



ME quarterly property sentiment snapshot.

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

SIXTH SURVEY, Q3 JUNE 2020

About this snapshot

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 sixth edition – Q3 of the 2020 calendar year, conducted in June 2020.

The report tracks changes overtime 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
- impacts on future property plans
- impacts on finances, wealth, and savings behaviour
- perceived worries and opportunities
- impact of recent events

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:

- 555 – Owner occupied property owners
- 369 – Investment property owners
- 225 – First home buyers

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

For further information.

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Overall property sentiment

Positive property sentiment increased six percentage points in June (Q3) compared to April (Q2) this year. Sentiment varies by age, property status and property intentions.

Figure 1. **Overall property sentiment**

Overall, how do you feel about the property market?

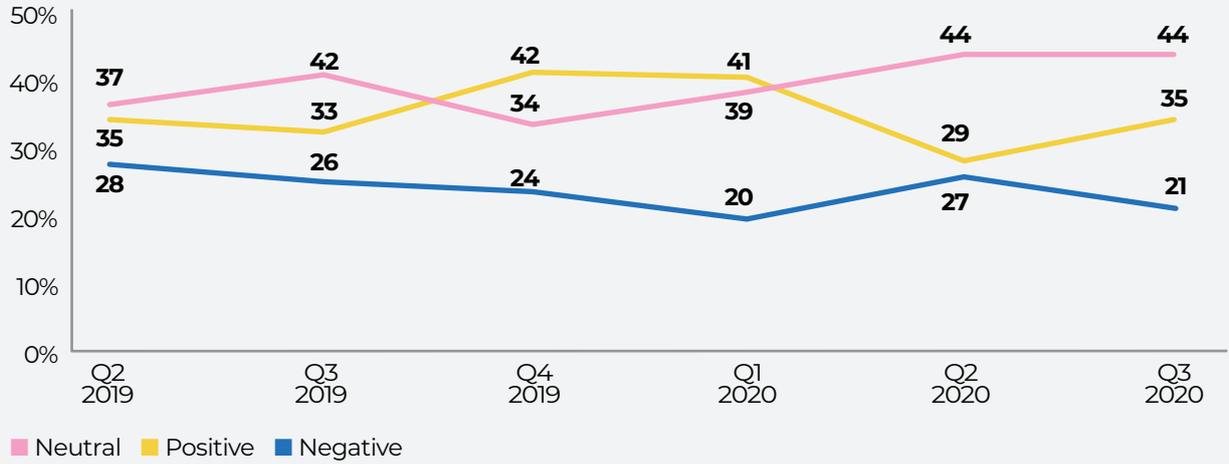


Figure 2. **Property sentiment by age**
Overall, how do you feel about the property market?

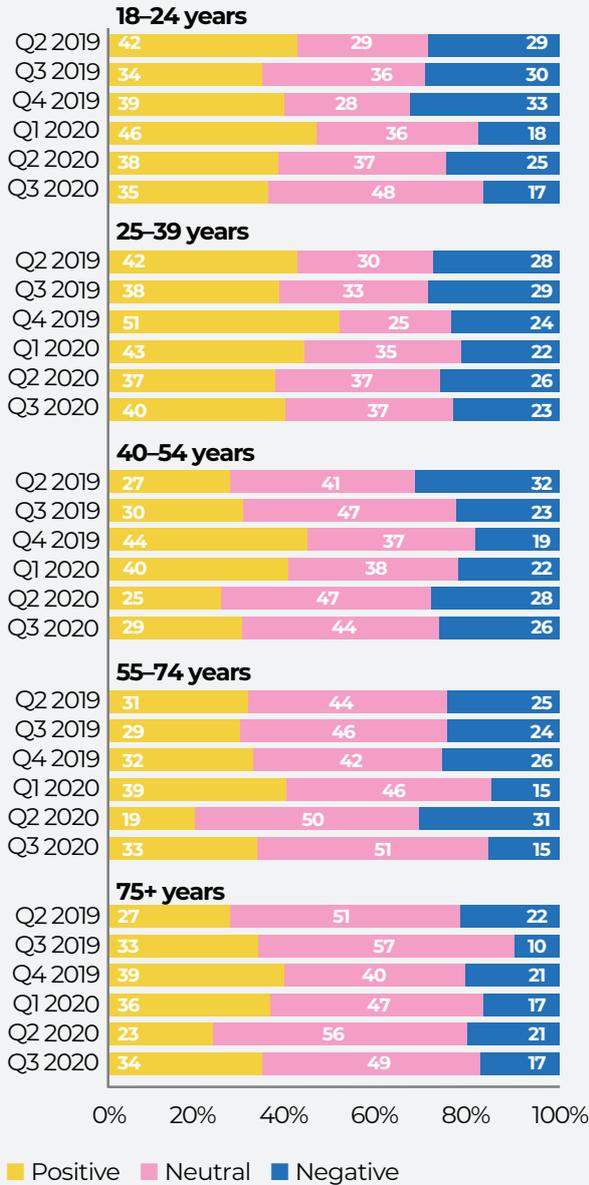


Figure 3. **Property sentiment by property status**
Overall, how do you feel about the property market?

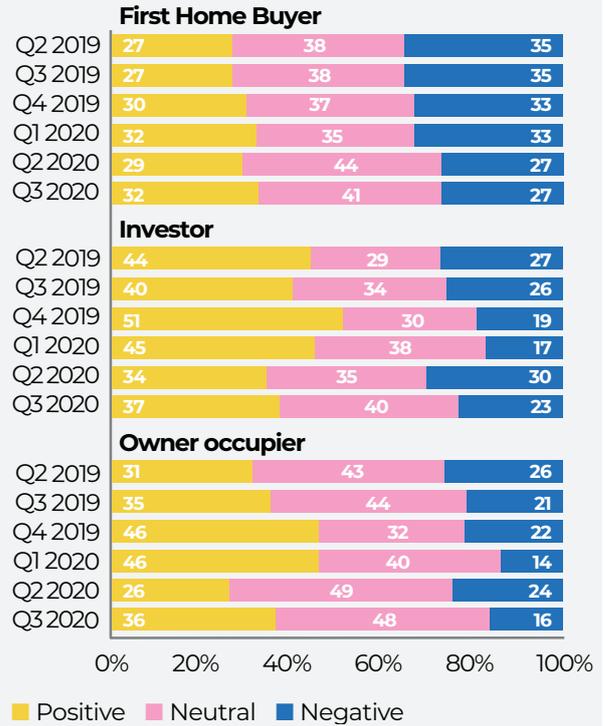
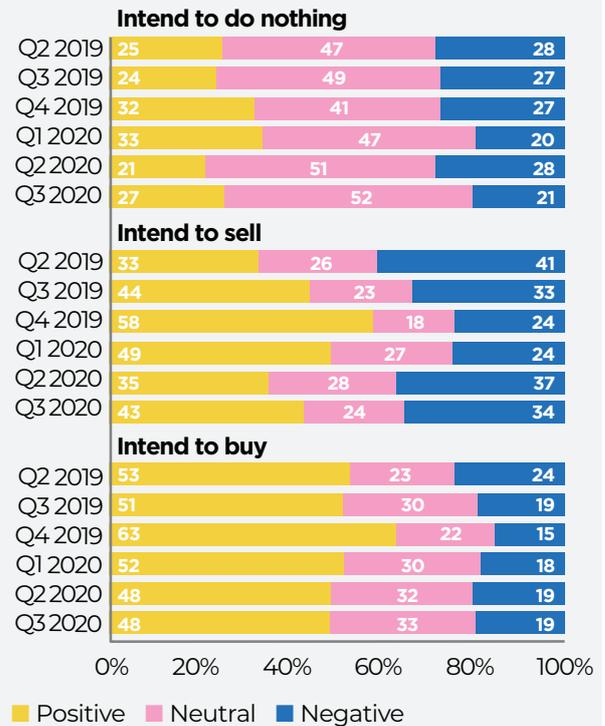


