



URBIS

HOME PURCHASING SENTIMENT SURVEY

MAY 2022



Highlights



35% positive about purchasing in the current market



40% of owner-occupiers positive about purchasing



30% of those looking to buy for investment positive about purchasing



Families, 40% positive



Couples, 29% positive



Singles, 33% positive



37% expect prices to increase in next 6 months



70% would prefer a free standing home

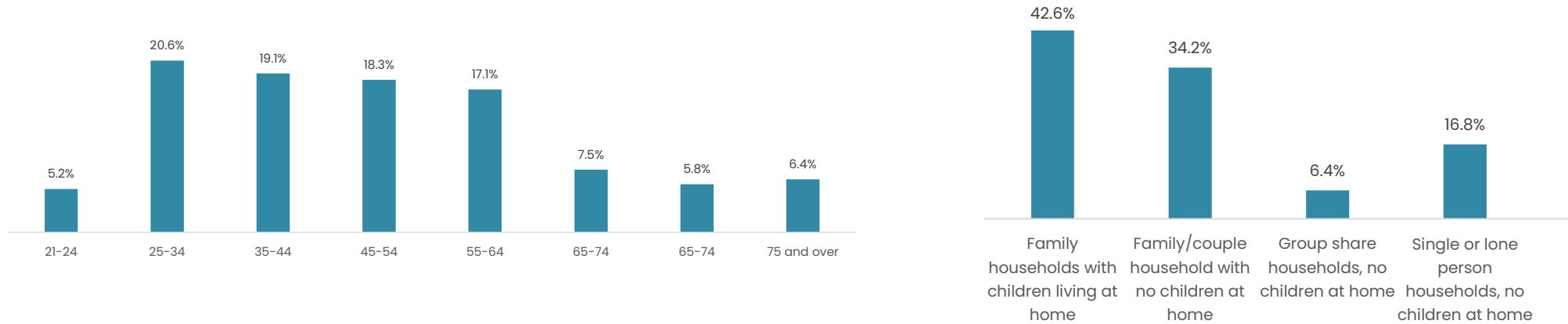


24% would prefer a medium or higher density home

Executive Summary

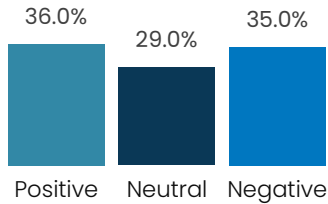
- UDIA Victoria in partnership with Urbis is delighted to present to members the results of the third Melbourne Home Purchasing Sentiment Survey. The survey offers insight into how 503 people aged 21 years and over viewed the residential market in May 2022.
- This survey is undertaken on a biannual basis to provide a clear image of current and future market sentiment. We hope this information will support both UDIA Victoria’s advocacy priorities and our members’ understanding of the present market.
- This edition of the survey found a reduction in positive sentiment amongst Melbourne home purchasers with 35% of respondents being positive about the housing market, down from 44% in October last year and 45% in May 2021.
- The proportion of survey respondents who had a negative perspective about the prospect of purchasing property in the current market rose sharply to 36% of respondents. That figure is up from 28% recorded in October 2021.
- Residents who would consider purchasing property as an owner occupier were more optimistic than investors, with 40% of prospective purchasers for owner occupation being positive about the market compared to 30% of investors.
- Survey respondents retained robust expectations of short-term market activity, with a 37% expecting residential property prices to increase over the next six months, this has fallen from 57% in May 2021 and 60% in October 2021.
- This figure remained high at 44% for price growth expectations over the next 12 months, and increased further to 52% for respondents expecting property price increases over the next 18 months.
- Price expectations of respondents appear to have heavily influenced the likelihood of when respondents will be purchasing a residential property, with just 9% of owner-occupiers looking to buy in the next six months and 15% next 12 months, with this figure lifting to 23% in the next 18 months.
- Overall, home purchasers retained a preference for single detached houses, with 70% of buyers looking for a single house (19% for new build, 51% for established). However, higher density options such as medium density and apartments remain an important option for survey respondents (including retirement living units), with a combined 24% most interested in living in these types of housing.

