

THIS MONTH IN REVIEW

The coronavirus and its potential negative impact on the global and Australian economies is dominating the news at the moment.

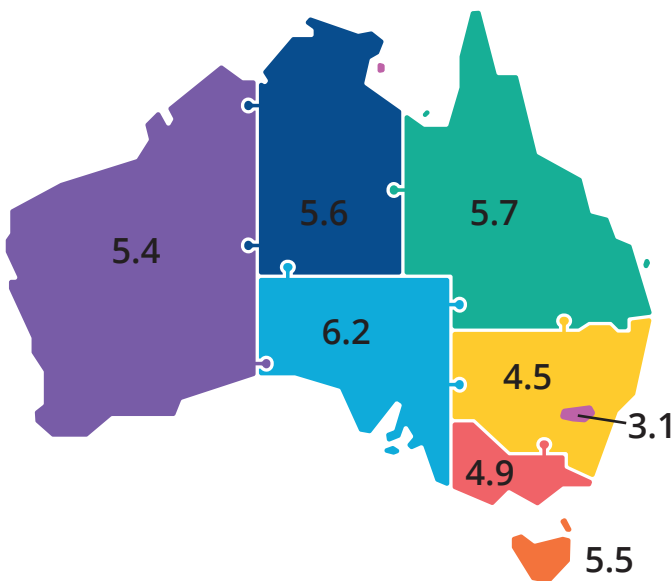
This month the RBA pushed forward the decision to cut rates to a record low 0.5% to help stimulate any downturn that the Coronavirus may be causing throughout the economy.

If history is any guide, demand for property increases during times of economic uncertainty. How long the uncertainty associated with the coronavirus will last is unknown at this stage.

However, the Australian share market has already been negatively affected, with 6% being wiped off the value of Australian shares in

AUCTION CLEARANCE RATE Source: APM PriceFinder

	FEB 1		MAR 1
SYDNEY	77%	▲	82%
MELBOURNE	65%	▲	77%
BRISBANE	28%	▲	69%
ADELAIDE	72%	▼	69%

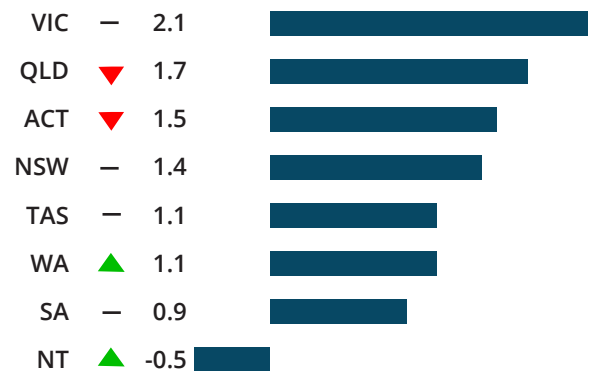
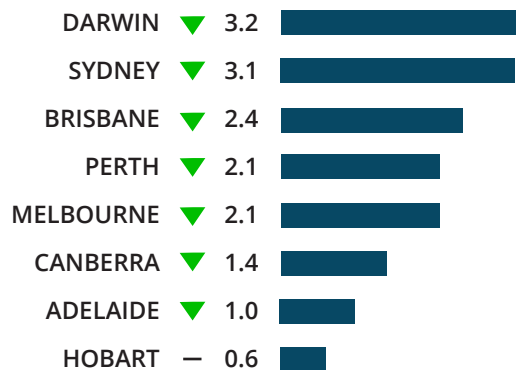
MONTHLY UNEMPLOYMENT - DECEMBER 19 %
Source: ABS (most recent figure at time of publication)


HOUSES	YRLY GRWTH	YIELD	MEDIAN
SYDNEY	9.2	3.2%	\$962K
MELBOURNE	7.9	3.1%	\$807K
HOBART	5.1	5.0%	\$501K
CANBERRA	4.0	4.5%	\$685K
BRISBANE	1.3	4.0%	\$568K
ADELAIDE	0.2	4.2%	\$491K
PERTH	- 5.6	3.9%	\$515K
DARWIN	- 9.6	5.3%	\$460K

the last week of February (though the overall market is still slightly higher than it started the year).

Demand for Australian property could also be positively impacted by the early high level of interest currently being shown in the federal government's new First Home Loan Deposit Scheme.

The Scheme commenced on January 1 this year to help first home buyers with a deposit of as little as 5% to avoid the cost of lenders' mortgage insurance. In this financial year, 6,500 of the 10,000 places available in the Scheme were already allocated to first home buyers by mid-February. Another 10,000 places in the Scheme will become available from July 1.

