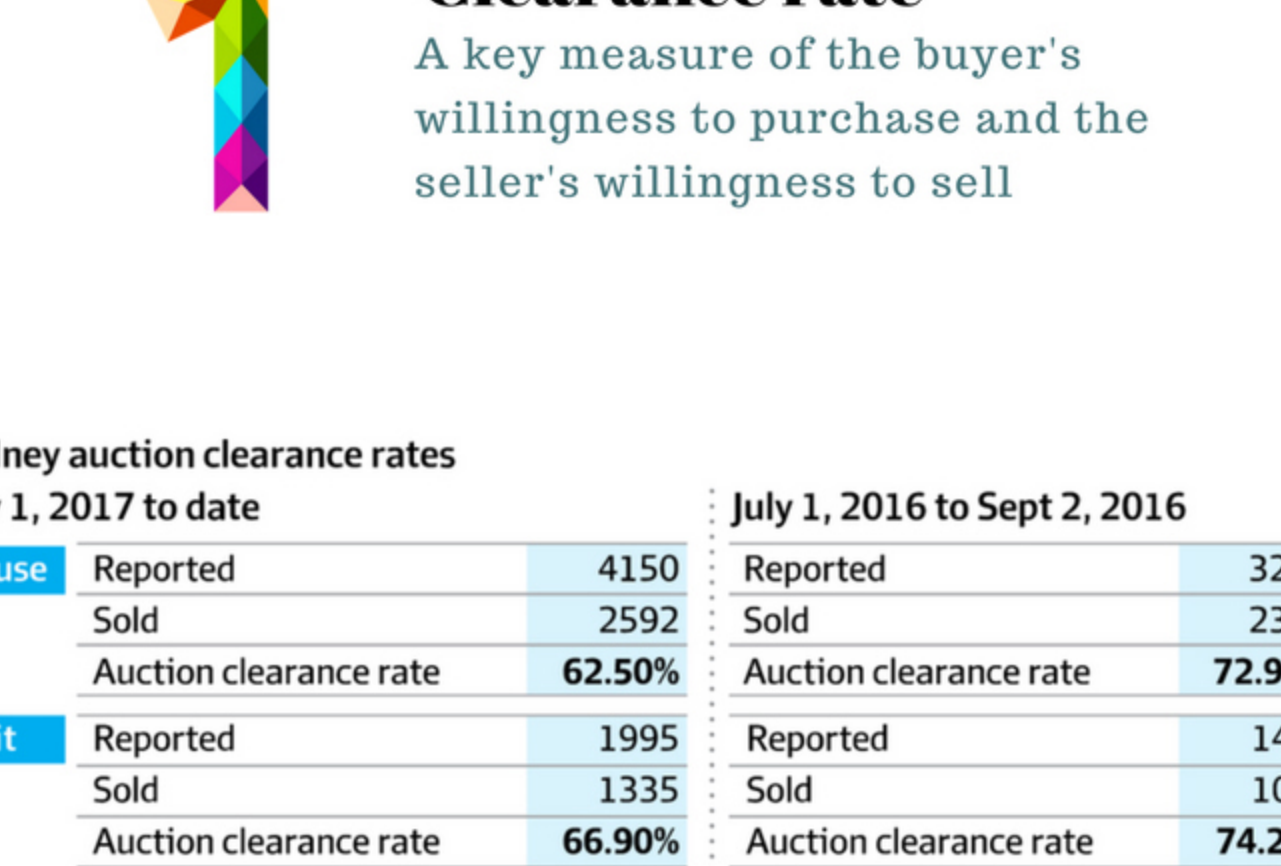


HOME789 MARKET UPDATE 25TH SEPTEMBER

6 Road Signs to Sydney's Property Price Growths

BY MATTHEW CRANSTON



1 Clearance rate

A key measure of the buyer's willingness to purchase and the seller's willingness to sell

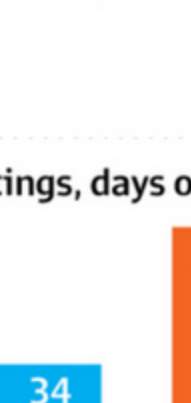
Sydney auction clearance rates

July 1, 2017 to date

House	Reported	4150
	Sold	2592
	Auction clearance rate	62.50%
Unit	Reported	1995
	Sold	1335
	Auction clearance rate	66.90%
Total	Reported	6145
	Sold	3927
	Auction clearance rate	63.90%

July 1, 2016 to Sept 2, 2016

	Reported	3234
	Sold	2359
	Auction clearance rate	72.90%
	Reported	1459
	Sold	1082
	Auction clearance rate	74.20%
	Reported	4693
	Sold	3441
	Auction clearance rate	73.30%



2 Time on Market

How long the listings remain available also adds to the picture of how strong demand is

Sydney listings, average days on market - Domain

House	Sep qtr, 2016	58	Listings for sale	25,182
	Sep qtr, 2017 to date	52		19,885
Unit	Sep qtr, 2016	56		12,576
	Sep qtr, 2017 to date	61		11,981

In Sydney, a house is on the market for 52 days, which is better than this time last year when it was 58 days. But selling a unit will take you longer: 61 days on average, up from 56 days this time last year, according to Domain.