Who we surveyed

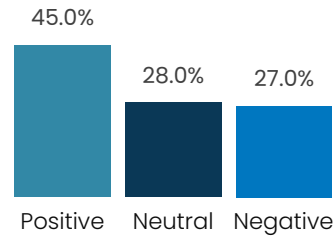


Overall Market Sentiment – Melbourne

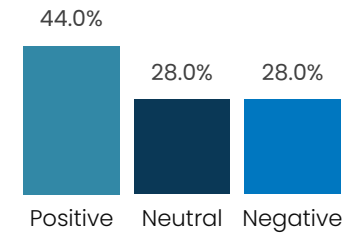
May 2022



Oct 2021



May 2021



What they want

FREE-STANDING HOUSES



19% NEW
51% EST

MEDIUM DENSITY



6% NEW
8% EST

APARTMENTS



3% NEW
7% EST

RETIREMENT VILLAS/APARTMENTS

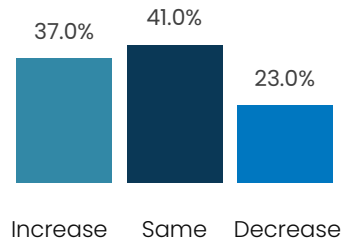


2% NEW
2% EST

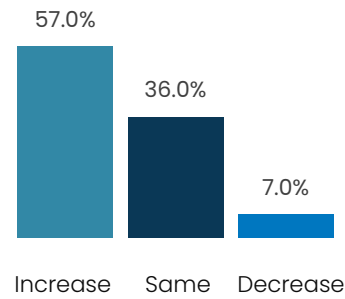
6 month outlook - Melbourne

Price expectations

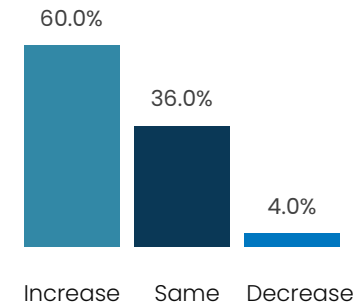
May 2022



Oct 2021

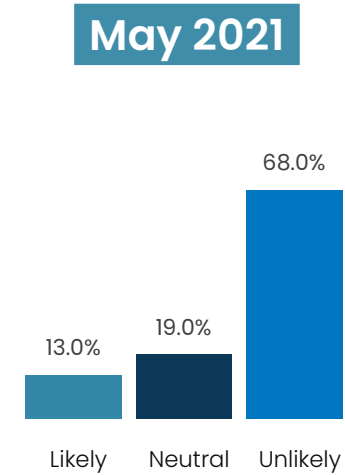
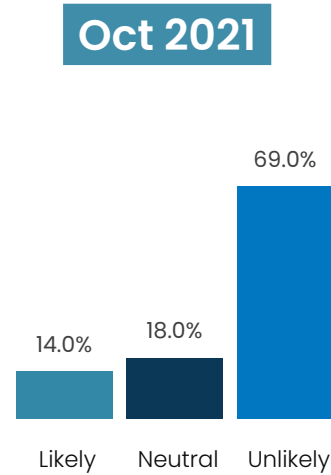
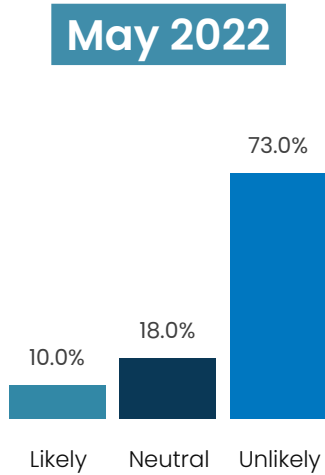


