



# Australian Eastern Seaboard Property Predictions Report 2020

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Property prices in Australia's capital cities are on the rise again after a two-year slump. Australia's two biggest housing markets, Sydney and Melbourne, recorded quarterly growth of 6.2% and 6.4% respectively to 30 November, according to CoreLogic's Hedonic Home Value Index.

Nationally, house prices surged 1.1% higher over December 2019 and delivered the fifth consecutive monthly increase, coupled with the largest monthly gain in the national index since 2003.

But will house prices in Australia continue to rise? The Australian property forecast for 2020 looks promising. Here's a city-by-city breakdown of Australian 2020 property market predictions for the Eastern states, as well as some property hotspot predictions based on CoreLogic's 2019 Best of the Best Report, featuring expert advice from Upside industry leaders.



## Sydney property forecast 2020

Sydney dwelling values grew by 1.7% over the month (as of December 31, 2019), continuing a five-month recovery trend and saw the highest price growth of any capital city over the quarter at an increase of 6.2%. Looking forward to 2020, further price growth is expected to be underpinned by low interest rates, stronger population growth and ongoing low unemployment (4.5% in NSW and even lower in Sydney).

House prices in Sydney are expected to grow by 3-5% during the year, with apartments not far behind at an expected growth rate of 2-4%, according to Domain research.

For those thinking of selling property in Sydney, 2020 could be the right time to go to market as auction clearance rates hold steady. Buyer sentiment is also expected to be positive, with home loan borrowing tipped to grow by 2% over the year.

## Our top Sydney property hotspot predictions



### Arncliffe

Just scraping into the 10km radius of the CBD, Arncliffe provides great potential to both investors and families looking to find the balance of city and suburban life. With a median house price just over \$1m, Arncliffe was the lowest median house price within 10km of the city in 2019. With its proximity to, soon to be complete, Westconnex interest is only going to increase. With neighbouring suburbs in Sydenham, Tempe and St Peters seeing strong 12 month median price growth, Arncliffe is certainly one to watch.

### Eastlakes

Eastlakes had the lowest median unit price for suburbs within 10km of the CBD at \$587,793 and it makes it into the top 10 for rental yield. With its proximity to the city and a sizeable price differential between it and surrounding suburbs there is certainly room for it to grow. Not to mention many renovation opportunities within older buildings where a kitchen/bathroom redo could add a lot of value to a property.

### Crows Nest

Just 5km north of the CBD, Crows Nest has a wide range of public transport options for its residents. Close to the city, with Balmoral beach about a 10 minute drive, the nightlife is also bustling which makes for an ideal location for young professionals and families. Crows Nest is not only an appealing prospect for right now, but with long term growth generated by the proposed metro station and substantial mixed-use developments rejuvenating the Pacific Highway, it is only going to get better. With a median unit price of just under \$900,000 it provides some entry level options as well as more substantial family homes, both of which can expect good growth.



### **Blacktown**

Home to a well-established community, Blacktown has seen substantial growth over the past few years and is showing no signs of stopping. The suburb is well known for its multiculturalism and local attractions, making it a great choice for young families. A short bus ride to the new Metro Northwest line adds to a suburb already well connected with Sydney's western suburbs. With its median house (~\$660k) and unit prices (~\$430k) both falling under the threshold for the government's First Home Loan Deposit Scheme, Blacktown (and neighbouring suburbs such as Lalor park) are prime locations for first home buyers.



### **Kensington**

Its proximity to the CBD means Kensington fulfills the needs of buyers looking to live near the city, but still offers the opportunity to be near beaches to the East. With the new light rail service that will see the commute to the city significantly reduced, interest in the area is slated to increase significantly. Unit median price sits at \$792,000 with annual growth at 4.76%, while houses in Kensington yield a high 3.7% rental return for a suburb within 10km of Sydney CBD.

