

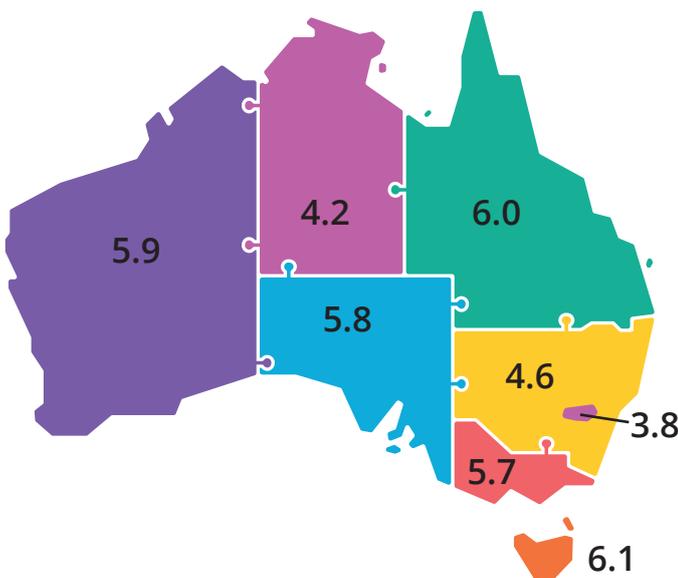
THIS MONTH IN REVIEW

As we close out the year, it's been a mixed bag for capital cities across Australia. Despite the ups for the east coast and the downs for the west coast, a recent survey from ME Bank found that Australians are increasingly keen to see property prices fall, with 25 per cent saying they'd be "happy" to see prices decline. More than a third wanted lower prices – and a quarter of these owned real estate themselves. No doubt most of these respondents lived in Sydney.

However a drop in property prices, and an increase in household debt as a result of the boom would lead to higher loan losses with Australian banks, credit rating agency Moody's warned.

AUCTION CLEARANCE RATE Source: APM PriceFinder

	NOV 8		DEC 2
SYDNEY	66%	▼	65%
MELBOURNE	77%	▼	68%
BRISBANE	43%	▲	45%
ADELAIDE	63%	▼	59%

MONTHLY UNEMPLOYMENT - DEC %
Source: ABS (most recent figure at time of publication)


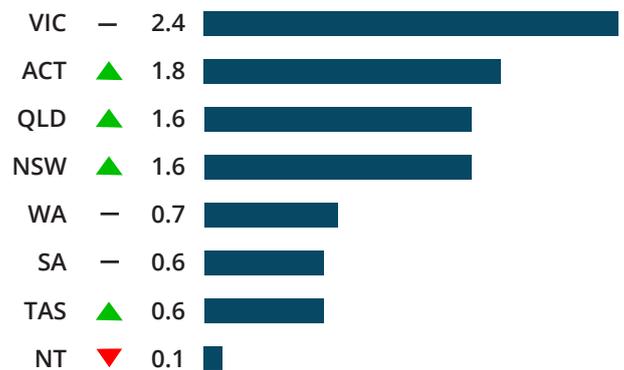
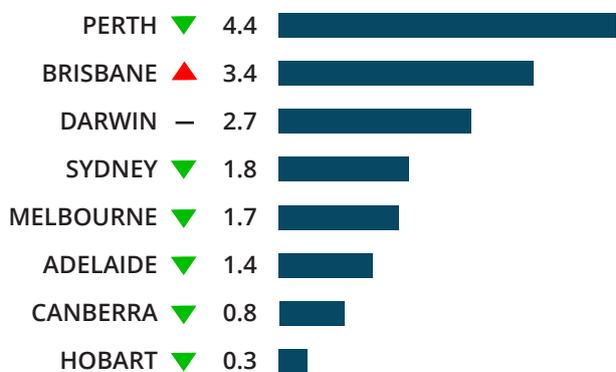
HOUSES	YRLY GRWTH	YIELD	MEDIAN
HOBART	12.3	5.0%	\$360K
MELBOURNE	10.5	3.2%	\$710K
CANBERRA	6.8	4.1%	\$680K
SYDNEY	4.3	2.8%	\$965K
ADELAIDE	3.6	4.2%	\$450K
BRISBANE	3.1	4.1%	\$527K
PERTH	- 2.9	3.8%	\$500K
DARWIN	- 3.6	5.5%	\$492K

Source: CoreLogic Hedonic Home Value Index and Market Trends Report

Banking regulator APRA chairman Wayne Byres has refused to rule out any changes in 2018, saying they'll keep a close eye on lending for housing next year.

And if you haven't been keeping pace with the darling of property disruptors, Airbnb, maybe it's time to get on board. Already, new technology is lining the pockets of the new breed of property entrepreneurs with the top Airbnb host of 2017 earned \$5.3 million in the last year with 247 properties.

Finally, a big thanks to you for following the report. We hope you've taken some great value out of it and look forward to bringing you the first report of 2018 in February. Have a great Christmas!

