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# Sydney Housing Report

DECEMBER 2021

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## Sydney Housing Report for December 2021

Property listings are still increasing in Sydney, suggesting that the gap between supply and demand might be narrowing. House prices have gone up. However, this increase is only by \$529, which is relatively minimal compared to previous months.

**49.4% ↓**

Auction Clearance Rates

▼ Last month: 55.6%

**1,679 ↑**

Sydney Listings

▲ Last month: 1,640

**\$15,044** /sqm

Sold Prices

— Last month: \$15,044

**429 ↓**

Total Property Listings

— Last month: 449

**\$1,982,574 ↑**

Asking Property Price

▲ Last month: \$1,982,045





## December 2021 Summary

Below you can find the December update for Sydney's property market, including median price changes, policy updates, and lending indicators from the big four.

### Median Price Changes

Property prices are still increasing. Yet, this is the first time in over a year that we have seen the growth rate drop below 1% since last January. Month on month, we've seen [a rise of 0.9%](#) for all dwellings in Sydney.

The average asking price in Sydney is now at \$1,982,574 for all houses. The [median unit value](#) is now \$1,077,499, a slight dip from November. This brings the total increase for unit values to 15.18% for the year. Only Brisbane, Darwin, and Hobart have seen more considerable increases in value in the last 12 months.

### Rent Prices

Rental vacancies have increased slightly in Sydney, from 2.2% to 2.3%. The rates are the lowest we have seen for three years. Sydney has experienced higher levels of demand from international students and migrants since the borders reopened, which has affected rental vacancies.

[December rent prices](#) for all houses are at \$928, while the average unit costs \$704 a week.

### Home Loan Lending Indicators

New data suggests that it might take the average Australian 13.5 years to save for a 20% deposit for a property in Sydney.

With the average asking price nearing 2 million dollars, home loan lending indicators suggest that fewer first-time buyers can get onto the property ladder in Sydney. To put this into perspective, in 1981, the average property price in Sydney was five times the average income of a full-time worker. Now, it is 14 times greater.

While the number of home loan offers increased from 55.44% to 82.65% earlier this year, it has now dropped to 35.47% across Australia. The drop in available mortgages should help slow the property price increase rate.

### Policy Updates

Recent developer contributions have actually inflated housing affordability, furthering the gap between demand and supply. The National Housing Finance and Investment have labelled the infrastructure charges as a "tax on new housing".

### Expert Views

[Louis Christopher, SQM Research](#) - "There has been a lot of deferred activity left over from August and September and parts of







October. It's all feeding into the present-day auction listings. Perhaps some vendors are sensing that we are close to the top of the housing market, and they think it's a good time to sell."

[Kate Burke and Elizabeth Redman, The SMH](#) - "While buyers were prepared to snap up B-grade and C-grade properties earlier this year—fearing they would miss out if they didn't act quickly in a rapidly rising market—the sense of urgency has disappeared, and buyers are less prepared to make big compromises."

### Big Four Forecasts

The big four banks predict continuing price hikes but at more marginal rates.

**Westpac** hasn't significantly updated their

predictions, continuing that we'll see an 8% rise in 2022 and a drop of 5% in 2023.

**Commonwealth Bank (CBA)** maintains that houses will increase by 8% in 2022, with a 10% drop in 2023.

**NAB** predicts that property values will increase by 23% in 2021 and 5% in 2022.

**ANZ** forecasts that prices will rise by 6% in 2022 and decrease by 4% in 2023. We'll see an overall rise of 2% from current prices.

## Key Takeaways from December 2021 Report

Property prices are continuing to go up. However, we are seeing a far steadier pace of increase, confirming previous predictions. Within the following year, house values will likely continue to rise in Sydney; however, not like anything we've seen in 2021.

Home loan indicators suggest that demand is dropping as fewer and fewer Australians can afford a mortgage. As a result, there is stronger competition for rental properties, and weekly rents continue to increase.

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