



ME quarterly property sentiment report.

Quarterly insights into how Australians feel about the residential property market.

FIRST SURVEY Q2 2019

-
- Affordability tops the list of property worries, followed by tighter credit policies
 - Overall, more people are positive than negative about the property market
 - Positivity among young people and investors suggests some people see house price falls as an opportunity
 - More people expect prices to rise rather than fall over the next 12 months
 - Discretionary spending is the most negatively impacted by falling property prices, while savings was the most positively impacted

Overall, property sentiment is mixed

Overall, ME's Quarterly Property Sentiment Report paints a picture of a market with polarised sentiment. Sentiment varies by age, property status and property intent.

Figure 1. **Overall property sentiment**

Overall, how do you feel about the property market?

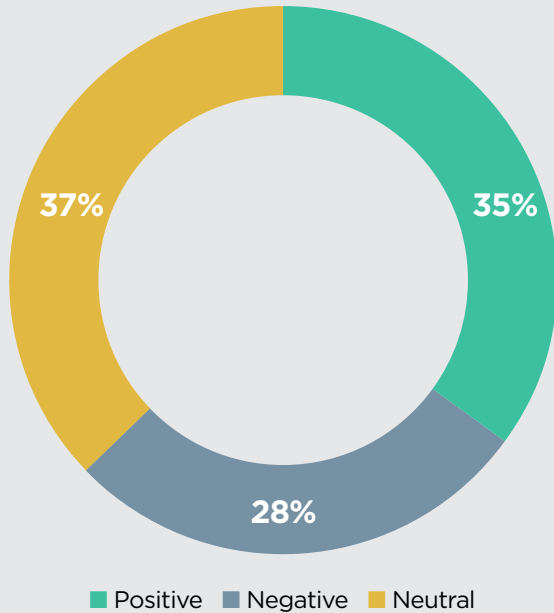


Figure 3. **Property sentiment by property status**

Overall, how do you feel about the property market?

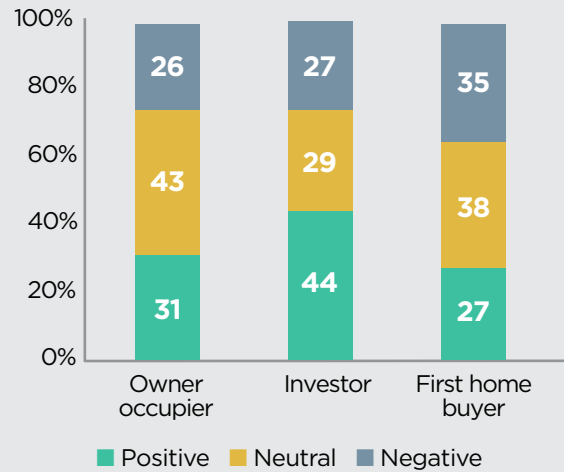


Figure 2. **Property sentiment by age**

Overall, how do you feel about the property market?

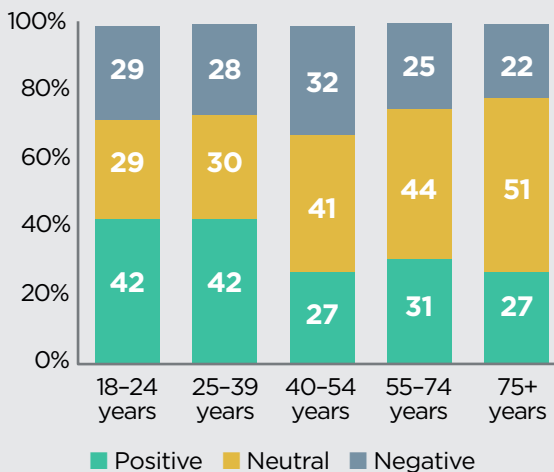
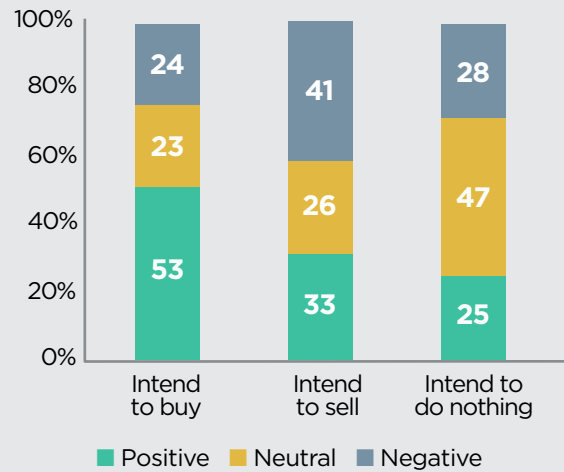


Figure 4. **Property sentiment by property intentions**

Overall, how do you feel about the property market?



House price expectations remain positive

Overall, the market is more positive about price expectations than not, however this varies based on property status and location.

