

Urban Development Institute of Australia (Victorian Division)

PROPERTY MARKET UPDATE

UDIA URBAN IQ

September 2020 Quarterly Report

Information provided by UDIA Partner,
RPM Real Estate Group





URBAN IQ


UDIA KNOWLEDGE PORTAL

URBAN IQ is a series of research, news, analysis and market intelligence initiatives for the Victorian urban development industry.

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UDIA URBAN IQ

PROPERTY MARKET UPDATE

SEPTEMBER QUARTER 2020

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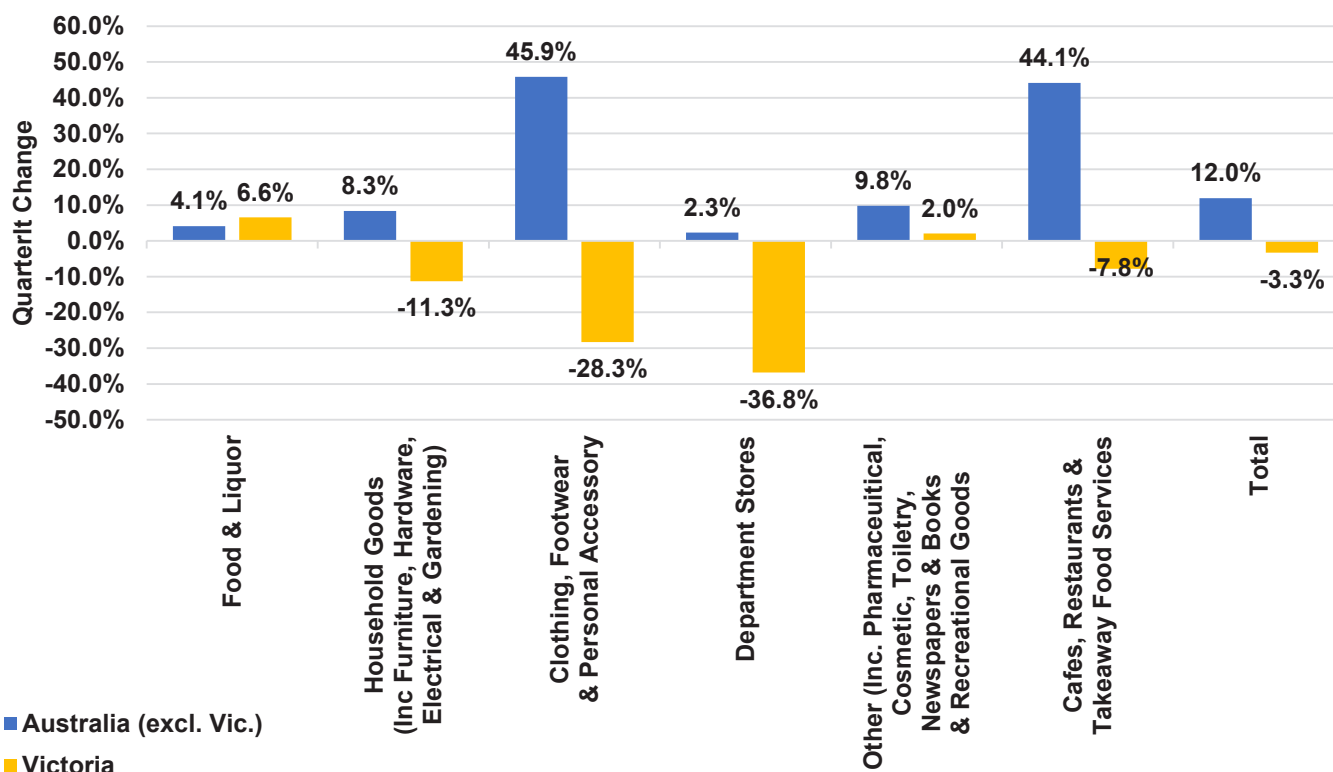
UDIA PARTNER



ECONOMIC MARKET UPDATE

NATIONAL GROWTH / OUTPUT

RETAIL TRADE



Source: Australian Bureau of Statistics

National Gross Domestic Product (GDP) contracted by a historical 7.0% in June quarter 2020, from the previous quarter, and entered a recession for the first time in almost three decades.

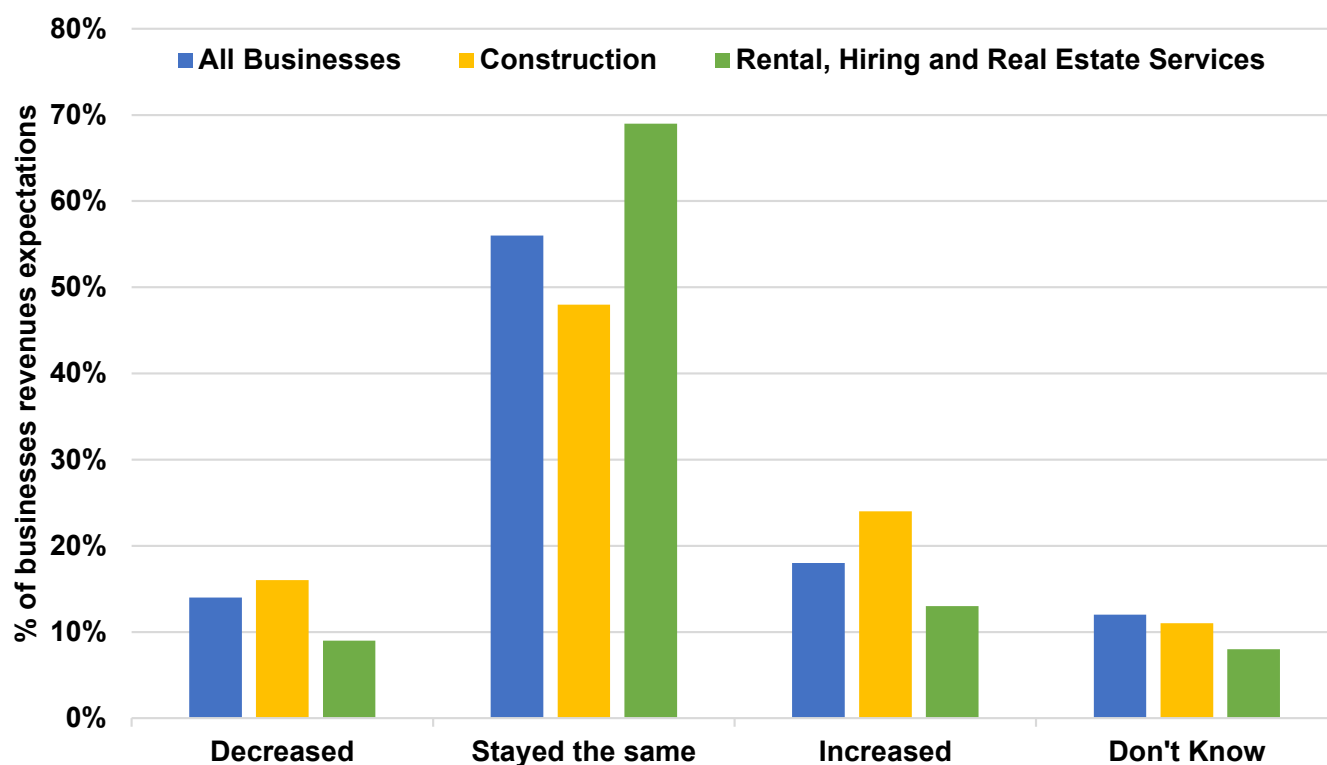
This was a consequence of the implementation of a national lockdown, that led to many industries needing to temporarily reduce operations or shut down completely, with mass job losses and an accelerating incidence of people being stood down following.

Consumer sentiment collapsed in response, with the drastic fall in the expenditure resulting in the largest segment of the economy of **private consumption declining by a substantial 12.13%.**

It was anticipated that the national economy would begin to recover in September quarter 2020, and while this occurred for most states and territories, Victoria's economy contracted further after a second wave of COVID-19 infections led to Greater Melbourne being under the most strenuous lockdown measures for much of the three month period.

Overall, Victoria's lockdown for most of September quarter 2020 is projected to have reduced national economic output by around \$1 billion per week, and with the state constituting around one quarter of Australia's economy, the flow on effects to national GDP will be significant. Nevertheless, with the remainder of the national economy entering a recovery phase, small national GDP growth over September quarter 2020 is still projected.

The difference in economic activity and consumer sentiment from Victoria and the remainder of Australia was evident in retail turnover figures in September quarter 2020. **Overall, retail turnover declined by 3.3% in Victoria in comparison to a 12.0% increase across all other states and territories.** The most significant difference was seen in clothing retail and cafes/restaurants, which reopened and were increasing capacity in all states, except in Victoria where they remained closed.



