



ME quarterly property sentiment snapshot.

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

FIFTH SURVEY, Q2 APRIL 2020

About this snapshot

The *ME Quarterly Property Sentiment Snapshot* 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 fifth edition – Q2 of the 2020 calendar year, conducted in April 2020.

The snapshot 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
- 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:

- 535 – Owner occupied property owners
- 328 – Investment property owners
- 224 – 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 fell 12 percentage points in April (Q2) compared to January (Q1) 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?

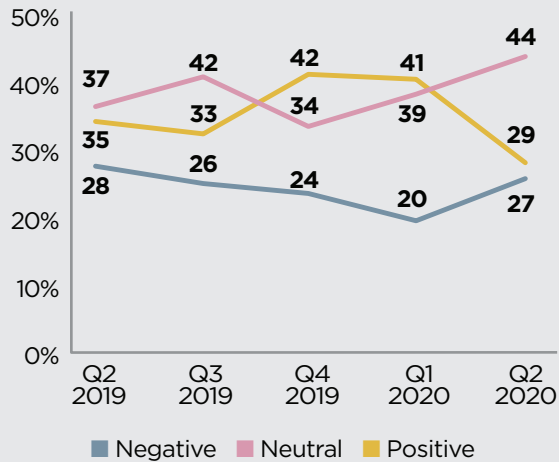


Figure 2. **Property sentiment by age**

Overall, how do you feel about the property market?

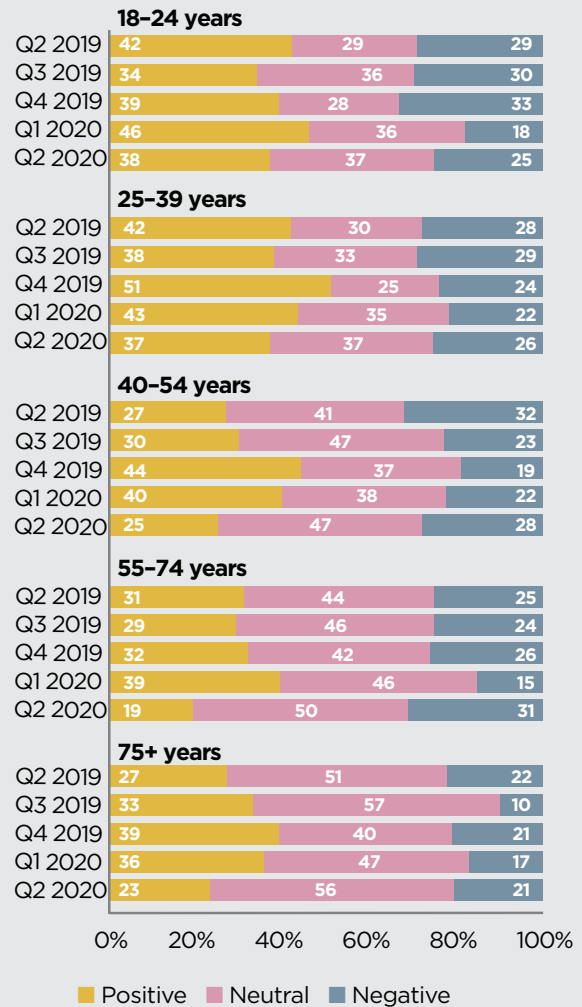


Figure 3. **Property sentiment by property status**
Overall, how do you feel about the property market?

