Australia is the second least affordable country in the world

**Freshwater, Sydney**
- 17 kms from city | Near the beach
- 2 beds
- 1 bath
- No subdivision potential
- $3.2 million

**Blacktown, Sydney**
- 43 kms from city | Sydney’s highest crime suburb
- 3 beds
- 1 bath
- $1 million
TREND 1: COVID turbocharged house prices

MAIN DRIVERS
• Record low interest rates
• High household savings rates
• Government incentives
• Strong rebound in the economy

HOUSE PRICES (% CHANGE) 12 months to June 2021

A U S T R A L I A N H O U S E S P R I C E S I N C R E A S E D 15.6% over the past 12 months

$ Median price
% Change in price

SYDNEY
$1,260,000
19.3%

BRISBANE
$630,000
14.8%

CANBERRA
$901,000
20.7%

HOBART
$641,000
19.2%

MELBOURNE
$851,000
8.9%

ADELAIDE
$550,000
15.2%

PERTH
$520,000
10.0%

DARWIN
$585,000
21.4%

AUSTRALIA
$665,000
15.6%
TREND 1: Shift to regional Australia

In 2020, we saw the biggest movement of people to regional Australia ever recorded driven by demand for second homes, changes to the way people work, the booming mining sector and a sharp recovery in agriculture.

MINING TOWN

- Port Hedland, WA
  - $570,000 | +39% | iron ore
- Dysart, QLD
  - $142,500 | +36% | coal
- Newman, WA
  - $285,000 | +27% | iron ore

AGRICULTURE

- Merredin, WA
  - $152,500 | +69% | wheat
- Keith, SA
  - $161,000 | +40% | lucerne
- Hamilton, VIC
  - $298,500 | +38% | wool

LIFESTYLE

- Byron Bay, NSW
  - $2.5 million | +71%
- Sunrise Beach, QLD
  - $1.2 million | +37%
- Queenscliff, VIC
  - $1.3 million | +36%
TREND 2: Luxury market pricing surged

The number of suburbs with medians over $3 million went from 12 suburbs to 30 suburbs. Ultra luxury market was overwhelmingly driven by younger buyers (millennials) and people in the tech industry.

Edgewater, Point Piper
$95 million
Sydney

Barangaroo Tower
$140 million
Sydney CBD | Top 3 floors

Berthong, Elizabeth Bay
$35 million
Sydney
**TREND 3:**
The changing mix of foreign buyers

Non-residents are restricted to only buying new properties in Australia and are subject to greater taxes depending on what state you are in.

**2015 - 2017**
- Offshore investment in Australian residential property hit record levels
- Main buyers were from Asia, particularly China
- Key markets were high development areas, particularly in CBD and in those areas located near universities

**NOW**
- Very little investment from China
- Hong Kong buyers still active
- Overseas buyers tend to concentrate on areas where there are already a lot of people from that country (e.g., UK buyers in Manly, US buyers in Byron Bay, Hong Kong buyers in Chatswood)
Price growth continues to accelerate – concerns about affordability.

When will interest rates start to increase? Mortgage rates already starting to creep up.

Challenges around Fortress Australia – when will we open out borders?

Rolling lockdowns continuing to create problems.