Source: Australian Bureau of Statistics

The ban on street auctions during the national lockdown led to a considerable fall in turnover activity of established dwellings across Australia in June quarter 2020. As a result, **the quarterly contraction in dwelling investment, which has occurred since the second half of 2018 as the downturn in property markets emerged, accelerated to 7.3% in June quarter 2020.**

However, this trend is anticipated to abate in September quarter 2020, with the turnover activity improving in all states except Victoria, while the benefits from the HomeBuilder Scheme on lot sales and residential construction is expected to begin to have a positive impact on total dwelling investment.

Lower private demand is leading to businesses deferring or cancelling discretionary investment to preserve cash flows. **Consequently, non-dwelling construction investment fell by 3.6% and machinery and equipment spending reducing by 6.9% over June quarter 2020.**

Encouragingly, revenue expectations from the ABS business survey in October are more upbeat, with more

business expecting revenue to increase (18%) in the coming months compared to those that expect revenue to decline (14%). This is a significant improvement from July when two thirds expected future revenue to fall. Nevertheless, the majority of businesses (56%) expect revenue in coming months to remain the same, which is likely to point to business investment continuing to struggle for momentum in September quarter 2020.

Governments both Federal and State are trying to fill the void left by falling private investment by announcing plans to expedite approvals for both public and private construction projects. In its 2020/21 Budget, the Australian Government announced it increased its infrastructure investment pipeline by \$10 billion to \$110 billion, while already committing \$14 billion to projects since the onset of the pandemic in March. States have also announced the fast-tracking of smaller 'shovel-ready' projects.

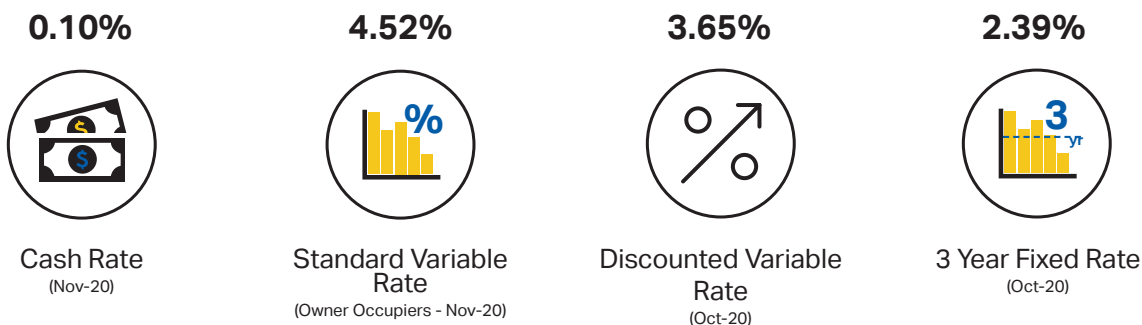
INTEREST RATES

Through October and November, the Reserve Bank of Australia (RBA) has undertaken additional policy measures to ensure stability in financial markets, further lowering funding costs for Australian banks and governments, and lowering borrowing costs for households and businesses.

Subsequently, the cash rate was reduced further to a new historical low of just 0.10% at the start of November. Furthermore, the RBA expects the cash rate to remain at this level for the next three years after aligning the cash rate with the interest rate charged on three year loans to commercial banks through the \$200 billion Term Funding Facility.

While not reflected in the latest October numbers released by the RBA, the three year fixed rate of 2.39% will drop in November after many housing credit providers reduced their 3 year fixed term loans in response to the move in the cash rate.

Conversely, variables rates were not as widely cut, with the October numbers of 4.52% for the standard variable rate and 3.65% for the discounted variable rate likely to remain similar. However, competition among banks for high quality borrowers with secure jobs and a steady income will mean some borrowers could access lower standard variable interest rates.



Source: Reserve Bank Australia

CONSUMER PRICE INDEX



▲1.57%

Household appliances and furniture



INCREASE

Food, non-alcoholic beverages, rents



DECREASE

The Consumer Price Index (CPI) increased by 1.57% across Australia in September quarter 2020, compared to the previous quarter. This led to the return of growth in **CPI on an annual basis**, which rose by 0.69%.

The **CPI index for childcare experienced a near fourteen** fold increase in September quarter 2020 as child care fees returned to normal in July after the Federal Government made childcare free through much the previous three month period. However, the child care CPI index remains 26% below the March peak, due to low attendance in Victoria during stage 4 restrictions.

With people working and spending more time in the family home, it resulted in solid increase in the CPI index for both household furniture (6.37%) and major household appliances (5.34%).

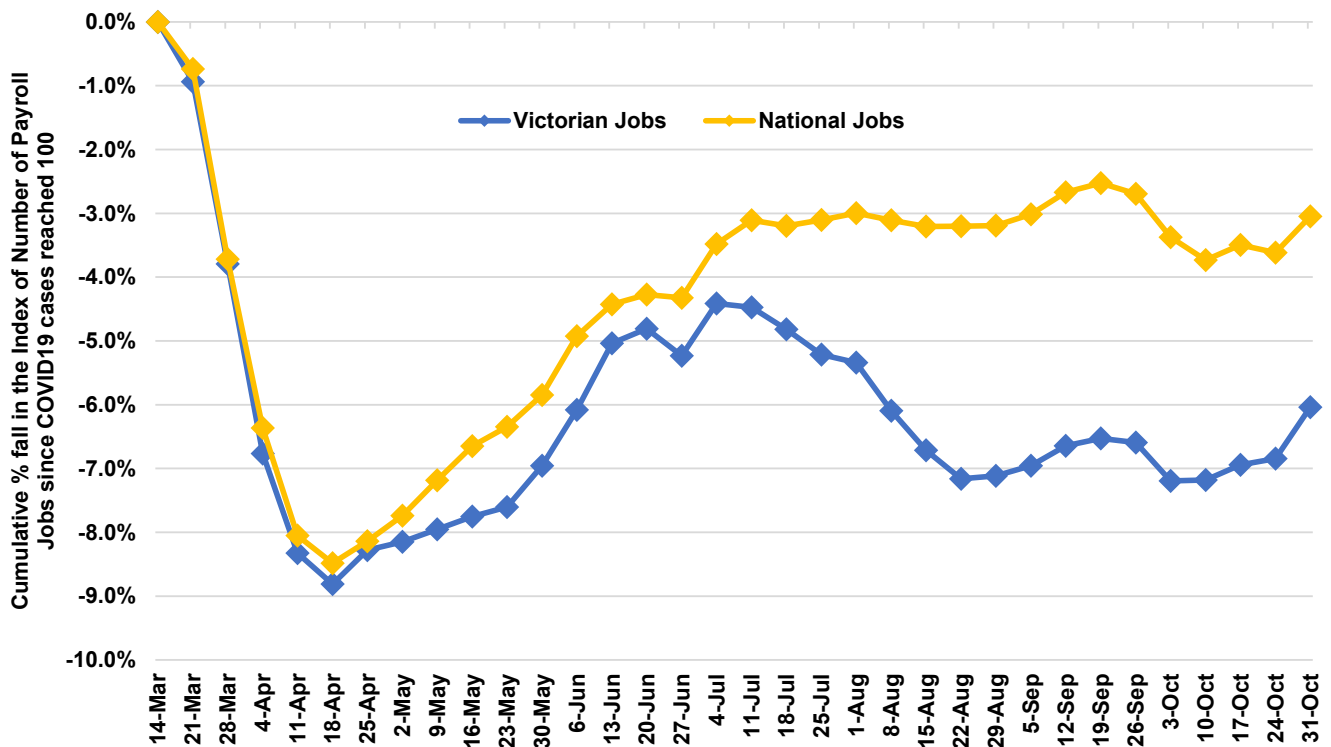
The overall housing group CPI index remained flat over September quarter 2020. With the HomeBuilder grant and other incentives lowering the out of pocket expenses on **new dwelling purchases**, growth in this index was limited to 0.5%. Moreover, the CPI index

for rents declined by a further 0.2%. The temporary travel ban on overseas migrants, higher unemployment, and the rental eviction moratorium period that has led to lower or complete deferment or rental payments, have all conspired to diminish tenant demand, increase vacancies and reduce rents.

A return of regular discounting cycles at supermarkets, after the wave stockpiling subsided, led to an overall **food and non-alcoholic beverage group CPI index falling by 0.4%.**

Melbourne's Consumer Price Index (CPI) rose by a lower 0.86% in September quarter 2020, from the previous quarter, as stage 4 restrictions limited the turnaround in consumer spending.

