



ME quarterly property sentiment report.

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

THIRD SURVEY, Q4 2019

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- Overall, more people feel positive about the property market
 - Almost half predict property prices to rise over the next 12 months
 - As positivity and prices rise, more people plan to transact in the market over the next 12 months
 - Affordability, tighter credit policies and negative equity still top list of worries
 - Changes in house prices have shifted sense of wealth and financial confidence into net positive territory for the first time this calendar year, and negative impact on discretionary spending has eased.

Overall property sentiment

Overall, ME's Quarterly Property Sentiment Report shows property market sentiment has improved, as more people feel positive about the market. Sentiment varies by age, property status and property intent.

Figure 1. **Overall property sentiment**

Overall, how do you feel about the property market?

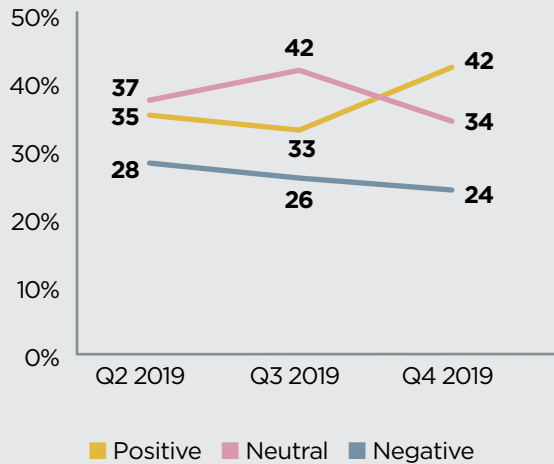


Figure 3. **Property sentiment by property status**

Overall, how do you feel about the property market?

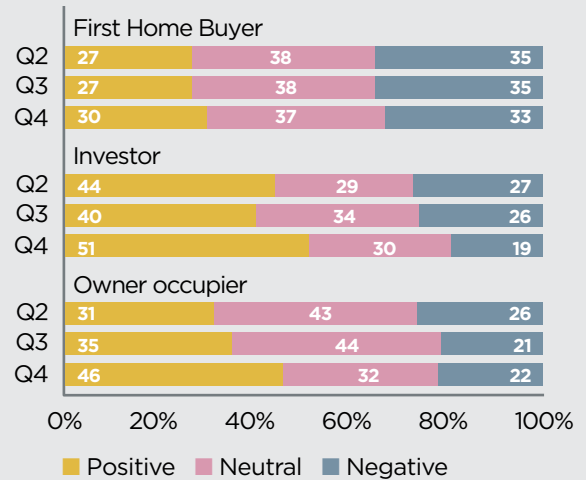


Figure 2. **Property sentiment by age**

Overall, how do you feel about the property market?

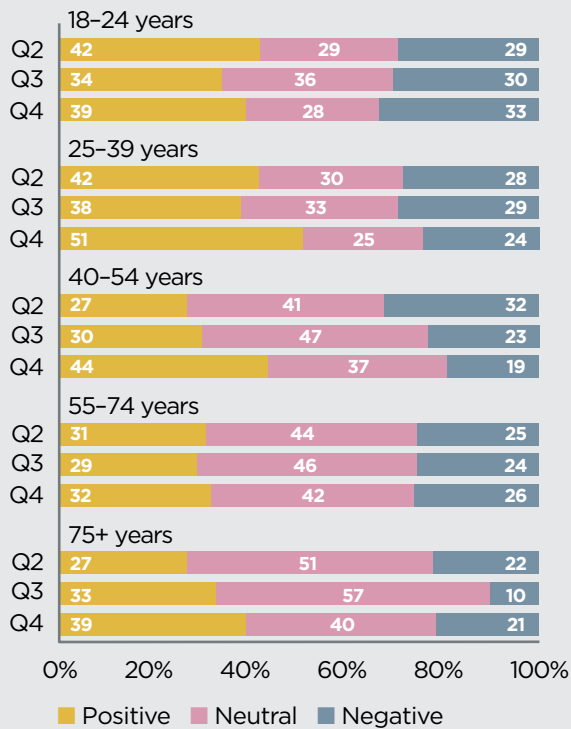
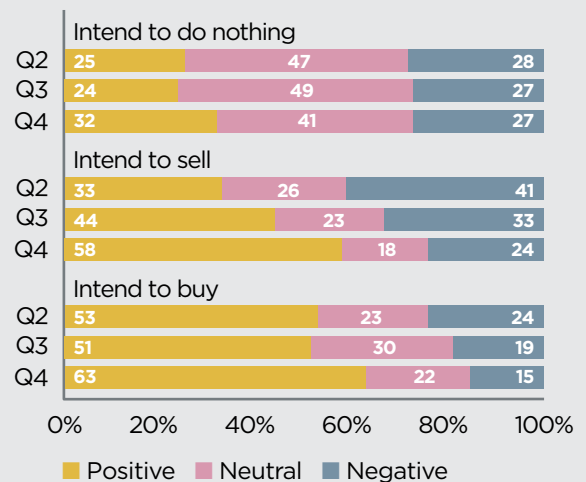


