

2017 Market Wrap – The year that was and the year to come.

How did the Spring market perform?

2017 has been a big year for the team at Gary Peer, and as the market comes to a close, I wanted to take this opportunity to update you on the year that was and give you some insights on what I anticipate will unfold in 2018.

To finish spring, the final two weeks of November provided 2806, following on from 4,956 auctions in October, the highest number ever recorded ever for October and a strong supply of property for buyers throughout the Spring months.

The Spring clearance rates for the market hovered around 70% compared with a 75% + rate for the last 12 months – however, with the large volume of auctions on offer, it is not surprising that the clearance rate has fallen slightly.

Is it a buyers' market?

Some have cited that because the clearance rates have fallen slightly and with the large volume of stock on the market, it makes it a 'buyers market'. Data from the REIV would support that with Metropolitan Melbourne house prices recording its lowest increase in almost two years, up just 0.7% in the September quarter to \$817,000 – one reason that the median price has not sky rocketed was that Spring has a lot of properties transacted under the \$600,000 value – indicating a lot of first home buyers being proactive and getting in to the market.

But.....

Figures do indicate that the median house price has risen 14% Year on Year – so the 'average' Melbourne property, which simply means that you are paying 14% more for property than this time last year.

Where to for 2018?

There are a lot of factors that make up property values, and as we look forward to 2018, we investigate the following:

Unemployment & Interest Rates:

Unemployment looks like it will stay relatively low, which is an indicator for strong property prices as people are more likely to get financial approval and invest in assets for their long term future. The current rate is hovering around 5% .

One of the key market drivers is how cheap it is to access money, with record low interest rates; it has driven continued property investment. If interest rates do remain low, expect to see investors continue to snap up property for their portfolio as they look to land bank.

Unexpected events:

Like any market, our property market is driven off confidence and the global economy. As it stands, the market has been solid and relatively secure but unforeseen world events can shake the market – it's important to remember we aren't immune from global movements, the market is confidence driven and the market confidence in 2018 will go a long way to how the market moves.

Why I am excited for 2018!

- The launch of Gary Peer's new office – a brand new boutique display suite to show off our newest development projects
- The marketing of some of Melbourne's premiere real estate projects across Ripponlea, St Kilda East and Caulfield.
- Working with new and existing clients to achieve some incredible results!

Thank you!

I want to take this opportunity to thank all of you who take the time to read my updates and engage with me, I truly do appreciate your support and genuinely value the time you invest in working with me. Have a safe and happy holidays.

Kind Regards,

Todd Schulberg

