NEWSLINK

March 2020

Terry's View

The resilience of real estate in the face of major setbacks is remarkable.

Recent months have provided severe tests to the nation, with personal, environmental and economic consequences from bushfires, floods and now the coronavirus.

The economy is taking a hit and share-markets have reacted negatively. But real estate has stayed solid. The latest price data from SQM Research and CoreLogic shows that prices continue to rise – and, in many cases, strongly – in most market jurisdictions. capital cities and most regional areas.

In the month of February, and in the latest quarter, every capital city and all of the state regional markets have recorded growth in their median house prices. Amid uncertainty, people value the steadiness of bricks and mortar.

Terry Ryder
Australia's Leading Independent
Property Researcher
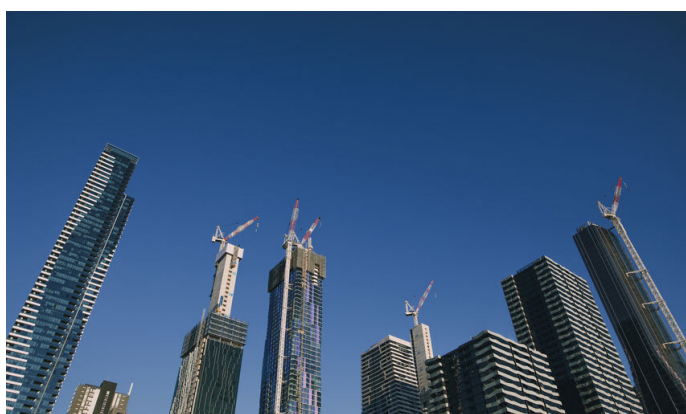
Housing Stands Tall

Housing markets are providing solidity and growth amid the economic fall-out from the drought, bushfires and the coronavirus.

Economist Stephen Koukoulas notes that housing markets are seeing further strong price gains, a tight rental market and a turning point in new construction.

Read Full Article

Domain Report Tips Price Growth

Strong price growth in many of Australia's markets is likely to continue into 2021, according to a new property forecast.

Domain's Property Price Forecasts 2020 suggest the price rises seen at the end of 2019 and early 2020 will extend throughout the year and into next year.

Read Full Article

NEWSLINK

Home Buyers Lead Resurgence

The recent resurgence in major property markets is different from the previous boom in the big cities – this time the uplift is fundamentally about home-buyers, including first-timers.

The prolonged up-cycle in Melbourne and Sydney up to 2018 featured a strong influence from investors, but right now investor buyers are having a relatively minor impact.

Recent lending data shows some uplift in loans to investors, but the biggest growth continues to be in loans to owner-occupier buyers.

Read Full Article

FHBs Active Helped By New Scheme

The Federal Government's First Home Loan Deposit Scheme is helping millennials achieve their home ownership aspirations and also giving a boost to regional areas.

HIA chief executive industry policy, Kristin Brookfield, says the latest data shows that 34% of scheme applicants are aged between 25 and 29, while 76% of applicants are aged between 18 and 34, with millennials making up the largest share.

"This represents 3,055 people taking the opportunity to buy their first home sooner," says Brookfield.

Read Full Article

Big Drop In Building = Supply Tight

A general shortage of housing is giving impetus to rising prices, with vacancies low in most major markets and building commencements down.

The Housing Industry Association says the construction of new homes nationwide fell from 225,000 in 2018 to just 174,770 in 2019.

"This is the sharpest contraction experienced by the industry, apart from the reduction caused by the introduction of the GST," says HIA chief economist Tim Reardon. However, Reardon says that the next upswing in home building will not see a return to the activity levels of the boom years, 2014 to 2018.

Read Full Article

Loyalty Punished In Higher Rates

Loyal mortgage customers of major banks are paying around $1,000 a year more in interest payments compared to new borrowers.

The claim, made by the Reserve Bank in issuing its quarterly monetary policy statement in February, creates more political pressure on the banks over the so-called "loyalty tax" existing customers are forced to pay.

The "loyalty tax" concept arises because banks typically offer their best interest deals to attract new customers, while leaving existing customers on the old (higher) rates.

Read Full Article