

THIS MONTH IN REVIEW

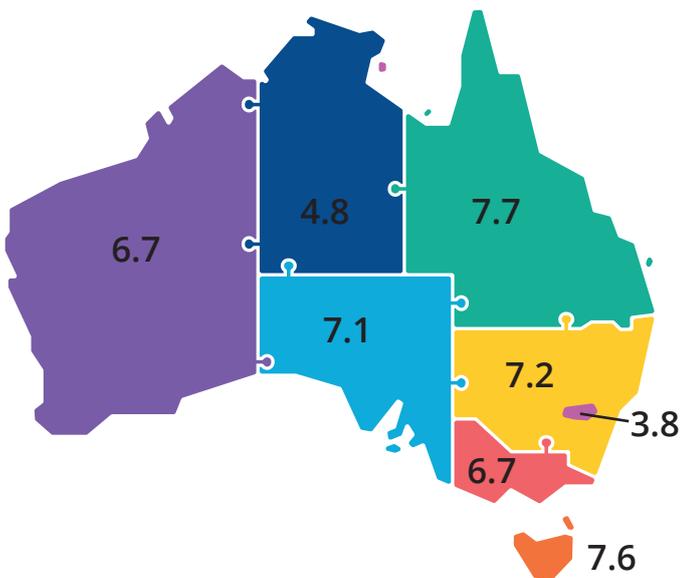
On December 1, 2020, with almost all state borders reopening, the real estate rebound is expected to continue.

While experts predicted doom and gloom for the market throughout this unprecedented year, it seems that nothing can stop the real estate juggernaut as 2020 draws to a close.

ABS data shows that owner-occupier lending has now hit an all-time high. Westpac Chief Economist Bill Evans also predicts that the market will consolidate its losses between April and June 2021, with the market tipped to accelerate and expected increases of around 15% over the remainder of next year.

AUCTION CLEARANCE RATE Source: APM PriceFinder

	NOV 1		DEC 1
SYDNEY	77%	▲	78%
MELBOURNE	74%	▼	73%
BRISBANE	52%	▲	67%
ADELAIDE	72%	▲	79%

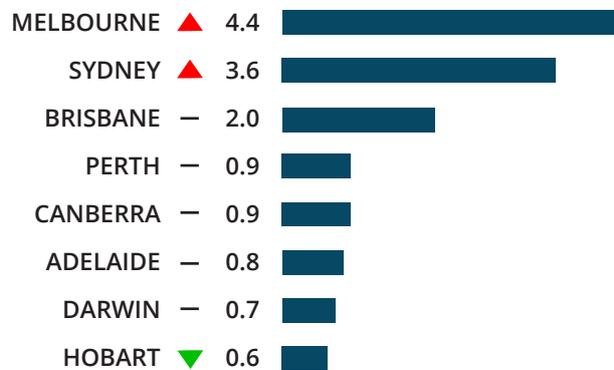
MONTHLY UNEMPLOYMENT - SEP 20
Source: ABS (most recent figure at time of publication)

HOUSES

	YRLY GRWTH	YIELD	MEDIAN
SYDNEY	7.1	2.9%	\$925K
CANBERRA	7.3	4.3%	\$725K
HOBART	6.9	4.5%	\$512K
DARWIN	5.4	5.0%	\$470K
BRISBANE	4.3	3.9%	\$558K
ADELAIDE	4.2	4.2%	\$480K
MELBOURNE	0.3	3.0%	\$730K
PERTH	0.1	4.0%	\$485K

During November auction volumes rose across all capital cities. Most centres recorded the highest number of auctions held since April this year. Clearance rates held steady at 73.6%, indicating that the market is continuing to rebound.

Investors with inner-city property are being encouraged to "hold-on" rather than sell as international students may soon be allowed to return to Australia. Educational institutions have been lobbying the government to expedite their international students return and have plans in place ready to welcome students in early 2021. Analysis predicts student numbers for 2021 will exceed their 2019 peak once international borders reopen.

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

VACANCY RATE % (OCT 2020) Source: SQM Research

UNITS

	YRLY GRWTH	YIELD	MEDIAN
ADELAIDE	5.4	5.2%	\$334K
HOBART	4.7	5.1%	\$388K
CANBERRA	4.7	5.6%	\$445K
SYDNEY	3.5	3.6%	\$712K
MELBOURNE	1.5	3.7%	\$587K
BRISBANE	-0.2	5.1%	\$390K
PERTH	-0.5	4.8%	\$369K
DARWIN	-2.2	6.5%	\$277K

Source: CoreLogic Hedonic Home Value Index and Market Trends Report

CAPITAL CITY UPDATES

SYDNEY NSW

- House prices in some Sydney school zones have increased by more than 30% over the last 12 months. Domain's October 2020 School Zones Report, released this week cites Eastwood, Epping, Marsfield, Macquarie Park, North Richmond and North Ryde as areas with the largest price increases. Newport, Avalon, Willoughby, Ryde and Quakers Hill all recorded price increases over 25 per cent.
- NSW Treasurer Dominic Perrottet is currently looking at a proposal to overhaul stamp duty in the state, potentially scrapping it altogether in favour of an annual property tax. An announcement is expected in March 2021 once the current consultation period has concluded.
- A new real estate app targeting the local rental market has just been launched. Dwell, is a platform that allows landlords and tenants to get to know one another before signing a lease. It's currently being trialled in Sydney and will include a search feature so landlords can offer properties for lease.