Figure 5. **Overall house price expectations**
What do you think is likely to happen to the value of your property in the next 12 months?

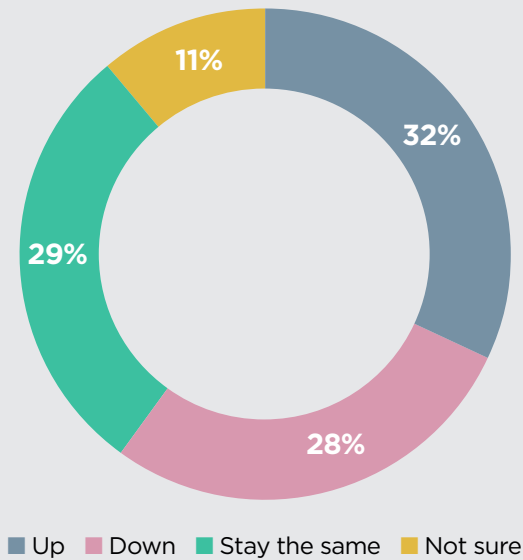


Figure 6. **House price expectations by property status**
What do you think is likely to happen to the value of your property in the next 12 months?

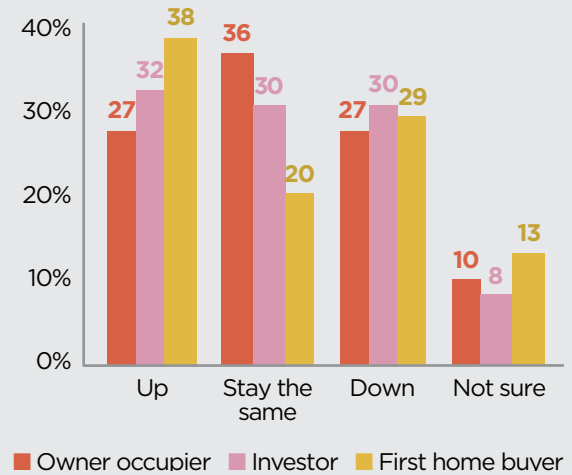
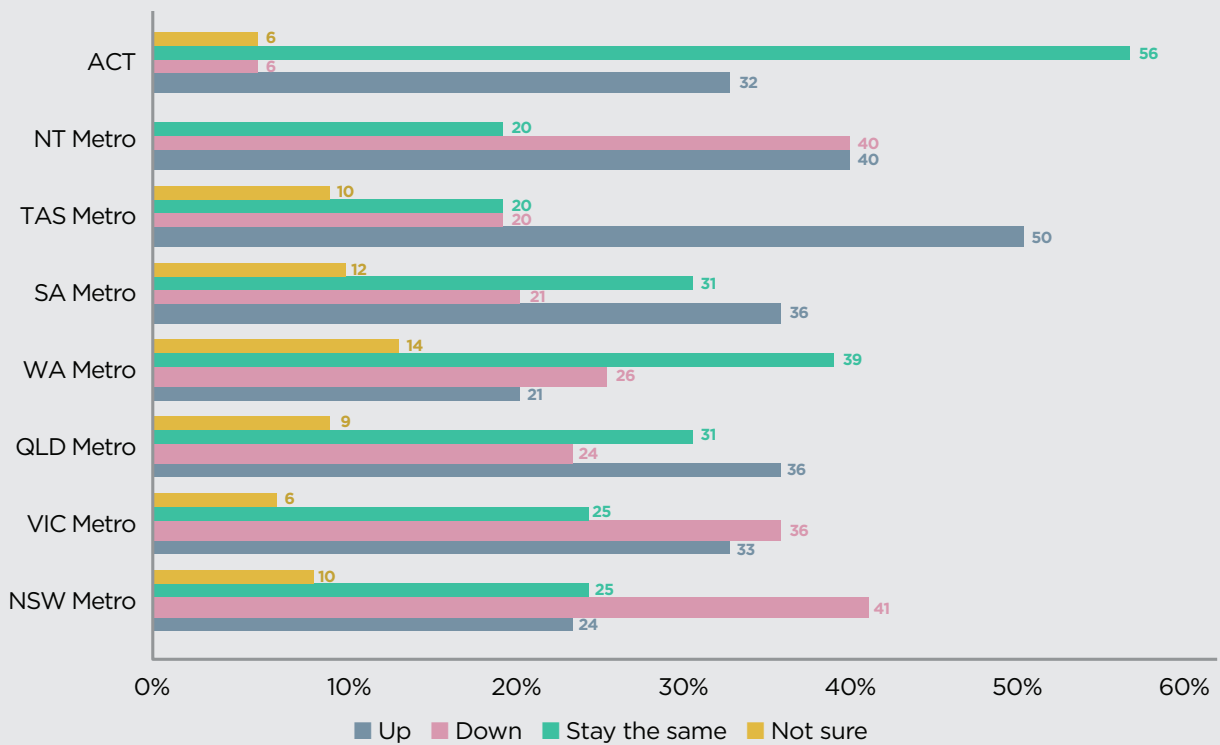


Figure 7. **House price expectations by state**
What do you think is likely to happen to the value of your property in the next 12 months?