EMPLOYMENT/WAGES



Source: Australian Bureau of Statistics & Australian Tax Office

Official employment data from the ABS shows Victoria gained 22,400 jobs in July, before entering the onerous stage 4 restrictions at the start of August, which forced shutdown of many business and other industries to substantially reduce their output. Consequently, Victoria lost 72,800 jobs over the two months to September while under stage 4 lockdown measures.

Approximately 81% of these jobs were part time, highlighting the industries hardest hit in Victoria during the second lockdown were again those where part time work was more prevalent.

The total net lost of 50,300 jobs in Victoria over September quarter 2020 compares with the net addition of 269,000 jobs across the other states and territories.

Furthermore, the number of persons working reduced hours or stood down completely jumped by 32,200 persons in Victoria, although declined by 249,900 persons nationally in September quarter 2020.

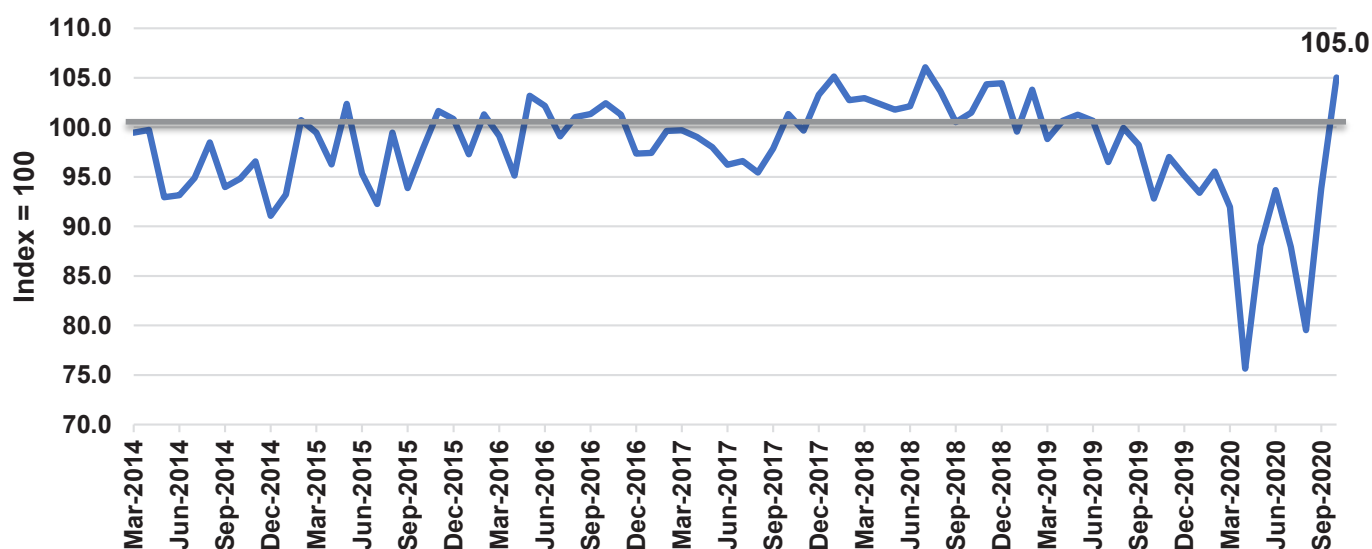
Employment indicators released from the Australian Bureau of Statistics (ABS) in conjunction with the Australian Tax Office (ATO) highlights the divergence in the performance of the Victorian jobs markets compared to the national jobs market from early July.

As a result, by the start of October, the index for the number of payroll jobs in Victoria was 7.2% lower than the mid March reading, which was just prior to the introduction of the first lockdown. In comparison, the corresponding fall in national index was less than half at 3.4%.

The progressive easing of stage 4 restrictions through October has allowed for more businesses to reopen or increase operations, leading to the emergence of a recovery in the Victorian jobs market index and stronger growth than the national payroll jobs index.

SENTIMENT

CONSUMER SENTIMENT



Source: Westpac-Melbourne Institute Consumer Sentiment Index

The Westpac-Melbourne Institute Consumer Sentiment Index surged by 32% over October to 105.0, which is also its highest monthly reading since July 2018.

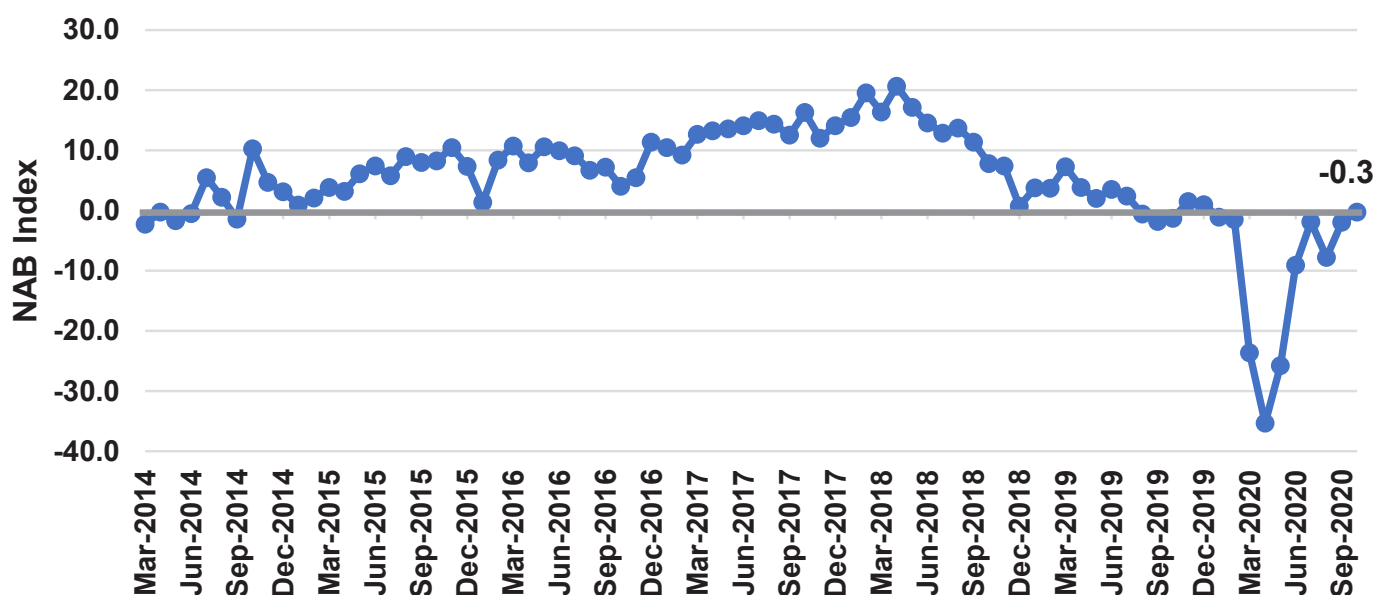
Significantly more buoyant sentiment is likely attributed to Victoria's successful suppression of its second wave of COVID-19 cases. This led to a progressive easing of lockdown restrictions through October, with economic activity rising as industries could re-open or ramp up operations and more people returned to work.

Other positive influences were the widely expected reduction in interest rates and heavy job creation focus of the Federal Budget released in October.

As result, the index measuring sentiment towards economic conditions in the next twelve months jumped by a sizeable 24%, with unemployment expectations improving by 14%.

The Westpac-Melbourne Institute Consumer Sentiment Index is the most widely quoted barometer of consumer sentiment in Australia. A score of greater than 100 means that optimists outnumber pessimists, with readings of below 100 indicating that pessimistic consumers are in the majority.

BUSINESS SENTIMENT



Source: National Australia Bank Business Survey

Business conditions dipped in August as Greater Melbourne entered the more strenuous stage 4 lockdown restrictions, before recovering in the following two months, with the index in marginal negative territory at -0.3 points in October 2020.

Trading/sales conditions were most positive in response to the economy further opening up, which also some flow benefits for profitability. However, with many industries still not operating at full capacity, and others still heavily impeded by travel bans, overall employment conditions remain in negative territory.