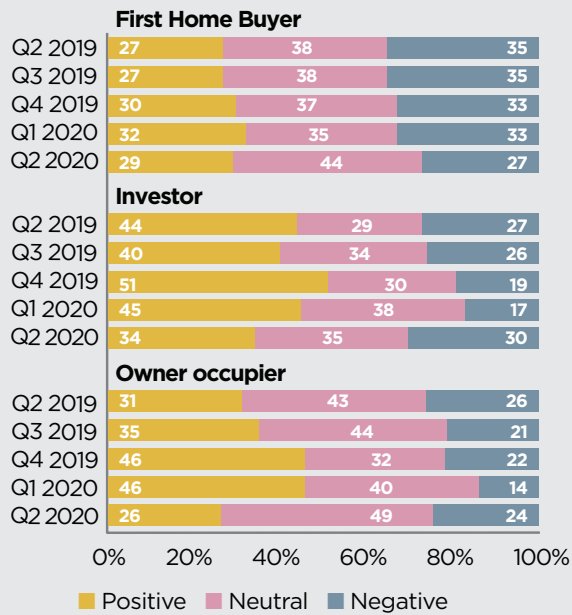
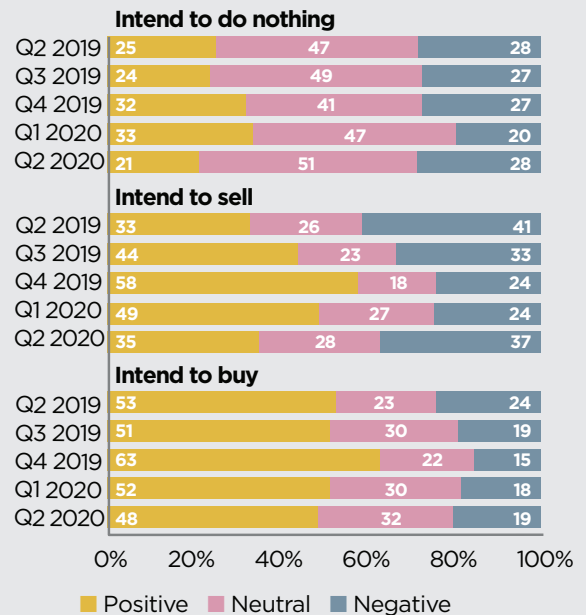


Figure 4. **Property sentiment by property intentions**
Overall, how do you feel about the property market?



House price expectations

Overall, more people are predicting house prices to decline, 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?

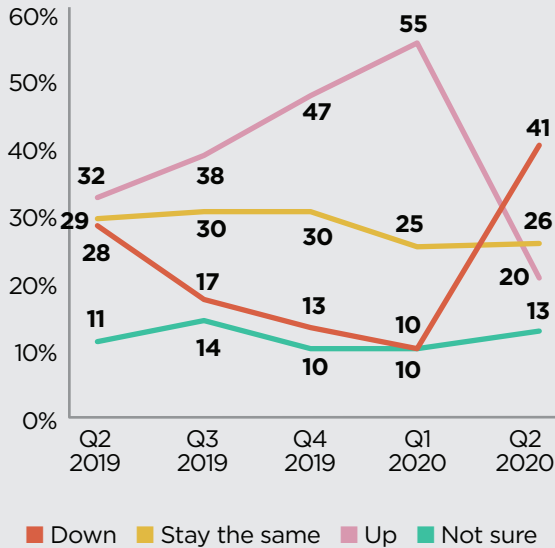


Figure 6. **House price expectations by property status**
What do you think is likely to happen to the value of your property in the next 12 months?

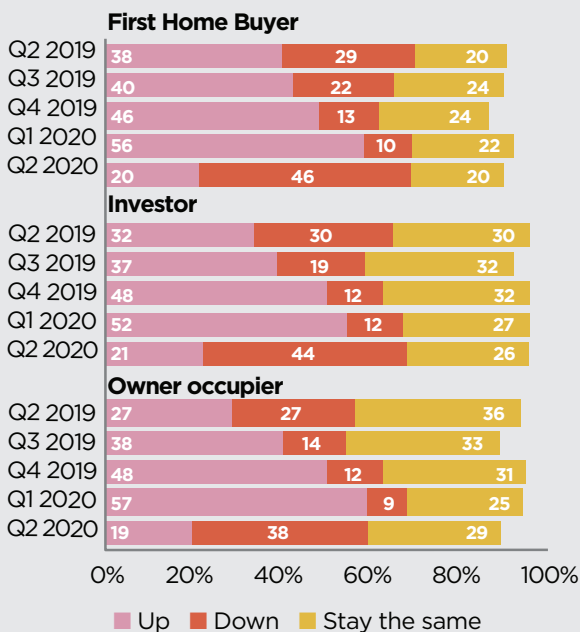
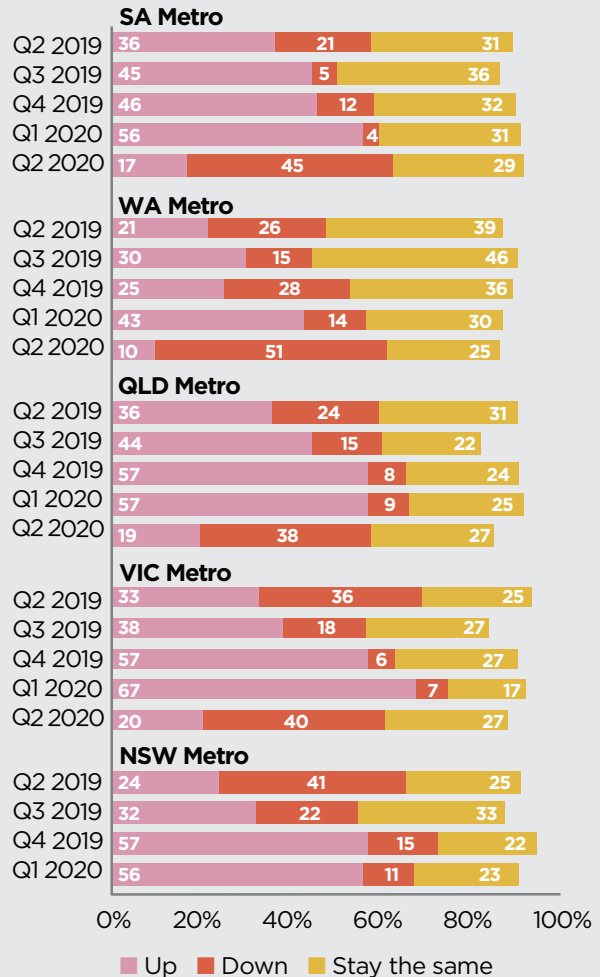


