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Sydney Housing Report

OCTOBER 2021

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Sydney Housing Report for October 2021

The latest market insights show that auction clearance rates for Sydney were 61.2% for the week ending 31st October. It is well above the national average for that week of 50.95%. Plus, in the upcoming week, Sydney has 1,018 listings on Saturday and 401 throughout the rest of the week.

In the last twelve months, data suggests that sold properties in postcode 2204 in Sydney sold better per square metre than the regional average. The highest selling property was sold in June 2021 for \$15,044 per square metre.

The total property listings in postcode 2000 as of this month are 449 – 113 of which have been on the market for thirty days or less. In the same area, property asking prices from September have dropped from \$2,800,000 for a three-bed in September to \$1,927,550 in October. The average cost for all houses remains steady at an average of \$1,671,881.

61.2%

Auction Clearance Rates

1,419

Sydney Listings

\$15,044 /sqm

Sold Prices

449

Total Property Listings

\$1,671,881

Asking Property Price



October 2021 Summary

Median Price Changes

Low-interest rates and strong demand from buyers is still encouraging the median prices to increase.

According to [Corelogic](#), the average value increased by 1.9%, taking the annual growth percentage to 23.6% in Sydney so far in 2021.

It means that the median house value is now up to \$1,312,000 in October, with a 2% rise. In comparison, medium unit values are now up to \$525,000 with a 1.5% rise.

Further growth is expected as we head into the final months of the year, with some of the top four banks like Westpac tipping the market to reach a 27% rise.

Rent Prices

The overall rental prices are now up 14.9% this year across Sydney.

House rents in October are at a median price of \$703, leading to a \$50 per week increase in eastern suburbs and around the north shore.

Unit rents are currently at a median price of \$466, back on the rise for the first time in half a year. This 0.4% increase means that tenants are now paying \$15 more per week.

Home Loan Lending Indicators

For the first time, the median price in Sydney

has exceeded \$1.3 million. Those planning to buy in Sydney now have to pay on average \$300,000 more than buyers last year.

Today, a deposit of 20% in Sydney means collecting around \$260,000. That's why home loan commitments around NSW have decreased.

New home loan commitments for owner-occupier housing are down 9.4%. New loans for investor housing are down 3.1%, and new loans to first home buyers have seen the biggest fall of 11.4%.

Policy Updates

Government intervention is still affecting Sydney's housing market. Developer contributions are leading to a greater inflation rate across Sydney.

After a 50% limitation of staff on construction sites, full capacity work resumed on the 27th of September. The high demand for housing across Sydney is expected to be helped by this return to work.

The Reserve Bank of Australia (RBA) is considering more rigorous commercial lending standards. This is a response to spiralling household debt that may put the national financial infrastructure at risk.





Expert Views

[Eliza Owen, Corelogic](#) – “Rapid growth in Australian housing values and rents over the past year has contributed to greater affordability pressures for households.”

[Shane Oliver, The Australian Financial Review](#) – “The history of property booms in Australia is that once prices start to take off and the property market gets hot, then it’s inevitable that lending standards start to get lax.”

[Louis Christopher, SQM Research](#) – “Today’s result is going to be firm. I’m not concerned at this stage that even if we do see a rise in listings, we’ll see a big dip in clearance rates in Sydney.”

Big Four Forecasts

The big four banks in Australia have all forecasted the housing market rise in Sydney

for the rest of the year and the start of next year.

Westpac has altered its growth forecast for the Sydney housing market to rise by 27% over the whole year and 6% in 2022.

Commonwealth Bank (CBA) has analysed the increased acceleration of property prices throughout the year and predicted a 10% increase for the remainder of this year and next year.

NAB has predicted that Sydney’s annual housing market increase will reach 17.5% by the end of 2021.

ANZ has already forecast a national rise of 20% this year. The annual growth in Sydney is predicted to be higher than this. ANZ believes house prices in Sydney will be 23% higher by the end of 2021.

Key Takeaways From October 2021 Report

In summary, house prices and rent prices have gone up. This leads to home buyers applying for larger bank loans and, therefore, needing bigger deposits. This has resulted in a lower commitment to home loans, especially among first home buyers, who cannot necessarily raise the required 20%. Plus, the RBA is thinking about tightening its lending restrictions for commercial properties.

The relaxing of COVID-19 restrictions should see a rise in property construction. Experts seem to think that the growth in property value will lead to greater affordability. It is generally expected that the property market is going to boom within the upcoming months.

► Sources — [Auction Results](#), [Upcoming Auctions](#), [Sold Records](#), [Total Property Listings](#), [Asking Property Prices](#)