POPULATION GROWTH % (Yr ended JUN 2019) Source: ABS

VACANCY RATE % (JAN 2020) Source: SQM Research


UNITS	YRLY GRWTH	YIELD	MEDIAN
MELBOURNE	8.7	3.7%	\$610K
SYDNEY	4.9	3.9%	\$720K
HOBART	4.8	5.4%	\$371K
ADELAIDE	1.0	4.9%	\$330K
BRISBANE	- 0.2	5.1%	\$390K
CANBERRA	0.00	5.6%	\$476K
DARWIN	- 4.9	6.1%	\$265K
PERTH	- 5.9	4.7%	\$379K

Source: CoreLogic Hedonic Home Value Index and Market Trends Report

CAPITAL CITY UPDATES

SYDNEY NSW

- According to the 2020 Demographia International Housing Affordability Survey, Sydney is third in the world in terms of the least affordable cities to buy a home (behind only Hong Kong and Vancouver, and just ahead of Melbourne).
- The latest CoreLogic data shows that Sydney home values have increased by 11.2% since bottoming out in May last year. However, they are still 5.4% off their 2017 peak. 17% more properties sold in Sydney in 2019 compared to 2018.
- The latest lending figures from the Australian Bureau of Statistics show that first-home buyer numbers in NSW are at their highest level since 2012, with the average loan size being 15% higher than it was a year ago during the market downturn.

MELBOURNE VIC

- According to the latest CoreLogic research, Melbourne home prices have increased by 8.2% in the last year and are now only 1.5% off their October 2017 peak. Vendors are only discounting their list prices by an average of 3.5% to make a sale, compared to an average of 6.7% a year ago.
- The CoreLogic data further reveals that the average selling time of a home in Melbourne is currently 31 days, which is 14 days fewer than 12 months ago, and that 7.9% more Melbourne properties sold in 2019 compared to 2018.
- The latest Australian Bureau of Statistics figures show that Victoria had the highest annual population growth of any Australian city (2.1%).

BRISBANE QLD

- CoreLogic research reveals that Brisbane is currently one of the most affordable property markets in Australia, with average home prices just 55% of average Sydney prices, and average Brisbane household incomes only being 12% lower than average Sydney incomes.
- Major infrastructure projects currently underway in Brisbane include the Queen's Wharf redevelopment, The Howard Smith Wharves development, building the Cross River Rail Network, and constructing a second airport runway.
- 6.5% fewer properties sold in Brisbane in 2019 compared to 2018, according to the latest CoreLogic figures, despite market prices being relatively flat year-on-year.

PERTH WA

- Perth property prices have been in a slump since the market last peaked in mid-2014. Current prices are 21% off that level according to CoreLogic.
- However, despite the ongoing price slump, CoreLogic data also reveals that the average selling time for a home in Perth has dropped from 57 days to 42 days over the last year. 6% more Perth properties also sold during that 12-month period.

CANBERRA ACT

- Average home prices in Canberra have reached a new peak according to Core Logic, with prices having risen by 3.1% over the past year. The average selling time for a home has dropped from 45 days to 35 days over the same period.
- The CoreLogic data further reveals that 5.7% more properties sold in Canberra over the last year than in the previous 12 months.
- Major infrastructure projects currently underway in Canberra include the Northbourne Avenue Corridor development, the Canberra Hospital expansion and Stage 1 of the Canberra Light Rail Network.

ADELAIDE SA

- The latest CoreLogic data reveals that the Adelaide property market has been relatively flat over the past year on three key metrics: average home prices, the average number of properties sold, and the average number of days to sell a property.
- According to the Real Estate Institute of South Australia, suburbs that have bucked the flat price trend and seen the highest increases over the last 12 months are Gulfview Heights, Norwood and Torrensville.
- Major long-term infrastructure projects that could encourage employment and population growth in Adelaide include the Future Submarine Program and the proposed Whyalla Steelworks expansion.

DARWIN NT

- The Darwin property market has been in a slump since 2010, with average prices having dropped by 31% since then according to the latest CoreLogic data.
- The CoreLogic research further reveals that the average selling time of a Darwin home (69 days) is the highest of any Australian capital city. Darwin vendors are currently discounting their list prices by 7.6% to make a sale.
- The Northern Territory economy is currently the worst-performing in the nation according to the latest CommSec.' State of the States' report. The property market is unlikely to improve significantly unless the economy improves.



AUD
65.5c
US

down from 67.2c in March
Source: RBA



RBA Cash Rate

0.5%

down for March
Source: RBA



Cash Rate Forecast

0.25%

12 mths to Feb '21
Source: Westpac



Inflation

1.8%

year to March
Source: RBA



GDP

1.7%

year to Sep qtr
Source: ABS



Wage Growth

2.2%

year to Dec qtr
Source: ABS



Consumer Confidence

2.3%

up for Feb

Source: Westpac-Melbourne Institute



Disposable Income

4.8%

year to Sep 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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