Figure 4. **Property sentiment by property intentions**
Overall, how do you feel about the property market?



House price expectations

Overall, more people are predicting house prices to decline or stay the same, and less are expecting them to rise over the next 12 months; however, expectations vary 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?

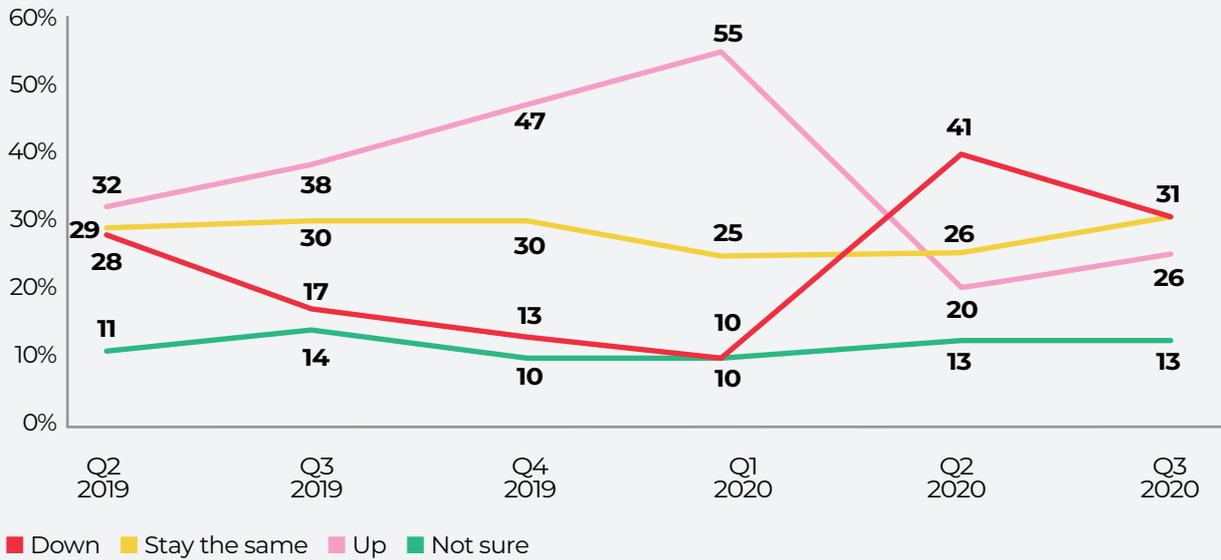


Figure 6. **House price expectations by property status**

What do you think is likely to happen to the value of your property in the next 12 months?

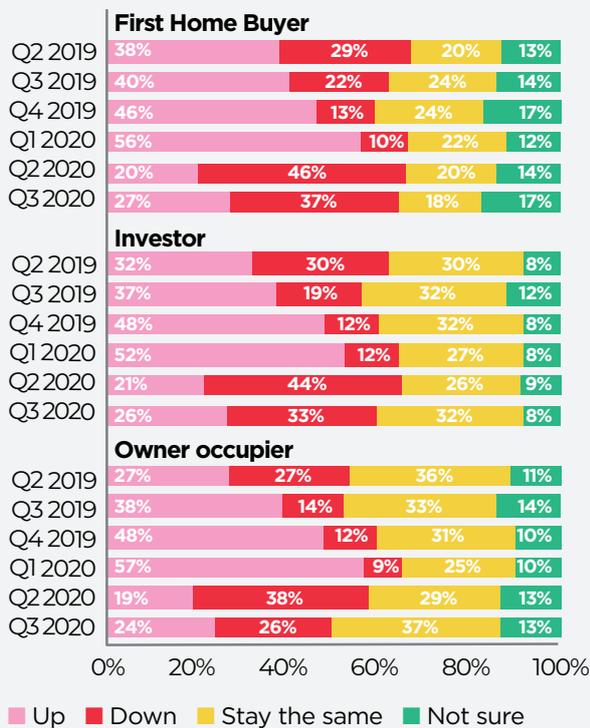
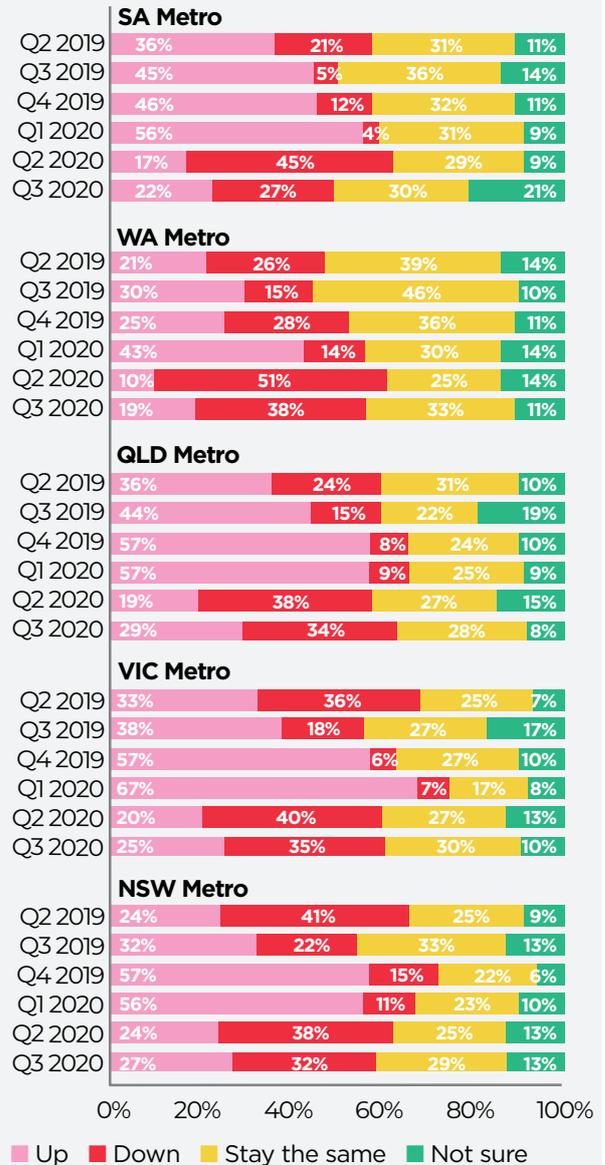


