



### Clearance Rates Highest Since March

Capital city auction clearance rates have rebounded strongly, registering a preliminary strike rate of 72% last weekend, according to CoreLogic.

The result is the highest clearance rate recorded since early March and compares to 71% for the same time last year. There were 918 homes taken to auction over the week, up from 816 over the previous week.

Against 74 auctions, Canberra recorded the strongest results at 89%. Sydney held 679 auctions with 72% going under the hammer successfully, while Adelaide had 73 auctions with 64% being cleared. The numbers in Brisbane were similar with 62% of the 65 auctions proceeding to sale.

Around the nation, good results were noted at the Sunshine Coast where 91% of auctions were successful; followed by Baulkham Hills, Hawkesbury and South West Sydney at 86%, and Newcastle and Lake Macquarie at 82%.

Auction activity remained extremely low across Melbourne, with just 11 homes taken to auction last week and 13 the week before.



### All Australians to feel economic wins: PM

There has been a surge in sales of new homes across the nation since the introduction of the Federal Government's HomeBuilder grant in June, according to the Housing Industry Association.

The trend has been most noticeable in Western Australia and Queensland where sales have been higher than they were at the same time in 2019, says HIA. In the six months to August 2020, new home sales in Western Australia were 91% higher than at the same time in the previous year when the state was at the bottom of the mining investment cycle.

Queensland new home sales rose 48% over the August quarter, while South Australia was up 105% through the same period.

HIA chief economist Tim Reardon says the Federal Government's stimulus had helped bolster sales and would support the building industry for the rest of the year.

The monthly survey of Australia's largest home builders in the five largest states showed the rise in sales was fairly widespread across the nation.



### Property Investors Remain Optimistic

Property investors remain positive about the future, though many are now looking at different locations for investment as well as moving to a new region to live, according to the 2020 PIPA Annual Investor Sentiment Survey.

“While there is no doubt that 2020 has been one of the toughest in living memory for everyone around the globe, property investors have remained resilient in the face of the unprecedented uncertainty that we are all experiencing,” PIPA Chairman Peter Koulizos says.

The number of investors who believe now is a good time to invest in residential property fell from 80% in 2019 to 67%. Yet 77% say concerns about falling house prices won't deter their investment plans, with 44% looking to purchase a property in the next six to 12 months.

About 17% of investors indicated that the pandemic had made them consider moving to another location, especially regional areas.

The main reasons were: improved lifestyle factors (78%), working from home in the future (46%) and housing affordability (40%).

### Vacancies Plummet in Regional Aust

Vacancy rates are falling drastically in regional areas of NSW, Victoria and Queensland as city residents seek a lifestyle away from the coronavirus confines. Eleven regional areas across eastern states recorded rental vacancy rates below 1% in July, shows data from SQM Research.

SQM Research's Louis Christopher says there has been significant demand for rental property in regional and remote areas since the coronavirus pandemic, causing vacancy rates to fall and creating intense competition for those trying to secure a rental property.

Regional locations with the tightest rental markets include Townsville, Charters Towers, Mount Isa, Wagga Wagga, Griffith, Bendigo, Shepparton, Wodonga and the Sunshine Coast. “It is a landlord's market in many regional areas,” says Christopher. But people still want access to amenities, like cafes. Domain senior research analyst Nicola Powell says the pandemic has accelerated the trend of people moving to regional cities, with many renting to ‘try before you buy’. Affordability and living in a smaller population are some of the attractive features of regional living.