Figure 7. **House price expectations by state**
What do you think is likely to happen to the value of your property in the next 12 months?



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 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?

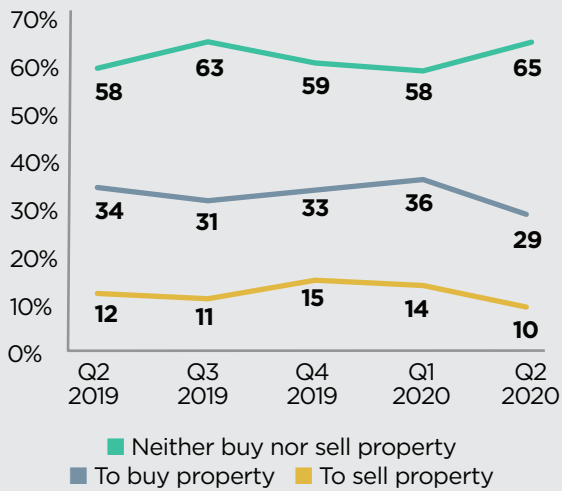


Figure 9. **Property plans by age**
What are your property plans in the next 12 months?

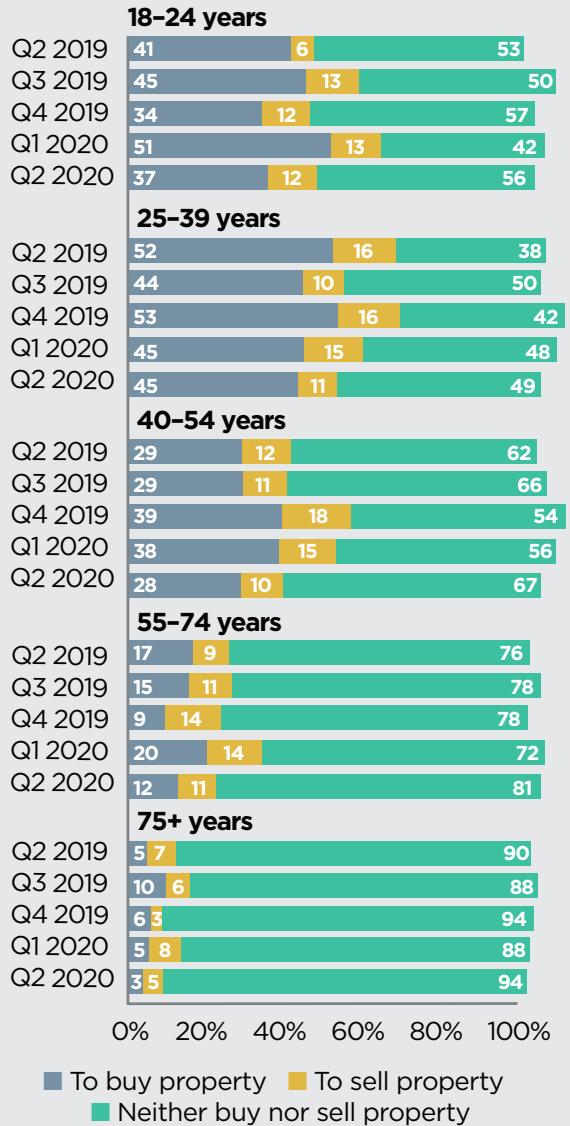


Figure 10. **Property plans by income**
What are your property plans in the next 12 months?

