

**THIS MONTH IN REVIEW**

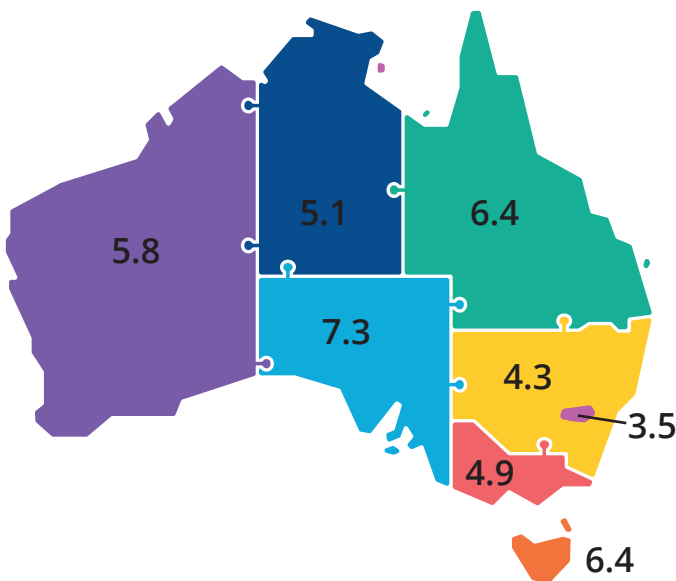
October saw the third interest rate cut since June with the Reserve Bank cutting official rates to a new record low of 0.75%. Interest rates in Australia have halved since June.

The Federal Government also announced eligibility details for its First Home Loan Deposit Scheme. Under the Scheme, up to 10,000 eligible first home buyers each year will be able to access a government-guaranteed loan from 1 January 2020.

The loan amount will be the difference between their own deposit and the 20% deposit required by lenders to avoid lenders' mortgage insurance.

**AUCTION CLEARANCE RATE** Source: APM PriceFinder

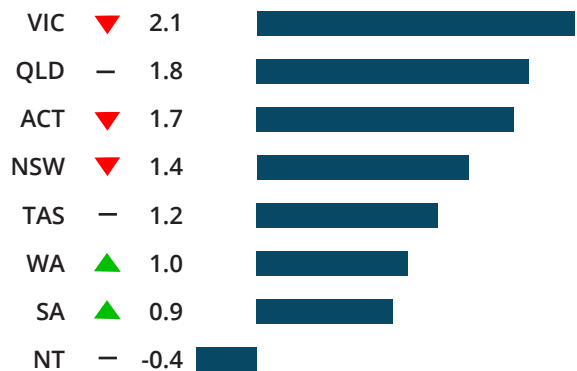
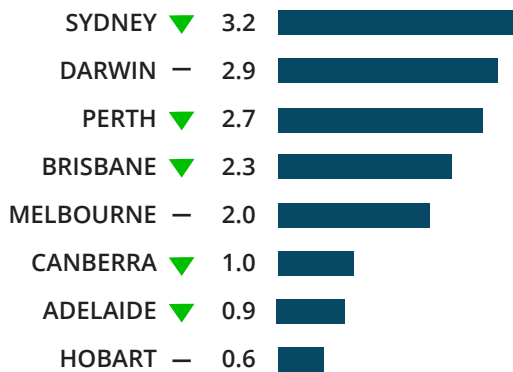
	OCT 1		NOV 2
SYDNEY	78%	▼	77%
MELBOURNE	78%	▼	69%
BRISBANE	48%	▲	49%
ADELAIDE	48%	▲	62%

**MONTHLY UNEMPLOYMENT - AUGUST 19 %**
Source: ABS (most recent figure at time of publication)


HOUSES	YRLY GRWTH	YIELD	MEDIAN
HOBART	3.3	5.0%	\$485K
CANBERRA	2.1	4.4%	\$660K
ADELAIDE	- 1.3	4.2%	\$485K
BRISBANE	- 2.2	4.0%	\$550K
SYDNEY	- 5.0	3.2%	\$860K
MELBOURNE	- 5.9	3.1%	\$730K
PERTH	- 8.9	3.8%	\$505K
DARWIN	- 11.2	5.1%	\$475K

The cost of this insurance varies depending on the deposit and the size of the loan, but it can cost borrowers \$10,000 or more on a property worth \$500,000 with only a \$50,000 (10%) deposit.

To be eligible for the Scheme, first home buyers will have to raise at least 5% deposit themselves and be buying a property in an Australian capital city that is underneath the following threshold values: Sydney \$700,000, Melbourne \$600,000, Canberra \$500,000, Brisbane \$475,000, Perth \$400,000, Adelaide \$400,000, Hobart \$400,000 and Darwin \$375,000.