Sydney listings, days on market - CoreLogic



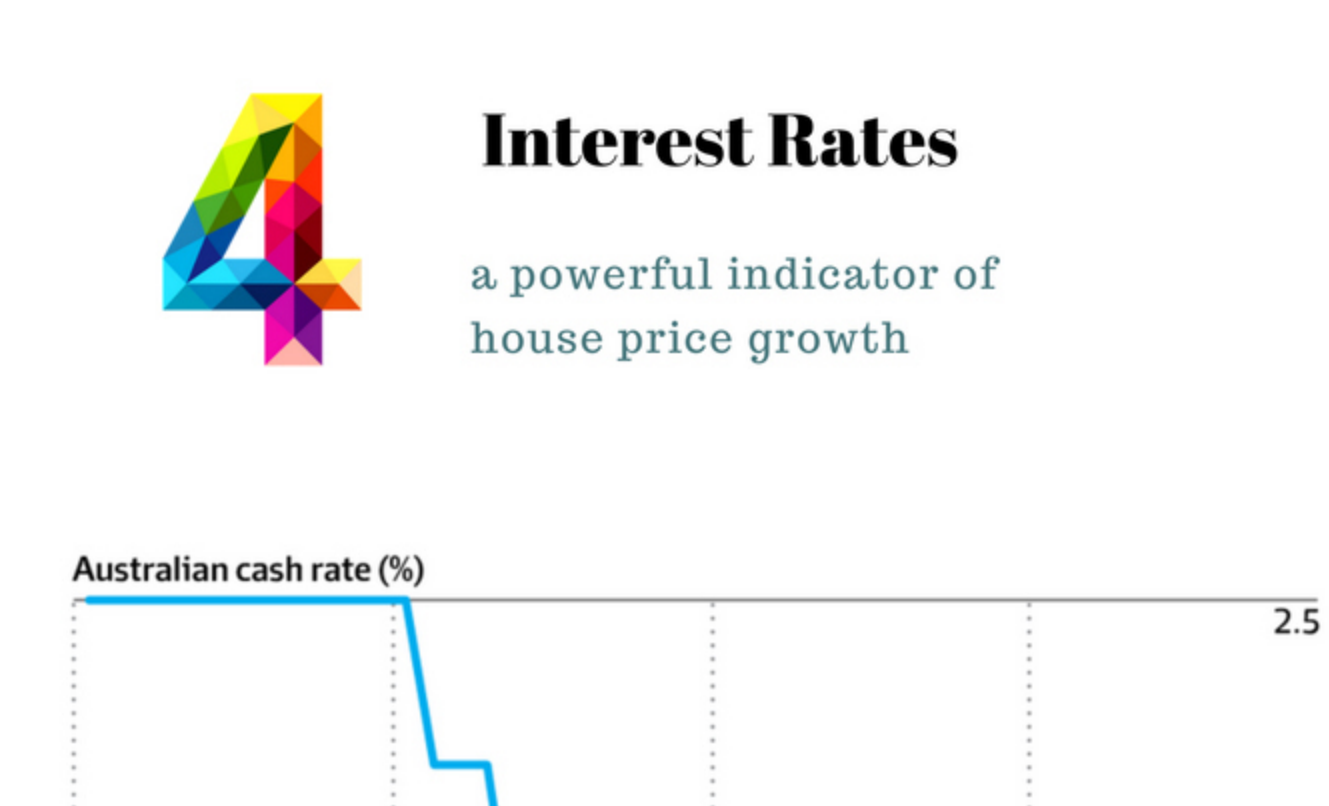
Sydney dwellings sold faster than anywhere else in Australia, based on CoreLogic research.



3 Employment

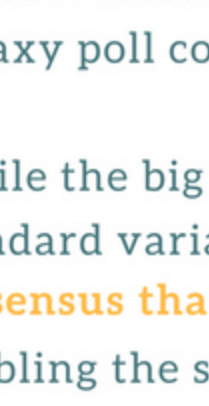
Rising infrastructure boom is the major contributor to the surge in employment in NSW

Employment growth



The number of people employed in NSW in August was 3.874 million, up from 3.861 million in July and 3.8 million in August last year.