Property intentions

ME asked people in the property market what their property plans are over the next 12 months.

Figure 8. **Overall property plans**
What are your property plans in the next 12 months?

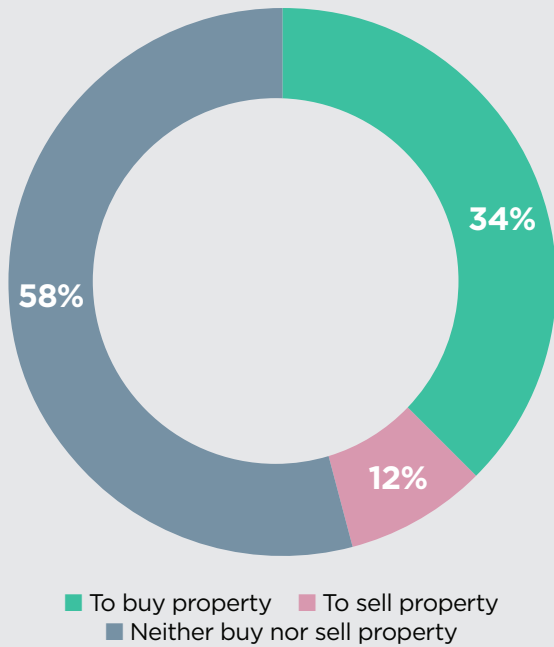


Figure 10. **Property plans by income**
What are your property plans in the next 12 months?

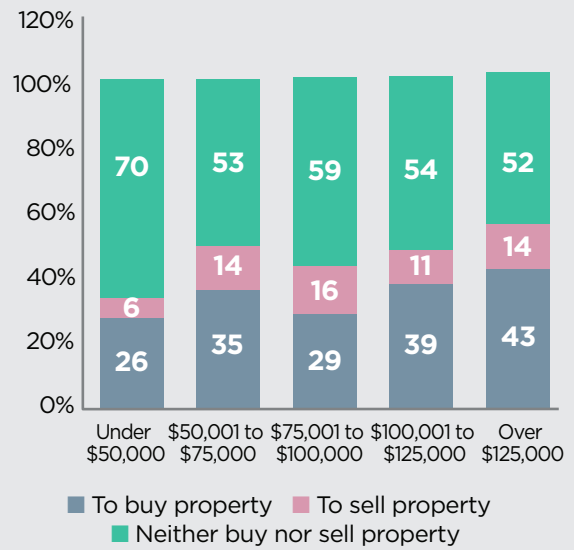


Figure 9. **Property plans by age**
What are your property plans in the next 12 months?

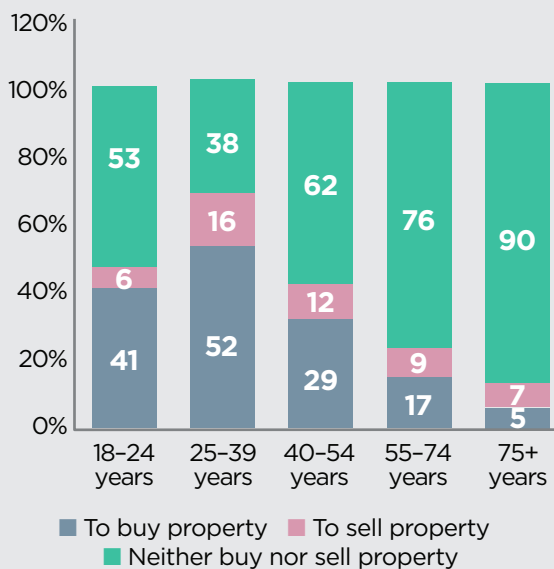
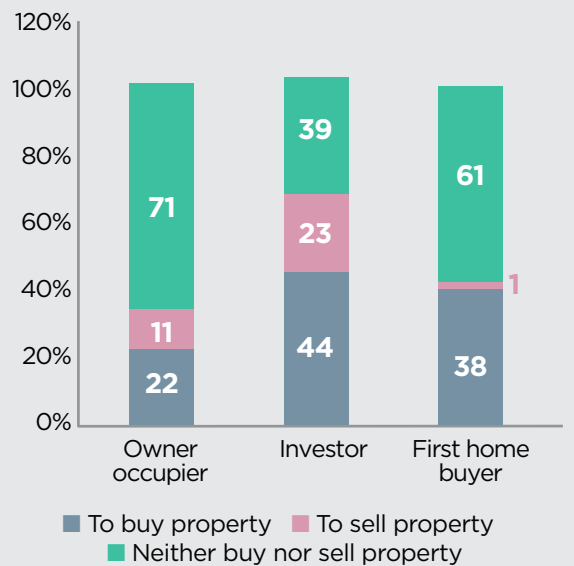


Figure 11. **Property plans by property status**
What are your property plans in the next 12 months?

