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Sydney Housing Report

APRIL 2022

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Sydney Housing Report for April 2022

The median asking price for all houses in Sydney has been down by 7% since March 2022. What do the fewer listings and lower prices mean for Sydney's housing market this month? Read on to find out April's Sydney housing market news.

45.7% ↓

Auction Clearance Rates

▼ Last month: 51.2%

1,052 ↓

Sydney Listings

▼ Last month: 1,285

\$15,044 /sqm

Sold Prices

— Last month: \$15,044

438 ↑

Total Property Listings

▼ Last month: 417

\$1,777,369 ↓

Asking Property Price

▼ Last month: \$1,918,949



April 2022 Summary

Below you can find the April update for Sydney, including median price changes, policy updates, and lending indicators from the big four.

Median Price Changes

In April, the [median house price](#) is down by 7% to \$1,777,369. Again, the fluctuating cost of three-bedroom houses is behind the decline, with the average asking price down to \$3,252,270.

Since March, units have been down 10.3%. The average buyer can expect to pay \$986,385, tipping the asking price below the one million mark for the first time since January 2021.

Rent Prices

Weekly rental prices are still increasing steadily for all property types. As of the end of April 2022, tenants could pay [\\$787 a week](#), an increase of \$12 since March. Tenants might expect to pay \$40,924 a year to rent a house in Sydney, \$572 more than last month. On average, unit weekly rental prices are \$504 a week.

[Vacancy rates](#) are down to 1.6% from 2% in March. There are only 12,748 vacant rental properties in Sydney. While weekly rental prices.

Home Loan Lending Indicators

The [RBA's cash rate](#) is still the lowest in over 30 years, suggesting that mortgages are more attractive than ever. While we've not seen [interest rates](#) change since November 2020, experts predict that the RBA could increase the rate later this year. Therefore, while [home loan commitments](#) have been up 12.6% since last year, lending indicators might fall in the winter.

Policy Updates

The government has announced changes to the [Home Guarantee Scheme](#), enabling young buyers to purchase more expensive properties with a smaller deposit. Under this scheme, 50,000 young Aussies can pay 5% deposits, with the government covering the remaining 15%. In New South Wales, lifting the eligibility price cap from \$800,000 to \$900,000.

However, the one cause for concern is that the government is rushing young buyers into the market before prices drop, disadvantaging them in the long term. However, the scheme may help quicken the lowering of house prices and burst Sydney's property bubble.

Expert Views

[Shane Oliver, AMP Capital](#) – “There is now a strong chance that the first hike will be 0.4 percent, taking the cash rate to 0.5





percent, and we now see the cash rate being increased to 1 percent by year-end, which would have an impact on the property market quicker than previously. But buyers are now becoming cautious and mindful of mortgage affordability, and they don't want to overpay."

Tim Lawless, CoreLogic – "The first quarter of the year saw the trend in auction volumes and clearance rates heading in different directions. While the number of auctions held reached a March quarter high, the clearance rate gradually drifted lower through the quarter. As selling conditions gradually swing towards a buyer's market, we could also see clearance rates trending lower.

Eliza Owen, CoreLogic – "One of the reasons for the relatively recent poor price performance of unit markets is COVID-19 related travel restrictions, including the closure of Australia's international borders. Demand for investment units in urbanised centres likely fell because of their high exposure to migrants and international students."

Big Four Forecasts

Australia's big four banks predict interest rates will peak in 2022 with a sharper drop in 2023.

Westpac expects interest rates to peak at 3% by the end of 2022, when the RBA will maintain rates as economic conditions lift.

Commonwealth Bank (CBA) predicts an 8% drop in Sydney property prices, although the Home Guarantee Scheme might prop up property prices.

NAB forecasts property prices to rise by 3% in 2022 and decline by 10% in 2023.

ANZ raised interest rates by 0.4% and predicted the RBA would raise the cash rate in July.

Key Takeaways from April 2022 Report

While Sydney property prices are dropping, most young buyers remain locked out of the market. The government's changes to the Home Guarantee Scheme should help [first-time buyers](#) but delay the inevitable dropping in house prices.

Experts expect interest rates to increase this winter which should force prices to drop. However, Sydney's buyer's market might still be a long way off.

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