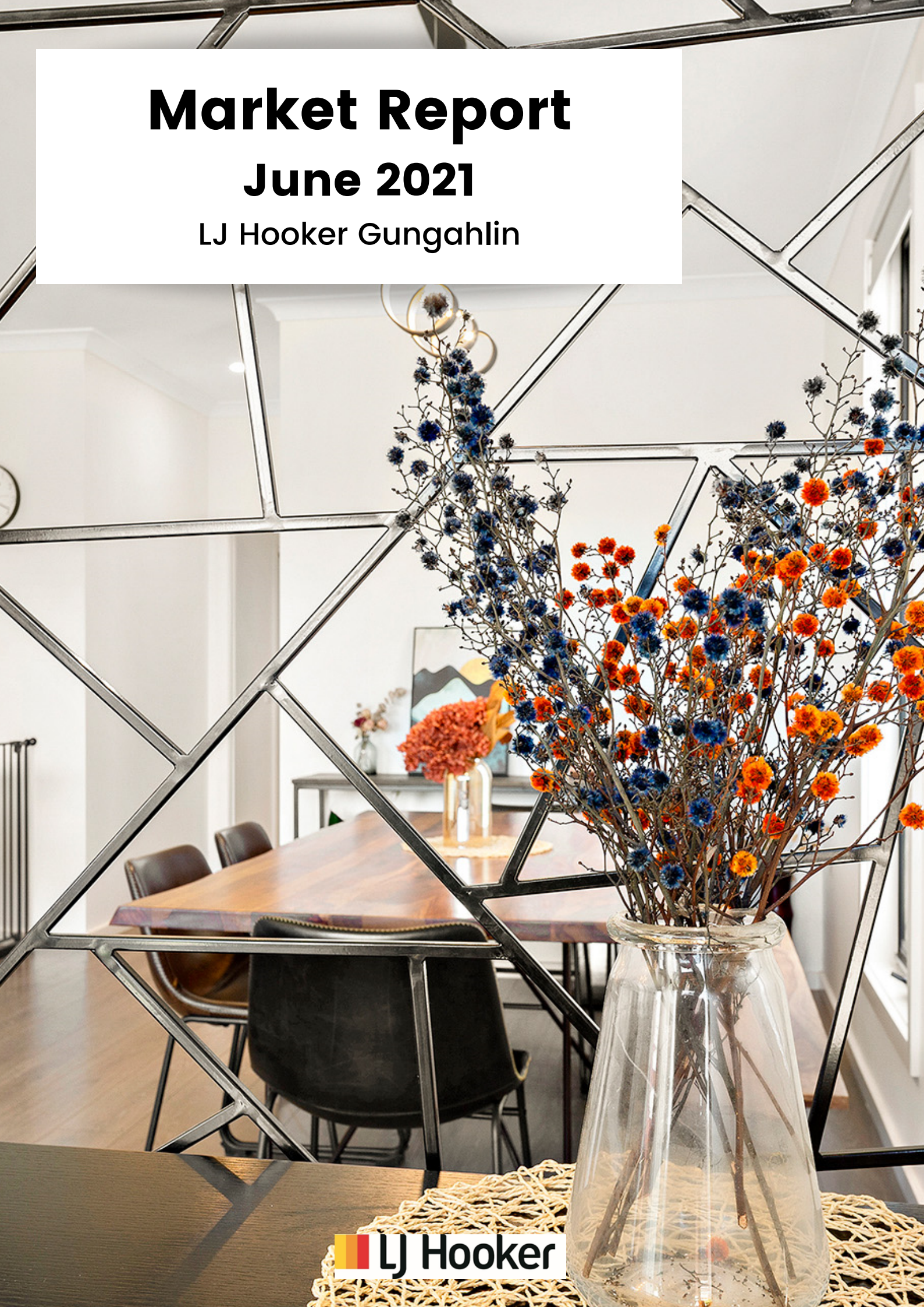


# Market Report

## June 2021

LJ Hooker Gungahlin



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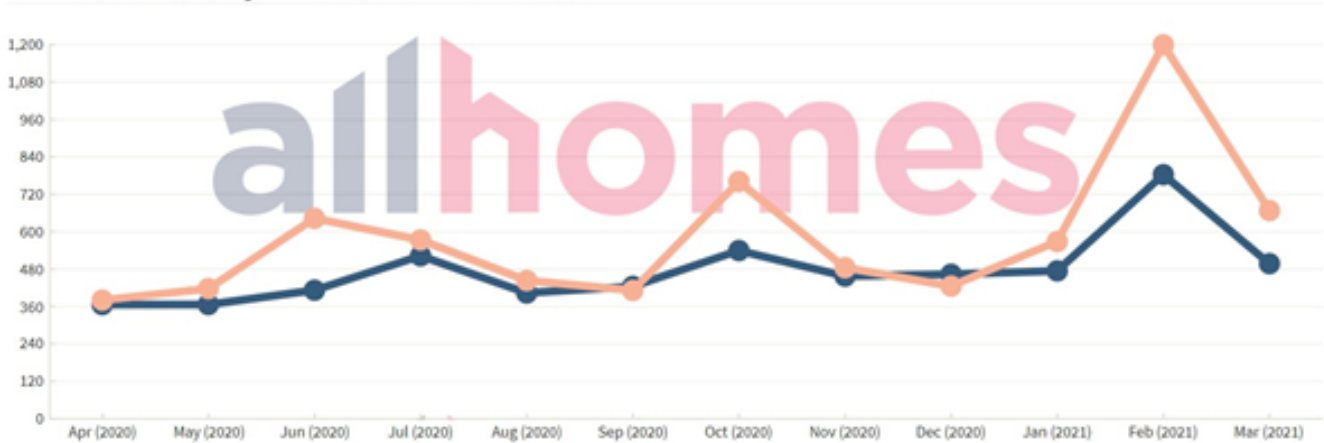
Anyone who hasn't been living under a rock would know that the property market across the country is at an all time high and seems to be holding its strength month in, month out at the moment.

Here at LJHooker we have had huge amounts of buyers trying to find property, with property to sell at record lows. This has caused most of our sellers to reach record prices or prices well above their expectations.

