

Survey shows investors expect solid gains in 2021

Media Release: December 22, 2020

An overwhelming majority of respondents to Australian Property Investor's latest Buyer Sentiment Survey say they are expecting prices to rise in the next 12 months, flipping the script on the previous survey's results which showed nearly half of those polled were tipping home values to fall.

More than 75 per cent of respondents said they were expecting house prices to rise in 2021 in the Q4 survey, as compared to just 14 per cent in Q3.

On the flipside, just 7 per cent of respondents said they expected values to drop in the next 12 months, down from 47 per cent in Q3.

"The results are in line with soaring consumer confidence and the overall positivity permeating property markets around Australia," API editor Dan Wilkie said.

"Buyers have been red hot in the back end of 2020, and many are clearly expecting this momentum to continue to build next year."

Around 77 per cent of respondents said the pandemic had not affected their intentions to purchase property, while surprisingly just 14 per cent of those polled said government grants such as HomeBuilder or stamp duty concessions had influenced their intention to buy.

Queensland was the state of choice for a plurality of buyers, with 31 per cent of respondents saying they had their eye on the Sunshine State.

Victoria was next at 26 per cent of respondents, followed by NSW at 23 per cent.

Despite being tipped by many forecasters as the location to lead capital city price growth in 2021, just 12 per cent of respondents said they intended to buy in Perth.

"Brisbane, the Gold Coast and Sunshine Coast have become highlights of the Australian market as Melbourne and Sydney buyers moved north this year, so I'm not surprised to see Queensland at the top of this list," Mr Wilkie said.

"Perth's low ranking is a bit of a shock, on the other hand, with the state's economy bouncing back quicker than any other from the pandemic and its rental market currently being the tightest in the country.

"I would have thought there would be more interest given Perth's affordability, but WA's border being shut for much of the year is likely to have dampened enthusiasm."

Only 7 per cent of respondents said they felt negatively about the property market overall, down from 19 per cent in the previous survey.

Housing affordability emerged as the biggest concern for those surveyed, replacing tenants' ability to pay rent due to COVID as the top worry in Q3.

"It's remarkable how quickly Australian property investors have put the pandemic behind them," Mr Wilkie said.

"The safe handling of the COVID crisis would likely have a lot to do with that, with Australian property likely to become even more desirable once borders reopen to allow migrants and international students back into the country."

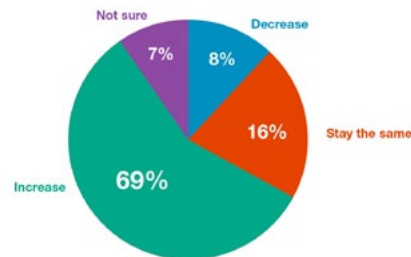
A vast majority of respondents (53 per cent) said a detached house was their property of choice, followed by townhouse or villa at 17 per cent, while 13 per cent of respondents said they were considering buying an apartment.

The survey received more than 300 responses, 63 per cent of which were property investors.

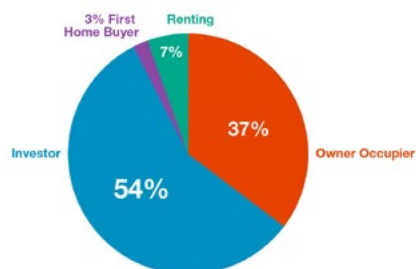
New South Wales accounted for 32 per cent of survey responses, Victoria 29 per cent and Queensland 19 per cent.

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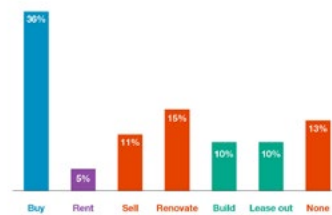
What do you think is likely to happen to the value of properties in the next 12 months



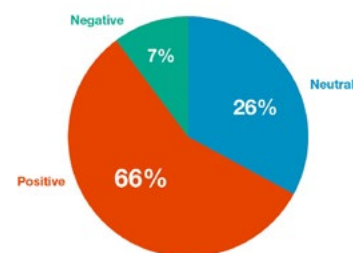
Home Ownership



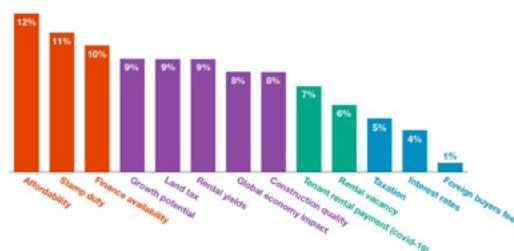
What are your property intentions?



How do you feel about the property market?



What are your most significant concerns about Australian property?



In which state/territory is your property intention?