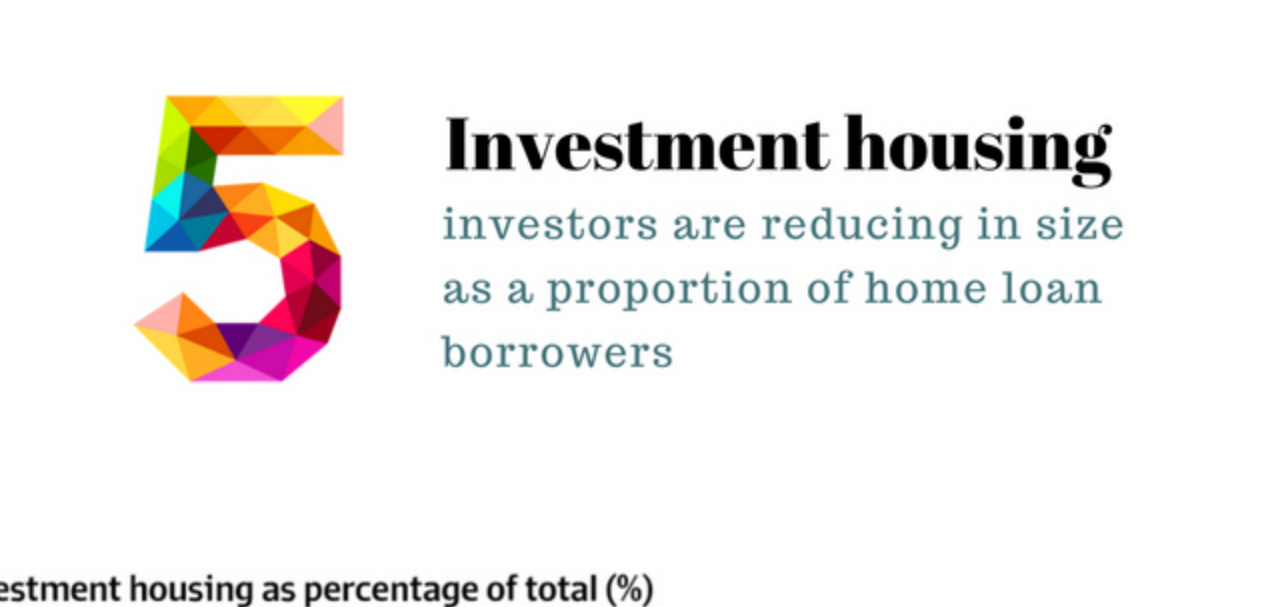
Overall, employment across Australia surged more than three times forecasts, continuing the best six-month labour market trend growth in 17 years.



4 Interest Rates

a powerful indicator of house price growth

Australian cash rate (%)

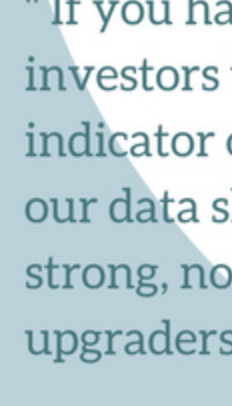


Big Four banks standard variable interest rate



More than half of Australians will be under mortgage stress if rates rise 2 percentage points, according to a Galaxy poll commissioned by CoreLogic.

While the big four banks have moved rates higher on standard variable rates, there is still an overwhelming consensus that rates will be lower for longer, and delaying desperate sell-offs that drag house price growth down.



5 Investment housing

investors are reducing in size as a proportion of home loan borrowers

Investment housing as percentage of total (%)

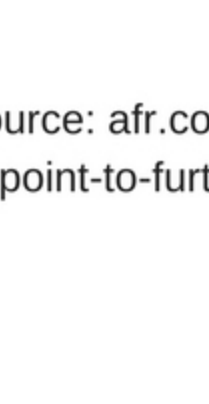


TIME	PERCENTAGE
Sep 2016	37.80%
Jan 2017	40.29%
Sep 2017	36.53%

According to the listed mortgage origination company AFG, which has accounts for about 10 per cent of the home loan market, investors now make up just 31 per cent of dwelling finance, down from an average this year of about 37 per cent.

"If you have a reduction in the number of investors to 31 per cent, it's probably an indicator of housing activity slowing. But our data shows that overall loan flow is still strong, not from investors, but from upgraders."

AFG chief executive David Bailey



6 First-Home Buyers

Investors are reducing in size as a proportion of home loan borrowers

Percent of all dwellings financed for first home buyers (%)



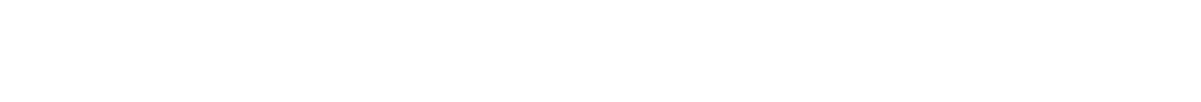
Lending to first home buyers jumped 6.5 per cent in July to \$2.9 billion from the previous month.

First home buyers are getting more chances because of advantages from governments in the form of tax deductions, exemptions and grants. You may even see them outbid an experienced investor.

Source: afr.com/real-estate/six-signs-for-sydneys-home-prices-point-to-further-cooling-20170911-gyfgn3#ixzz4tNwPqHTd

REAL ESTATE WEEKLY MARKET UPDATE

SATURDAY 23RD SEPTEMBER 2017
SYDNEY AUCTION RESULTS



Scheduled Auctions

834

Clearance Rate

70%

Source: domain.com.au/auction-results/sydney/