

An aerial photograph of a suburban neighborhood, showing a grid of streets, houses with various roof colors (red, grey, blue), and trees with autumn foliage. The scene is captured from a high angle, looking down on the residential area.

**RayWhite**



**AUSTRALIAN PROPERTY MARKET  
JULY 2021**




# Australia is the second least affordable country in the world





**\$3.2 million**

 2  1 No subdivision potential

 **Freshwater, Sydney**  
17 kms from city | Near the beach



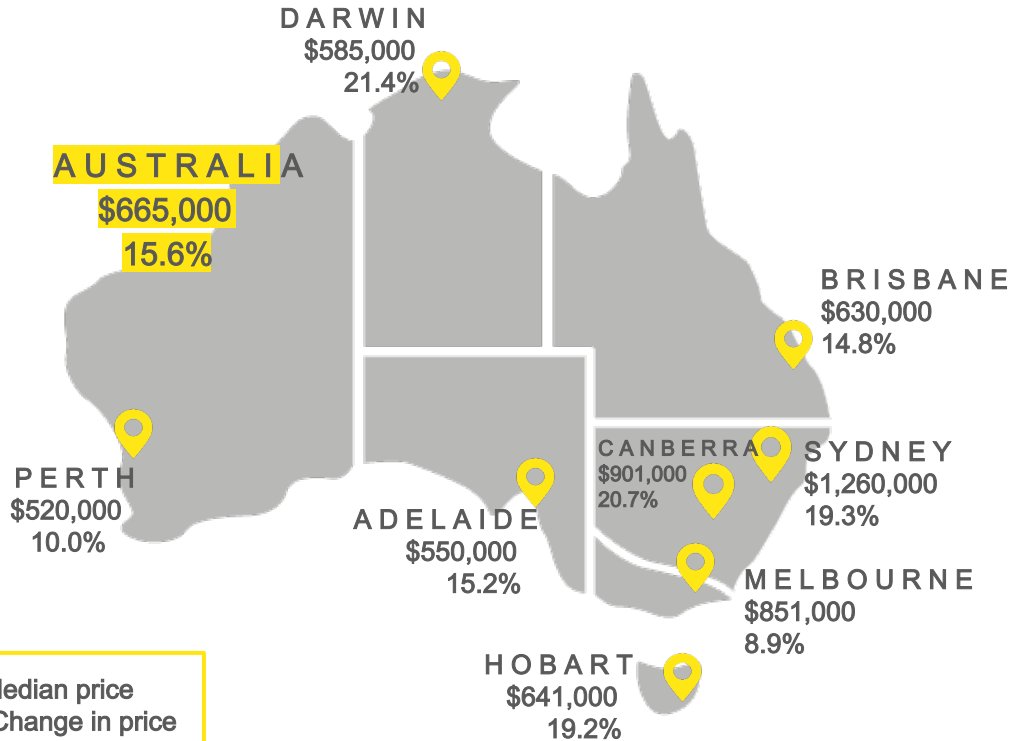
**\$1 million**

 3  1

 **Blacktown, Sydney**  
43 kms from city | Sydney's highest crime suburb

# TREND 1 : COVID turbocharged house prices

HOUSE PRICES (% CHANGE) 12 months to June 2021



AUSTRALIAN HOUSES PRICES  
INCREASED

**15.6%**

*over the past 12 months*

## MAIN DRIVERS

- Record low interest rates
- High household savings rates
- Government incentives
- Strong rebound in the economy

# 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.



## LIFESTYLE

Byron Bay, NSW  
\$2.5 million | +71%

Sunrise Beach, QLD  
\$1.2 million | +37%

Queenscliff, VIC  
\$1.3 million | +36%



## 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

## 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  
Sydney



Barangaroo Tower  
Sydney CBD | Top 3 floors



Berthong, Elizabeth Bay  
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)

# OUTLOOK



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 our borders?



Rolling lockdowns continuing to create problems.