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Terry's View

People in property have felt the mood change since a series of fortunate events impacted sentiment: the election, the demise of Labor's tax policies, the APRA easing, the interest rates decision, help for first-home buyers and the income tax cuts. But it will take time before consumers can feel the difference. APRA hasn't actioned its policy changes, consumers aren't yet living the lower mortgage rates, FHBs can't bank the promised assistance and the tax cuts are still a long way from our hip pockets. So how do we know that anything tangible is happening as a result of the recent sugar hits to sentiment? Little by little, we're seeing growing research evidence of a turnaround in fortunes for property markets in Australia's biggest cities. The week-to-week figures indicate that the rate of price decline in Sydney and Melbourne has been slowing and, according to the latest figures, has now stopped. Auction clearance rates have improved. Surveys of consumer sentiment have recorded notable uplifts in the public mood towards real estate. We're also seeing vacancies contracting and rents rising in most capital cities. All things considered, the second half of 2019 will be a lot easier than the first.



Terry Ryder
Australia's Leading Independent
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FHB Activity Surges: Finder

Comparison site Finder has noted a significant 55% rise in traffic to its first-home buyer's guides – the largest increase in the last 12 months. This, along with falling interest rates, is creating an opportunity for first-home buyers to enter the property market, according to Finder's insights manager Graham Cooke.

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111 Markets Treble in past 20 years

Median house prices in 111 Australian locations have trebled (or more) over the past 20 years, according to new research from market research firm Propertyology. The research shows that regional markets have been competitive with capital cities on long-term capital growth.

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Prices Decline Halted, Sentiment Rises

Two major indicators which measure short-term changes in prices in the capital cities indicate that the slump in property values is coming to a halt. CoreLogic's Property Market Indicator data shows the daily home value index for the capital cities saw no movement again in the week ending 16 June. The Asking Prices Index from SQM Research shows more even positive outcomes, with the indexes for Sydney, Melbourne, Brisbane and Hobart all showing weekly rises, and Sydney, Melbourne, Canberra Adelaide, Darwin and Hobart recording monthly increases.

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Market Sentiment Rising: Westpac

Consumers think now is the time to buy a house and expect house prices to rise, a new report shows. The Westpac sentiment survey reports a "spectacular" rise in expectations of house price increases and a general improvement in sentiment from real estate consumers.

"Housing-related sentiment showed a clear response to the lowering in interest rates, although some of the gains were more muted than seen in past rate cuts," says Westpac senior economist Matthew Hassan.

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Broker Market-share Hits Record 60%

Mortgage brokers have achieved their highest ever residential home loan market share. The Mortgage & Finance Association of Australia says brokers arranged 60% of mortgages in Australia during the March Quarter. Six out of ten Australians select the services of a broker to write their home loans and, according to the MFAA, 90% of mortgage broker customers are happy with the service they receive. It says this represents a strong customer vote of confidence in the mortgage broker channel and the future looks bright for the country's 17,000 brokers.

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RBA Cut Sparks Refinancing Rush

Interest in rock-bottom mortgages have skyrocketed in the days since the Reserve Bank cash rate cut, according to comparison site Finder.

Following the drop to an unprecedented low of 1.25%, borrowers have acted swiftly to take advantage of low-rate loans. Traffic to home loan deals on Finder jumped by a staggering 654% in the 48 hours after the RBA announced the cash rate cut on 4 June.

Interest in variable rates on Finder grew by 564%, while there's been a 369% spike in those looking to refinance.

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