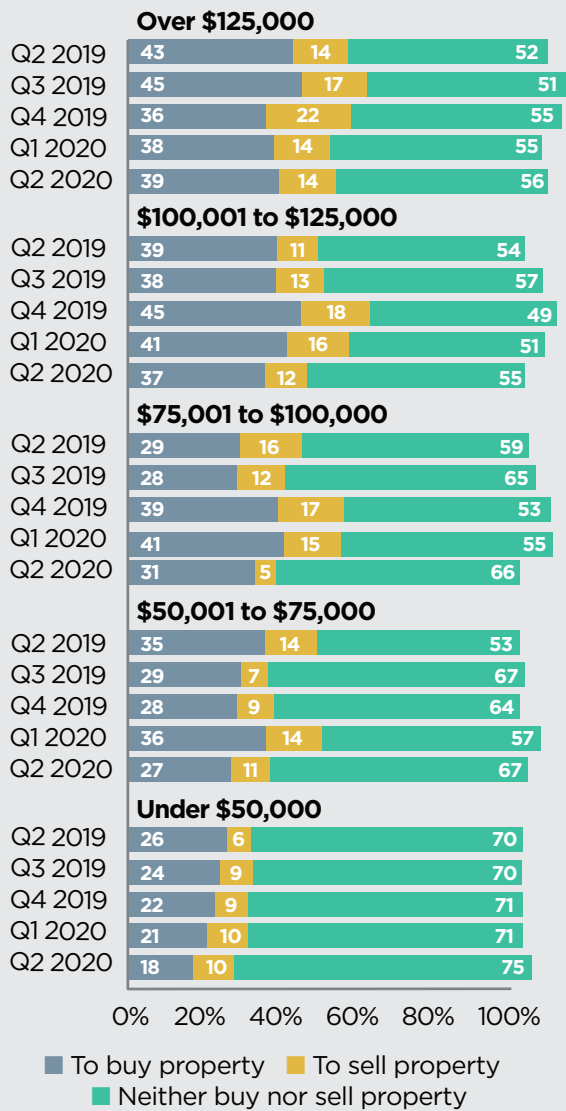
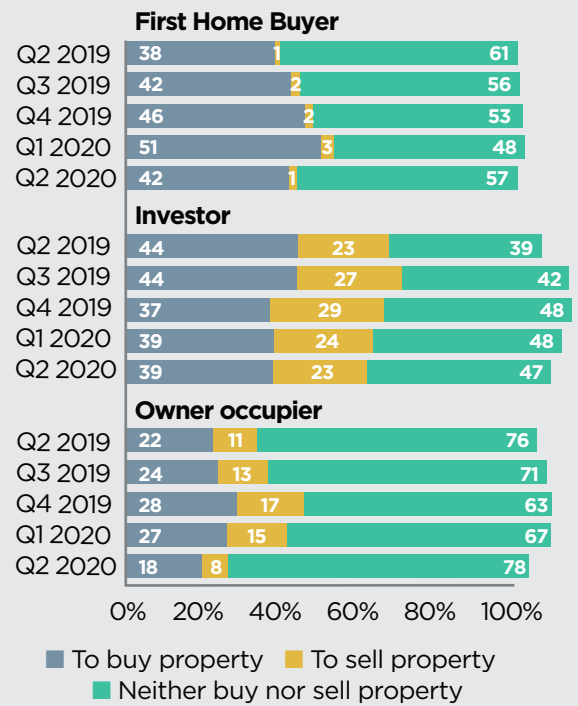


Figure 11. **Property plans by property status**
What are your property plans in the next 12 months?