## **Melbourne property forecast 2020**

Melbourne finished the quarter strongly with dwelling values increasing by 6.1%, according to CoreLogic's Hedonic Home Value Index. In 2020, house prices in Melbourne are expected to increase by 1-3%, with apartment prices projected to see modest growth of up to 2%, according to Domain.

Similar to Sydney, Melbourne property prices will be boosted by lower interest rates and strong population growth of about 2%. The unemployment rate is also expected to fall in the year ahead, potentially driving up buyer interest. A slowdown in new housing construction will also support price growth as housing stock becomes limited in line with increasing demand.

## **Our top Melbourne property hotspot predictions**



### **Brighton**

Following on from the popularity of 'The Block' TV show and its influence on the property market (St Kilda outperformed every other suburb in Melbourne and had a whopping 19.6% change in median value over the last 12 months), it will be advisable to keep a keen eye on the next location of the Block in 2020 - Brighton.

One of Melbourne's Bayside jewels, Brighton is located just 30 minutes from the CBD and close to the many amenities of the inner suburbs of Melbourne. A relaxed, coastal feel perfectly describes the affluent bayside suburb, which also boasts some of the best schools in Melbourne in addition to the quirky bright coloured bathing boxes that are a distinguishing feature of the Brighton shoreline. Perfect for growing families and those looking to invest for the future.

## Maidstone

Sitting about 8km from the CBD, Maidstone had the lowest median house value of \$833,514 within 10kms of a capital city. A nice, tranquil pocket away from the hustle and bustle of Footscray with an abundance of parkland, public transport access and Highpoint shopping centre at the doorstep, Maidstone is a prime location without the hefty price tag. The suburb is quickly developing and not one to miss when considering investment options.

## Carlton

Consistently referred to as the best inner-city suburb in Melbourne, Carlton presents as the perfect inner-city living sanctuary for young professionals, couples and students alike. Bursting at the seams with vibrant atmosphere and a wealth of eateries and entertainment, everything is essentially walkable - with the CBD just a short 5 minute walk away! Carlton topped the list for lowest median unit value in Melbourne 2019 at \$364,918, whilst also generating the highest yield rental return at 7.1%.



## Brisbane property forecast 2020

Brisbane house prices saw a modest increase of 0.7% over December and 2.4% over the quarter to 31 December 2019, according to CoreLogic's Hedonic Home Value Index. Growth in the city has predominantly been driven by properties at the top end of the market, which are outperforming lower-value properties.

Moving in 2020, property prices in Brisbane are expected to increase by 3-5%, while apartment prices are tipped to rise by up to 2%, according to Domain. The modest growth of apartment prices is in part due to an overstock of supply, despite the Brisbane apartment construction boom coming to an end.

Its relative affordability has made Brisbane and south-east Queensland an attractive prospect for buyers and contributed to strong interstate migration. This trend is expected to continue in 2020, with annual population growth remaining at 1.75%.

Low interest rates and a lower Australian dollar will also boost the Queensland economy and property prices.

## Rocklea

Brisbane's best kept secret, Rocklea is a quiet suburb in close proximity to the city with a variety of public transport options and quick access to North, South, East and Western freeways. Renovated properties are on the rise in the suburb, which still ranks top of the ladder in Brisbane, with lowest median house value and highest rental yields within 10km of a capital city (\$397,273 median house value and 5.1% rental yield.) Rocklea is definitely a suburb to watch in 2020, and for the next few years.



## Spring Hill

One of the oldest residential neighbourhoods in Brisbane, Spring Hill sits on the cusp of Brisbane CBD with ample cafes, restaurants, nightlife, parks and shops. A suburb that always seems to have something going on, Spring Hill generated the highest yield in rental return for units in Brisbane at 6.9% - a prime location for investors.

## Everton Park

Everton Park is a family-friendly suburb roughly 25 minutes north of the city centre. Properties in Everton Park are largely skewed towards homes, with houses comprising of 81% of all dwellings in the suburb. This suburban lifestyle includes plenty of local cafes, parks, and a range of schools, making it ideal for young families looking to rent or buy.