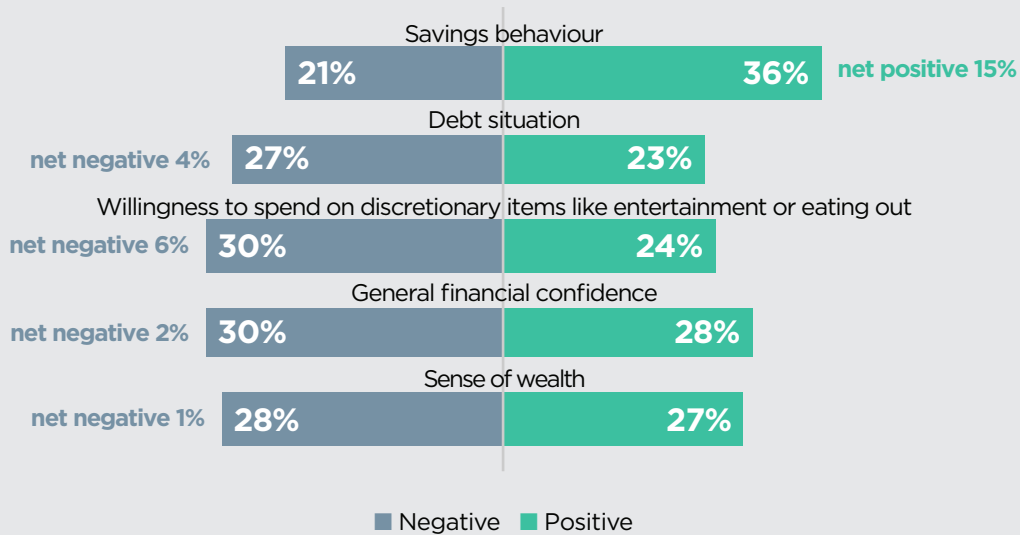


Effect on finances

Across household finances, changes in house prices have had negative and positive impacts.

Figure 12 **Overall effect on finances**

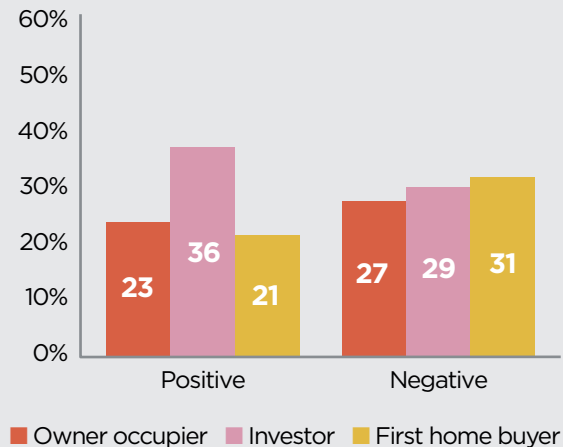
What impact have recent property price movements in your area had on these aspects of your financial situation?



Respondents had the choice of answering positive, negative or neutral. We have removed neutral responses from the chart for the sake of simplicity.

Figure 13. **Sense of wealth by property status**

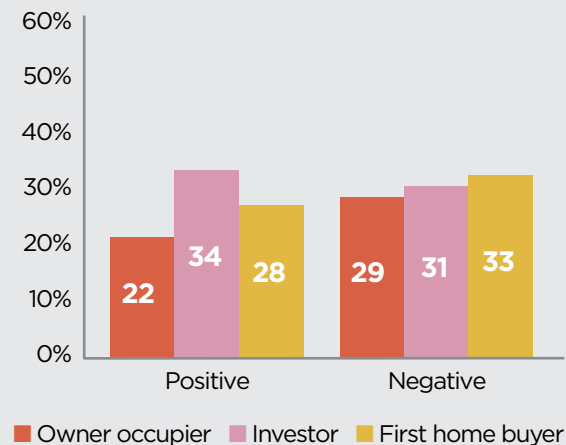
What impact have recent property price movements in your area had on this aspect of your financial situation?



Respondents had the choice of answering positive, negative or neutral. We have removed neutral responses from the chart for the sake of simplicity.