0% 20% 40% 60% 80% 100%

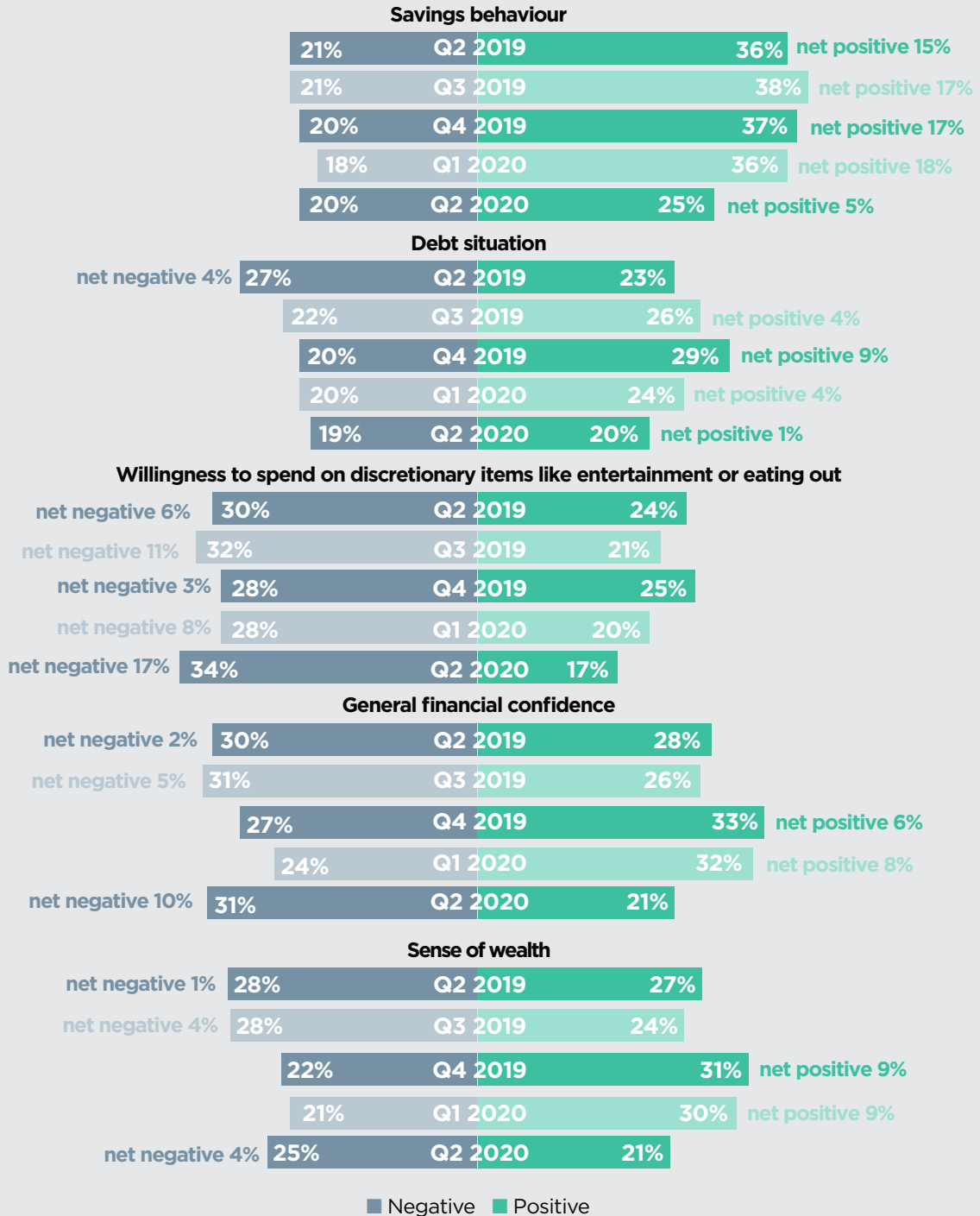
■ To buy property ■ To sell property ■ Neither buy nor sell property

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?

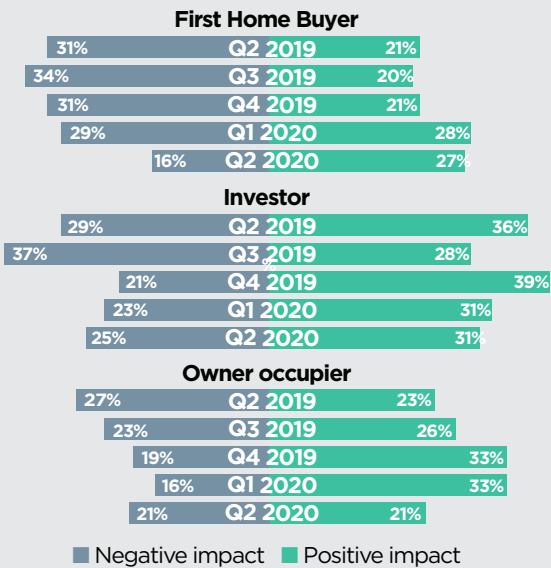


Figure 15. **General financial confidence by property status***
What impact have recent property price movements in your area had on this aspect of your financial situation?