POPULATION GROWTH % (Yr ended MAR 2017) Source: ABS ABSSABS

VACANCY RATE % (17 OCT 2017) Source: SQM Research


UNITS	YRLY GRWTH	YIELD	MEDIAN
HOBART	8.7	5.8%	\$380K
MELBOURNE	8.6	4.4%	\$710K
SYDNEY	6.4	4.0%	\$965K
CANBERRA	2.8	5.4%	\$680K
ADELAIDE	0.8	5.1%	\$450K
BRISBANE	- 1.1	5.2%	\$527K
PERTH	- 1.1	4.4%	\$500K
DARWIN	- 8.7	5.4%	\$492K

Source: CoreLogic Hedonic Home Value Index and Market Trends Report

CAPITAL CITY UPDATES

SYDNEY NSW

- Foreign developers based in Australia have been given a tax cut by the NSW government, who will allow them to claim exemptions from surcharges on the sale of new homes to encourage investment from offshore building corporations.
- About 15% of households in Sydney are in rental stress, while one in 10 in western Sydney is concerned about paying their mortgage, government data shows.
- The NSW Government has launched a discussion paper into off-the-plan sales, with plans to potentially strengthen protections for new property buyers due to developers significantly changing plans to the build after contracts have been exchanged.
- Sydney might regularly lose out to Melbourne on livability lists, but it ranked higher for being best for families, a Homeday report found, ranking it 13th in the world – ahead of Melbourne at 15th.

MELBOURNE VIC

- Action by the regulators has continued against underquoting real estate agents, with Hocking Stuart Doncaster fined \$10,000 by Consumer Affairs Victoria.
- The first home in Preston has broken the \$2 million barrier, with a prestige five-bedroom house on Shakespeare Avenue breaking the suburb record in November.
- There has been a call for a parliamentary review into the Victorian Civil and Administrative Tribunal after “troubling” overruling of local laws about building – including allowing developments to exceed heights in local planning laws.
- Prices across Melbourne continued to rise over November, up 0.5% in the month, CoreLogic data found.

BRISBANE QLD

- The Bank of Queensland’s Roger Davis has warned they are wary about new apartments, due to short-term risks with higher vacancies and tightening credit conditions.
- Plans from Labor in Queensland to increase taxes on foreign buyers to 7% and adding a new land tax category for \$10 million plus sales has been slammed as discrimination by the Property Council.
- Brisbane prices were sluggish over November, with prices up 0.1% over the month and 2.4% over the year, CoreLogic’s index shows.
- There are still 17 suburbs in the Brisbane City Council where more than half of homes sell for \$500,000 or less, Domain Group data shows, including the cheapest suburb Ellen Grove.

PERTH WA

- Low-priced apartments have taken a big hit in the past three years, with data from the Real Estate Institute of Western Australia showing prices down \$120,000 for entry-level units in some suburbs.
- Perth’s housing market may have finally reached its floor, with a 0.3% improvement in the median dwelling price over November, CoreLogic found.
- New land in Perth was an average 3.9% more expensive, at \$234,837, in the year to September 2017, Urban Development Institute of Australia data shows.

CANBERRA ACT

- SGS Economics’ Rental Affordability Index report has found Canberra to be the second least affordable rental area for vulnerable groups in Australia, just behind Sydney.
- A report by PRDNationwide has found buyers are willing to pay more for Canberra’s Inner North properties, with prices up in local suburbs such as Ainslie, Braddon, Dickson, Reid and Turner.
- Canberra’s new apartments are the smallest in the country at 95.8 square meters, the latest CommSec Home Size Trends report shows.
- Research from the ANU has found the ACT has the biggest oversupply of housing, apart from the Northern Territory, with close to 7000 more homes than the local population needs.
- Developer Metropol smashed a record in Canberra in November, as the first development to sell more than \$80 million in a day.

ADELAIDE SA

- In the September quarter, the Real Estate Institute of South Australia found Toorak Gardens, Dernancourt, Moana, Port Noarlunga and North Haven were the top growth Adelaide house price suburbs.
- Census 2016 data has found a third of Adelaide’s renters are facing rent stress – when a third or more of the household income goes to paying housing costs.

DARWIN NT

- Property prices fell significantly in Darwin over November, CoreLogic data recorded, with prices down 0.4 per cent in the month and declining 5.5 per cent in 12 months.
- Disputes have been brewing over the development of Berrimah Farm into a new suburb, with 2000 housing lots underway as some residents say the area was formerly a toxic asbestos dumping ground.
- The vacancy rate in Darwin did decline from 2.7% to 2.5% over November, SQM Research data found.
- AMP Capital chief economist Shane Oliver has described Darwin and Perth as being “likely close to the bottom” of their property cycles.



AUD
76.5c
US

down from 76.8c in Nov
Source: RBA



RBA Cash Rate

1.5%

steady for December
Source: RBA



**Cash Rate
Forecast**

1.5%

12 mths to Dec '18
Source: Westpac



Inflation

1.8%

steady for December
Source: RBA



GDP

2.1%

year to June qtr
Source: ABS



Wage Growth

2.0%

year to Sep qtr
Source: ABS



**Consumer
Confidence**

1.7%

negative for Nov.
Source: Westpac-Melbourne Institute



**Disposable
Income**

4.0%

year to June qtr
Source: ABS

All data shown is the latest available for the issued month. Any information contained within this document should not be considered investment or financial advice. Before acting on any information please speak with a qualified investment adviser, accountant and solicitor. The information contained in this document has been obtained from various sources and other third parties and is indicative and to be used as a guide only. To the extent permitted by law, BuySide Pty Ltd and its associates will not be liable for any costs, loss or damage arising in any way from the information contained within this document, including file attachments.

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