Figure 7. **House price expectations by state***

What do you think is likely to happen to the value of your property in the next 12 months?



* Please note, survey sample sizes for other metro areas are smaller and are therefore not included.

Property intentions

ME asked people in the property market what their property plans are over the next 12 months and found overall more people are planning to hold. Intentions vary by age, income and property status.

Figure 8. **Overall property plans**

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?

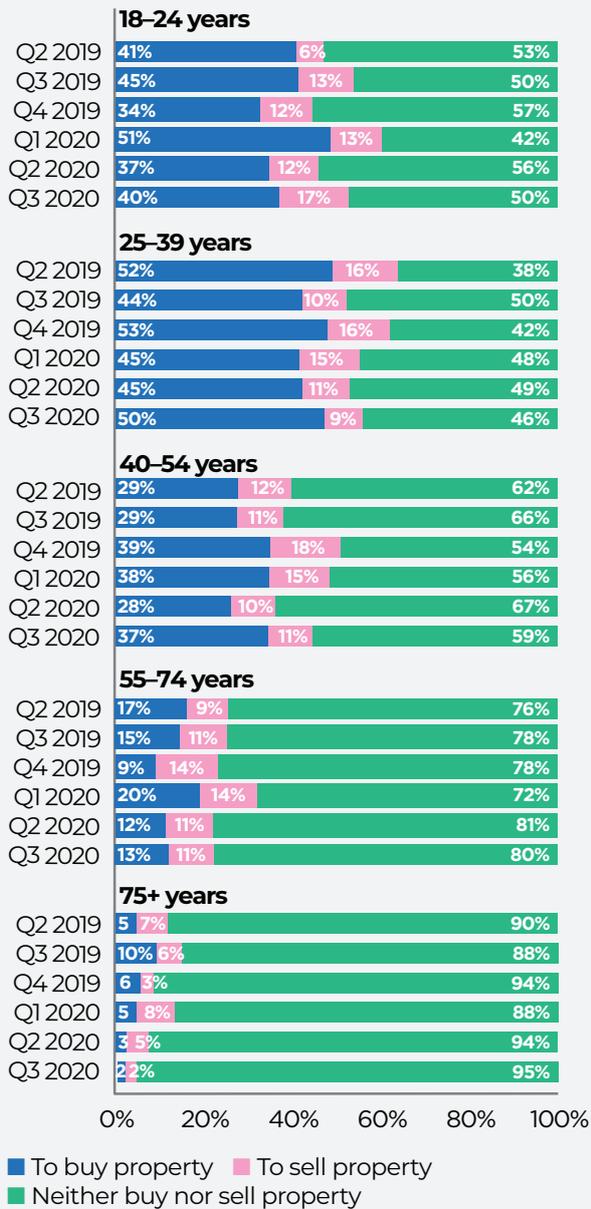


Figure 10. **Property plans by income**
What are your property plans in the next 12 months?

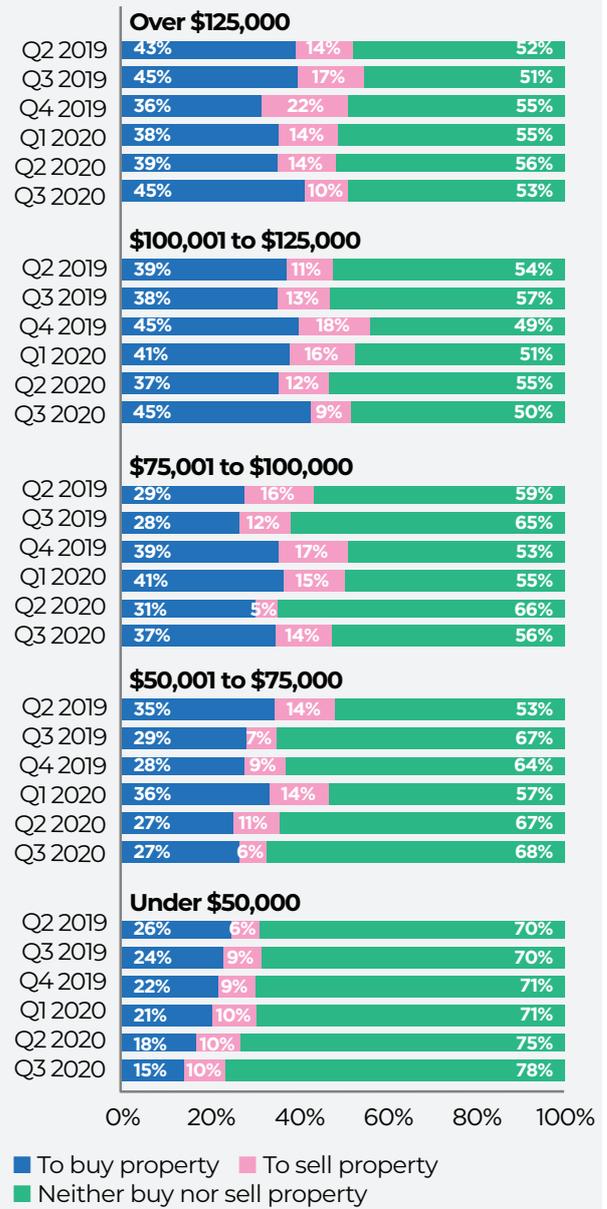
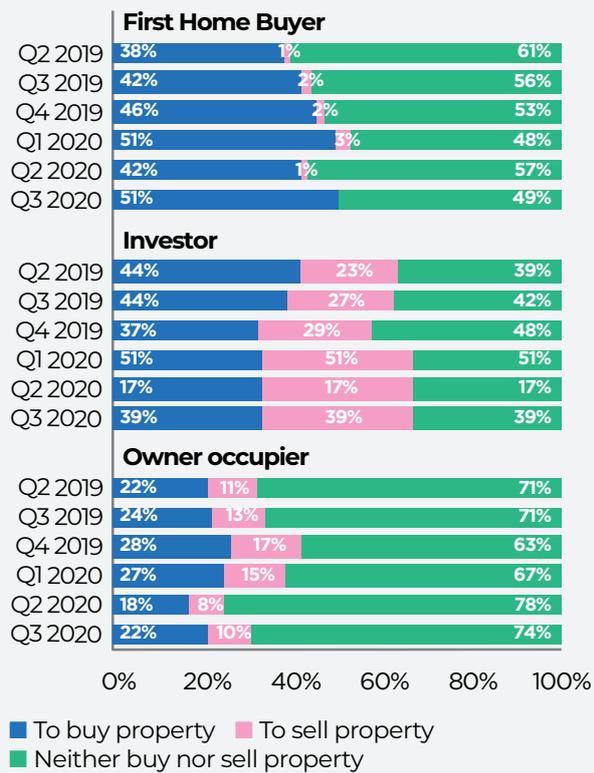