May 2021

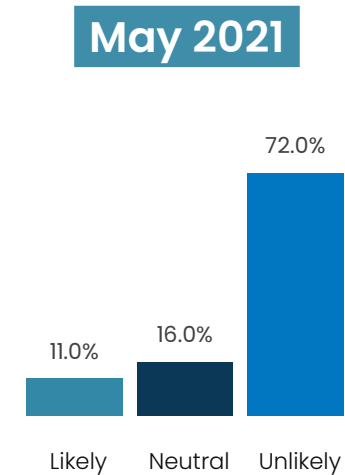
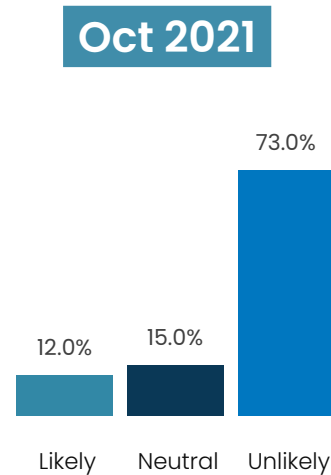
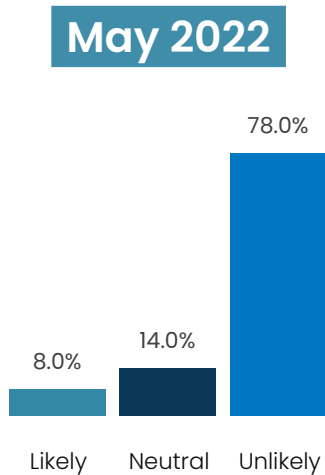