The supply of properties for sale just can't keep up with demand.

The stock of advertised properties in the four weeks leading up to the 16th May was 6.1% below a year-ago levels across all capital cities incl Canberra. In fact, Canberra properties listed for sale are at lows not seen for years.

Sales Volume by Number of Transfers



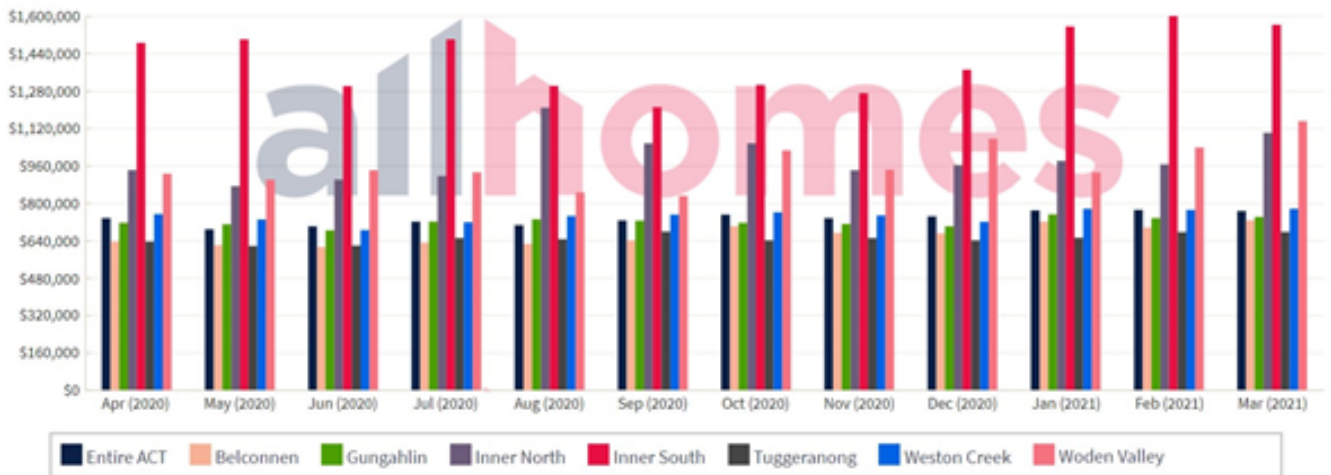
Couple this with low interest rates – which see buyers come into the market, and you have a recipe for what we are currently seeing.