Figure 11. **Property plans by property status**
What are your property plans in the next 12 months?

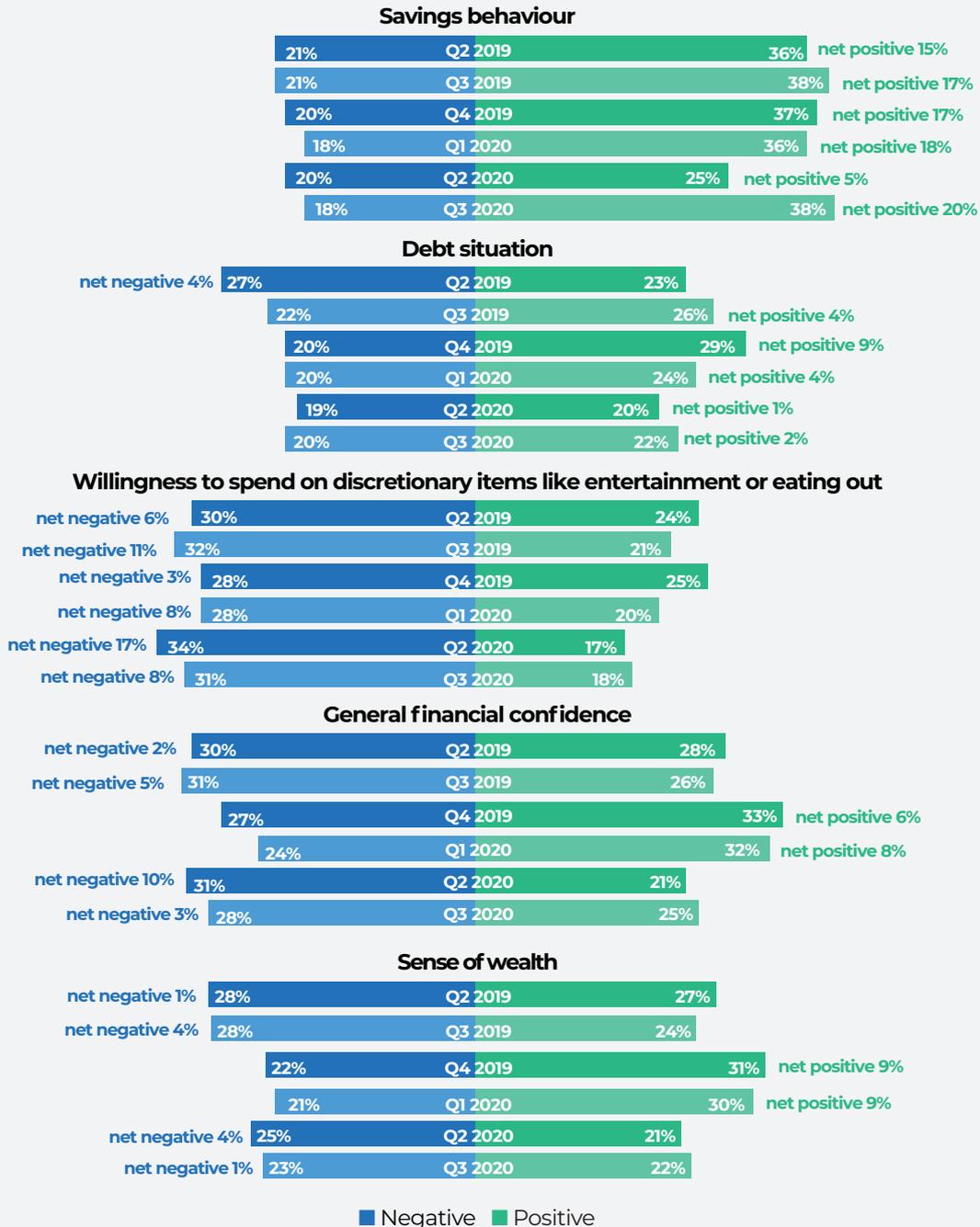


Effect on finances

Changes in house prices influenced respondents' financial situation in a variety of ways, both positive and negative.

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?

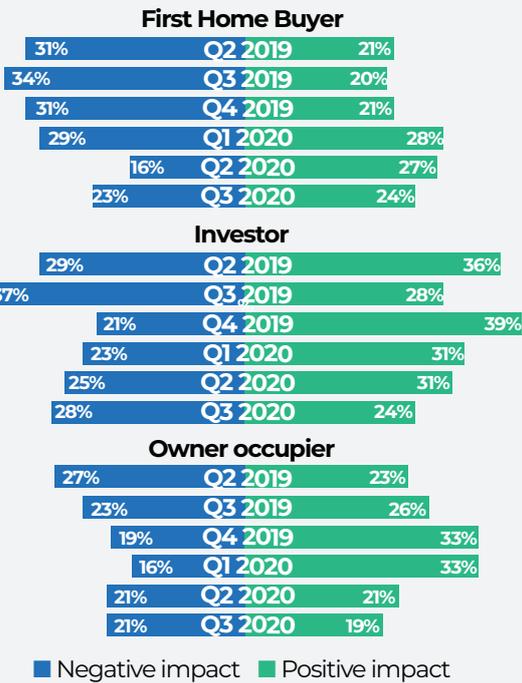


Figure 15. **Willingness to spend on discretionary items by property status***
 What impact have recent property price movements in your area had on this aspect of your financial situation?

