

THIS MONTH IN REVIEW

The question on everyone's lips this month; is the Aussie real estate boom over? Some experts certainly think the pandemic-induced boom is done. Market conditions have changed recently, with falling auction clearance rates and vendors taking prior offers that were 'less attractive' a few weeks ago. Economists predict value declines into Easter, with interest rates hikes still on the agenda for the second half of 2022.

REA data shows that new property listings are 13.2 per cent higher than the same time last year. Days on-market have also increased as sellers hold out for the best sale price. Prospective buyers not wanting to overpay are now spoiled for choice, as Domain reports

that 90 per cent of properties on-market are impacted by the housing 'slowdown'.

Meanwhile, with housing affordability now in free-fall for buyers and renters, the Real Estate Institute of Australia urges governments to 'get on the front foot and prioritise housing supply shortages. It's the most effective way of getting affordability under control'.

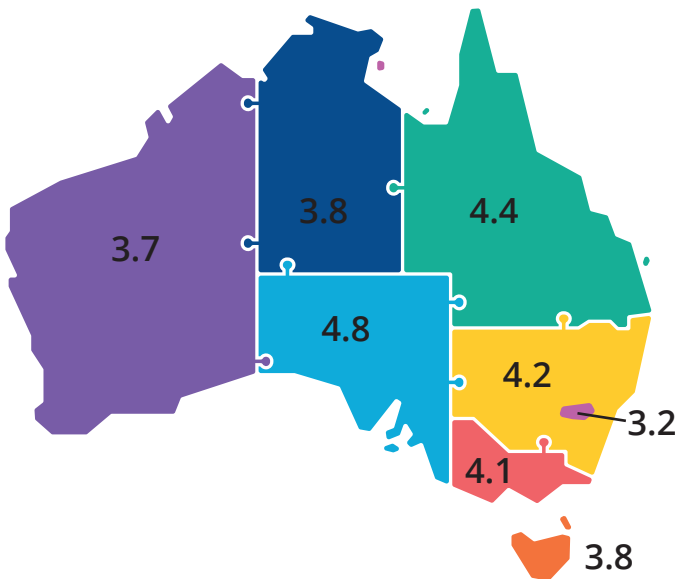
In addition, as the federal election looms, both Government and Opposition have promised that negative gearing will continue to be supported. On this basis, investors should be confident to invest pre-election.

AUCTION CLEARANCE RATE Source: APM PriceFinder

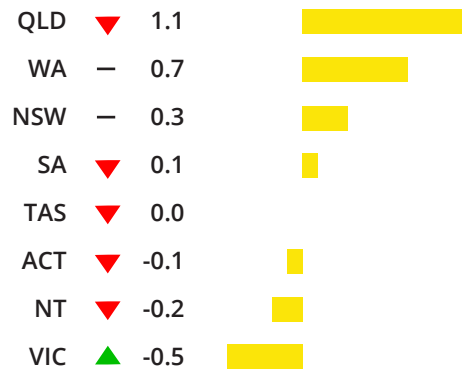
	FEB 26		APR 02
SYDNEY	76%	▼	66%
MELBOURNE	67%	—	67%
BRISBANE	74%	▼	67%
ADELAIDE	85%	▼	75%

MONTHLY UNEMPLOYMENT - JAN 2022

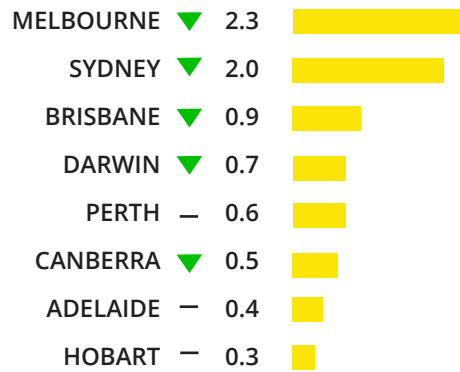
Source: ABS (most recent figure at time of publication)



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



VACANCY RATE % FEB 2022 Source: SQM Research



HOUSES

	YRLY GRWTH	YIELD	MEDIAN
BRISBANE	32.7	3.6%	\$740K
ADELAIDE	28.2	3.9%	\$620K
SYDNEY	25.9	2.4%	\$1.375M
CANBERRA	25.4	3.8%	\$1.020M
HOBART	25.0	3.9%	\$759K
MELBOURNE	15.0	2.6%	\$975K
PERTH	8.6	4.3%	\$545K
DARWIN	8.2	5.2%	\$575K