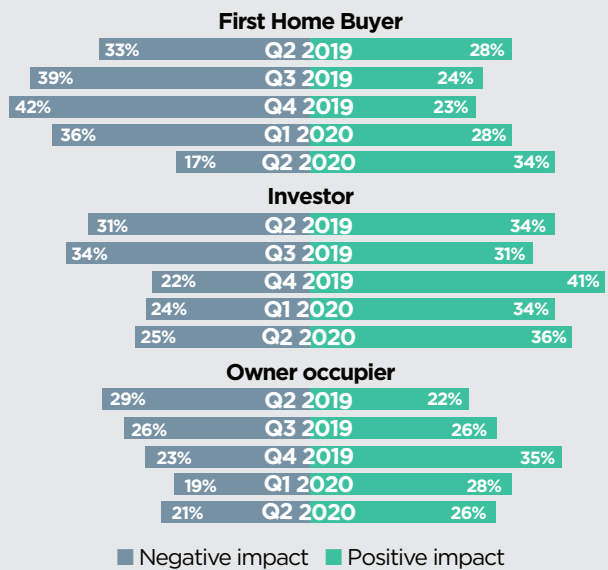


Figure 14. **Willingness to spend on discretionary items by property status***
What impact have recent property price movements in your area had on this aspect of your financial situation?

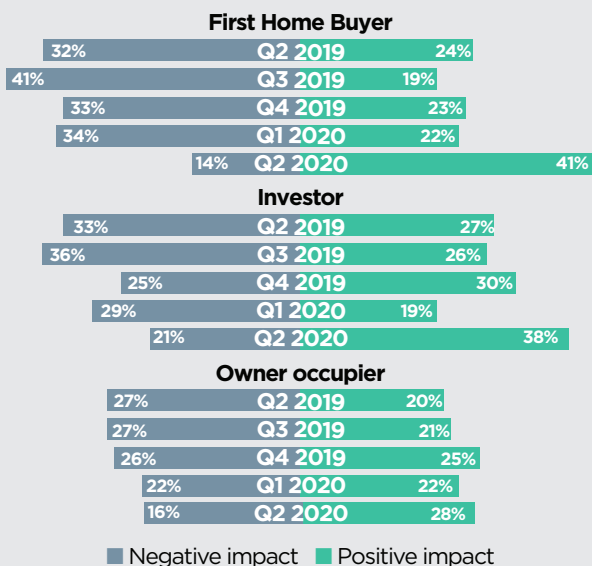
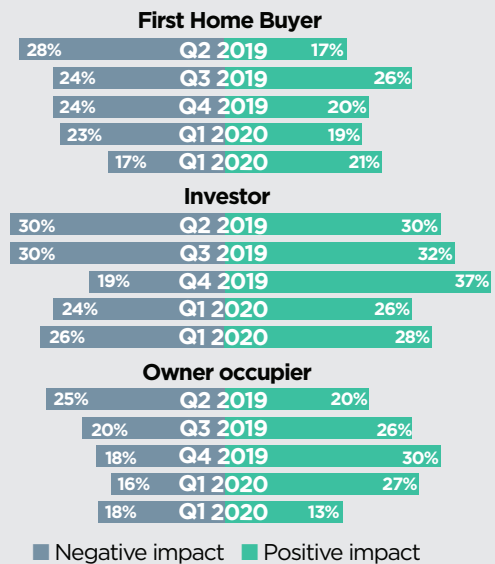
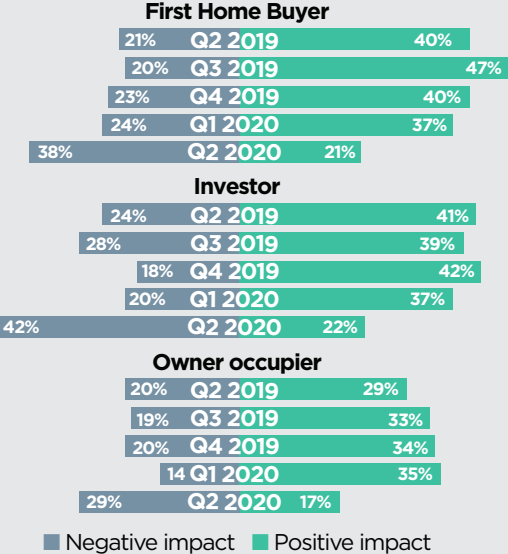


Figure 16. **Debt situation by property status***
What impact have recent property price movements in your area had on this aspect of your financial situation?