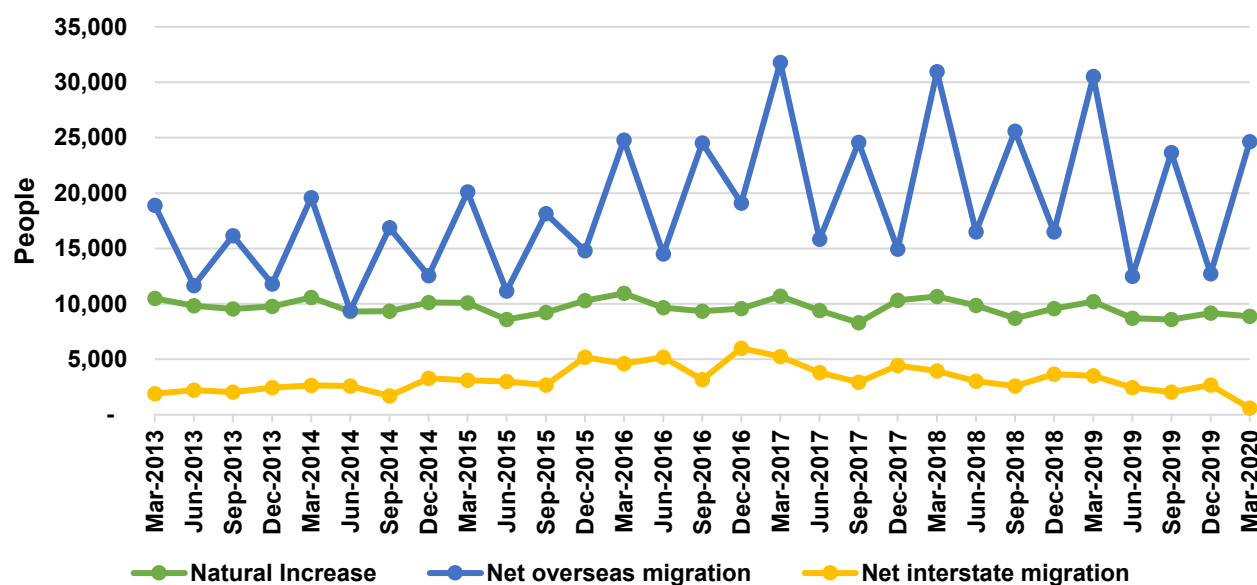
Conditions in the construction industry remain challenging. However, as a precursor to improved conditions, confidence across the construction industry is more positive. Strengthening lot sales activity since the introduction of the \$25,000 HomeBuilder Grant in June has led to a buoyant outlook for residential construction, while Government's push to fast track infrastructure projects as a means for driving economic growth is boosting the outlook for engineering construction.

NAB's Business Survey has been tracking Australian business confidence levels for more than two decades. Businesses are approached quarterly, with two smaller monthly surveys conducted in the intervening months to capture changes on a more regular basis. The panel now exceeds 2,700 businesses.

VICTORIAN POPULATION

Victoria gained 34,032 people during March quarter 2020 (latest available data), lifting its estimated resident population to 6,689,377 people.

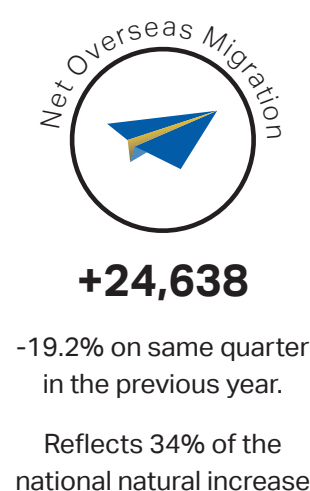
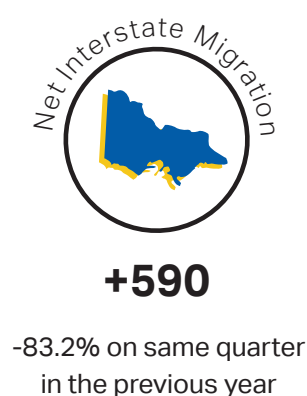
This equated to a population increase of 116,538 people or 1.77% growth in Victoria over the twelve months to March 2020, which were both the strongest in absolute terms and percentage terms amongst all states and territories.



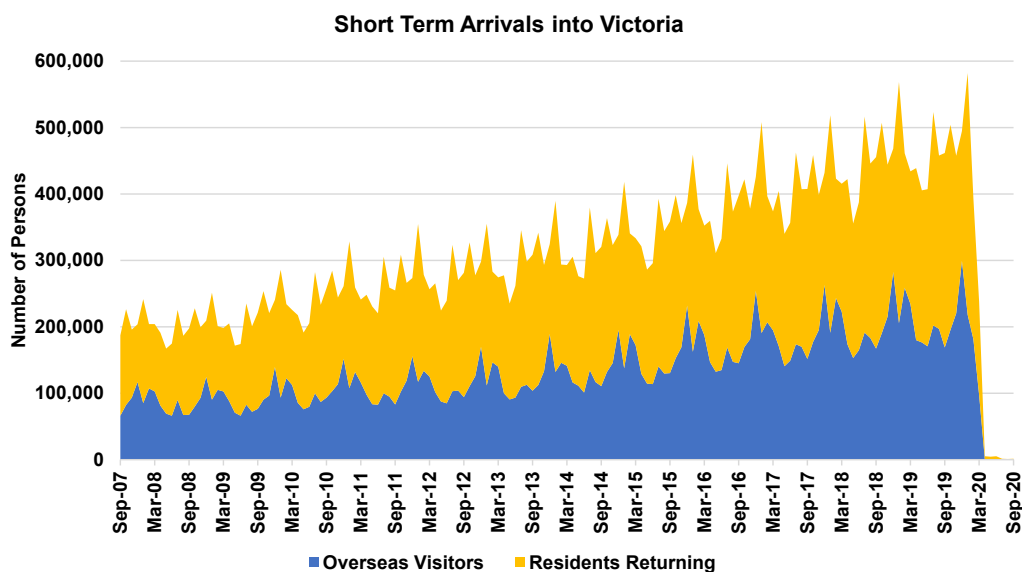
Source: Australian Bureau of Statistics

POPULATION COMPONENTS

A breakdown of the three components of population growth shows that in March quarter 2020 Victoria recorded;



IMPACTS OF TRAVEL BAN ON OVERSEAS ARRIVALS



Source: Australian Bureau of Statistics

The travel ban on all non-citizens or non-permanent residents entering Australia has led to a collapse in short term (less than 1 year) overseas visitor arrivals entering Victoria over the last six months to September 2020 to just 3,250 persons. This reflected a seismic 99.7% decrease on the corresponding figure during the six months to September 2019.

The requirement to quarantine has also halted short term resident returns, which declined by 99% in the six months to September 2020 compared to the same period in the previous year.

MELBOURNE RESIDENTIAL MARKET PRICES

MELBOURNE PRICES



\$846,000
HOUSE PRICE DOWN 1.7%
FROM Q2-2020



\$622,500
UNIT PRICE UP 0.2%
FROM Q2-2020



\$303,625
LAND PRICE DOWN 2.5%
FROM Q2-2020

September quarter 2020 was not without unprecedented challenges for Melbourne's residential property market. More restrictive social distancing measures returned in July in Greater Melbourne before the implementation of the stage four lockdown in August and September. This led to the banning of both on street auctions and all dwelling inspections for the entirety of these two months.

As a result, the majority of vendors pulled their property off the market or delayed listing their property, reducing the overall supply of properties for sale. The Real Estate Institute of Victoria (REIV) reported just 1,838 auctions over September quarter 2020, a 72% decrease on the corresponding number during the same quarterly period in 2019. Furthermore, weak property demand from deteriorating economic conditions is also impacting private sales, which declined by 40% annually in September quarter 2020.

However, the overall correction in dwelling prices through 2020 so far has been more orderly. The leniency provided by lenders to distressed borrowers through holiday repayment periods has most likely insulated the property market from a larger contraction in dwelling prices by minimising the incidence of properties entering the market due to home owners being forced into selling.

