manly and Marsfield each had 45+ per cent price increases.
- If you're in the market for a Sydney property under the \$700K mark, consider Tregear, Bidwell, Blackett, Emerton and Dharruk, where the median price is \$740K less than the Sydney median.
- Work commenced in February on the inner-west rail network, which will connect Parramatta to the Sydney CBA via Sydney Olympic Park. It should provide a boon for business and property owners along the route. Five Dock is being tipped as the suburb to reap the most benefit.

MELBOURNE VIC

- Victoria has recorded its biggest ever summer of sales with a real estate record tumbling almost every day. According to the Real Estate Institute of Victoria, Melbourne's median price soared to \$1.125m.
- International borders have reopened, and Melbourne is on the top of the list for international renters and buyers. According to realestate.com, the most internationally searched suburbs were Toorak, Glen Waverly, South Yarra, St Kilda, Hawthorn, Tarneit and Doncaster.
- According to the Property Council of Australia, increasing property market affordability constraints may force the Victorian Government to scrap a plan to introduce a 1.75 per cent levy on all new developments of three or more dwellings. It's positive news for the industry, which feared that any additional levies or taxes might put the brakes on the property market.

BRISBANE QLD

- Domain has reported the fastest-growing Brisbane suburbs, and some of them have come as a welcome surprise. While Woodridge was the stand out suburb for 2021, the Domain House Price Report found that Logan, located 19 kilometres from the Brisbane CBD, now has a median house price of \$315,000. That's a 57.5 per cent annual increase. Other standout performers included Everton Hills, Stafford, Carindale and Red Hill.
- There's been a lot written about suburbs set for a windfall when the Olympics come to town in 2032. However, market experts now warn that not all suburbs will benefit equally. The universal agreement is that Woolloongabba and surrounding suburbs will see the best results.

PERTH WA

- March 3rd sees the WA border reopened for the first time in almost two years of on-again, off-again restrictions, and the market is bracing for impact. Perth has been struggling through a tight rental market, with local demand is outstripping supply.
- As the borders reopen, vacancy rates are expected to fall even further, and investors will flood back into the market. According to Canstar, the best suburbs for investors include Wellard, Clarkson, Craigie, Ellenbrook, Subiaco and Baldivis.

CANBERRA ACT

- Canberra's sky-high rents and low vacancy rates have increased pressure on the local rental market. However, with international students set to return, it's expected to worsen before it gets better. Belconnen, Tuggeranong and outlier Queanbeyan remain the most affordable rental options, with Weston Creek and Woden Valley the most sought after.
- According to the Property Council of Australia's Office Market Report, unlike the CBD districts of other capital cities, the ACT has recorded its lowest vacancy rate since 2008. The vacancy rate has dropped to 6.2 per cent, almost half the national average.

ADELAIDE SA

- New data from the REA group revealed that international buyers have their sights set on Adelaide as their new home base. The CBD continues to be the biggest draw-card. However, there has been an increase in enquiries for rental property and new homes in the beachside suburbs of Henley Beach, Hallett Cove and Glenelg. Stirling, Mount Baker, Norwood and North Adelaide are also popular.

DARWIN NT

- Darwin real estate markets experts a bumpy ride for 2022. Experts expect the influx of interstate migrants seen in 2021 to decrease as life gets back to normal in most states. As a result, the market surge over the last twelve months will likely end with returns to more modest levels of growth throughout 2022. CoreLogic is projecting that unit prices may outpace house price growth to mid-2024. The Best of Best market report lists Bayview, Milner and rapid Creek as the best performing suburbs.
- Canstar includes Moulden, Leanyer, Lyons and Tiwi as the best suburbs in Darwin for investors.



AUD
71.8c
US
up from 71.3c in Feb
Source: RBA



RBA Cash Rate
0.1%
steady for March
Source: RBA



Cash Rate Forecast
0.75%
12 mths to March '23
Source: Westpac



Inflation
2.7%
year to December
Source: RBA



GDP
-1.9%
year to Sep qtr
Source: ABS



Wage Growth
2.1%
year to Nov qtr
Source: ABS



Consumer Confidence
-1.3%
down for February
Source: Westpac-Melbourne Institute



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