PROPERTY SNAPSHOT 2020/2021

Snapshot For The Start of 2021?

Early signs are that investors are about to pounce back into the market.

CoreLogic has released its latest Quarterly Economic & Property Market Review which provides a comprehensive overview of housing market performance through the start of 2021.

As of April 2021, the combined value of the Australian housing market climbed to $8.1 trillion, and the CoreLogic Home Value Index was 7.6% above its previous high in October 2017. Western Australia and the Northern Territory were the only state and territory where dwelling market values were not at record highs. However, low interest rates, more favourable migration trends and an uplift in mining activity is supporting a recovery in many markets across these regions.

There are also early signs that investors are coming back to the property market, with February and March recording a -4.8% reduction in first home buyer borrowing. Property investor financing was up 17.7% in March compared with January, pushing up the share of financing secured by investors to 25.9% in the month, compared with a recent low of 23.1% in January.

The Big 3 of East Coast

Some interesting movement in the Coastal Capitals

New South Wales:

Sydney and regional NSW have been among the 'top performing' housing markets through the start of 2021 in terms of value change. This follows a peak-to-trough fall in Sydney values of -2.9% between April and September 2020, and a dip of just -0.1% in May 2020 across regional NSW. From January to April 2021, Sydney dwelling values have risen 9.3%, and regional NSW dwelling values are up 9.0%. Both dwelling markets are at record highs.

Victoria:

Various indicators suggest that while a second spike in COVID cases has weighed on the Victorian economy, the state has bounced back strongly amid eased restrictions since the December quarter. Even a sharp decline in rents appears not to have deterred buyers. While rental values remain -20.1% lower across the SA3 'Melbourne City' unit market, purchase prices are 2.0% higher in the same period.

Queensland:

Dwelling values across Queensland are currently 13.7% above the previous record high. Alongside low mortgage rates, interstate migration to Queensland has remained a tailwind for housing demand. Migration data suggests that the Sunshine state has been particularly popular since the onset of COVID. The latest (provisional) data for the December 2020 quarter suggests that net interstate migration to Queensland reached 9,763, the highest volume since December 2003.

People Population is the Primary Driver?

Where have people been moving to in Australia in recent years?

This analysis looks at trends of internal migration prior to COVID-19, to provide a recent historical perspective.

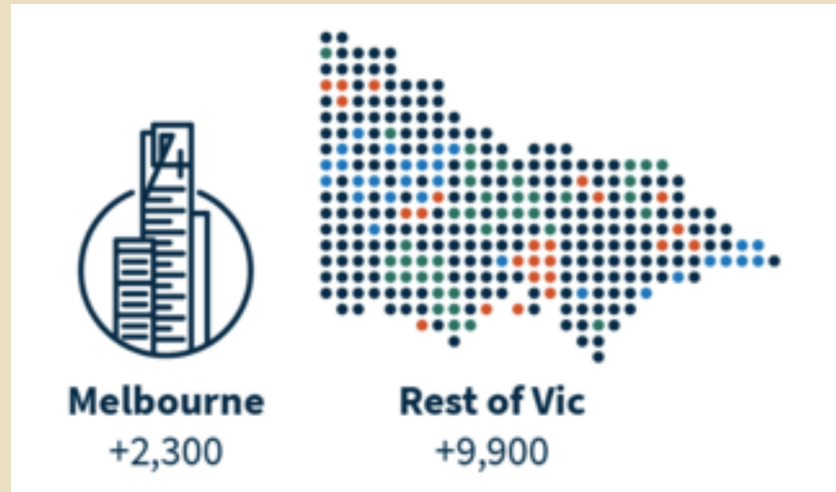
There has been a long-term trend in Australian migration patterns of people moving away from inland regional areas, and towards capital cities and coastal areas. This has resulted in a large concentration of the Australian population in major cities and coastal areas.

