



### Sales Momentum Moves Into 2020

Spring proved to be a busy season with more homes being auctioned in the last Quarter of 2019 than the previous three.

Expectations from both property analysts CoreLogic and SQM Research are for the property market to gather momentum in 2020.

The Quarterly Auction Report shows that in Quarter 4 the number of listings for sale rose and clearance rates averaged a success rate of 70% across the combined capital cities.

The strongest results were recorded in Sydney (75%) and Melbourne (73%). This was an improvement on Quarter 4 of 2018 when nationally, only 44% of homes sold under the hammer.

Outside of the capital cities, Geelong returned the highest clearance rate (63%), Wollongong recorded (53%) and the Hunter region (54%).

Louis Christopher, managing director of SQM Research says: "I think we're going to see more sellers come to the market this year overall because they are now more confident that they're going to get their target sale price with the increase in buyer demand".



### Buyers Target Existing Homes

The number of loans to owner-occupiers rose 10% in November, bringing the monthly total to \$13.4 billion, 1.6% higher than October, show official figures.

"The housing market is on its way back," says CommSec chief economist Craig James.

"That means more homes will be purchased and create flow-on demand to a raft of businesses including removalists, real estate agents and homewares retailers."

But the growth is likely to be steady, says JP Morgan economist Ben Jarman. "At the current pace of credit growth, households are still de-leveraging, so housing is neither adding much upside to consumption, nor is it a constraint to further monetary policy easing."

The latest quarterly survey by the ANZ/Property Council of Australia suggests that a pick-up in construction is yet to take hold, showing that home buyer activity is concentrated on established dwellings.

During November, the number of owner-occupier loans for the purchase of existing dwellings was unchanged while the number of owner-occupier loans for construction of new dwellings fell 8.4%.



### Multi Generations The New Norm

Increasingly, several generations of Australian families are living together under the same roof. Social demographer Mark McCrindle says there are several reasons for the lifestyle choice.

“Younger generations are either leaving home later or returning back to the parental home,” he says.

“Then on the parents’ side, they’re living longer and sometimes the older parents are moving in with the middle-aged children, creating the three or, in some cases, four generations under the one roof.”

The practice of generations Y and Z living with the family for longer periods due to affordability constraints now includes Baby Boomers, who are sharing their household expenses with their adult children to not only save money, but to maintain their lifestyle.

McCrindle says fewer than 10% of Australians now move out of their home into retirement homes.

Having several generations sharing the running costs of the home creates a win-win situation because each party is paying less than they would if they were running their own rental, he says



### Older Aussies Apply For FHB Grant

Many of those applying for the Federal Government’s new First Home Loan Deposit Scheme are single and aged over 35.

New figures from the National Housing Finance and Investment Corporation show of the first 3,000 applicants, 25% are aged 35 or older; some are aged in their 40s and 50s.

And the vast majority (60%) of applicants are single.

Many have incomes that fall well below the thresholds, giving those on lower incomes hope for buying their first property.

“The average income for applicants with pre-approvals is well below the threshold for both singles and couples, allowing those on a modest income to buy their first home,” says NHFIC’s chief executive officer Nathan Dal Bon.

So far, the median taxable income is about \$68,000 for singles and \$108,000 for couples.

This is well below the selection criteria which dictates that individual applicants cannot have a taxable income of more than \$125,000 and couples cannot be earning more than \$200,000.