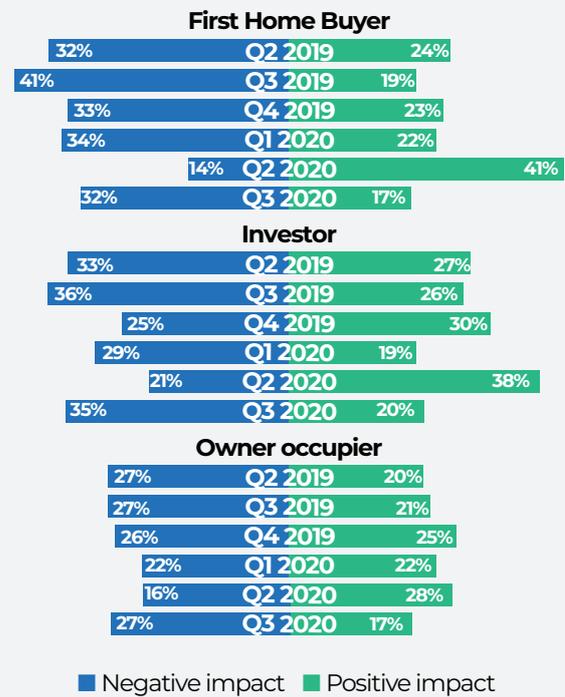


Figure 14. **General financial confidence by property status***
 What impact have recent property price movements in your area had on this aspect of your financial situation?

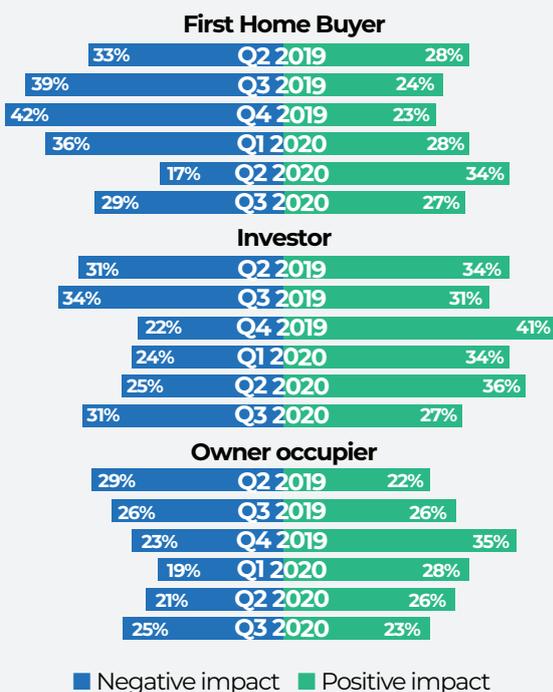
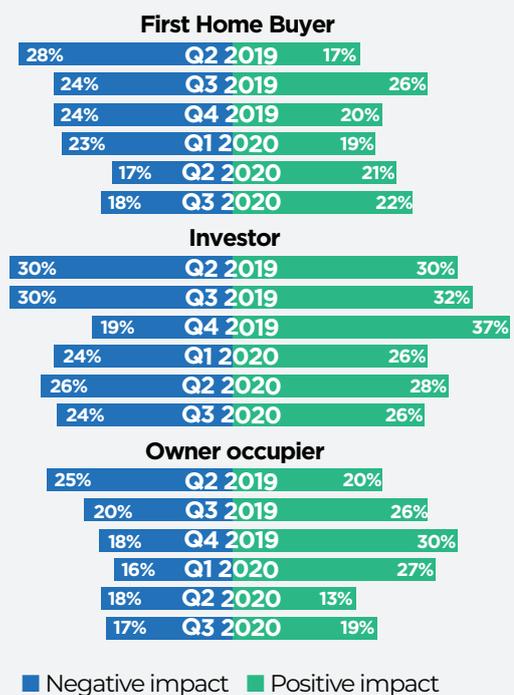


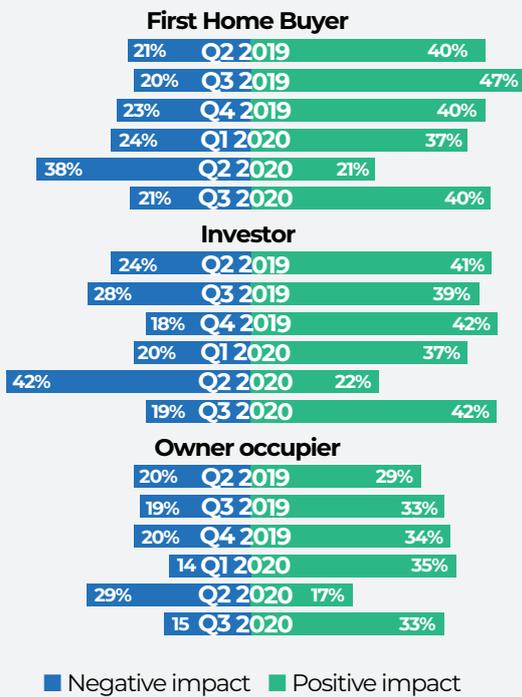
Figure 16. **Debt situation by property status***
 What impact have recent property price movements in your area had on this aspect of your financial situation?



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

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?