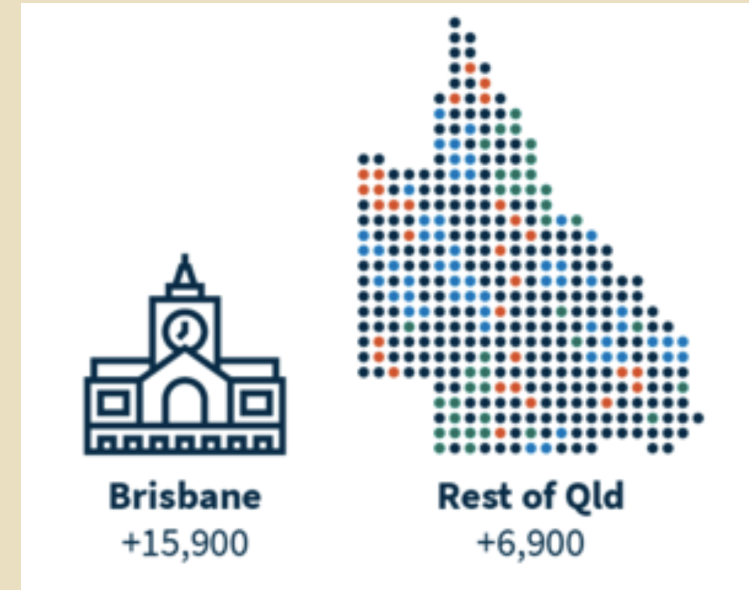
Internal migration patterns also vary among the capital cities. Sydney has historically seen a net loss of people through internal migration, while Melbourne and Brisbane have seen strong net gains of people through internal migration in recent years.

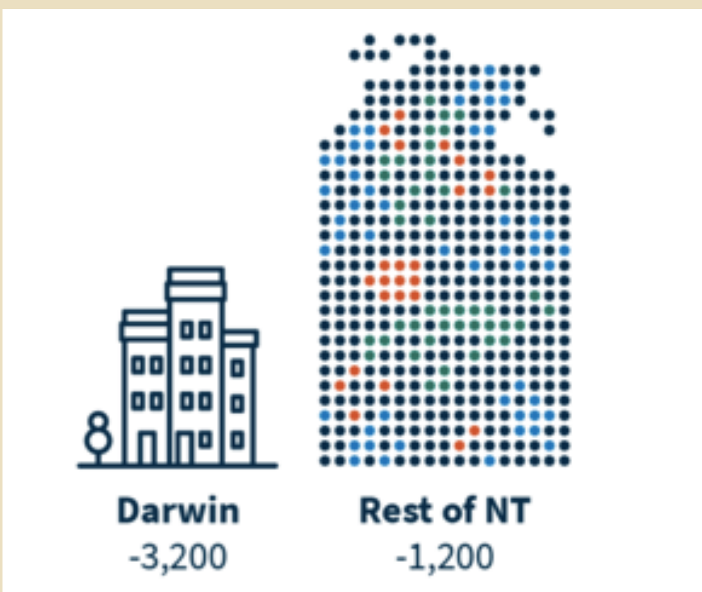
Queensland is a strong gainer of net interstate migration from other states and territories, and had the highest interstate migration net gain of 22,800 people in 2018–19. Regions in Queensland such as the Gold Coast and the Sunshine Coast have also experienced the largest population growth rates outside of capital cities between 1996 and 2016.