UNITS

	YRLY GRWTH	YIELD	MEDIAN
HOBART	29.4	4.3%	\$556K
DARWIN	20.8	6.0%	\$390K
CANBERRA	17.5	5.1%	\$589K
SYDNEY	13.7	3.2%	\$790K
BRISBANE	14.3	4.9%	\$445K
PERTH	7.7	5.1%	\$410K
MELBOURNE	6.9	3.2%	\$655K
ADELAIDE	10.4	5.0%	\$388K

Source: CoreLogic Hedonic Home Value Index and Market Trends Report

CAPITAL CITY UPDATES

SYDNEY NSW

- Despite house prices hitting a twenty-year record, REIA has identified 54 suburbs in Greater Sydney, where the median value fell last month. These include property in Sydney's CBD and inner south and some suburbs in the Sutherland Shire.
- Meanwhile, Domain reports that Sydneysiders can't get enough of the northern beaches. Initially a haven for home buyers during Covid, the beaches have been the big winner out of the pandemic, increasing in popularity and price. Warriewood, North Narrabeen and Mona Vale saw the most significant median house price rise of 51.6 per cent.
- Home renovators in Sydney should brace themselves for long delays and budget blow-outs as solid demand and a chronic shortage of skilled labour and materials intensify. This will come as a blow to buyers who settled on 'fixer-uppers' to get into the Sydney market.

MELBOURNE VIC

- Almost one in ten properties on the market in Melbourne were discounted in the last month, mainly due to over-inflated mark-ups. The average discount was 4.7 per cent. Nicola Powell, chief of research at Domain, says that these price adjustments showed the 'tide-turning from mostly edging to a higher price in 2021 to mostly discounting prices in 2022'.
- According to realestate.com, one year on, Victoria's minimum rental standards have not driven the expected increase in rents and sales by landlords. However, they have exposed critical safety risks and standard irregularities.
- Leafy Belgrave, 36 kilometres east of the CBD, is in the spotlight after featuring on the Domain Liveable Melbourne study, outperforming many other suburbs as a popular alternative to inner-city living.
- Geelong is fast becoming the 'boom' suburb in regional Victoria, with house prices on par with Melbourne. The median property price in Geelong is now \$799,000, with price increases of more than 30 per cent on some properties.

BRISBANE QLD

- Experts expect the recent extreme weather events in Brisbane to impact dwelling prices. Floods in 2011 saw inundated suburbs record a more significant downturn relative to other areas of Brisbane. In most areas, the recovery to pre-flood prices took three to five years. While there is no meaningful data to verify the impact of the 2022 floods, local agents expect a similar decline and recovery. However, the short time frame between significant flooding events could shift buyer attitudes around purchasing property in low lying areas.
- CoreLogic reports that commercial property sales and prices have increased over the last three months. A 30 per cent increase compared to the three months ending 30 November 2021.

PERTH WA

- Real Estate Institute of WA president Damian Collins reports that overall the Perth market has seen house prices increases of 209 per cent over the last two decades. Willetton, Medina, and Pinjarra top the list of Perth suburbs with the most significant increase in median prices.
- The Australian Institute of Climate change predictions shows that inner Perth will suffer more than a month of 40c plus temperatures by 2090. Accordingly, the Institute expects Perth to return to its previous development model as a long metropolis hugging the coast.

CANBERRA ACT

- Domain reports that Canberra has surpassed Melbourne as the new auction capital of Australia. According to Domain's In Focus report, sale by auction in the ACT is five times higher than ten years ago. Data shows a likelihood of a higher median price at auction than via private treaty sale. The median house price at auction was \$1 million, whereas, in a sale by private treaty, the median house price was \$840,000.
- New parcels of land are opening up across Canberra regions if you're in the market for vacant land. The median price varies from \$330,000 in the inner north to \$515,000 in the Molonglo Valley.

ADELAIDE SA

- According to PopTrack Listings Report, the number of new properties listed on realestate.com was up 16.7 per cent month on month and 9 per cent higher than at the same time last year. Suburbs such as Munno Para, Magill, Hallett Cove, Salisbury North and Plympton have seen the most significant number of new listings over the previous month.
- Adelaide has been listed as the fourteenth most expensive housing market globally, with median prices eight times more than the average household income. However, it's not the only Australian capital city on the list, with Sydney coming in at number two, Melbourne 5th and Brisbane 17th.

DARWIN NT

- It's official, Darwin's real estate market grew by 13 per cent in 2021. However, it comes a week after a report from the National Housing Finance and Investment Corp that the average first home buyer is locked out of 70 per cent of the housing market.



AUD
74.7c
US

up from 71.8c in March
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**

-4.2%

down for March

Source: Westpac-Melbourne Institute



**Disposable
Income**

-3.8%

year to Sep qtr

Source: ABS