Figure 14. **General financial confidence by property status**

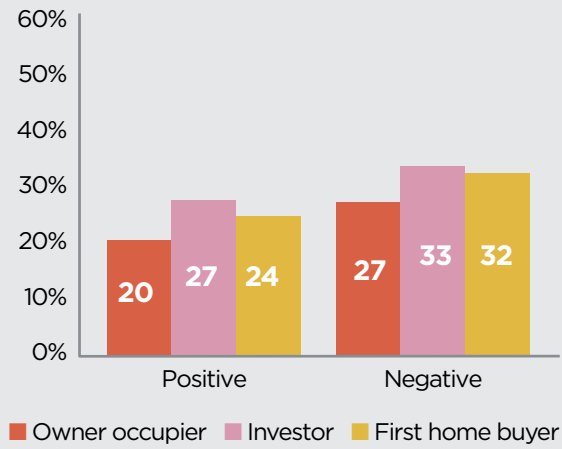
What impact have recent property price movements in your area had on this aspect of your financial situation?



Respondents had the choice of answering positive, negative or neutral. We have removed neutral responses from the chart for the sake of simplicity.

Figure 15. **Willingness to spend on discretionary items by property status**

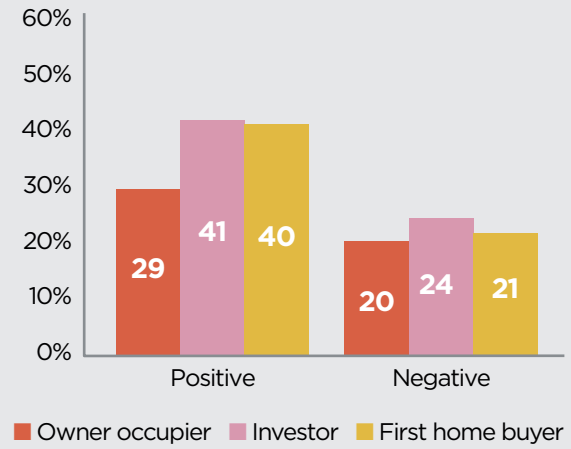
What impact have recent property price movements in your area had on this aspect of your financial situation?



Respondents had the choice of answering positive, negative or neutral. We have removed neutral responses from the chart for the sake of simplicity.

Figure 17. **Savings behaviour by property status**

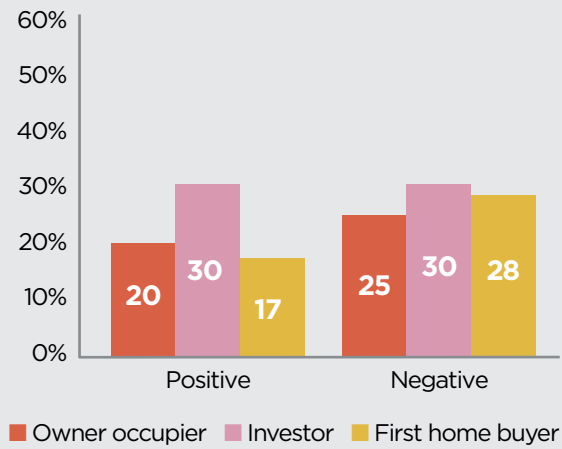
What impact have recent property price movements in your area had on this aspect of your financial situation?



Respondents had the choice of answering positive, negative or neutral. We have removed neutral responses from the chart for the sake of simplicity.

Figure 16. **Debt situation by property status**

What impact have recent property price movements in your area had on this aspect of your financial situation?



Respondents had the choice of answering positive, negative or neutral. We have removed neutral responses from the chart for the sake of simplicity.

Perceived worries and opportunities

ME's report revealed perceived worries and opportunities among property owners and the wider property market.

Figure 18. **Overall worries of property owners**

Do you agree or disagree with the following statements?

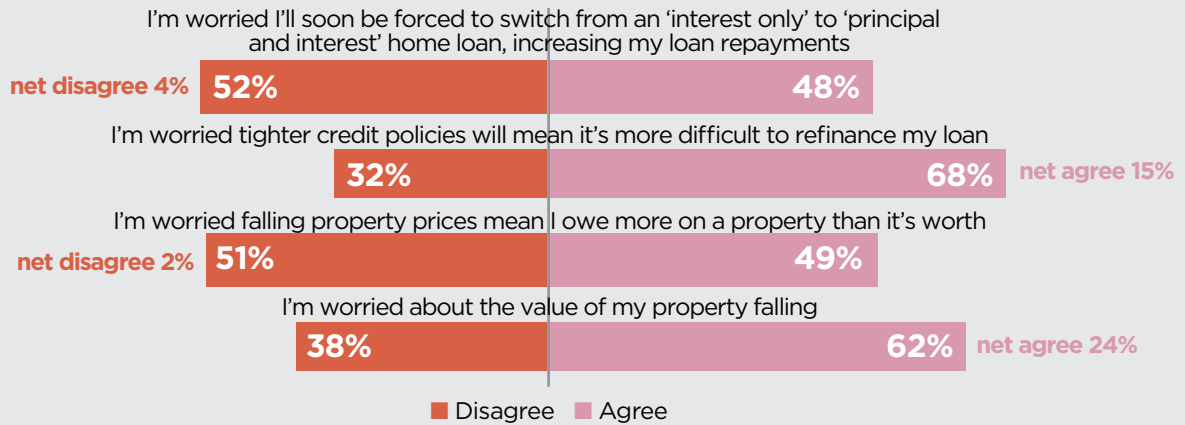


Figure 19. **I'm worried about the value of my property falling by property status**

Do you agree or disagree with the following statements?