6 month outlook – Melbourne

Likelihood to buy – Owner Occupier



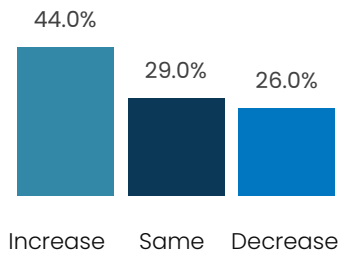
Likelihood to buy – For Investment



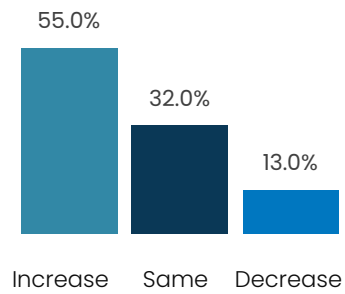
12 month outlook - Melbourne

Price expectations

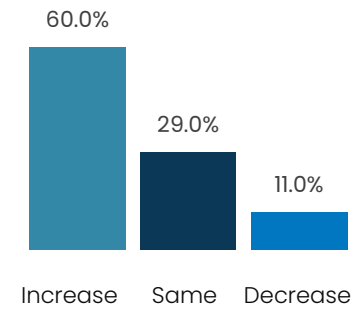
May 2022



Oct 2021

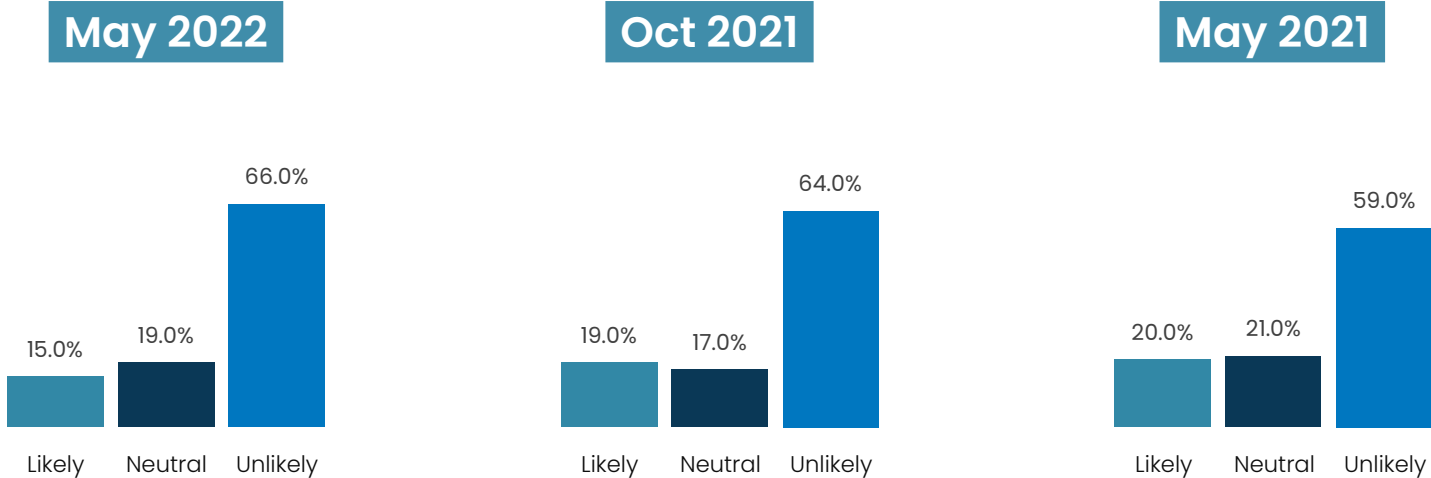


May 2021

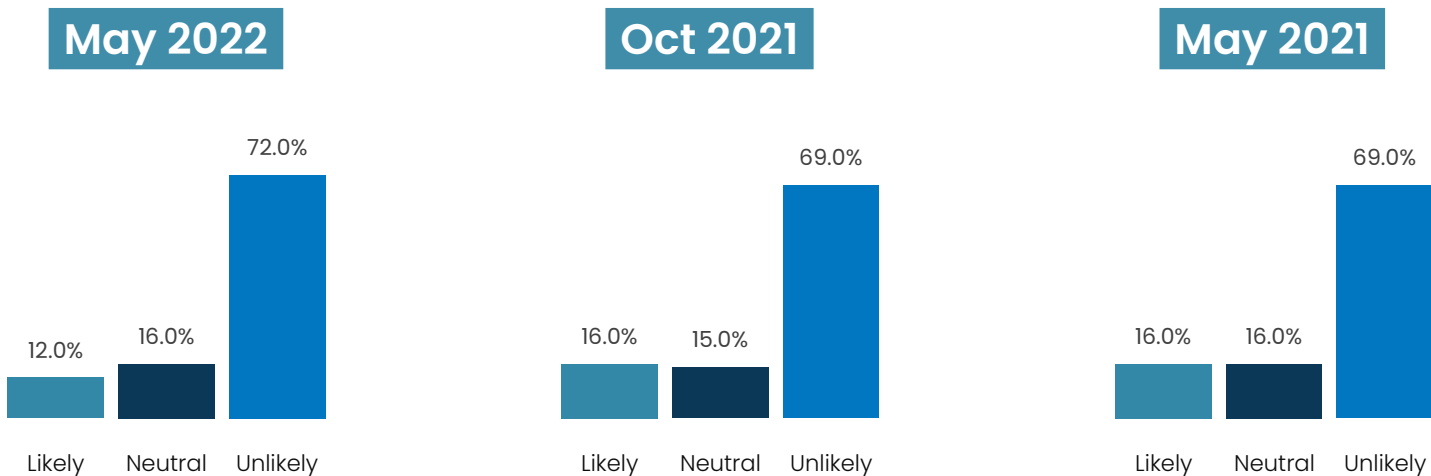


12 month outlook – Melbourne

Likelihood to buy – Owner Occupier



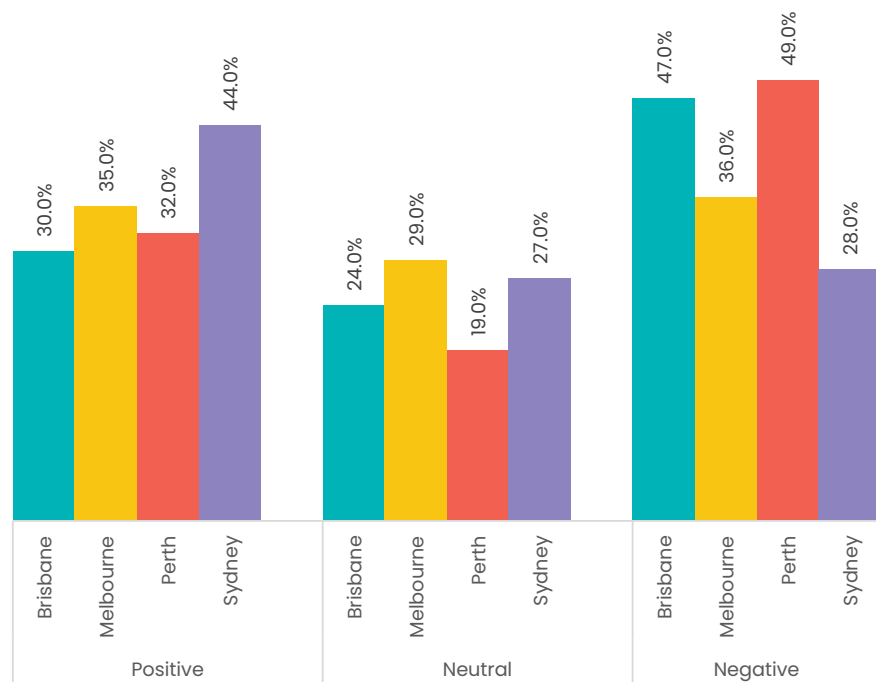
Likelihood to buy – For Investment



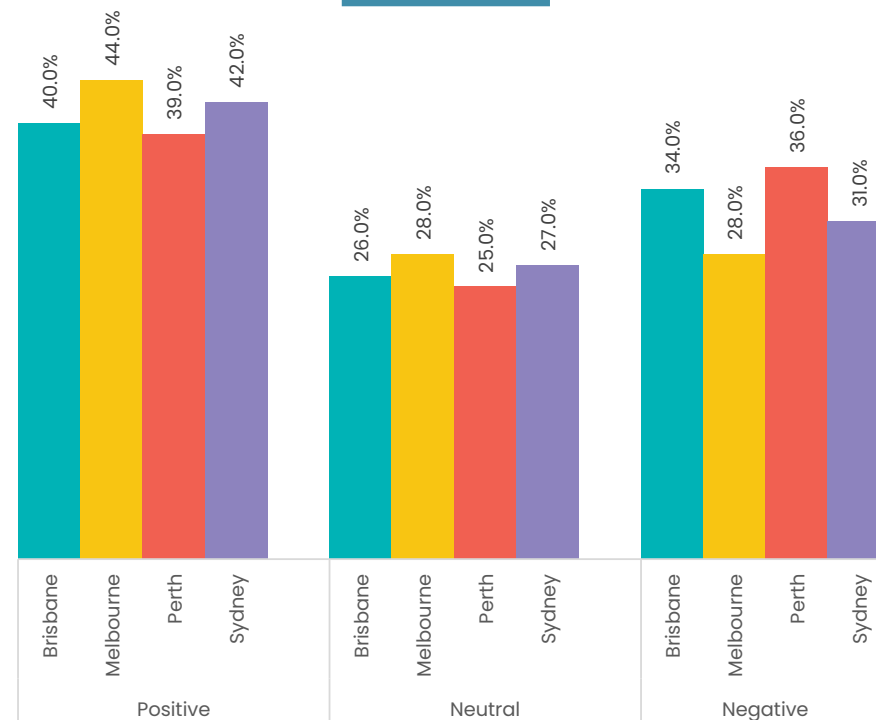
Overall Market Sentiment – National

- Overall current market sentiment positivity is similar between Perth (32%), Melbourne (35%) and Brisbane (30%), with Sydney residents being an outlier with a survey high 44% considering now a good time to purchase property – and being the only city where positive sentiment increased since October 2021.
- Conversely, while 49% of Perth residents and 47% of Brisbane residents were negative on property purchase in the current market only 28% of Sydney respondents were pessimistic – which was down from 31% last survey.
- Sentiment on forward price growth is similar across the four surveyed capital cities with Perth marginally holding the greatest level of positivity with 45% expecting growth over the next 18 months. It is notable the drop in positivity on forward price growth across the Eastern Seaboard capitals since last survey, undoubtedly reflective of the much stronger pricing gains made over the last 6 months (ranging from 7% to 13%) compared to Perth (1.9%).
- Perth (72%) and Brisbane (74%) feature the highest rate of residents most unlikely to buy property over the coming year. This contrasts with Sydney where 62% are unlikely to buy, and indicates the on-going pricing momentum hasn't dented confidence in forward purchasing behaviour to the same extent as residents in the other surveyed capitals.