Figure 4. **Property sentiment by property intentions**

Overall, how do you feel about the property market?



House price expectations

Overall, more people are predicting house prices to 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?

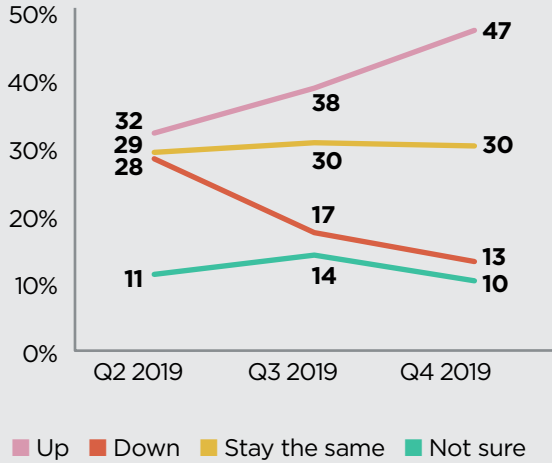


Figure 6. **House price expectations by property status**
What do you think is likely to happen to the value of your property in the next 12 months?

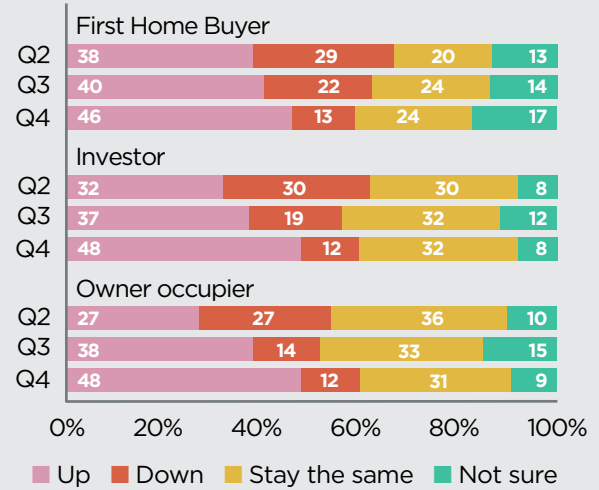
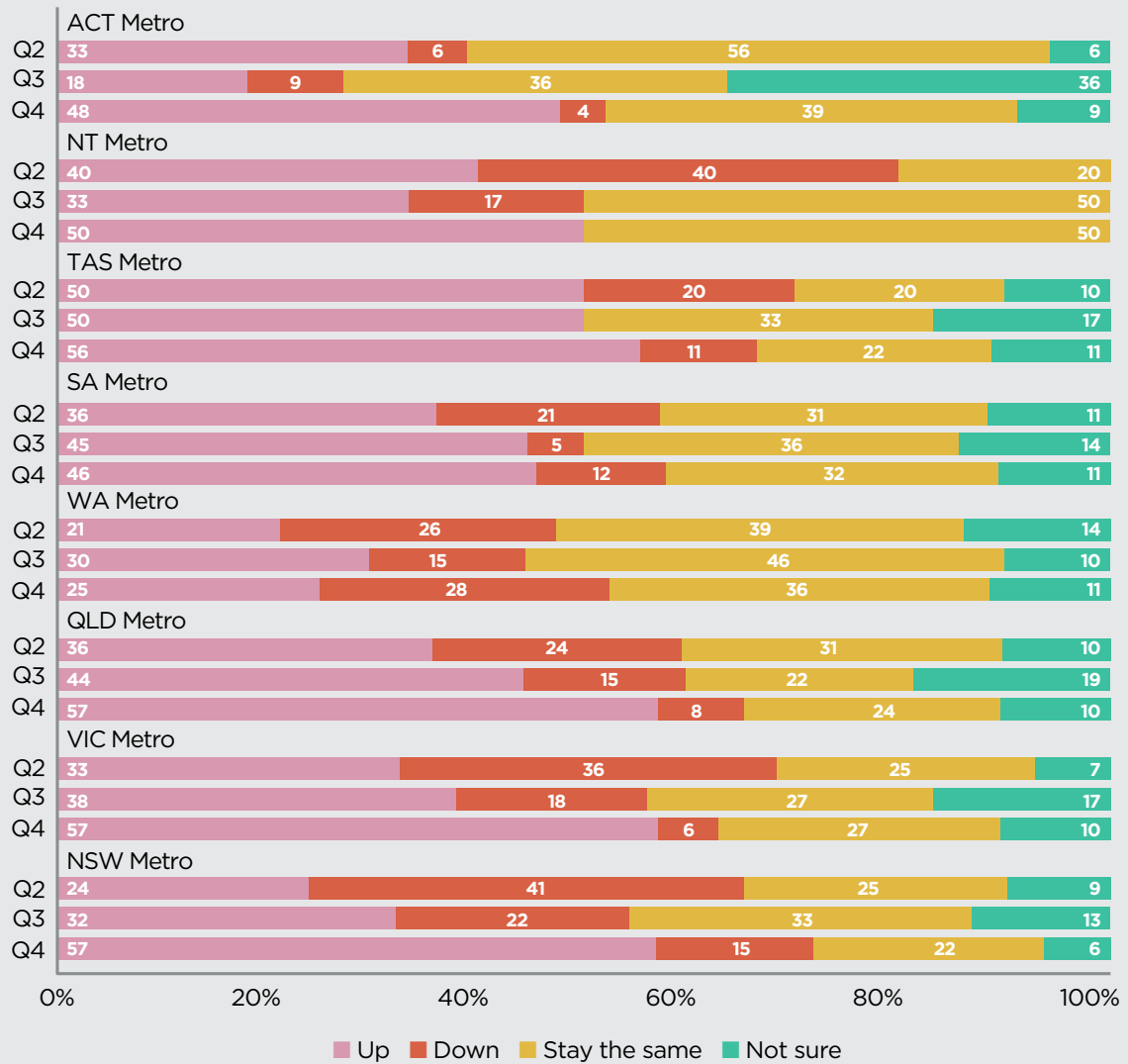


Figure 7. **House price expectations by state**

