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REALTY

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The Week In Real Estate



Rentals Snapped Up At Record Pace

Rental properties are being snapped up faster than ever before, with new data revealing they stay on the market for an average of only 19 days.

PropTrack analysis shows the city where properties rent the quickest is Brisbane, where they last an average of only 15 days.

Adelaide properties rent in an average of 16 days, while homes also rent quickly in Perth (17 days), Darwin (18), Hobart (19), Sydney (21) and Melbourne (22).

The PropTrack analysis shows the number of total available rental listings is almost a third lower than pre-pandemic levels. Rents are up 8% on average, compared with the same time last year, but some markets have recorded 20% increases.

PropTrack senior economist Eleanor Creagh predicts competition for properties will become tougher as international migrants return to Australia.

The number of international students applying for visas has hit a record high, with June recording the largest number of applications in a single month in the past 10 years.

Quote of the Week

"I do think, at least in early spring, we're going to see quite strong listings. I think there'll be that sense of urgency right at the start to get properties on the market."

PropTrack director of economic research Cameron Kusher

Auction Clearances Hit 12-Week High

Auction volumes have increased for the second week in a row, hitting a 12-week-high ahead of the spring selling season.

The number of properties taken to auction in Melbourne increased by 23% in the past week while Sydney's total increased 6.3%. Despite the increase in listings, the national clearance rate hit 63% last week. SQM Research managing director Louis Christopher says auction levels are lifting ahead of the start of the spring selling season.

In the smaller cities, Brisbane's clearance rate last week was 44%, Adelaide 68% and Canberra 67%.

CoreLogic research director Tim Lawless says the two biggest housing markets in Australia have most likely been through the worst of their market declines. He says the rate of price decline has eased in both Sydney and Melbourne.

Property economist Andrew Wilson says Sydney, in particular, is approaching the bottom of its correction as Australia's economic performance is going better than expected, which could result in a shallower correction than that predicted by bank economists.





Confidence Up Despite Rate Rises

Interest rate rises have done little to dampen consumer confidence which has hit its highest level since late June.

Consumer confidence increased by 4.9% last week, according to the regular ANZ-Roy Morgan survey, with most of the confidence sub-indices improving. The report found confidence in terms of the "current financial conditions" increased by 5.4% while confidence in "future financial conditions" increased 8.2%.

Confidence in the "current economic conditions" rose 13.8% to its highest level since early June.

ANZ head of Australian economics David Plank says confidence is up very strongly in Western Australia and also made solid gains in NSW and Victoria. But he says confidence declined in Queensland and South Australia.

"We aren't getting carried away," Plank says. "Sentiment toward 'future financial conditions' is still well below average and overall confidence is negative." The latest ABS figures show that the unemployment rate fell from 3.5% to 3.4% in July, with the number of unemployed people falling by 20,200 to 473,600.

Elite Suburbs Defy Downturn Pressures

Buyers are still keen on high-end properties, with new analysis showing many are still rising in value.

CoreLogic analysis of price movements in the 98th percentile elite suburbs, which are typically in inner city or waterside suburbs in Melbourne, Sydney and Perth, are increasing in value.

Lawless says the ultra-high end of the market generally shows less cyclicity than other parts of the market.

He says buyer demand and homeowner sentiment in those markets are more influenced by business conditions or financial and equities markets, rather than interest rates.

His analysis shows median prices in the top percentile areas are around \$4.65 million in Sydney, \$3 million in Melbourne, \$1.9 million in Perth and about \$1 million in Darwin.

The report shows that Melbourne's high-end median prices increased by \$30,000 to \$3.1 million in the 12 months to the end of July while in Brisbane prices increased by \$350,000 to \$2.1 million over the same period. In greater Hobart's top-end market, the median price rose 14% to \$1.5 million.

Spring Sales Expected To Be Strong

Property analysts are predicting a strong start to the spring selling season when it kicks off in September.

Listings activity is already strong in the lead up to spring, according to PropTrack which says winter seller activity is at a decade high.

PropTrack data shows total stock on market increased 4.9% in July compared with last year which is the largest year-on-year increase since 2010.

Strong activity in Sydney is behind the increase in listings.

Director of economic research Cameron Kusher is optimistic about the start of the spring selling season.

"I do think, at least in early spring, we're going to see quite strong listings," he says. "I think there'll be that sense of urgency right at the start to get properties on the market."

Real estate agency sources say that listing authorities, which is when properties are locked in to be sold but not yet on the market, are on par with the same time last year.