Property values have increased by 6.9% in all major capital cities over the last three months. In Canberra median house prices have soared to a record high of \$927,577 in the first three months of the year, recording the strongest quarterly and yearly growth among all Australian capital cities.

According to the Domain House Price Report for the March quarter 2021, Canberra's median house prices increased by 9.7 per cent over the quarter – the fastest quarterly growth to the highest median price since records began in 1993.

We can see from the graph below that in all areas of Canberra since the start of this year prices have gone up and have remained that way right up until end of May.

## Median House Price by Region



If we look at auction results, clearance rates have also been at an all time high. For May we saw clearance rates of 86.1% across Canberra. LJHooker have also had many weekends and in room auction nights at 100% clearance rates, demonstrating the intense buyer demand in the market at present.

Some auction properties are not even making it to auction day with many properties being sold prior to auction or off market and again for record or above reserve prices. In fact across all major capital cities, average days on market are at 29 days while in Canberra it was 20 days for the month of May.

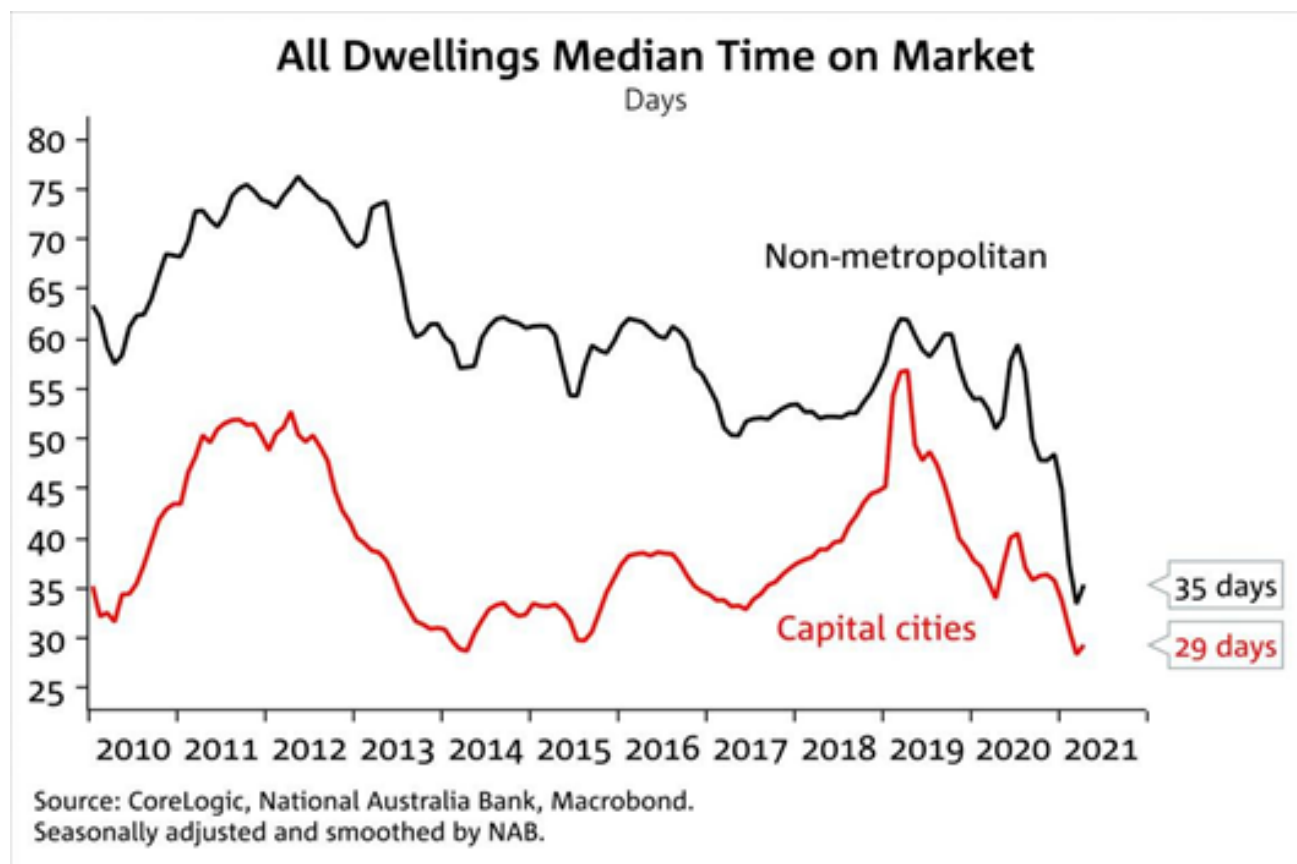
This is less than a standard auction campaign of 28 days, demonstrating that properties are not making it to auction and private treaty properties are selling in record timeframes.

