

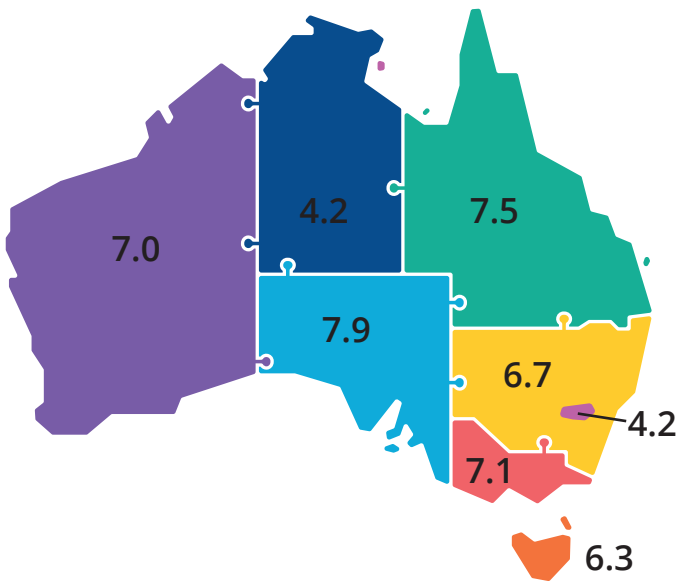
THIS MONTH IN REVIEW

Despite phase one of the Federal Government's Covid-19 stimulus coming to an end this month, there's been a positive turn in housing market sentiment. Consumer confidence has increased, and according to Core Logic, new listings rose, with six of the eight capital cities recording a rise in home values over the month.

The Morrison Government has also announced plans to rollback responsible lending obligations to help kickstart the economy. The rollback, currently slated for March 2021, will see an increased flow of credit with the potential for more Australians buyers to enter the property market.

AUCTION CLEARANCE RATE Source: APM PriceFinder

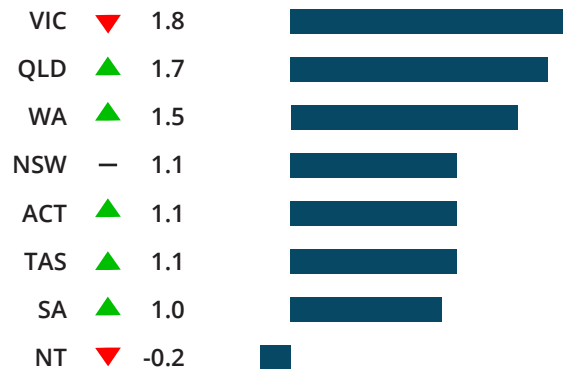
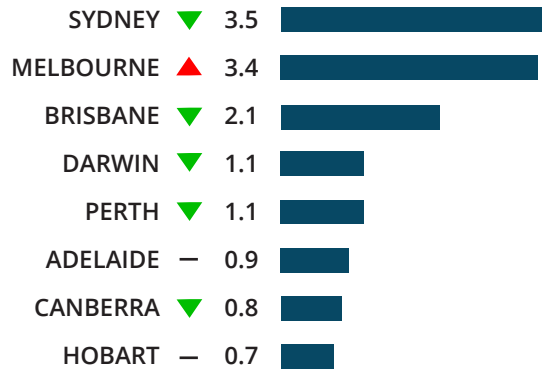
	SEP 1		OCT 3
SYDNEY	68%	▲	72%
MELBOURNE	39%	▲	61%
BRISBANE	63%	▼	36%
ADELAIDE	73%	—	0%

MONTHLY UNEMPLOYMENT - AUG 20
Source: ABS (most recent figure at time of publication)


HOUSES	YRLY GRWTH	YIELD	MEDIAN
SYDNEY	11.0	2.9%	\$930K
MELBOURNE	5.9	3.0%	\$720K
CANBERRA	7.9	4.3%	\$700K
HOBART	5.8	4.6%	\$508K
BRISBANE	4.3	3.9%	\$549K
ADELAIDE	2.6	4.2%	\$473K
DARWIN	2.5	5.0%	\$473K
PERTH	- 2.0	4.0%	\$475K

The 'sea-change' trend has continued over the last month, with Realestate.com.au reporting an increase in search activity in regional areas as opposed to city suburbs. The Northern Territory is the most popular location with a 135% increase in searches despite the low stock volume. In close second is regional Victoria with search rates up by 130%. It seems that Aussies are warming to a regional life post-pandemic.

Meanwhile, Millennials are leading the charge in the Australian housing market with growth in both first-home buyer enquiries and approved finance data.