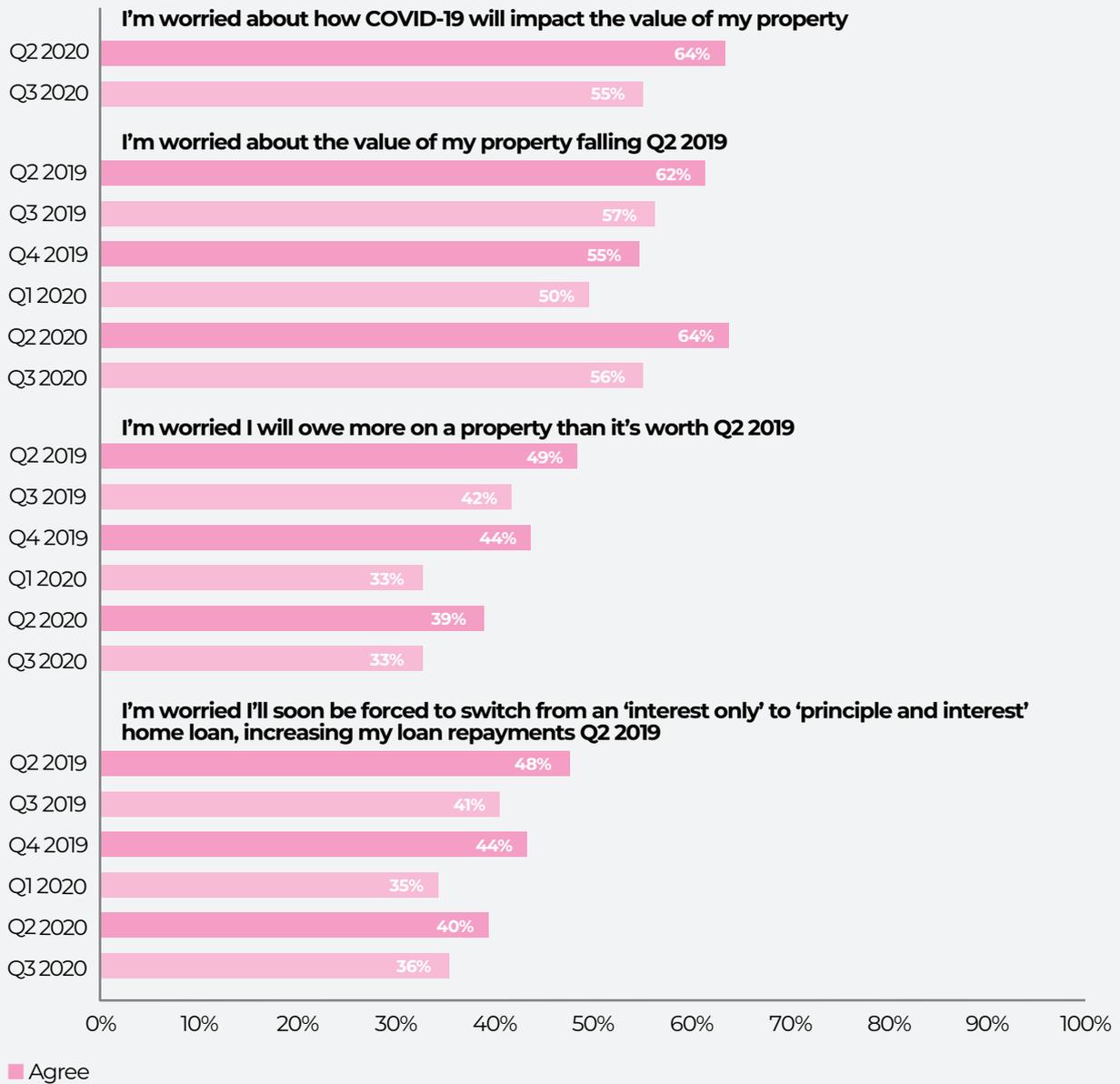


* Respondents had the choice of answering positive, negative or neutral. We have removed neutral responses from the chart for the sake of simplicity.

Perceived worries

Many worries eased quarter, in particular 'I'm worried about how COVID-19 will impact the value of my property' (down nine percentage points since the last quarter to 55%).

Figure 18. **Overall worries and opportunities for property owners**
Do you agree or disagree with the following statements?

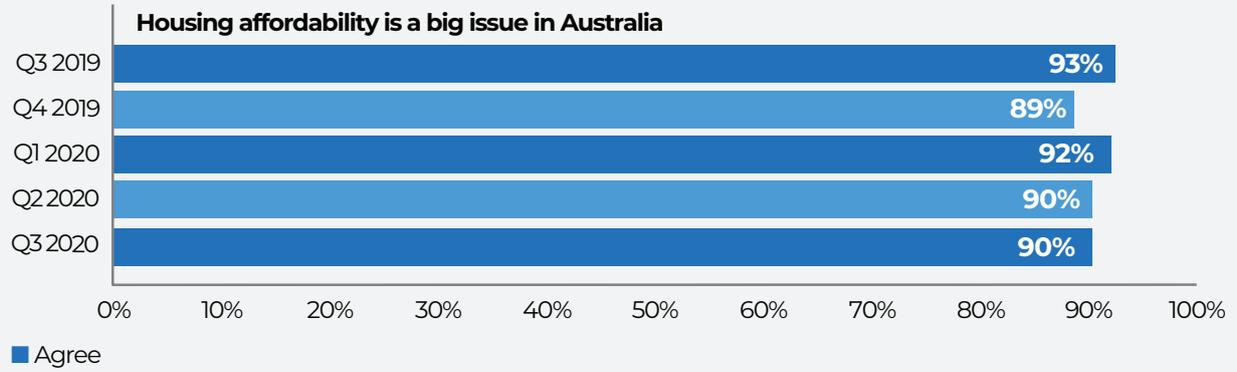


Affordability

Housing affordability remains a key concern, with 90% agreeing it is a big issue, unchanged since the last quarter.

Figure 19. **Housing affordability**

Do you agree or disagree with the following statement: Housing affordability is a big issue in Australia.



Impact of recent events

Events such as COVID-19 pandemic and the economic downturn together with government support measures have influenced sentiment in the real estate market.

Figure 20. **Influence of low interest rates**

Do you agree or disagree with the following statement: Record low interest rates have made buying or investing in property more attractive to me.

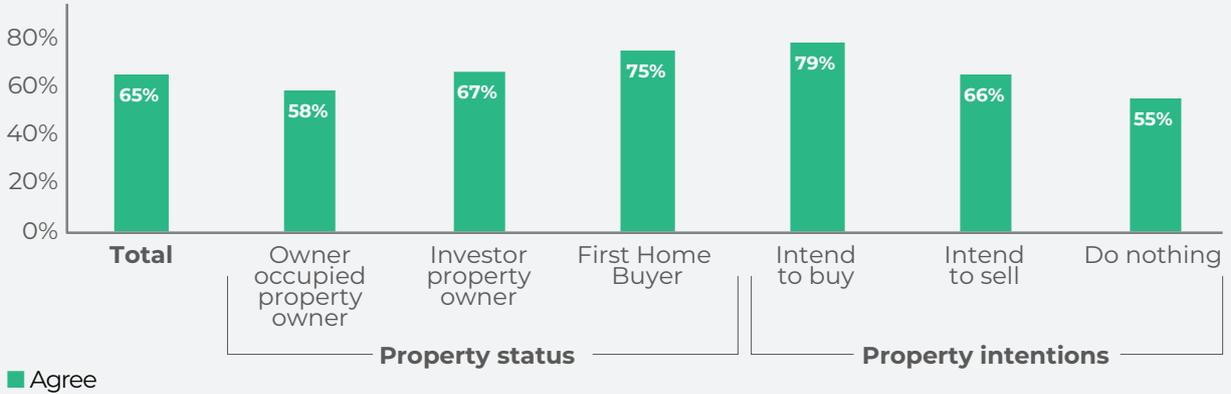


Figure 21. **Impact of the economic climate on refinancing**

Do you agree or disagree with the following statement: I'm worried it is going to become more difficult to refinance my home loan in this economy.