* 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?

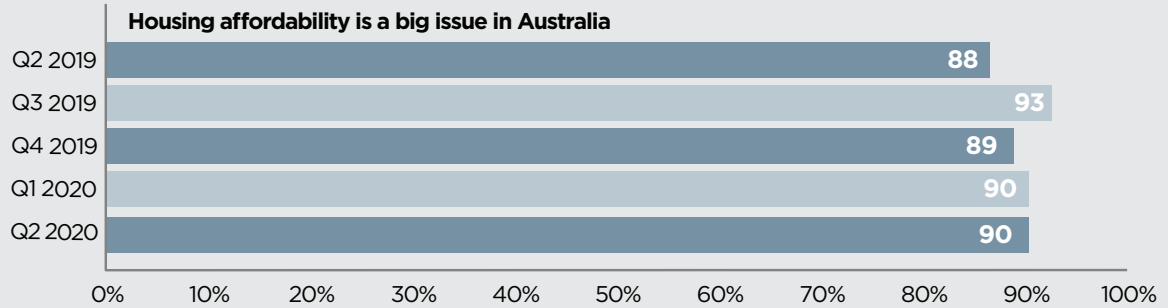


* Respondents had the choice of answering positive, negative or neutral. We have removed neutral responses from the chart for the sake of simplicity.

Affordability

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

Figure 18. **Housing affordability is a big issue in Australia**
Do you agree or disagree with the following statement?



Impact of recent events

Events such as bushfire, the COVID-19 pandemic and economic downturn have influenced sentiment in the real estate market.

Figure 19. **Property plans after the bushfires***
Do you agree or disagree with the following statement: The recent bushfires have affected my decision to buy or sell property

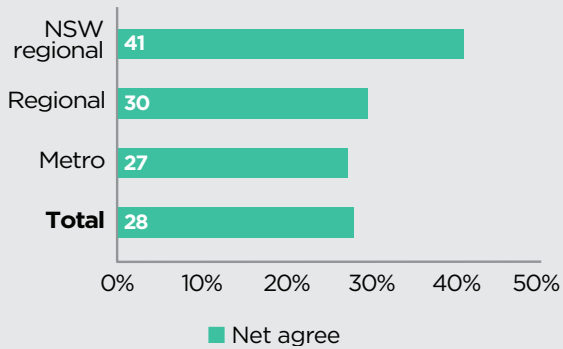


Figure 21. **COVID-19's impact on buying and selling activity**

Do you agree or disagree with the following statement: COVID-19 will affect my decision to buy or sell property

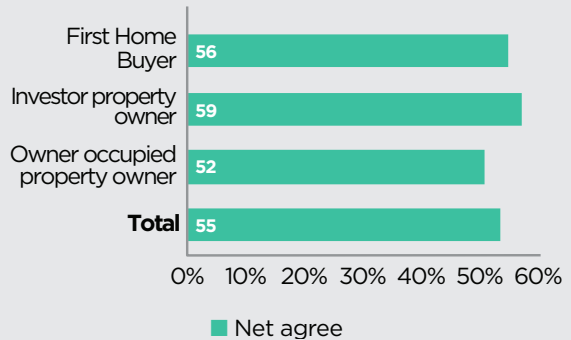


Figure 20. **COVID-19's impact on the real estate market***

Do you agree or disagree with the following statement: COVID-19 will negatively impact the Australian real estate market