Over September quarter 2020, sales recorded a preliminary median:

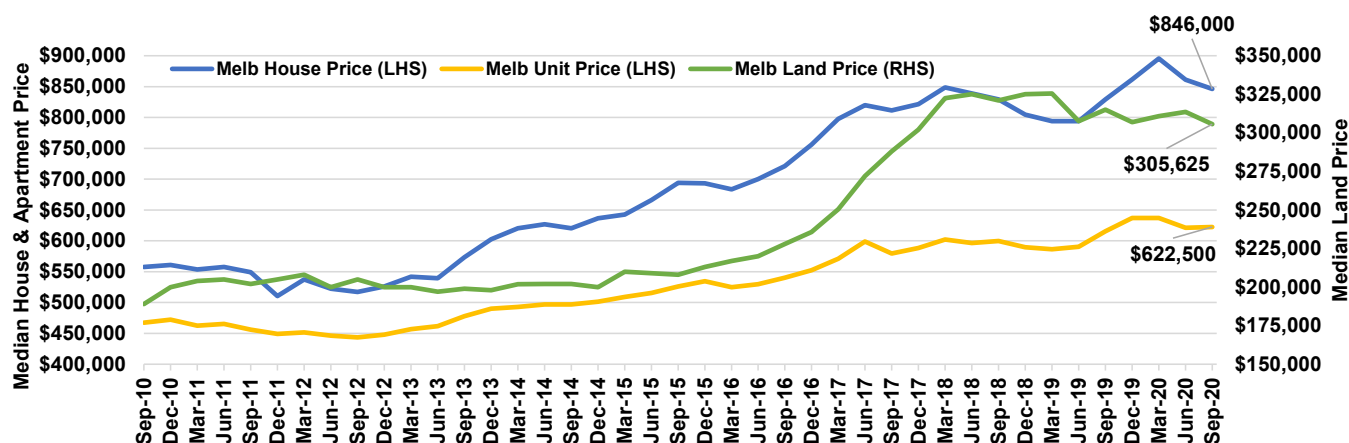
- House price of \$846,000 (-1.7% change from the previous quarter, and +2.1% from the corresponding quarter a year earlier)
- Unit price of \$622,500 (+0.2% from the previous quarter, +1.1% from the corresponding quarter a year earlier)

Sales activity in the new home market has held up considerably better through September quarter 2020, undoubtedly supported by the \$25,000 HomeBuilder Grant to owner occupiers continuing to incentivise purchasers to enter the new home market. However, new house demand was increasingly price sensitive, and as consequence, the land market has performed worse from a price perspective in September quarter 2020, with a preliminary median:

- Land price of \$303,625 (-2.5% change from the previous quarter, and -3.0% from the corresponding quarter a year earlier)

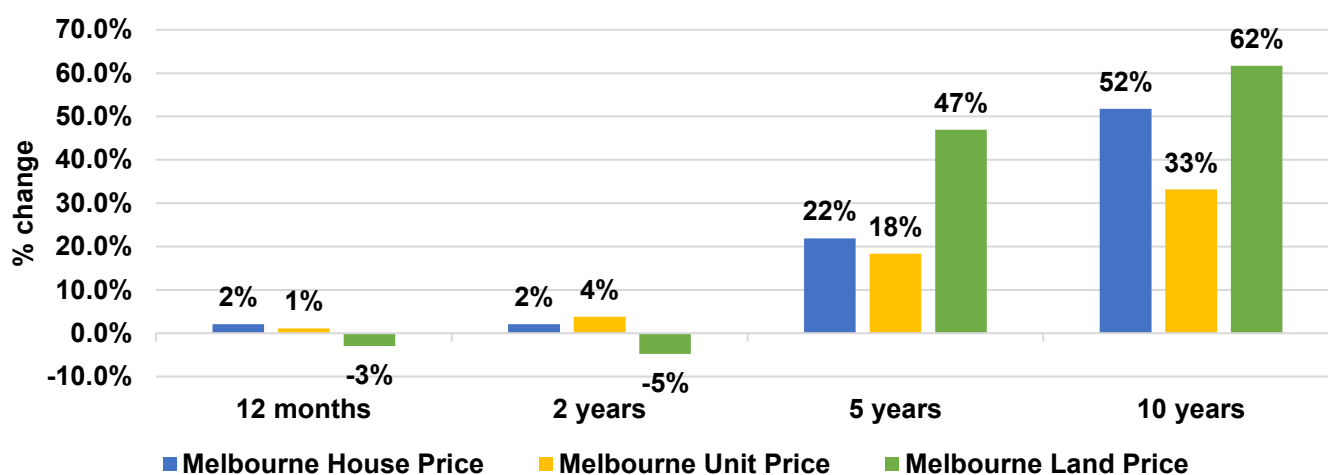
Significantly, the median lot price is now below its mid-2019 cyclical low, and at its most affordable level since December quarter 2017. This suggests owner occupiers are not using the HomeBuilder Grant to increase their budget spend on land, with this money more likely dedicated to increased construction costs from building a bigger home or reducing their outstanding loan amount.

MELBOURNE PRICES



Source: Real Estate Institute of Victoria & RPM Research Division

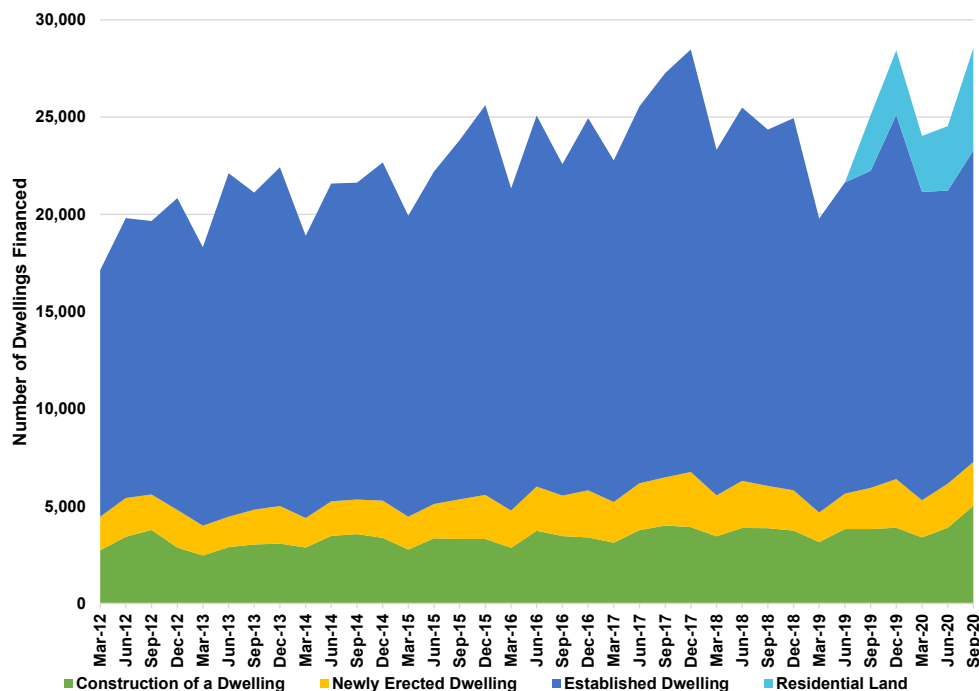
PRICE CHANGE



Source: Real Estate Institute of Victoria & RPM Research Division

FINANCE ACTIVITY: VICTORIA

LOANS BY DWELLING TYPE



Source: Australian Bureau of Statistics

The number of new owner occupation loans in Victoria increased by 16.3% in September quarter 2020, from the previous quarter, reaching 28,533 approvals.

New loans for residential land (58.0%) and the construction of a new dwelling (28.7%) experienced the strong growth in September quarter 2020. The introduction of the \$25,000 HomeBuilder grant from the start of June has shifted in new home demand towards titled lots, leading to the immediate boost in new residential loans. Furthermore, with the tight timeframe between signing of construction contraction and commencement, vacant lot sales induced by the HomeBuilder grant are starting to also boost new dwelling construction loans.

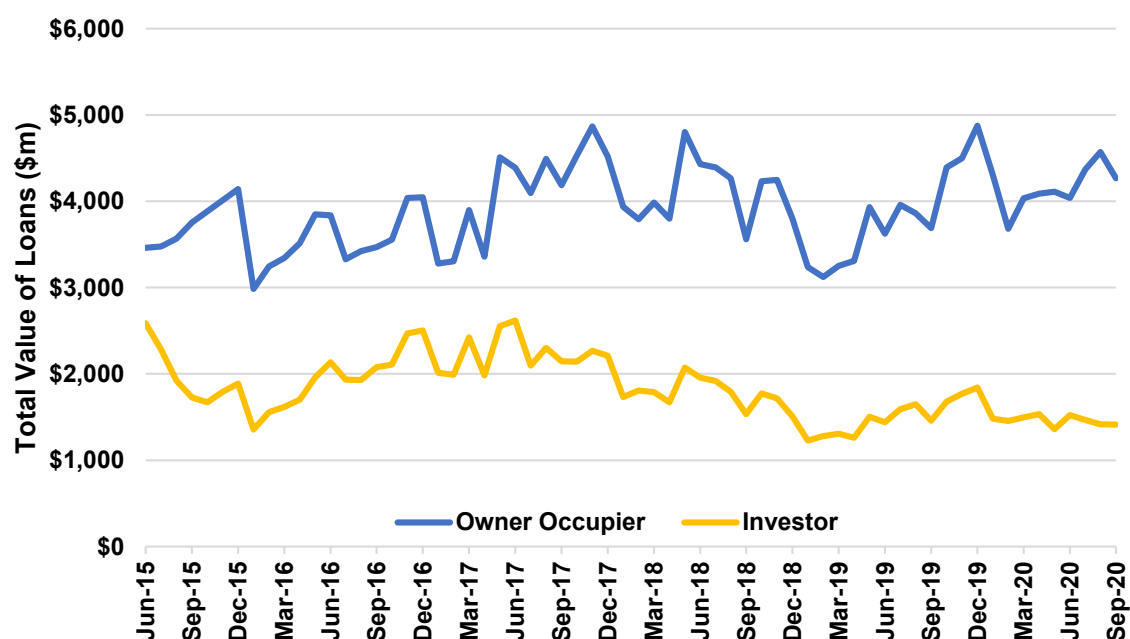
However, with demand shifting away from newly erected dwellings, which are not eligible for the HomeBuilder grant, new loans for newly erected dwelling loans fell by a marginal 0.6% in September quarter 2020.