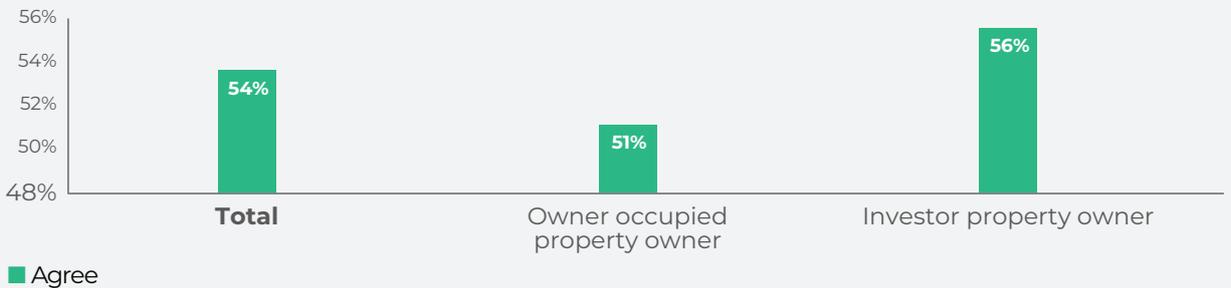
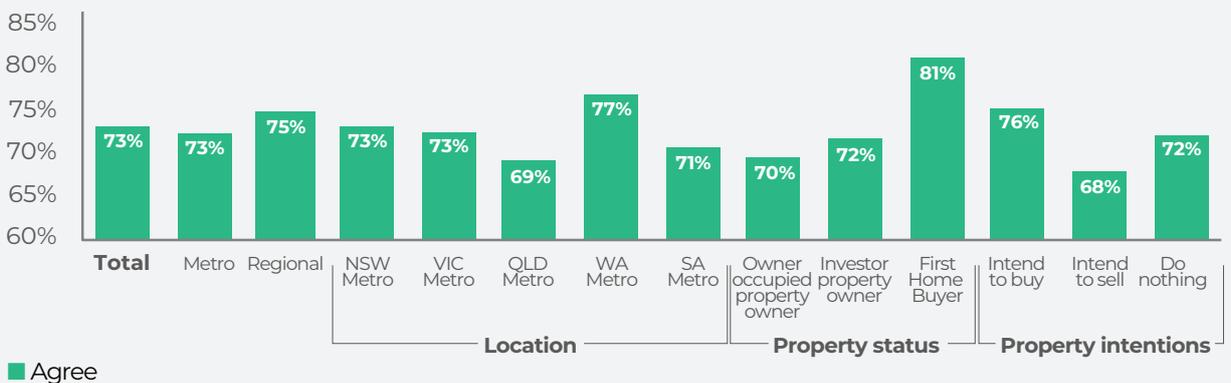


Figure 22. **Price fall expectations due to COVID-19***

Do you agree or disagree with the following statement: I expect to see property prices fall as a result of COVID-19.



* Please note, survey sample sizes for other metro and regional areas are smaller and are therefore not included

Figure 23. **Buying consideration due to COVID-19***

Do you agree or disagree with the following statement: I am spending a lot more time thinking about and looking at properties for sale because of COVID-19.

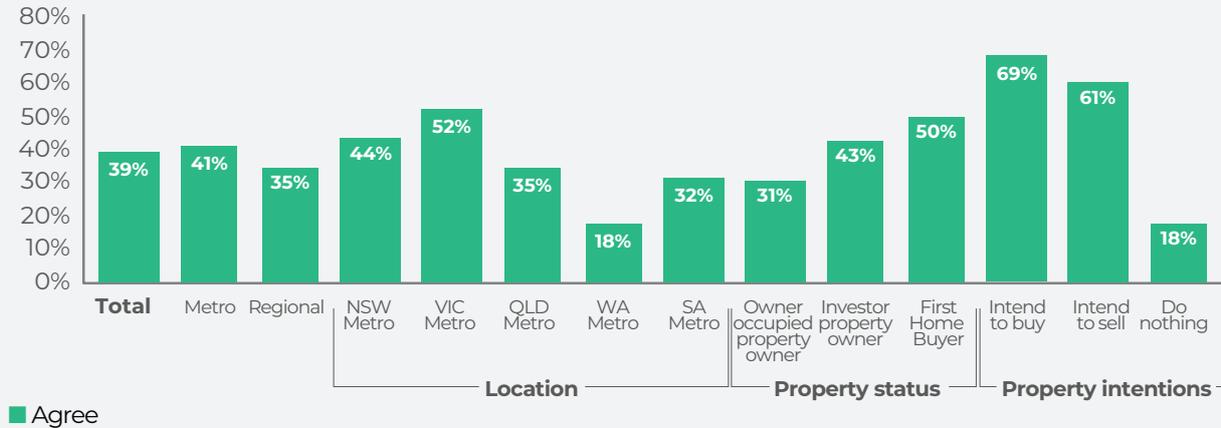


Figure 24. **Hopes for bargain buys***

Do you agree or disagree with the following statement: I hope to see lots of bargain properties for sale if the economy worsens.

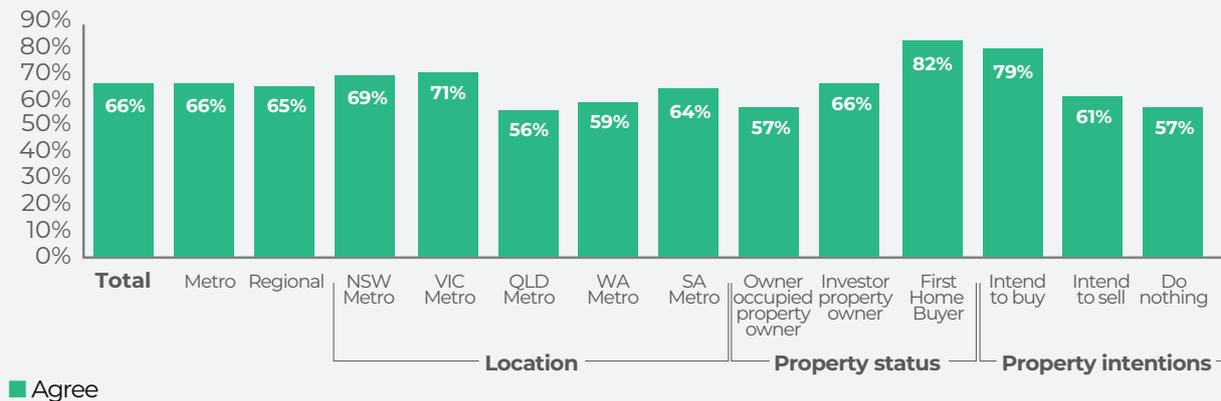


Figure 25. **Influence of new working from home arrangements on regional buys***

Do you agree or disagree with the following statement: I think new working from home arrangements will influence more people to buy in regional areas.



