



MARKET UPDATE

BALWYN NORTH ROTARY CLUB

SEPTEMBER 2020

Jeremy Desmier
Director & Auctioneer

IT'S A FLETCHERS THING

WEEKLY MARKET UPDATE

“As the real estate industry endures the final weeks of Melbourne's strict six-week lockdown, buyer activity has remained surprisingly strong, with realestate.com.au reporting almost no impact to traffic on their website, with total site visits and enquiries in Victoria remaining steady throughout stage 4 restrictions.

REA Chief Economist, Nerida Conisbee, said that despite fears of a dramatic slowdown, current activity shows that people see this lockdown 'more as business as usual and that there is a timeframe for it and they will get through it'.

'We've got incredibly low interest rates of below 2% now and so I think buyers are seeing now as an opportunity to jump in,' she added.”



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WEEKLY MARKET UPDATE

“Melbourne's property market has survived a 53% drop in newly listed homes over the last four weeks due to the strict lockdown measures.

However, strong interest in property amongst buyers continues to show signs of a swift market rebound this Spring, with agents expecting a busy marketplace through the back end of September and October.

'What we've seen in Melbourne is a pullback of listings. But it will help to support prices. Following stage 4 lockdown, we'll see a rapid increase in vendors coming to the market. Transactions will start to return,' Domain Senior Research Analysis, Nicola Powell suggested.”



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BUYER ACTIVITY ON REALESTATE.COM.AU

REA HIT A NEW RECORD AUDIENCE NUMBER DURING LOCKDOWN

- ❑ 11.2 million people visited the realestate.com.au website in April.
- ❑ The surge in buyer activity continued in May, where they received over 100 million visits to their web and mobile platforms.
- ❑ In July, REA received another 12 million unique website visits.
- ❑ Buyer demand has fallen in Victoria over the last few weeks. However, the recent weakening in demand still remains much higher than it was a year ago, up 27.7% nationally.



*Source: realestate.com.au

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BUYER ACTIVITY ON DOMAIN

SEARCH ACTIVITY ON DOMAIN HAS INCREASED WEEK-ON-WEEK.

- ❑ Last month, search activity for sales listings increased 6%. Search activity for rental listings increased 4%.
- ❑ In July, SMS enquiry saw biggest uplift, increasing 57% for sales listings.
- ❑ Total national new sales listings increased 3% week-on-week.



*Source: Domain

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MEDIAN HOUSE PRICES

MELBOURNE HOUSE VALUES ARE UP 5.9%,
COMPARED WITH THE SAME PERIOD LAST YEAR.

- ❑ Melbourne house values have fallen by 1.2% in August, in line with stage 4 restrictions.
- ❑ Nationally, house values recorded a 0.4% drop in August.
- ❑ From a macro perspective, the rate of decline has eased over the past 2 months, with 5 out of 8 capital cities recording steady or rising values through the month.

Index results as at August 31, 2020

	Change in dwelling values				Median value
	Month	Quarter	Annual	Total return	
Sydney	-0.5%	-2.1%	9.8%	12.9%	\$860,182
Melbourne	-1.2%	-3.5%	5.9%	9.5%	\$667,520
Brisbane	-0.1%	-0.9%	3.5%	7.3%	\$503,128
Adelaide	0.0%	-0.1%	2.7%	6.9%	\$444,021
Perth	0.0%	-1.6%	-2.0%	2.1%	\$443,777
Hobart	0.1%	0.3%	5.5%	11.0%	\$490,743
Darwin	1.0%	1.0%	0.0%	6.7%	\$393,386
Canberra	0.5%	1.3%	6.9%	12.0%	\$636,324
Combined capitals	-0.5%	-2.1%	6.3%	9.8%	\$633,745
Combined regional	0.0%	-0.2%	4.0%	8.8%	\$395,761
National	-0.4%	-1.7%	5.8%	9.6%	\$552,689

**Source: CoreLogic*

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Balwyn North

HOUSE Median Price

Current Median Price: \$1,772,500



AVERAGE DAYS ON MARKET

VICTORIAN HOMES ARE NOT HANGING AROUND

- ❑ REIV President, Leah Calnan says that despite the current challenges presented by the pandemic, residential property in Victoria is selling quicker now than it was 12 months ago.
- ❑ The average Victorian home is spending just 41 days on the market before being sold, down from 44 days in the same period last year.
- ❑ Homes in metro Melbourne are being sold within 39 days on average improving on the 42 days it took in the same period last year.

Days on Market, Private Sales			
June 2020, Seasonally Adjusted			
Region	Jun-20	May-20	Jun-19
INNER MELBOURNE	38	40	43
MIDDLE MELBOURNE	37	36	42
OUTER MELBOURNE	39	40	40
METRO MELBOURNE	39	40	42
REGIONAL VICTORIA	60	57	58
VICTORIA TOTAL	41	41	44

**Source: Real Estate Institute of Victoria*

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OPERATING IN STAGE 3 LOCKDOWN

- ❑ Individual one-on-one inspections.
- ❑ Technology available only months before COVID-19 became a reality.
- ❑ Early adopters and development partners with Real Time Agent.
- ❑ Online Auctions - simply “borrowed” the NSW technology add-on, which was already set up for bidder registrations.
- ❑ Business as usual...just not quite “as usual”.



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RECENT SALES

2A Warwick Avenue, Surrey Hills



SOLD: \$1,800,000

59 Viewhill Road, Balwyn North



SOLD: \$1,900,000

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OPERATING IN STAGE 4 LOCKDOWN

- ❑ Strictly no attendance by agents to the 'workplace'. Workplace includes offices, client's properties, car travelling to look at properties.
- ❑ No buyer inspections, period.
- ❑ No photographers, stylists or renovations (save for emergency repairs).
- ❑ No floorplans.
- ❑ Only exceptions are activities relating to a settlement or new rental agreement entered into BEFORE the introduction of stage 4.



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WHAT WE CAN DO IN STAGE 4

- ❑ Virtual Appraisals (Facetime, Zoom or Skype with Potential Vendors).
- ❑ Online View 3D Tours (Prepared Before Stage 4 Lockdown).
- ❑ Online Auctions: Great Success in Past 4 Weeks.
 - ❑ Largely, but not exclusively contested by bidders who did physically view the property before lockdown.
 - ❑ Use of Zoom and Google Meet to have vendor do virtual inspection for buyer, supervised by agent.



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26B MEDWAY STREET BALWYN NORTH



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WHAT NOW?

- ❑ Eagerly awaiting “Roadmap” to Eased Restrictions.
- ❑ Listings Ready to Come to Market, but Unable to Prepare Marketing Materials.
- ❑ Everyone was Desperate for Stage 3 to end 6 Weeks Ago. Now, we are Looking Forward to Stage 3!



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NEWEST LISTING **TO MARKET**

36 Glendale Street, Surrey Hills

- ❑ 7 Days on Market (photos done last day before lockdown).
- ❑ Over 150 Email Enquiries and Phone Calls.
- ❑ 50 Inspections Tentatively Booked for Week Beginning 14th September.
- ❑ Inspections: 15 Minute Increments, Pending New Directions.
- ❑ Auction Will be Scheduled 10-14 Days After the Restrictions Allow Physical Inspections.



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WHEN IS THE RIGHT TIME TO SELL?

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THANK YOU
ANY QUESTIONS?

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