

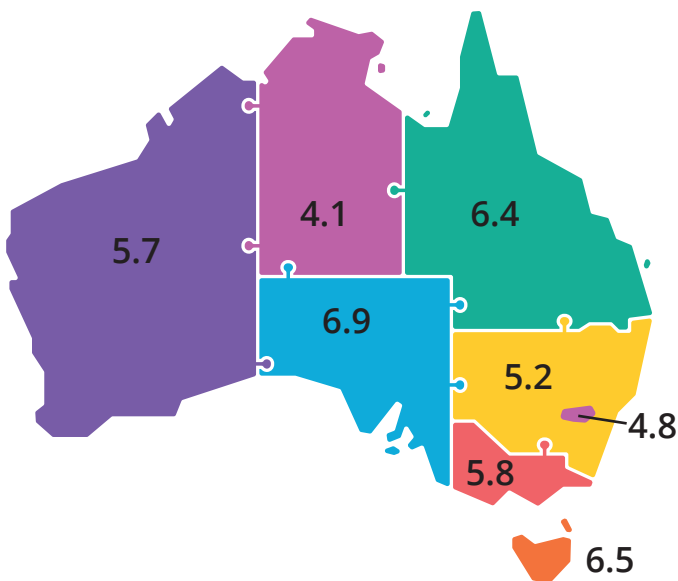
THIS MONTH IN REVIEW

Spring is here, but it's still a mixed bag nationally for property prices. Nationally, home values were up 1.1% over August, according to CoreLogic. Some of this may have been led by an interest rate cut last month.

The tightening of lending criteria, and rapid housing supply increases in many capitals has ANZ economists warning slower construction activity and price growth is on the cards for 2016 and 2017 across the country.

AUCTION CLEARANCE RATE Source: APM PriceFinder

	AUG 2		SEP 5
SYDNEY	76%	▲	80%
MELBOURNE	76%	▲	78%
BRISBANE	50%	▲	55%
ADELAIDE	61%	▲	74%

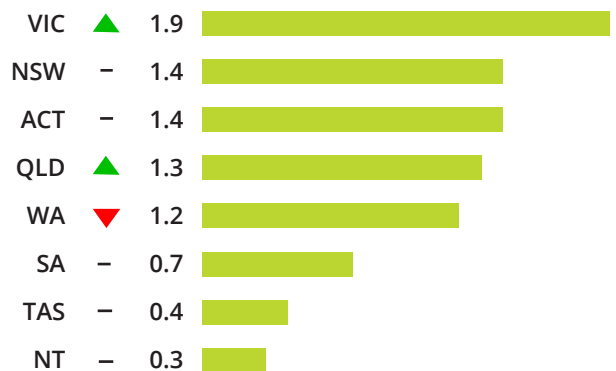
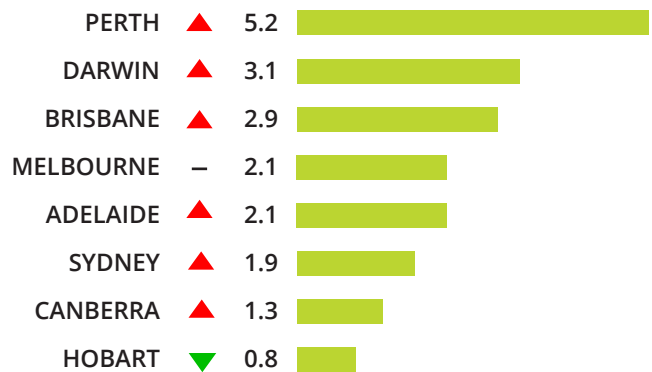
MONTHLY UNEMPLOYMENT - MAY %
Source: ABS (most recent figure at time of publication)


HOUSES	YRLY GRWTH	YIELD	MEDIAN
SYDNEY	9.6	3.0%	\$1.114M
MELBOURNE	9.7	3.4%	\$876K
CANBERRA	8.3	4.5%	\$683K
HOBART	5.5	5.1%	\$361K
BRISBANE	4.9	4.3%	\$544K
ADELAIDE	3.3	4.2%	\$484K
PERTH	-4.2	4.0%	\$592K
DARWIN	-4.4	5.0%	\$508K

Source: CoreLogic Hedonic Home Value Index

The big news this season is the UK's largest real estate group PurpleBricks launching in several Australian capital cities with expansion plans already on the cards. They promise a \$4,500 flat fee that will save home sellers close to \$12,000. Sydney is one of the next cities on their radar.

New research from the University of Adelaide has found more than a million Australians are living in properties that are close to slum-like conditions. This includes one in five tenants.