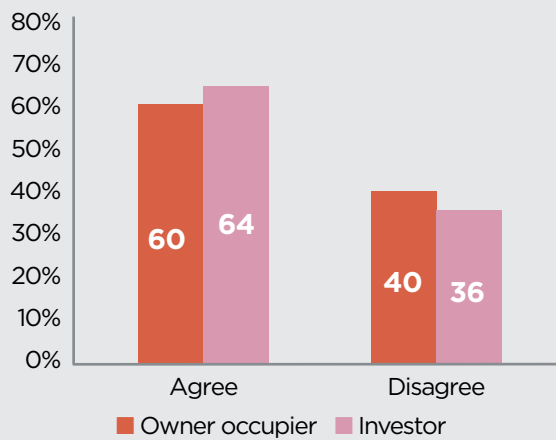


Figure 20. **I'm worried tighter credit policies will mean it's more difficult to refinance my loan by property status**

Do you agree or disagree with the following statements?

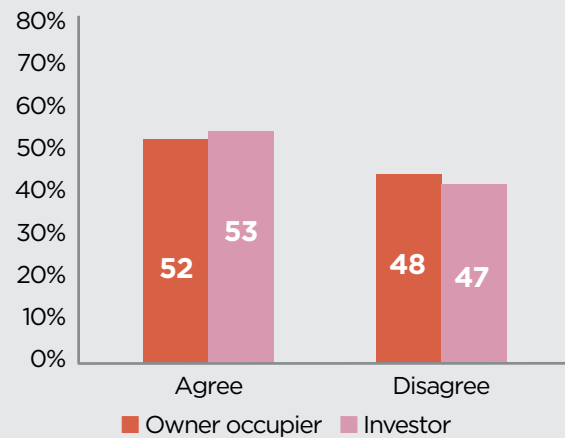


Figure 21. I'm worried falling property prices mean I owe more on a property than it's worth by property status

Do you agree or disagree with the following statements?

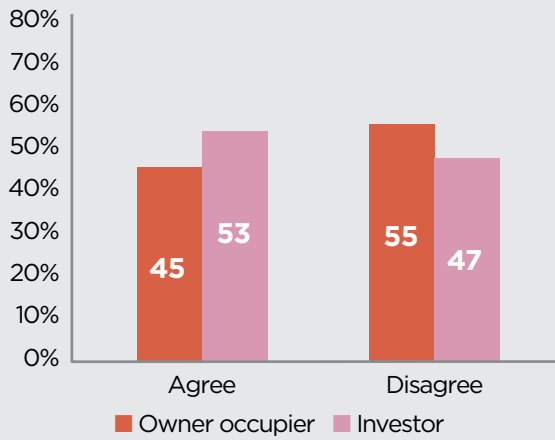


Figure 22. I'm worried I'll soon be forced to switch from an 'interest only' to 'principle and interest' home loan, increasing my loan repayments by property status

Do you agree or disagree with the following statements?

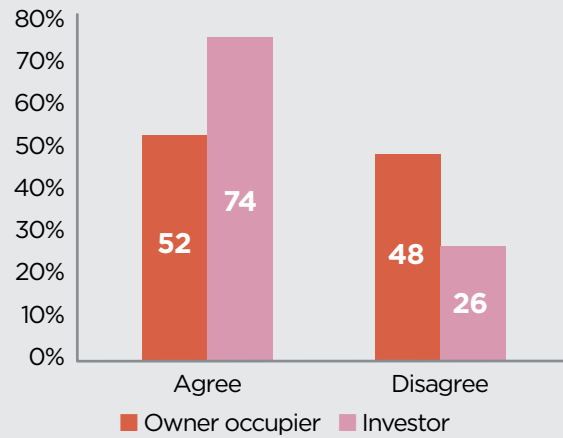


Figure 23. Overall property market worries and opportunities

Do you agree or disagree with the following statements?