MELBOURNE VIC

- Victorian Treasurer Tim Pallas is expected to offer a half-price stamp duty discount to new residential builds under \$1million in the state budget. The deal capped at \$27,500 hopes to help reignite the state's property market. Buyers looking at existing residential properties will be able to claim a saving of 25% up to \$13,750. These measures will remain in place until June 30, 2021.
- Yarraville in Melbourne has been named in the top ten "coolest neighbourhoods" in the world by Time Out, coming in at number five, due to it's music, café culture, liveability and community spirit.
- The Affordable and Liveable Property Guide has named Bundoora and Clayton South as "pandemic-proof" suburbs. Families have swapped to these areas due to their affordability, and house prices in the suburbs continue to grow as demand increases.

BRISBANE QLD

- According to Domain, 72% of secondary school zones across greater Brisbane experienced a price rise over the last 12 months. Bald Hills, Wynnum West, Bardon, Ipswich and Cannon Hill all experienced price increases over 25% and are still the sought-after suburbs for families in the state's capital.
- Brisbane locals are said to be making a last desperate dash to buy up property before the Queensland borders reopen. With property stock levels continuing to plummet in the lead up to Christmas, local buyers in upgrade and downgrade mode, or looking for a lifestyle-move, have been splashing the cash.

PERTH WA

- New research from Westpac revealed that the number of first-home buyers looking to enter the market in Perth has doubled despite the upheaval and uncertainty of 2020. Most first-homes buyers were looking to buy within 10km of Perth's CBD.
- The ANZ is predicting a 12 per cent surge in property prices; however, REIWA president Damian Collins has forecast only a 5% increase. "We've got a shortage of stock and strong demand," he said. The expected boom is mainly due to a strong economy and the mining sector, which is performing well.
- Perth residential properties have dropped from an average of 55 days on the market to 28. However, homes in Subiaco, Kingsley, Riverdale and Darch are selling in less than two weeks on average. Other areas performing well are Mt Hawthorn, Swan View, Beechboro and Coolbellup.

CANBERRA ACT

- Realestate.com has named Red Hill, Forrest and Deakin as premium suburbs where it is still possible to grab a bargain. With the most significant variation in median prices, it's still possible to buy into these suburbs, once considered out of reach for the average buyer or investor.
- Duffy, Bruce, Garran Griffith, Kambah and Nicholls were suburbs featured in the top-ten most sought-after and affordable homes according to Domain.
- Prospect buyers and investors now have a new suburb to consider - Whitlam in the Molonglo Valley is a new environmentally sustainable suburb with the first stage opening on 24 November 2020.

ADELAIDE SA

- Current restrictions in South Australia have translated to fewer property searches across the city with buyer volumes dropping, but REA's Cameron Kusher predicts a bounce-back as soon as lockdown is lifted.
- According to REISA, ex-pats aged from 30-50 are returning to the city of churches in droves. With recent strict restrictions in Melbourne and many people now looking for a sea-change, the city is coming into its own as a desirable real estate market. Homes in the Adelaide Hills are now the most sought after.
- Latest data from the Domain House Price Report showed Adelaide house and unit prices are now both at record highs growing 2.8% over the September quarter. These are the largest price increases since 2013.

DARWIN NT

- According to the Domain, Darwin recorded the second-strongest quarterly growth with median house prices rising by 6 per cent across the quarter. Over the past year, Darwin has seen massive gains going from one of the worst markets in the country to one of the best.
- SCA Property Group snapped up the Bakewell shopping centre for \$33 million. Institutional investors are currently looking to buy and renovate smaller neighbourhood centres anchored by a Coles or Woolworths.



AUD
73.7c
US
up from 70.3c in Nov
Source: RBA



RBA Cash Rate
0.1%
steady for December
Source: RBA



Cash Rate Forecast
0.1%
12 mths to Dec '21
Source: Westpac



Inflation
0.7%
year to December
Source: RBA



GDP
-7.0%
year to Jun qtr
Source: ABS



Wage Growth
4.8%
year to May qtr
Source: ABS



Consumer Confidence
2.5%
up for November
Source: Westpac-Melbourne Institute



Disposable Income
-7.8%
year to Jun qtr
Source: ABS

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