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Sydney Housing Report

NOVEMBER 2021

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Sydney Housing Report for November 2021

With Sydney listings up since October, we might expect that supply is beginning to meet demand. However, Sydney's average asking property price has rocketed by \$310,164. While this growth is at a more marginal rate than the 20% increase we've seen over 2021, it still indicates that we're not likely to see a drop in property prices soon.

55.6% ↓

Auction Clearance Rates

▼ Last month: 61.2%

1,640 ↑

Sydney Listings

▲ Last month: 1,419

\$15,044 /sqm

Sold Prices

— Last month: \$15,044

449

Total Property Listings

— Last month: 449

\$1,982,045 ↑

Asking Property Price

— Last month: \$1.6 M



November 2021 Summary

Median Price Changes

With continued record low-interest rates and demand for housing, property values have continued to increase. The median house price in Sydney [grew by 0.3%](#) in the first week of November alone, totalling a 26% increase for the year. Further growth is predicted for the rest of this year and into 2022.

The housing index in Sydney still continues to [increase faster than other capital cities](#) but is starting to steady itself. The median value for Sydney houses is \$1,360,543, while the median for all dwellings is now up to [\\$1,090,276 in November](#), with a 0.9% rise since October. Units are now an average of \$837,169.

Rent Prices

Rent prices continue to go up across Sydney. As our borders reopen and international travel takes off again, rental prices will likely increase further. The average house rent is currently \$722 as of the end of November.

The median rent price for units in November is \$473, resulting in a 1.5% rise from October. Tenants are now paying \$7 more a week.

Home Loan Lending Indicators

As average house prices are currently topping \$1,360,543 in some areas of Sydney, home buyers need a 20% deposit of around \$270,000. This is up from a \$260,000 deposit in October.

With the drop in home loan commitments around New South Wales in October, November has seen a decline. Plus, with the recently introduced stricter measures, it is no surprise that we see fewer people qualifying for loan approval in NSW.

Policy Updates

Since the 8th of November, [NSW has begun opening up](#). This means that construction sites are back to full capacity, hopefully satisfying the high demand for housing.

Stricter lending requirements have been put in place. The Australian Prudential and Regulation Authority now requests that lenders test borrowers' ability to repay their mortgages at a higher interest rate than previously. They have also reduced the average buyer's borrowing power by 5%.

Expert Views

[Tim Lawless, CoreLogic](#) - "Virtually every factor that has driven housing values higher has lost some potency over recent months. Fixed mortgage rates are rising; higher listings are taking some urgency away from buyers, affordability has become a more substantial barrier to entry, and credit is less available."

[Shane Oliver, AMP Capital](#) - "If immigration were to come back rapidly, we would see significant upward pressure on rents and significant upward pressure on house prices. And once that opens up, with a new wave of migrants coming in, there's going to be a





new wave of money, and property prices are probably going to increase even further.”

Nicola Powell, Domain - “As Covid-19 lockdowns and restrictions come to an end, and the sustained high prices appeal to vendors, sellers are beginning to re-engage with the market, increasing supply which in turn offers greater choices for buyers.”

Big Four Forecasts

Australia’s big four banks predict slower increases in property prices and suggest that house values will not return to pre-pandemic figures anytime soon.

Westpac suggests that the 2021 housing boom is starting to wane but might continue to grow in 2022 at a slower rate of 8% and by only 5% in 2023.

Commonwealth Bank (CBA) predicts that property values will increase at a more marginal rate of 7% in 2022 with a 10% correction in 2023.

NAB has also revised its forecast, indicating that dwelling prices will increase by 23% in 2021 and 5% in 2022.

ANZ forecasts that 2022 will see a 6% rise, while in 2023, we’ll actually see a 4% drop in property values—but that will still be 27% more expensive than 2019 house prices.

Key Takeaways from November 2021 Report

In summary, while property prices are still on the rise, the increase is now at a more manageable pace. Sydney house values are even beginning to show signs of steadying while units are still going up.

There is some concern that the influx of immigration as our borders reopen will push house prices up again; however, experts and banks forecast a slower rate of increase for the next two years.

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