More surprisingly, new loans for established dwellings increased over September quarter 2020, rising by 6.4% from the previous quarter. Despite both auction and private sales remaining weak, this could be a reflection of longer loan approval times and settlement periods pushing out official loan approval of established dwelling sales from June quarter into September quarter.

Note: From July 2019, new owner occupation loans have been broken down further to include 2 new categories of residential land and alteration/additions. However, the ABS has not provided a historical time series beyond the last six months for these 2 new categories, so they have not been included. As a result, new owner occupation loans equates to the sum of loans for the construction of a new dwelling, and purchase of a newly erected or established dwelling.

The Australian Bureau of Statistics changed its data source for lending indicators from July 2019 onwards. Consequently, revisions have been made to historical data to align with current reporting procedures. As lenders become accustomed to the new reporting basis and further refine the data, this process is likely to lead to further revisions, including to the historical time series.

VALUE OF LOANS BY PURCHASER TYPE



Source: Australian Bureau of Statistics

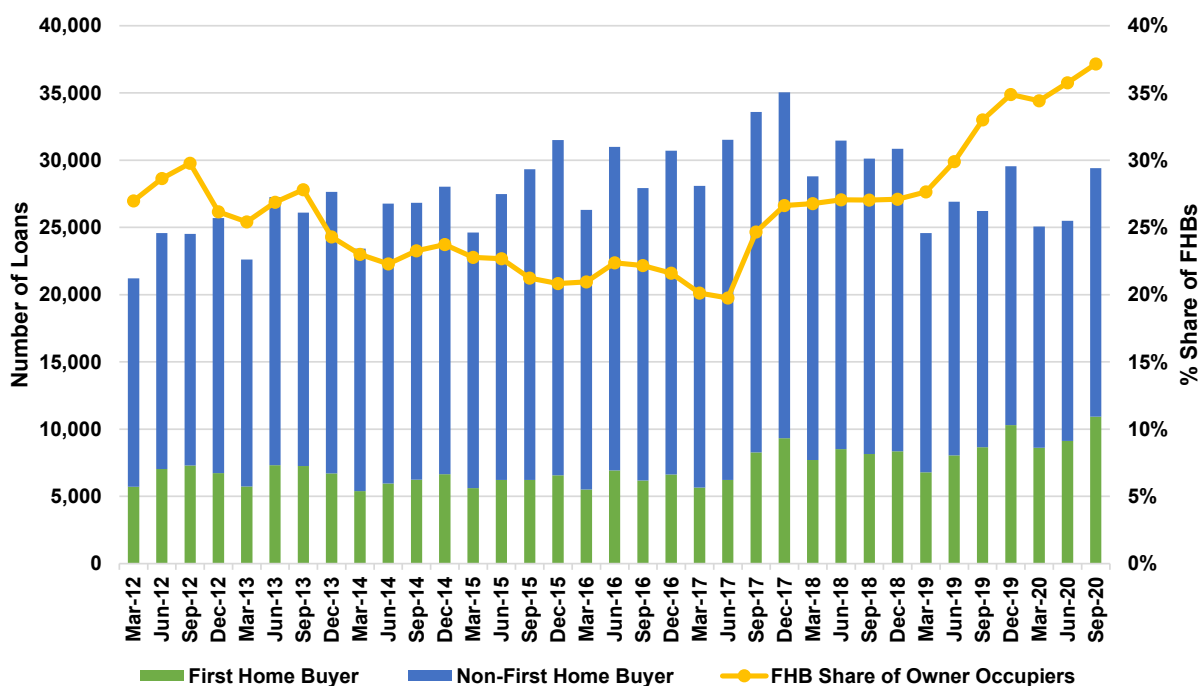
The total value of new owner occupier loans (excluding refinancing) in September quarter 2020 increased by 8.0% compared to the previous quarter.

Much of this growth was attributed to strong sales activity of broadhectare subdivision lots resulting in the value of residential land loans surging to record levels. Furthermore, with many of these sales being titled or near titled lots so purchasers received the HomeBuilder Grant, the value of construction loans also escalated.

The total value of new loans to investors (excluding refinancing) during September quarter 2020 contracted by 2.8% from the previous quarter.

This highlights the continual retreat of investors from the residential property market as decreasing tenant demand and subsequent increased vacancies apply downward pressure to rents and overall yields, while the outlook for capital growth was also weak. By dwelling type, the largest decline in the value of residential investment loans was for newly erected dwellings.

NUMBER OF LOANS TO FIRST HOME BUYERS AND NON-FIRST HOME BUYERS



Source: Australian Bureau of Statistics

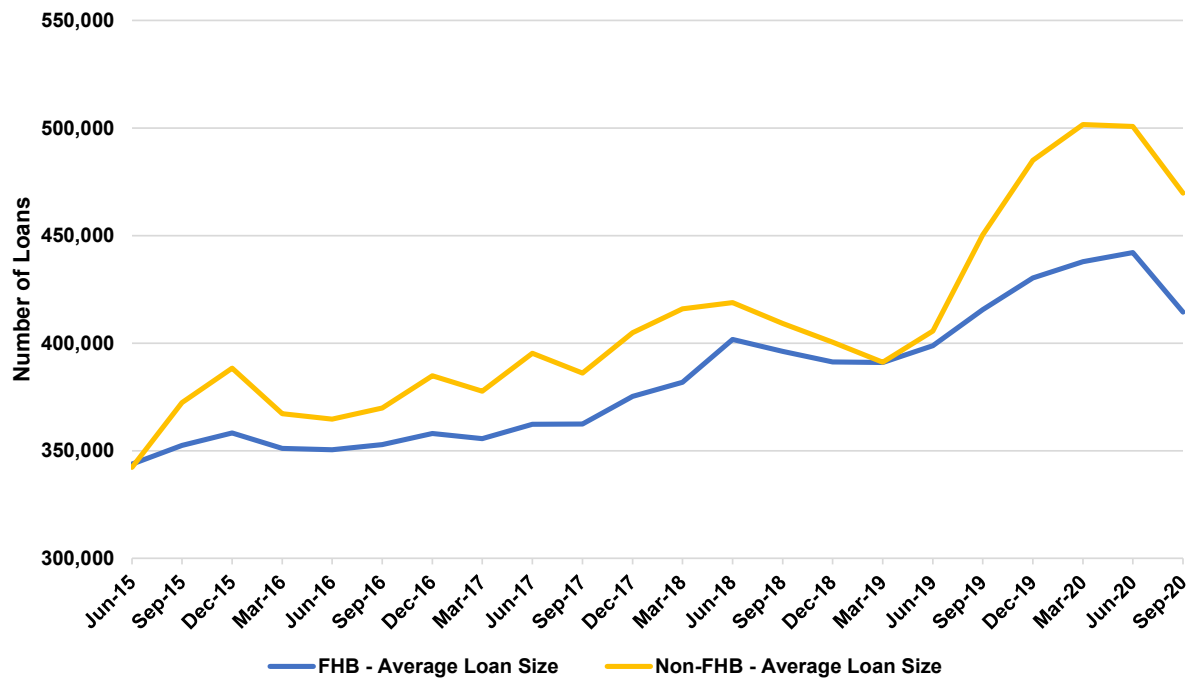
Quarterly growth in the number of **new first home buyer loans accelerated to 19.8% over September quarter 2020 to 10,927 loans**. Demand from first home buyers is now stronger than any period outside of 2009 when the First Home Owner Boost Scheme was in place, which provided first home owners with a commensurate level of stimulus to what is currently available. Low borrowing costs and the abolishment of stamp duty when purchasing a dwelling for owner occupation up to \$600,000 are also continuing to support first home buyer demand.