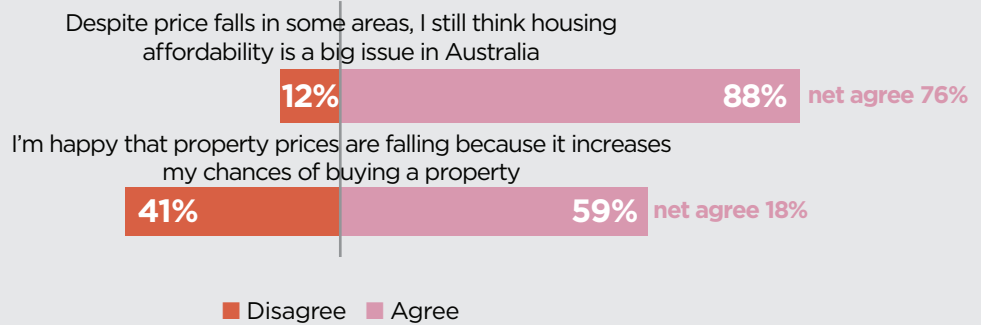


Figure 24. I'm happy that property prices are falling because it increases my chances of buying a property by property status

Do you agree or disagree with the following statements?

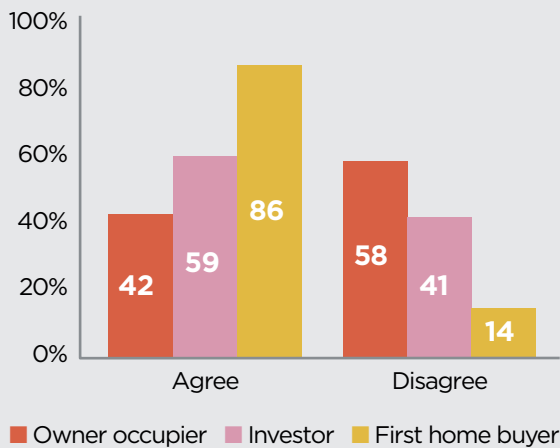
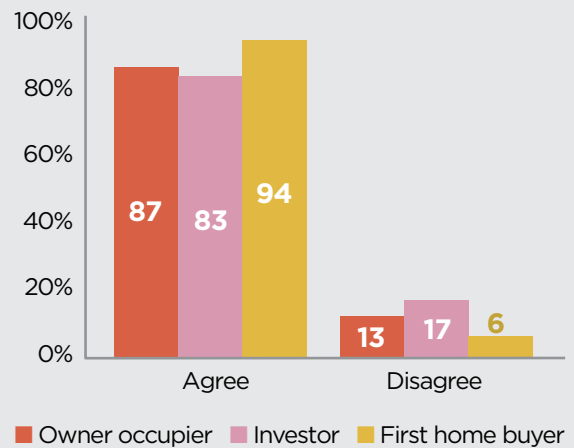


Figure 25. Despite price falls in some areas, I still think housing affordability is a big issue in Australia by property status

Do you agree or disagree with the following statements?



About this report

The *ME Quarterly Property Sentiment Report* provides timely insights into the sentiment of Australians towards the residential property market based on a survey of 1,000 Australian adults in the property market who do not work in the market research or public relations industries.

The survey is designed, developed and produced quarterly by industry super fund-owned bank ME with fieldwork conducted by Pure Profile.

This edition presents the findings from the first edition – Q2 of the 2019 calendar year, conducted at the end of April 2019.

Over time, the report will track changes in property sentiment and in doing so, highlights the ongoing – and potentially shifting – differences between ages, locations, property status, intentions and experiences in terms of:

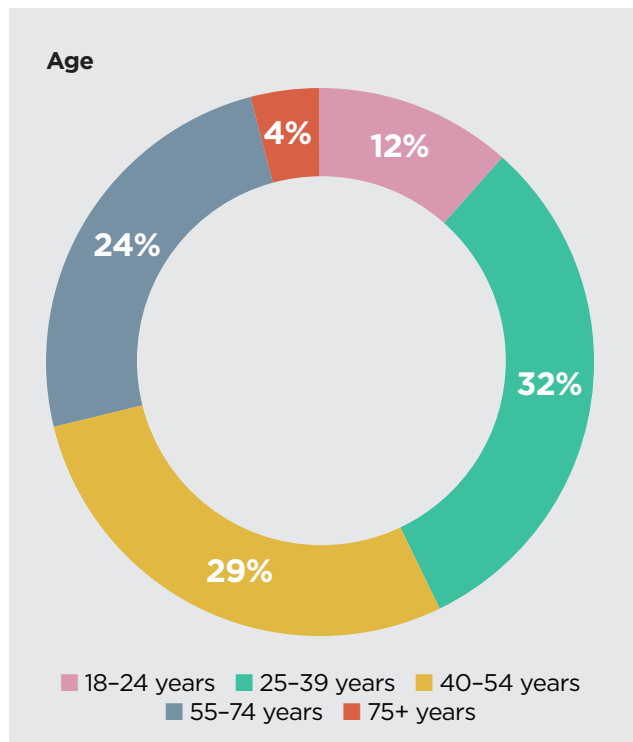
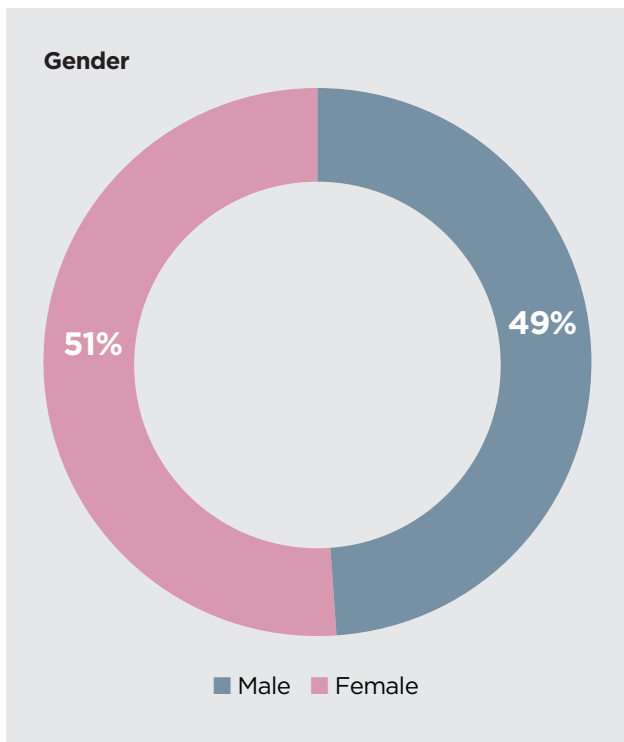
- overall property market sentiment
- price expectations
- property intentions
- impacts on finances, wealth, and savings behaviour
- perceived worries and opportunities.

