

Property prices rising fast throughout Australia

Remember 2003? Well, that was the last time property prices were rising this fast.

Across Australia, the median property price jumped 2.1% in February, according to CoreLogic. That was the largest month-on-month change since 2003.

Meanwhile, prices rose in every capital city and every rest-of-state region – something that hadn't happened since 2

Change in Property Value February 2021



Source: CoreLogic February 28 index

In a rising market, it's vital to get a home loan pre-approval in place as soon as possible if you're thinking of buying. That way:

- You know what your limits are
- You have peace of mind you can make a competitive offer on a great home
- Agents or vendors often favor buyers who have their finance sorted early

Help me get pre-approved

Home loans demand soars thanks to record-low interest rates

Australians took out a record amount of mortgages in January, according to the most recent data from the Australian Bureau of Statistics.

Home loan commitments hit \$28.8 billion – a staggering 44.3% increase on the year before:

- Owner-occupier loans = \$22.1 billion (up 52.3%)
- Investment loans = \$6.6 billion (up 22.7%)

Demand is being driven by record-low interest rates, rising property prices and government incentives.

New Loans for Purchases of Existing Dwellings



Sources: ABS Lending Indicators January 2021

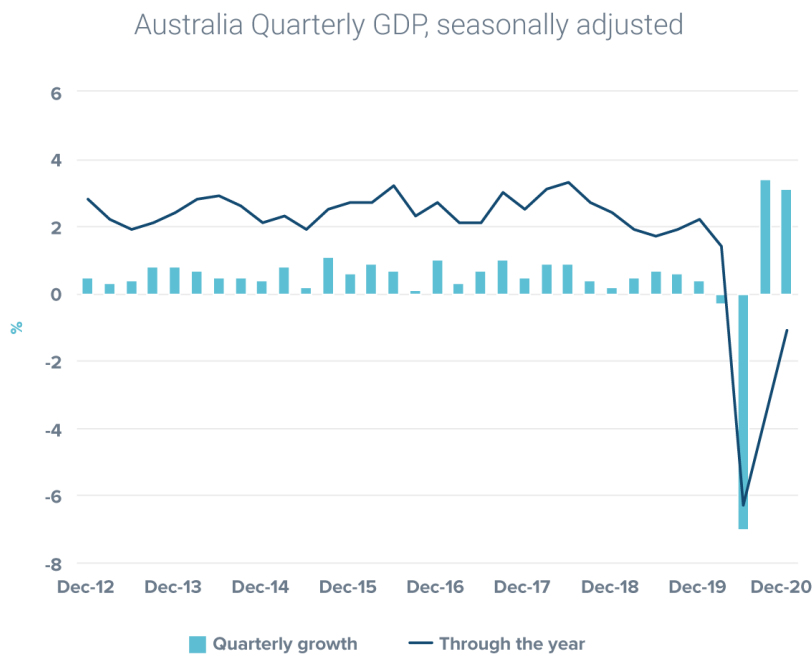
3 home loan tips for 2021

Here are three things to do if you want to give yourself the best chance of locking in a low rate and buying the home of your dreams:

1. **Speak to a broker** – lenders are competing hard for business and are offering special deals that many consumers don't know about
2. **Get your finance organised early** – some lenders are taking longer to process loans and you may need to wait longer than you're used to
3. **Impress lenders with a clean credit profile** – pay bills on time, reduce your credit card limit and minimise the number of credit applications you make

Need a home loan? Get in touch

Australia sets economic growth record



Source: ABS

Looking for proof that Australia has bounced back from the Covid recession?

Well, the economy grew 3.4% in the September 2020 quarter and 3.1% in the December quarter, according to the latest Australian Bureau of Statistics data.

That is the first time in recorded Australian history that GDP has grown faster than 3% in successive quarters.

Nevertheless, the Australian economy still went backwards in 2020, by 1.1%, because of the negative March and June quarters.

Speaking earlier this month, the governor of the Reserve Bank, Philip Lowe, said the back-to-back large increases in GDP had exceeded forecasts.

“They reflect the success that Australia has had on the health front, the very large fiscal and monetary policy support, and the flexibility of Australians in getting on with their lives and businesses,” he said.

“As a result, we are now within striking distance of recovering the pre-pandemic level of output.”

Most capital cities are now landlords' markets

Many property investors are in a strong position right now, with five of Australia's capital city rental markets titled heavily in favour of landlords.

Hobart is leading the way, with a vacancy rate of just 0.6%, according to SQM Research. That means just 0.6 out of every 100 rental properties are vacant. That, in turn, means it's very hard for tenants to find a property, putting upwards pressure on rents.

Adelaide (0.7%), Darwin (0.7%), Canberra (0.8%) and Perth (0.9%) are also landlords' markets.

Conversely, Sydney (3.3%) and Melbourne (4.5%) are tenants' markets.

In Brisbane (1.5%), the balance of power is evenly split.

National Rental Vacancy Rate

	January 2021	February 2021
Sydney	3.20%	3.30%
Melbourne	4.40%	4.50%
Brisbane	1.70%	1.50%
Perth	0.80%	0.90%
Adelaide	0.70%	0.70%
Canberra	0.80%	0.80%
Darwin	0.80%	0.70%
Hobart	0.60%	0.60%
National	2.00%	2.00%

Source: SQM Research

Not only are rents rising in many parts of Australia, but so are property prices, which means landlords are enjoying a double win.

If you're thinking about buying an investment property, call me to discuss your options.

[Need finance? I can help](#)

Thanks for reading. Get in touch if you need help.

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Kind Regards,
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