**POPULATION GROWTH % (Yr ended MAR 2019)** Source: ABS

**VACANCY RATE % (SEP 2019)** Source: SQM Research


UNITS	YRLY GRWTH	YIELD	MEDIAN
HOBART	0.6	5.4%	\$365K
MELBOURNE	0.4	3.9%	\$560K
ADELAIDE	0.3	4.9%	\$337K
BRISBANE	- 1.4	5.2%	\$380K
CANBERRA	- 1.4	5.6%	\$431K
SYDNEY	- 4.0	3.9%	\$675K
DARWIN	- 5.7	6.0%	\$310K
PERTH	- 9.2	4.6%	\$375K

Source: CoreLogic Hedonic Home Value Index and Market Trends Report

## CAPITAL CITY UPDATES

### SYDNEY NSW

- According to the latest figures from Domain, prices for Sydney houses and units both increased during the September quarter. Houses increased by 4.8% and units by 2.6%, the first quarterly increases that have been experienced in the Sydney market since mid-2017 when it was its peak.
- Median rent rates for Sydney houses have dropped by up to 25% the past year according to Domain. The hardest hit suburbs for property investors have been in Greenwich, Taren Point, Millers Point, Bungarribee and Bellevue Hill.
- Core Logic statistics reveal that sellers in the Hills, Mosman, Willoughby and Ku-ring-gai districts have made the most profits on their recent house sales. The average length of time these sellers had held onto their properties was 9 years.

### MELBOURNE VIC

- Domain's latest figures reveal that Melbourne house prices increased by 4.8% in the September quarter. This is the second consecutive quarterly increase. Unit prices also increased by 3.7% to lift the year-on-year increase to 6.3%.
- According to the Victoria in Future 2019 Report, 29 Victorian suburbs are predicted to more than double their population by 2036 including Tarneit, Werribee, Point Cook, Hillside, Greenvale, Bulla, Craigieburn, Mickleham, Yuroke, Wollert and Cranbourne. Newer western suburbs such as Rockbank and Mount Cottrell are forecast to have a twentyfold increase.
- Port Melbourne's traditional industrial zone is also expected to have a population of 23,000 residents thanks to the Fishermans Bend urban renewal project that's currently underway.

### BRISBANE QLD

- According to the latest figures from Domain, Brisbane unit prices have dropped by 5.6% over the last year, their steepest drop in 18 years. Unit prices are currently at a six-year low due to an abundance of supply of new unit developments in inner-city areas.
- Recently released Real Estate Institute of Queensland (REIQ) data shows that suburbs in the Redlands currently dominate the top 20 destinations for new resident arrivals in Queensland.
- Domain data reveals that areas where property owners hold their properties for the lowest length of time before selling in Brisbane are West End and the Brisbane CBD.

### PERTH WA

- According to the latest Core Logic data, 33% of Perth houses and 46% of Perth units are currently selling at a loss.
- The latest figures from Domain show that Perth house prices have fallen by 2.4% over the past year, but some suburbs have bucked the downward trend and recorded increases. Subiaco was the standout, recording an annual increase of 8.5%.
- The Western Australian government has announced a two-year stamp duty rebate program of up to \$50,000 on pre-construction contracts for residential units in new multi-level developments. There is no cap on the purchase price and applicants can apply for multiple rebates if they purchase multiple units.

### CANBERRA ACT

- The ACT government has announced a \$14 billion infrastructure development plan to cater for forecast population growth in Canberra over the next decade.
- According to the latest Core Logic figures, Canberra is the only Australian capital city where overall property prices (for houses and apartments combined) are higher than they were a year ago.
- Core Logic data also reveals that Canberra is currently the third most popular city in Australia for investment property buyers, behind only Sydney and Victoria.

### ADELAIDE SA

- The Northern Connector road project is well underway and expected to be completed by late. This major infrastructure project will help to reduce travel times from outer suburbs in the north of Adelaide to the CBD, potentially making properties in these areas more appealing.
- Auction clearance rates recorded in Adelaide in October were their highest for 19 months according to Real Estate Institute of South Australia (REISA) figures.
- The latest Domain figures reveal that Adelaide unit prices recorded the largest decrease (5.2%) of any Australian capital city in the September quarter.

### DARWIN NT

- Newly advertised property listings in Darwin are 36% down year-on-year according to Core Logic, reflecting the current depressed state of its property market.
- The most recent Domain figures reveal that Darwin unit and house prices have fallen by more than any other Australian capital city over the past year, decreasing by 7.1% and 4.4% respectively.
- The latest Affordability Report from the Housing Industry Association shows that Darwin is the second most affordable city in which to buy property in Australia, only slightly behind Perth.



AUD  
**69.0c**  
US

up from 67.7c in Oct  
Source: RBA



**RBA Cash Rate**

**0.75%**

Steady for November  
Source: RBA



**Cash Rate Forecast**

**0.5%**

12 mths to Nov '20  
Source: Westpac



**Inflation**

**1.7%**

year to November  
Source: RBA



**GDP**

**1.4%**

year to Jun qtr  
Source: ABS



**Wage Growth**

**2.3%**

year to Jun qtr  
Source: ABS



**Consumer Confidence**

**5.5%**

down for Nov

Source: Westpac-Melbourne Institute



**Disposable Income**

**4.4%**

year to Jun 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.

BROUGHT TO YOU BY



**CANE**  
FINANCIAL



WWW.BUYSIDE.COM.AU