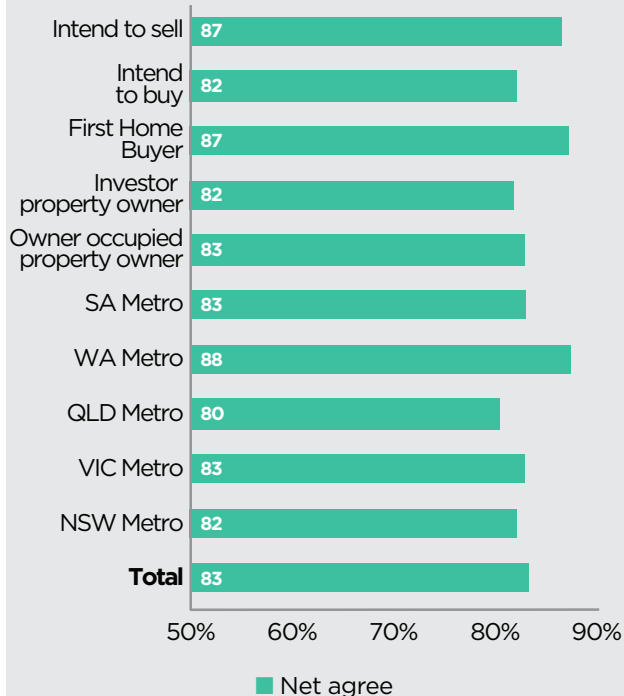
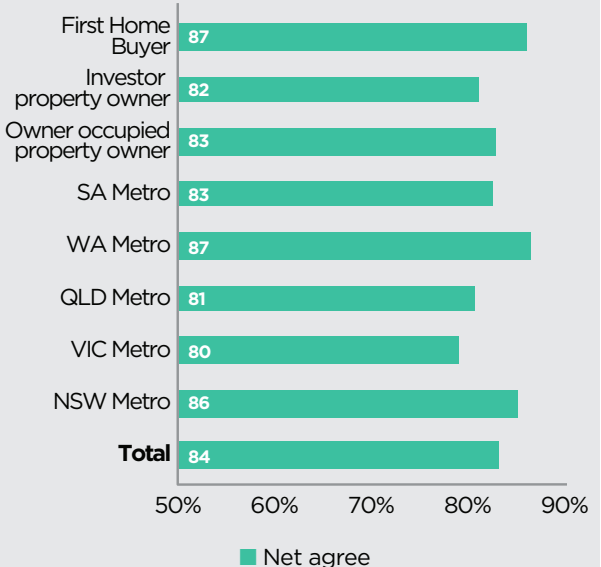


Figure 22. **Economic downturn could be good buying opportunity***

Do you agree or disagree with the following statement: An economic downturn will be a good opportunity to buy



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

Figure 23. **Impact of COVID-19 restrictions around in-person auctions***

Do you agree or disagree with the following statement: COVID-19 restrictions around in-person auctions and property inspections have delayed my decision to buy or sell

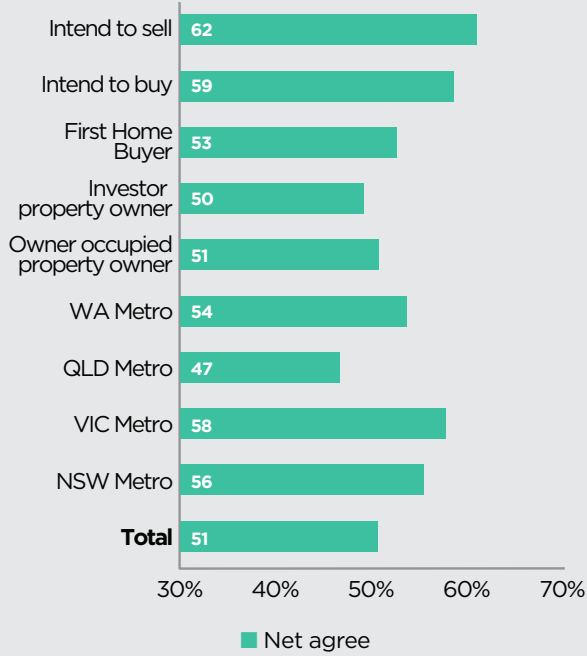
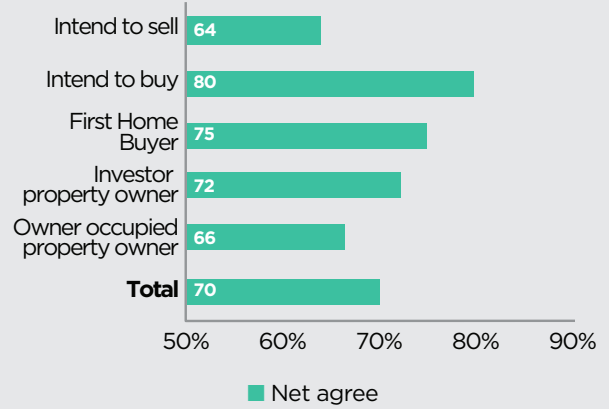


Figure 24. **Perceived impact of record low interest rates.**

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



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