What do you think is likely to happen to the value of your property in the next 12 months?



Property intentions

ME asked people in the property market what their property plans are over the next 12 months; compared to the rest of the year, overall, more people are now keen to transact in the market. Intentions vary by age group, income and property status.

Figure 8. **Overall property plans**
What are your property plans in the next 12 months?

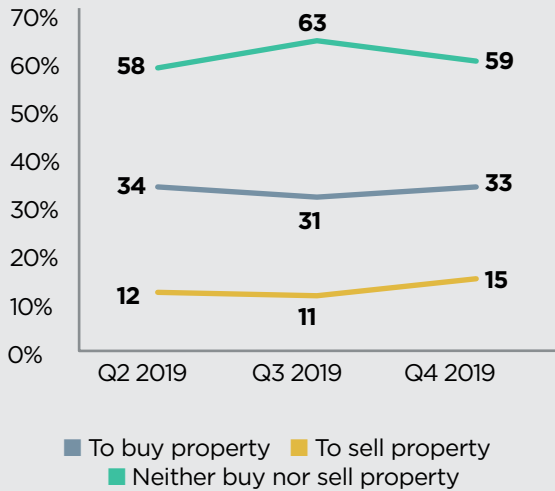


Figure 9. **Property plans by age**
What are your property plans in the next 12 months?

