



Low Listings Help To Push Prices

SQM Research has calculated national residential property listings decreased in January by 2.9%, falling from 272,999 in December to 265,116.

Compared to 12 months ago, listings were down by 10.5%, which is putting upward pressure on prices, given high buyer demand.

All capital cities experienced seasonal decreases in property listings over the month except for Perth. The largest decrease was 4.7% in Melbourne.

Year-on-year listings also show larger declines for most capital cities with the exception of Sydney (up 4.5%) and Melbourne (up 21%). Nationally, new listings decreased by 24% over the course of January with 16,234 fewer properties on the market.

Hobart's new listings decreased 33%, followed by Canberra which dropped 26%. Sydney recorded the lowest decrease in new listings of 2%.

The month of January traditionally records falls in properties listed for sale as the market is still in holiday mode, SQM's Louis Christopher says.

Consumers Bullish About 2021

"We shouldn't try to control asset prices. What we can influence is how much borrowing happens on the back of those rising prices. We would be concerned if there were to be a deterioration in these standards, but there are few signs of this at the moment."

RBA governor Phillip Lowe



Home Prices Tipped To Rise: Survey

Almost half of homeowners expect their property value to shoot up in 2021, while pent up demand will “wash through” property markets.

A survey by ME Bank finds that 46% of owner-occupiers expect the value of their dwelling to increase during 2021, while only 5% expect decline.

The survey shows a significant shift from six months prior, when only 22% expected dwelling prices to rise and 25% expected them to decline.

ME Bank’s head of home loans Andrew Bartolo says that buyer activity is expected to rise year-on-year, after many buyers and sellers were “waiting to see” in 2020 before making any decisions. “Pent up demand will wash through early 2021,” he says. “More investors will re-emerge in 2021 in search of income and capital growth.”

REIA president Adrian Kelly says housing markets recorded respectable growth over 2020 and with limited stock and strong demand, 2021 should see further price increases.



Loan Deferrals Dropping Steadily

New figures show that households and small to medium enterprises (SMEs) are steadily moving back to making repayments on their loans after using pandemic emergency measures to defer them.

The Australian Prudential Regulation Authority says only 2.3% of housing and SME loans were subject to repayment deferral at the end of November. At the height of the pandemic crisis the figure was over 10%.

Deferrals peaked in May at more than 12% of all housing loans but stood at only 2.8% by the end of November.

Even more remarkable have been SME loans: in May SME deferrals peaked at 17.5% of loans but have improved markedly since September to only 2.4% by the end of November.

Those figures were accompanied by a jump in housing approvals since June of 40%, with total approvals at 17,205 in November and figures for the year totalling almost 170,000.

“Who would have thought just a few months ago that we’d see figures at that level,” says independent economist Saul Eslake.