POPULATION GROWTH % (Yr ended 31 Dec 2015) Source: ABS

VACANCY RATE % (5th SEPT 2016) Source: SQM Research


UNITS	YRLY GRWTH	YIELD	MEDIAN
HOBART	16.3	5.2%	\$328K
SYDNEY	8.3	3.8%	\$736K
MELBOURNE	4.1	4.0%	\$534K
ADELAIDE	0.8	4.5%	\$350K
BRISBANE	-0.4	5.0%	\$398K
CANBERRA	-1.6	4.9%	\$420K
DARWIN	-3.1	4.9%	\$419K
PERTH	-5.0	4.6%	\$455K

Source: CoreLogic Hedonic Home Value Index

CAPITAL CITY UPDATES

SYDNEY NSW

- Aussie Home Loans' John Symond is still bullish on the Sydney housing market, expecting 10% to 15% prices growth in the next three years.
- Some markets across the city are still firing. The North West, or Hills District region, saw asking prices jump \$50,000 over the three months to August, according to Domain Group's Asking Price Index.
- The Parliamentary inquiry into short-term letting continues, with some submissions suggesting property owners should be allowed to rent their property out on Airbnb and similar sites for up to 100 days a year.

MELBOURNE VIC

- One in five tenants in Victoria are offering landlords more than the listed rent price, Consumer Affairs has found, with some offering up to \$100 a week more. Despite this, a Victorian Council of Social Service (VCOSS) submission to the Residential Tenancies Act review claims 10% of the rental properties in Victoria didn't meet basic standards.
- A new report from Secret Agent has found development in the inner city suburbs of the CBD, Southbank and Docklands makes up for almost 30% of all new apartments across metropolitan Melbourne.
- And Malaysian developer SP Setia is planning a \$640 million project, including 500 apartments and 520 hotel rooms on Exhibition Street.

BRISBANE QLD

- Queensland University of Technology professor Chris Eves told the AFR that he predicts apartments in inner Brisbane could see price falls of up to 25% over the next 18 months due to offshore buyers unable to settle.
- Despite this, Woolloongabba development South City Square has achieved \$190 million in off-the-plan sales with two towers now sold out.
- A new \$96 million development, Avion Residences in Upper Mount Gravatt, will come to market this month. It will include two towers connected by a sky-bridge, with prices from \$451,000 upwards. Homeowners auctioning their property off for \$1,225,000 to developers to maximize land value.

PERTH WA

- While every other state and territory is getting less affordable, Western Australia has bucked this trend, Real Estate Institute of Western Australia data shows. The majority of sales are priced between \$350,000 and \$550,000.
- Demand is stronger for vacant land in Perth than any other capital, with a 223% increase in sales over the March quarter this year, the Housing Institute of Australia's Residential Land Report shows.
- Perth's fastest-selling suburb is Heathridge, research from CoreLogic shows, with homes selling in 36 days. Leederville and Subiac came close, averaging 37 days on the market.

CANBERRA ACT

- In late-August a development block on Northbourne Avenue in Dickson sold for \$40 million to the Art Group. The 30,000sqm land parcel is expected to include almost 700 new properties, as well as a hotel, retail, childcare and restaurants.
- Canberra's property price growth has started to look up - CoreLogic recorded a 7.6% increase in the house price over the past year, the third strongest in the country behind Sydney and Melbourne.
- Former chief minister Jon Stanhope has been among those calling for a review of the Land Development Agency. He accuses them of looking to maximise land prices and not focusing on housing affordability.

ADELAIDE SA

- Listings are down 20% now compared to the same time in 2015. But the Real Estate Institute of South Australia CEO Greg Troughton said they were optimistic there would be a flood back to market this spring.
- A developer in Thorngate is intending to build a 20-storey complex with 800 apartments. It will include three levels of retail and a retirement village.
- And things are looking up for Adelaide's offshore neighbour Kangaroo Island. Mayor Peter Clements describes it as an affordable real estate opportunity and there's an airport expansion opening next year.

DARWIN NT

- Northern Territorians keen to buy an established property as their first home are eligible for a \$24,000 grant, Labor promised ahead of the election. There are also other grants up for grabs for buyers intending to renovate, as well as for white goods and furnishings.
- Meanwhile, Landbridge, the owner of the Port of Darwin, has signed an agreement with the territory government to build a \$250 million hotel on the waterfront by 2020.
- Despite these positive signs, CoreLogic records home prices down 3.9% in Darwin over the quarter and 4.2% down over the month.



AUD
76^c US

UP from 75c in Sept
Source: RBA



RBA Cash Rate

1.5%

steady in Sept
Source: RBA



Inflation

1.3%

year to Jun qtr
Source: RBA



GDP

3.3%

year to Jun qtr
Source: ABS



Wage Growth

2.1%

year to Jun qtr
Source: ABS



Consumer Confidence

2.0%

up for Aug
Source: Westpac-Melbourne Institute



House Price Expectations

0.06%

up for Aug
Source: Westpac-Melbourne Institute



Disposable Income

-1.3%

year to Mar 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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