May 2022



Oct 2021



What they want

FREE-STANDING HOUSES



18% NEW
52% EST

MEDIUM DENSITY



4% NEW
8% EST

APARTMENTS



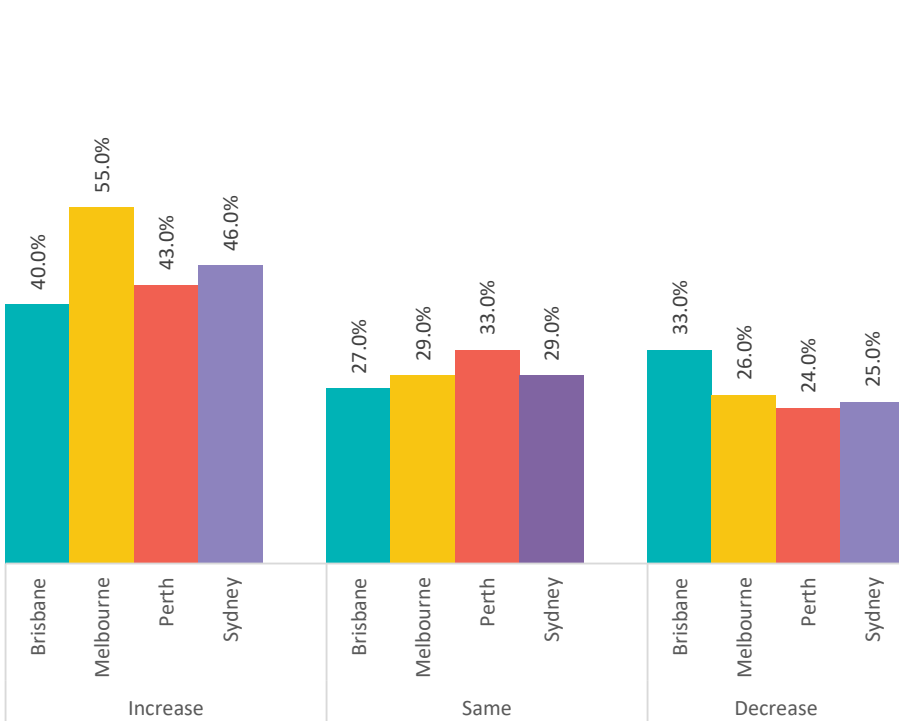
4% NEW
8% EST

RETIREMENT VILLAS/APARTMENTS

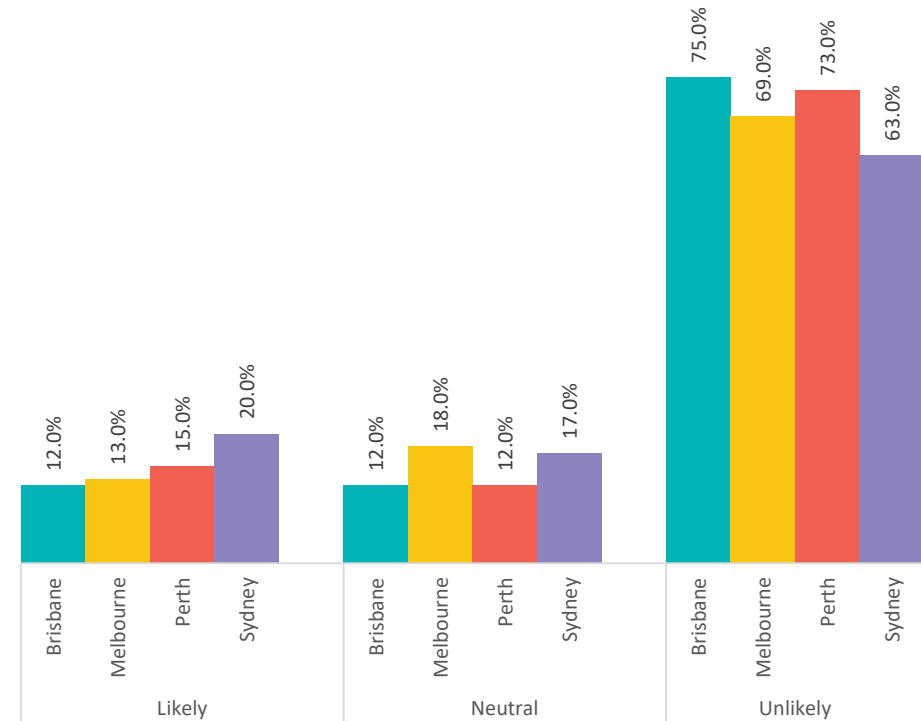


2% NEW
2% EST

Price expectations next 12 months



Likelihood to buy next 12 months








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