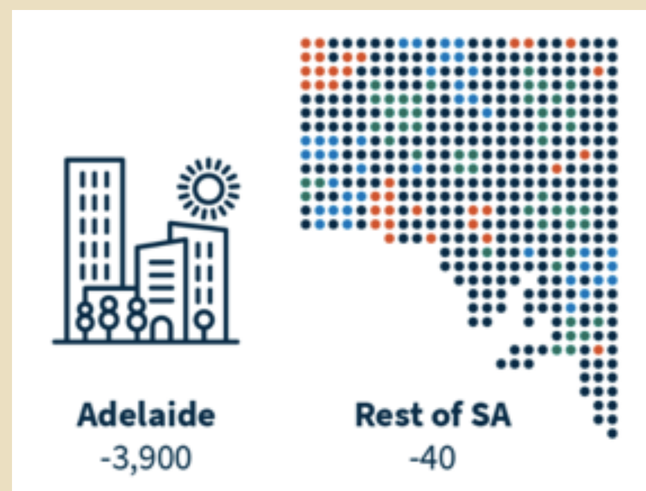
People leaving New South Wales and the Northern Territory most commonly moved to Queensland, while the most common destination for people leaving South Australia, Western Australia and Tasmania was Victoria. With COVID-19 impacting our overseas immigration, we can take a look at the patterns of net migration within our states and territories. This may be the best property market driver and barometer for next few years.

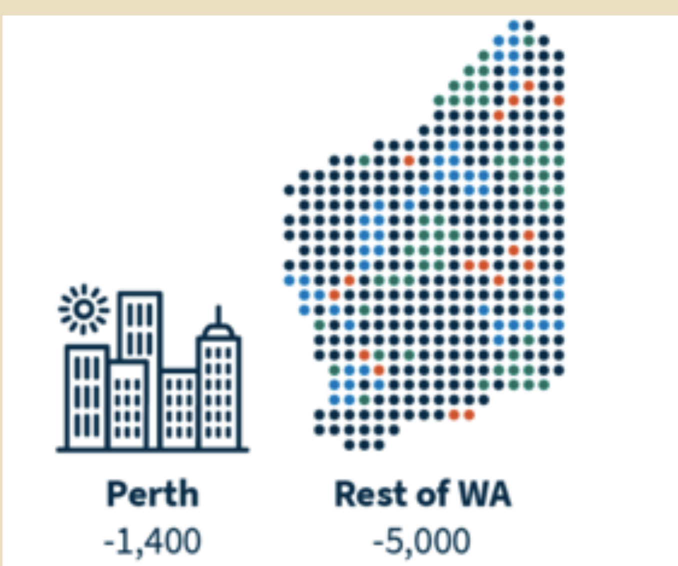
Internal Migration By State?



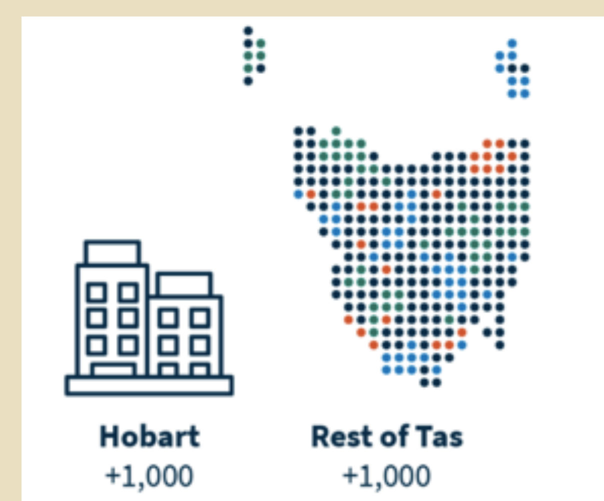








Source: Australian Bureau of Statistics, 2020, Stat.Beta dataset: ERP and Components. Data extracted 18 August 2020.



A Closer Look at VIC, NSW & QLD?

homes 4 sale

What the net internal migration projections are for the next 10 years

Date	Region	Series	Interstate arrivals	Interstate departures	Net interstate migration
2031	Victoria	Projection	87,700	82,800	5,000
2030	Victoria	Projection	86,700	81,700	5,000
2029	Victoria	Projection	85,600	80,600	5,000
2028	Victoria	Projection	84,600	79,600	5,000
2027	Victoria	Projection	83,500	78,500	5,000
2026	Victoria	Projection	82,400	77,500	5,000
2025	Victoria	Projection	81,400	76,400	5,000
2024	Victoria	Projection	80,400	75,400	5,000
2023	Victoria	Projection	79,400	77,600	1,800
2022	Victoria	Projection	78,600	79,900	-1,300
2021	Victoria	Projection	72,700	74,000	-1,200
2020	Victoria	Projection	85,600	74,000	11,600
2019	Victoria	Actual	90,100	77,900	12,200
2018	Victoria	Actual	88,600	74,200	14,300
2017	Victoria	Actual	86,700	68,500	18,200
2016	Victoria	Actual	84,200	66,600	17,600
2015	Victoria	Actual	74,300	63,200	11,100