In September quarter 2020, non-first home buyers recorded 18,481 loans (excluding refinancing), reflecting an increase of 5.2% from the previous quarter. However, this volume remains relatively low. While the \$25,000 HomeBuilder grant is also available

to non-first home buyers, its ability to encourage these buyers to trade up or trade down to a new dwelling has been limited. This is in response to the ban on inspections and street auctions in August and September discouraging them from selling their existing dwelling.

As a result, **first home buyers share of total new owner occupier loans edged higher to 37.2%** in September quarter 2020. This was its highest proportion since the post GFC period when first home buyer incentives were similarly attractive.

AVERAGE LOAN SIZE – FIRST HOME BUYERS AND NON-FIRST HOME BUYERS



Source: Australian Bureau of Statistics

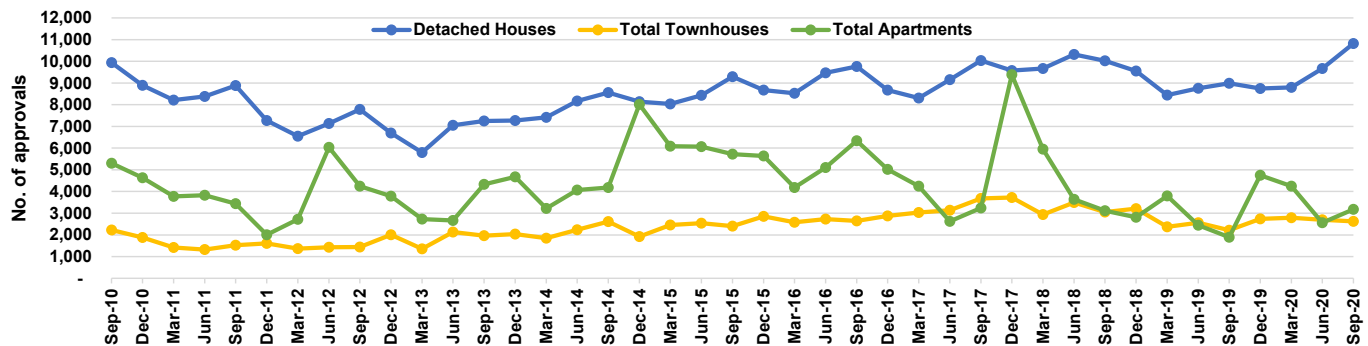
Over September quarter 2020, the average loan size to first home buyers and non-first home buyers both decreased by slightly above 6% from the previous corresponding period. This was attributed to the correction in both median house prices and median land prices during the quarter.

At September 2020, the average loan size attributed to a non-first home buyer was \$55,320 above the average loan size to a first home buyer (\$414,400).

After converging to be almost identical at March 2019, the divergence in average loan size between non-first home buyers and first home buyers widened throughout the remainder of the year and has remained significant during 2020.

BUILDING ACTIVITY: VICTORIA

APPROVALS



Source: Australian Bureau of Statistics

Victoria recorded 16,600 dwelling approvals in September quarter 2020, equating to a 26.8% increase on dwelling approvals in the same quarter in 2019. This has also lifted **total approvals during the twelve months to September 2020 to 63,595 dwellings and be 11.5% above** the corresponding figure twelve months to September 2019.

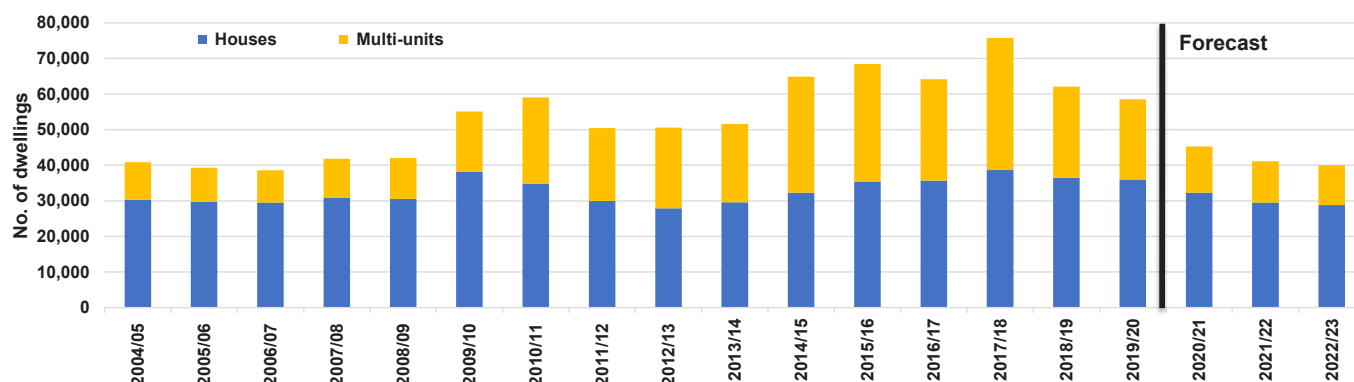
New detached house recorded a long term high of 10,821 approvals in September quarter 2020, which represented a sizeable 20.4% increase on house approvals in the same quarter in 2019. Robust lot sales since the introduction of the HomeBuilder grant in June has had an immediate beneficial impact on house approval activity, as the tight construction timeframes of the Scheme shift demand to titled lots. This has led to 38,020 new detached house approvals in Victoria over twelve months to June 2020, which equated to solid annual growth of 6.4%.

Approvals of semi-detached/row/terrace houses and townhouses rose by 18.0% annually in September quarter 2020 to 2,618 dwellings. However, quarterly approval activity of medium density dwellings has been easing through 2020, with September quarter approvals being 2.9% below the previous three

month period. Although remaining attractive from an affordability perspective, the growing preference for larger homes and boosted incentives making detached houses more attainable for first home buyers, is likely to have had some impact on demand for medium density dwellings.

Victoria recorded 3,026 approvals of flats/units/apartments in buildings of 4 storeys of higher in September quarter 2020, which was an increase of 82.4% on the long term low of approvals in the same quarter in 2019. This growth was underpinned by fast tracking approvals of shovel ready significant high rise developments by the State Government to drive economic activity. Nevertheless, pre-sales activity for high rise apartment projects is likely to continue to be weak, as high vacancies and falling rents among inner city properties dissuade investors from entering that segment of the property market.

COMMENCEMENTS



Source: Housing Industry Association

Detached house commencements remained relatively strong over 2019/20, after only edging down by 1.5% to 36,010 starts.

Although the \$25,000 HomeBuilder grant has pulled forward new house demand, evident by robust lot sales activity since June, combined with the pandemic shifting purchaser demand towards detached house as there is a greater desire for larger dwellings that accommodate more internal space for home offices and storage and their own private outdoor space, **detached house commencements are still projected to decline by 10.4% over 2020/21 to 32,280 starts.** This is around long term annual construction levels.

New house demand is anticipated to weaken in 2021, after being pulled forward into the previous year, which will be augmented by the temporary ban on overseas migration through most of 2020 and into 2021. As a result, **Commencements of detached houses are forecast to fall further during the following two years, although the rate of decline will slow to 8.6% over 2021/22 and 2.3% in 2022/23.**

This level of house construction will still hover around long term levels, supported by the HomeBuilder grant and an increased desire from people for lower density living that affords them more internal space for home

offices and storage and their own private outdoor space.

After falling by 11.9% over 2019/20 to 22,550 multi-unit dwelling starts, the rate of decrease is forecast to accelerate to 42.4% over 2020/21, leading to 12,980 multi-unit dwelling commencements. This reflects weakening pre-sales activity through the market downturn in 2019.