Of the 115 properties put up for auction in May across Canberra, 99 of them sold at auction or prior.

In fact, Canberra was the best operating city across Australia in terms of auction clearance rates, showing that the buyer enquiry and market here in Canberra is stronger than any other capital city at present. This sort of demand will continue to push prices up at a vigorous rate.

The federal budget is also keeping this momentum strong with the bottom of the market continuing to be incentivised – first home buyer opportunities have been increased and the superannuation deposit scheme has been increased to \$50,000 for first home buyers to use for a deposit. This will continue to push more buyers into the market and increase competition for properties available.

City	Clearance rate	Total auctions	CoreLogic auction results	Cleared auctions	Uncleared auctions
Sydney	76.9%	1,103	1,100	846	254
Melbourne	74.9%	1,291	1,290	966	324
Brisbane	64.8%	142	142	92	50
Adelaide	77.6%	161	161	125	36
Perth	59.1%	22	22	13	9
Tasmania	n.a.	4	4	2	2
Canberra	86.1%	115	115	99	16
<b>Weighted Average</b>	<b>75.6%</b>	<b>2,838</b>	<b>2,834</b>	<b>2,143</b>	<b>691</b>



## Rental Market

Still in the buying market demand for units from the REA Demand Index shows demands for units has been up at 22.6% compared to 9% demand index for houses, which will be fuelled by government grants for both builders and purchasers in this space. This might see more stock come in to the rental market.

In the rental market aggregate rental demand is 8% below levels of a year ago, when rental demand boomed as the country emerged from national lockdowns.

However, The Australian Capital Territory was the strongest performer, with rental demand still at 8%. Which is what we are seeing in the local market. Strong demand for rentals and rental prices being secured at above advertised prices.

This is surprising given that foreign students – traditionally a strong source of rental demand remain unable to enter the country.

First-home buyer activity remains strong, making up the highest share of new lending since 2009, so we may see rental demand continue to drift lower over the coming weeks and months. However, once border closures and travel uncertainty become stable expect rental demand to strengthen again – particularly in areas previously popular with students, but also families relocating for job opportunities and contract work coming back into sectors again.

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### **An overview**

Overall, the market in Canberra is holding strong and as an agency we are seeing everything that the above statistics are representing. In the sales market there is strong buyer enquiry and less property for sale. In the rental market we are seeing the same, lots of people looking to rent and less availability of rentals so again prospective tenants are offering more for rentals than the advertised price.

The days on market are at an all time low and still reaching record prices.  
So when will this come to an end?

Where stock is limited and low interest rates, prices will be high – its supply and demand. However we are starting to see some movement from banks on interest rates that indicate the fire in the market might start to settle. But this is unprecedented times and with the federal budget incentives for first home buyers and single parents, and the strength of the Canberra economy post covid we might see this continue for some time still.

Got any questions...lets chat.

#### **Sources**

\*allhomes.com.au

\*Corelogic.com.au

\*rea.com.au

\*Zango.com.au