* Please note, survey sample sizes for other metro and regional areas are smaller and are therefore not included

Figure 26. **Consideration for regional buys to save money and improve lifestyle***

Do you agree or disagree with the following statement: 'I am more likely to consider buying property in a regional area after COVID-19 to save money and improve my lifestyle.'

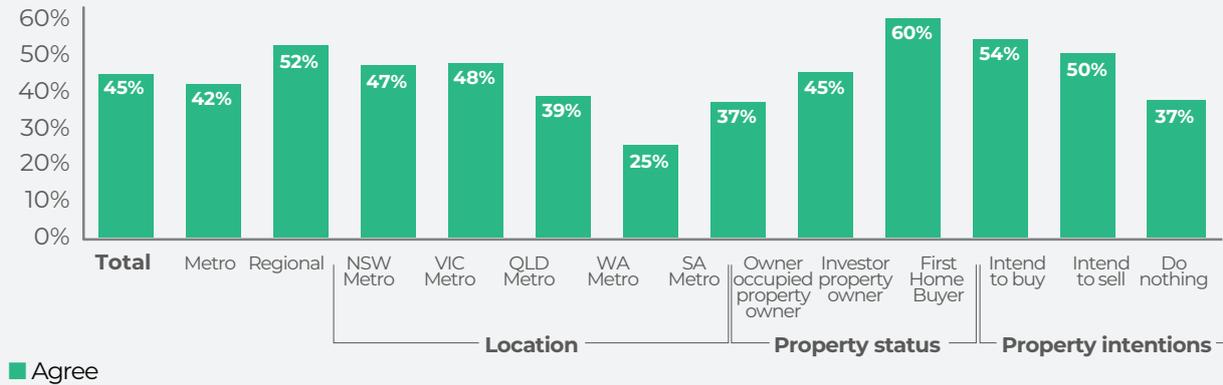


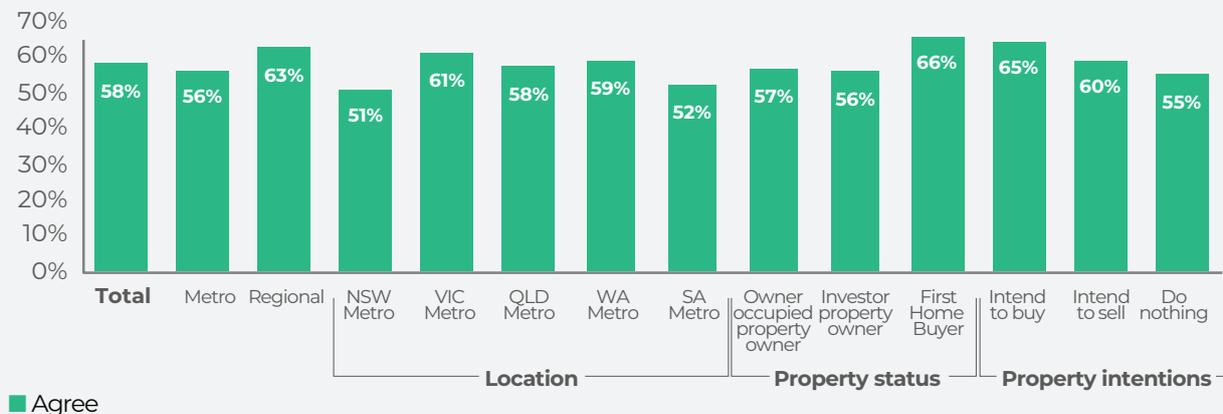
Figure 27. **Interest in Homebuilder grant***

Do you agree or disagree with the following statement: 'I am interested in applying for the new HomeBuilder grant (\$25K towards a renovation or a new build).'



Figure 28. **Opinion on Homebuilder increasing activity***

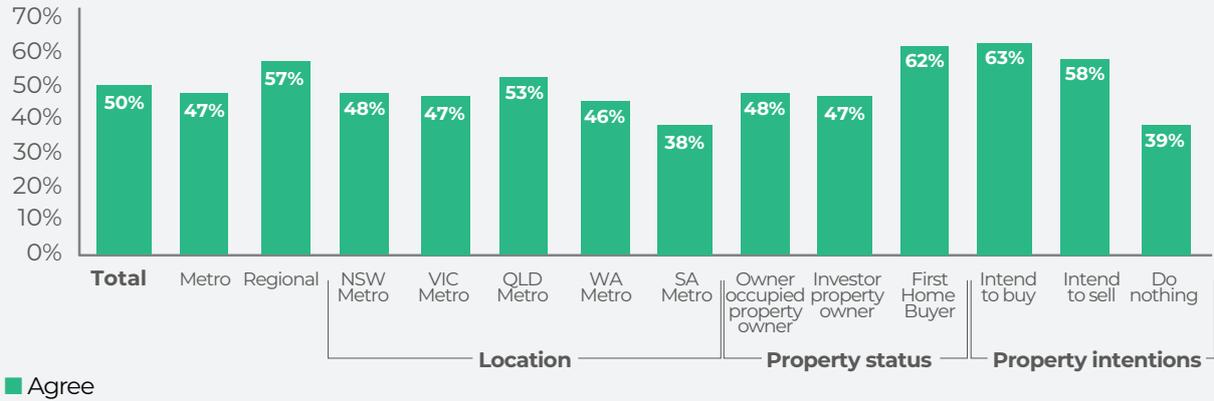
Do you agree or disagree with the following statement: 'I think the Home BuilderGrant will significantly increase activity in the property market.'



* Please note, survey sample sizes for other metro and regional areas are smaller and are therefore not included

Figure 29. **Confidence since COVID-19 restrictions have eased***

Do you agree or disagree with the following statement: Now that COVID-19 restrictions are easing, I feel more confident about buying or selling property.



* Please note, survey sample sizes for other metro and regional areas are smaller and are therefore not included