Date	Region	Series	Interstate arrivals	Interstate departures	Net interstate migration
2031	New South Wales	Projection	107,300	125,900	-18,600
2030	New South Wales	Projection	106,000	124,600	-18,600
2029	New South Wales	Projection	104,700	123,300	-18,600
2028	New South Wales	Projection	103,400	121,900	-18,600
2027	New South Wales	Projection	102,100	120,600	-18,600
2026	New South Wales	Projection	100,800	119,400	-18,600
2025	New South Wales	Projection	99,500	118,100	-18,600
2024	New South Wales	Projection	98,300	116,800	-18,600
2023	New South Wales	Projection	93,400	110,400	-17,000
2022	New South Wales	Projection	89,000	104,500	-15,500
2021	New South Wales	Projection	82,400	96,700	-14,300
2020	New South Wales	Projection	92,800	113,800	-21,000
2019	New South Wales	Actual	97,700	119,800	-22,100
2018	New South Wales	Actual	96,000	117,700	-21,700
2017	New South Wales	Actual	94,500	109,600	-15,200
2016	New South Wales	Actual	94,100	105,600	-11,500
2015	New South Wales	Actual	88,100	94,900	-6,800

Date	Region	Series	Interstate arrivals	Interstate departures	Net interstate migration
2031	Queensland	Projection	118,600	99,600	18,900
2030	Queensland	Projection	117,100	98,200	18,900
2029	Queensland	Projection	115,700	96,800	18,900
2028	Queensland	Projection	114,200	95,300	18,900
2027	Queensland	Projection	112,800	93,900	18,900
2026	Queensland	Projection	111,400	92,500	18,900
2025	Queensland	Projection	110,000	91,100	18,900
2024	Queensland	Projection	108,600	89,700	18,900
2023	Queensland	Projection	103,100	81,700	21,300
2022	Queensland	Projection	98,100	74,300	23,800
2021	Queensland	Projection	90,800	68,800	22,000
2020	Queensland	Projection	102,600	80,900	21,700
2019	Queensland	Actual	108,000	85,200	22,800
2018	Queensland	Actual	105,900	81,200	24,700
2017	Queensland	Actual	98,400	80,600	17,800
2016	Queensland	Actual	94,000	82,000	12,000
2015	Queensland	Actual	85,500	78,700	6,900

Source: Australian Bureau of Statistics, 2020, Stat.Beta dataset:
ERP and Components. Data extracted 18 August 2020.

Who owns Australian Property?

How many properties do investors own?

9 M total properties in Australia
7.2M occupied by owners
1.2M are investment properties which is 20%

What are the ages of these investors?

29% 55-64 years
34% 45 -54 years
22% 35-44 years
15% under 34 years

How many properties per investor?

73% one property
17% two properties
6% three properties
4% four or more

What are the values of these investments?

18% less than $250K
35% $250K-$500K
18% $500K-$750K
29% over $750K

Why Choose Us

Extensive Knowledge

With decades of experience with both property management and sales we leave no stone unturned in our ongoing research and development. REIQ Member

Wide Range Of Properties

Whether looking for a first home or a waterfront lifestyle property, we cover South-East Queensland and provide a broad cross-section of homes and investment properties.

Years Of Experience

With over 50 years of experience we've assisted more than 1000 clients with managing and selling a total of $1.5 billion in assets.

Contact Us

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