For analysis, the sample is broken down into investors, owner occupiers and first home buyers in the following proportions to provide accurate results within each cohort:

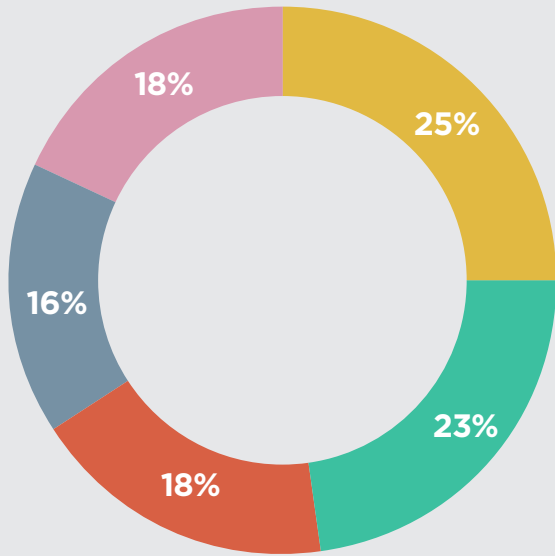
- 400 – Owner occupied property owners
- 400 – Investment property owners
- 200 – First home buyers

The data has been weighted to be nationally representative across age, gender and location.

Breakdown of survey respondents by gender, age, location, and income.

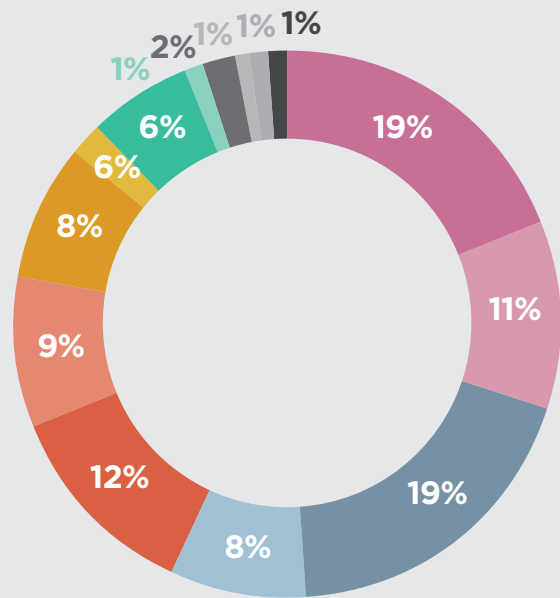


Personal income before tax



- Under \$50,000
- \$50,001-\$75,000
- \$75,001-\$100,000
- \$100,001-\$125,000
- Over \$125,001

Location



- NSW metro
- NSW regional
- VIC metro
- VIC regional
- QLD metro
- QLD regional
- WA metro
- WA regional
- SA metro
- SA regional
- ACT
- TAS metro
- TAS regional
- NT metro

For further information.

Matthew Read
 Head of Public Relations
 T 0432 130 338
 E matthew.read@mebank.com.au

Georgia Dossetor
 Consumer PR Manager
 T 0438 904 735
 E georgia.dossetor@mebank.com.au

Level 28, 360 Elizabeth Street
 Melbourne, VIC 3000 Australia
mebank.com.au