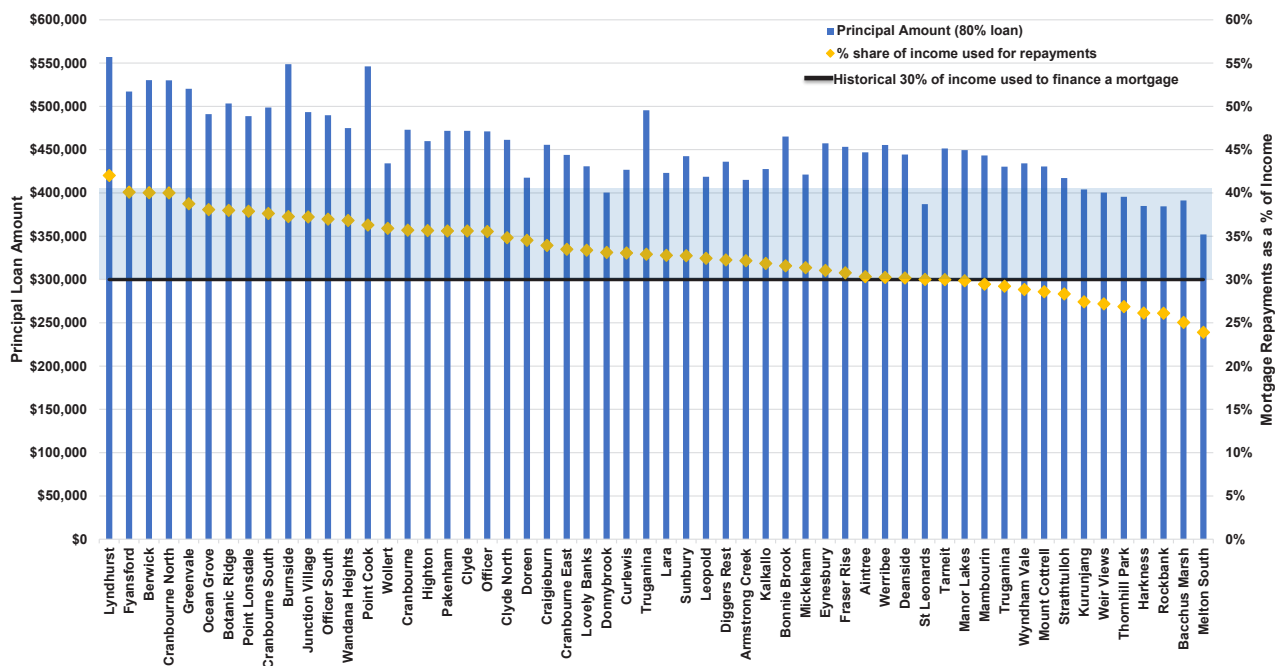
Falling rents and unattractive yields, stemming from weaker tenant demand and higher vacancies is expected to lead to investors increasingly staying out of the higher density residential market. This sector will not receive much boost from the HomeBuilder scheme as many developments will not meet the tight construction timeframes.

Consequently, **multi-unit dwelling starts are expected to continue to contract, by an estimated 10.3% in 2021/22 and 4.0% in 2022/23.**

Notably, detached houses are projected to constitute 72% of total commencements over the three year forecast period to 2022/23. This is similar to its proportion from 2003/04 to 2008/09, however, well down on detached houses 57% share of total commencements during the eleven years to 2019/20.

Notes: HIA defines a building as commenced when the first physical building activity has been performed on site in the form of materials fixed in place and/or labour expended (this includes site preparation but excludes delivery of building materials, the drawing of plans and specifications and the construction of non-building infrastructures, such as roads). HIA collects data from their membership base of over 40,000 industry professionals who are responsible for over 80% of Australia's residential construction work.

AFFORDABILITY



Source: Reserve Banks of Australia, Australian Tax Office & RPM Research Division

Over the past decade housing affordability has received an increasing share of media attention. Generally, first home buyers are noted as the age cohort that bears the brunt of consistently increasing house prices. However, in more recent times the dialogue has shifted to include all age cohorts who particularly have a desire to reside in the middle ring of Melbourne but find it increasingly unaffordable to do so.

The common benchmark for identifying housing stress in Australia has historically been identified as those households that allocate at least 30% of disposable household income to finance their mortgage. This ratio has been in place for decades and in recent times there is a growing view that the ratio should be closer to 35% to 40% to reflect the market of today.

The chart examines the ratio of mortgage repayments to household income for 56 suburbs throughout the growth corridors of Melbourne and Greater Geelong. Most suburbs have experienced a significant improvement in this ratio through 2019 and into 2020, attributed to median lot prices largely contracting through this period, and also the changing composition of lot sales to an increasing proportion of small lots.

Overall, 34 suburbs recorded a mortgage to household income ratio of below 35%, two thirds of all identified

suburbs. Median lot prices in most of these suburbs were more affordable as a result of being a larger development front and containing an abundance of greenfield land, or containing a relatively higher composition of medium density lots amongst total lot sales. High household incomes in Wyndham reduced the mortgage to household income ratio for many of municipality's suburbs into this bracket.

A further 18 suburbs recorded a mortgage to household income ratio from 35% to 39%, with this level being synonymous with the emergence of constrained affordability. Half of these suburbs were in the south east growth areas of Casey and Cardinia, highlighting their relatively more expensive lot prices. Limited competition and subdued new lot supply applying upward pressure to lot prices in Greenvale, Burnside, Point Cook and Doreen, while bigger lot sizes pushed up prices in suburbs on the western outskirts of Geelong and Bellarine Peninsula.

The ratio of mortgage repayments to household income was 40% and above in just 4 suburbs. Lyndhurst, Berwick and Cranbourne North are well established development fronts, with new housing more so resembling infill rather than greenfield development, while larger lot sizes in Fyansford elevated its median lot price.

CALCULATION ASSUMPTIONS

The chart depicts the median lot price in September quarter 2020 by suburb, along with a median anticipated construction cost and net income by corridor. The median construction costs and incomes are taken from RPM's Internal Buyer Surveys. The construction cost ranges from \$225,700 (Whittlesea) to \$259,800 (Casey) while income levels reflect net levels to provide a more accurate level of disposable income. In addition, the chart also assumes a 20% deposit has been paid and mortgage repayments are based on a 30 year loan at the discounted standard variable rate at September 2020 of 3.65%.

ABOUT

RPM REAL ESTATE GROUP

RPM Real Estate Group is Victoria's most successful residential development sales, marketing and advisory agency. We specialise in sales within master-planned communities, medium and high density developments, greenfield and infill development sites and international investment sales. We advise our clients on all aspects of the sales process from site due diligence, acquisition, planning and risk mitigation through to product mix, pricing, launch, sales and settlement. Our research-backed strategies deliver higher revenues, faster sales rates and better returns for our clients.

FULL SERVICE OFFERING

Research: in-depth analysis on current economic and housing conditions, future supply and demand assessments, and buyer demographics to enable clients to make the most informed decisions.

Communities: the market leader in sales and marketing of master-planned estates, we offer unparalleled expertise in the management of an estate, product mix and design, pricing, market dynamics and matching product to demand to ensure faster sales rates and maximum yield.

Project Marketing: specialising in sales and marketing of medium density and mid-rise apartment infill sites throughout Melbourne. Backed by unrivalled in house research to help clients develop the best product and sales strategy to drive maximum return in this burgeoning market.

Transactions & Advisory: specialising in development site transactions across greenfield and infill residential, commercial and medium density sites. The team's philosophy is based on not just selling, but adding value to the selling process and unlocking the value of sites.

RPM International: helps clients including property owners, developers and investors diversify and maximise their property portfolio by connecting an expansive network of offshore buyers keen to invest in high quality residential estates and medium density projects throughout Melbourne.

Property Management: providing full service property management services for both Australian and international clients to ensure their property assets are protected and maximised.



THANK YOU TO UDIA PARTNER **RPM REAL ESTATE GROUP** FOR
PROVIDING THE INFORMATION CONTAINED WITHIN THIS REPORT.

RPM REAL ESTATE GROUP

- Victoria's leading residential development sales and marketing agency
- Full-service sales and marketing, research and advisory capability
- Unsurpassed track record of delivering outstanding returns for clients
- Unparalleled breadth and depth of research to optimise client decision making
- Over 1,500 lots sold over Financial Year 2019
- 40 active projects
- 37,000+ total yield of current projects

CONTACT RPM

P +613 9862 9555
F +613 9862 9512
E contactus@rpmrealestate.com.au
W www.rpmrealestate.com.au

UDIA PRINCIPLES FOR THE WAY AHEAD

THESE PRINCIPLES WILL GUIDE UDIA AS WE CONTINUE ON OUR JOURNEY OF GROWTH AND AS WE FURTHER SOLIDIFY OUR LONG TERM, SUSTAINABLE POSITION AS THE URBAN DEVELOPMENT INDUSTRY'S ASSOCIATION OF CHOICE.

LEADERSHIP

Drive the thought leadership agenda and exercise tangible influence with government and other stakeholders

EXPERTISE AND INNOVATION

Offer innovative membership services that respond to the changing needs of our industry

INFLUENCE

Be known as the pre-eminent expert organisation on housing and urban development

INDUSTRY SUCCESS

Advance and support the industry in the public arena and facilitate industry recognition and promotion

KNOWLEDGE

Be the go-to organisation for industry knowledge and business building insights

DEEPLY CONNECTED

Facilitate a fruitful business environment by connecting industry and government stakeholders

LOYALTY

Possess a deeply loyal membership base as a result of consistently providing solid member services

URBAN DEVELOPMENT INSTITUTE OF AUSTRALIA (VIC)

🌐 udiavic.com.au

☎ +61 3 9832 9600

✉ info@udiavic.com.au