POPULATION GROWTH % (Yr ended MAR 2020) Source: ABS

VACANCY RATE % (AUG 2020) Source: SQM Research


UNITS	YRLY GRWTH	YIELD	MEDIAN
SYDNEY	7.1	3.6%	\$720K
MELBOURNE	5.6	3.8%	\$577K
HOBART	4.3	5.1%	\$370K
CANBERRA	3.5	5.6%	\$445K
ADELAIDE	2.8	5.1%	\$335K
BRISBANE	- 0.2	5.1%	\$375K
PERTH	- 2.0	4.6%	\$349K
DARWIN	- 4.6	6.4%	\$269K

Source: CoreLogic Hedonic Home Value Index and Market Trends Report

CAPITAL CITY UPDATES

SYDNEY NSW

- The State Government has announced the extension of rental support measures for a further six months. The measures introduced to support impacted tenants will now continue until March 2021. Landlords can evict tenants for rental arrears only after they have attempted to negotiate a rent reduction in good faith and with the help of Fair Trading.
- Realestate.com.au reports indicate that the suburbs on Sydney's Northern Beaches are some of the most sought after in the city for rental property. Abbotsbury, Lindfield, Hornsby and Dural are also potentially good spots for investors to consider.
- Sydney is the only Australian city on this year's UBS Global Real Estate Bubble Index. Coming in 16th, the harbour city is considered more overvalued than both New York and Singapore. Analysts are suggesting a looming market correction may be on the cards for Sydney when stimulus measures end.

MELBOURNE VIC

- Melbourne had by far the weakest results across all markets during the last month, with housing values falling by 0.9%. Tim Lawless, Core Logic's head of research, predicts that "with restrictions starting to lift and private inspections once again permitted, we expect to see activity lift in October".
- The city of Warrnambool and regional centres south-west and north-west of Melbourne seem to be the most sort after locations for a post-Covid change of scene with search results increasing up to 300%
- Realestate.com.au reports that since April, the interest in the inner-city suburbs south and west of the Melbourne CBD has declined with bargains expected to be available in those areas when restrictions lift.
- The Victorian Government has extended the ban on onsite auctions and property inspections until October 26. In addition, virus cases will need to fall below five before restrictions are lifted.

BRISBANE QLD

- Demand in the Brisbane prestige property market has seen records broken as the spring selling season kicks off. New Farm, Wynnum and Graceville are the most sought-after suburbs with buyers coming from all over the country and most buying property remotely.
- Expats and interstate buyer are continuing to "lead the charge" coming into spring, according to Domain. Brisbane has a fast-growing reputation as a Covid-free city and is currently brimming with bargains despite dwindling auction numbers and decade-low property stock levels.
- In an Australian first for 2020, The Fantauzzo Brisbane - Art Series Hotel has sold in an off-market deal to Syrian multi-billionaire Ghassan Aboud. It marks the first major hotel sale in the country this year and analysts are viewing this as a positive sign for the future of the commercial market in Brisbane.

PERTH WA

- Perth stands out as the capital city primed for the greatest recovery. According to Core Logic in the four weeks to 20 September, Perth and regional WA saw new listings volumes exceeding volumes for the equivalent period in 2019. Sales numbers in Perth were also above the pre-COVID average.
- Realestate.com.au has listed Donnybrook and Balingup in regional WA as two of the top ten regions with the best median property price growth to August 2020. In Perth, inner-west suburb Leederville and the suburbs of Winthrop and Ascot are the places to watch.
- With rental listings at an eight-year low, the REIWA is encouraging the State Government to find a way to encourage investors back into the market. REIWA President Damian Collins says that the "severe rental shortage means the city is now on the brink of a rental crisis".

CANBERRA ACT

- The spring selling season is well underway in Canberra, and despite the upheavals this year the market is in good shape. With strong auction results week on week, the capital has also seen a rise in homes values. According to Core Logic, unit prices are again picking up after a dip earlier in the year. Property in Aranda, Banks, Duffy, Fisher, Franklin, Isaacs, Mawson, O'Connor, Weston and Yarralumla have also been attracting winning bids over \$1 million.

ADELAIDE SA

- Strong demand for limited properties is driving up values in Adelaide. New figures released by Core Logic indicated that property values are climbing at the fastest rate since Covid-19 began.
- The commercial property market in Adelaide continues to be robust with NAB House selling in August for \$47.2 million. While it's the first significant office transaction in the CBD since Covid-19 hit, analysts believe that the commercial real estate in the city continues to be a good investment.

DARWIN NT

- The NT property market has seen record sales over the last month, with the suburbs of Tiwi and Fannie Bay leading the charge. An increase in out of state buyers, who are happy to buy property sight unseen, are increasing demand in the market.
- The First Home Loan Deposit Scheme is allowing many Territorians to enter the local property market. With buyers able to purchase a home with a deposit of as little as 5 per cent, the scheme is popular with young Territorians, and is expected to continue to drive the market in a positive direction.



AUD
71.3c
US

down from 72.9c in Sep
Source: RBA



RBA Cash Rate

0.25%

Steady for October

Source: RBA



Cash Rate
Forecast

0.25%

12 mths to Oct '21

Source: Westpac



Inflation

-0.3%

year to October

Source: RBA



GDP

-7.0%

year to Jun qtr

Source: ABS



Wage Growth

4.8%

year to May qtr

Source: ABS



Consumer
Confidence

18%

up for September

Source: Westpac-Melbourne Institute



Disposable
Income

-7.8%

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.

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