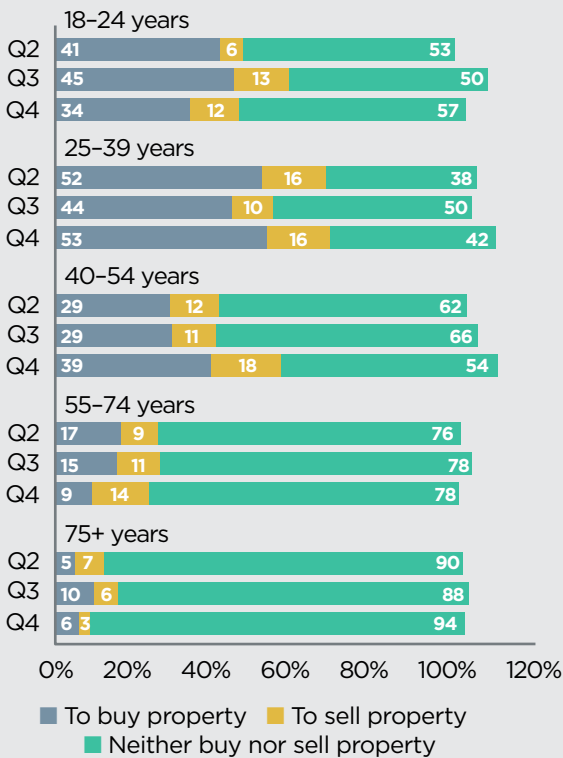


Figure 10. **Property plans by income**
What are your property plans in the next 12 months?

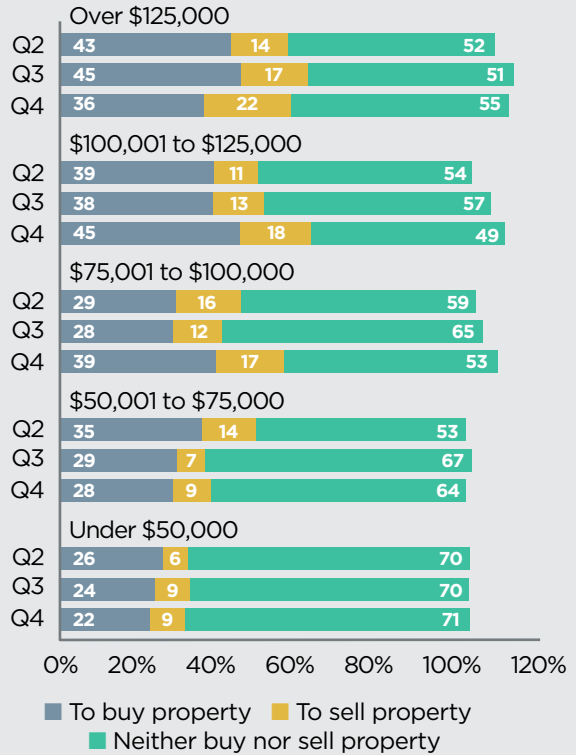
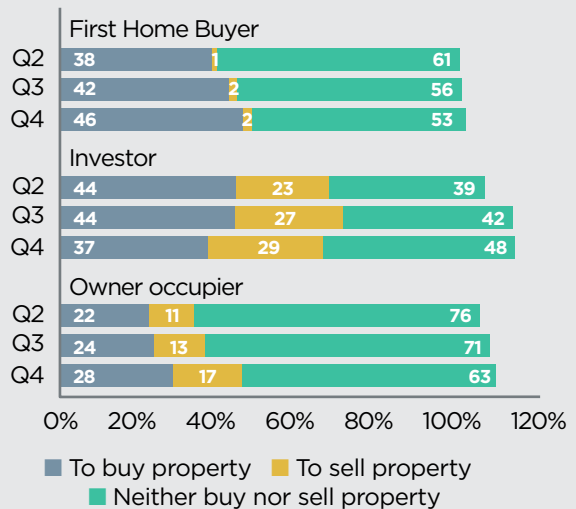


Figure 11. **Property plans by property status**
What are your property plans in the next 12 months?



Effect on finances

Across household finances, changes in house prices have seen different aspects of respondents' financial situation improve.

Figure 12. **Overall effect on finances***

What impact have recent property price movements in your area had on these aspects of your financial situation?

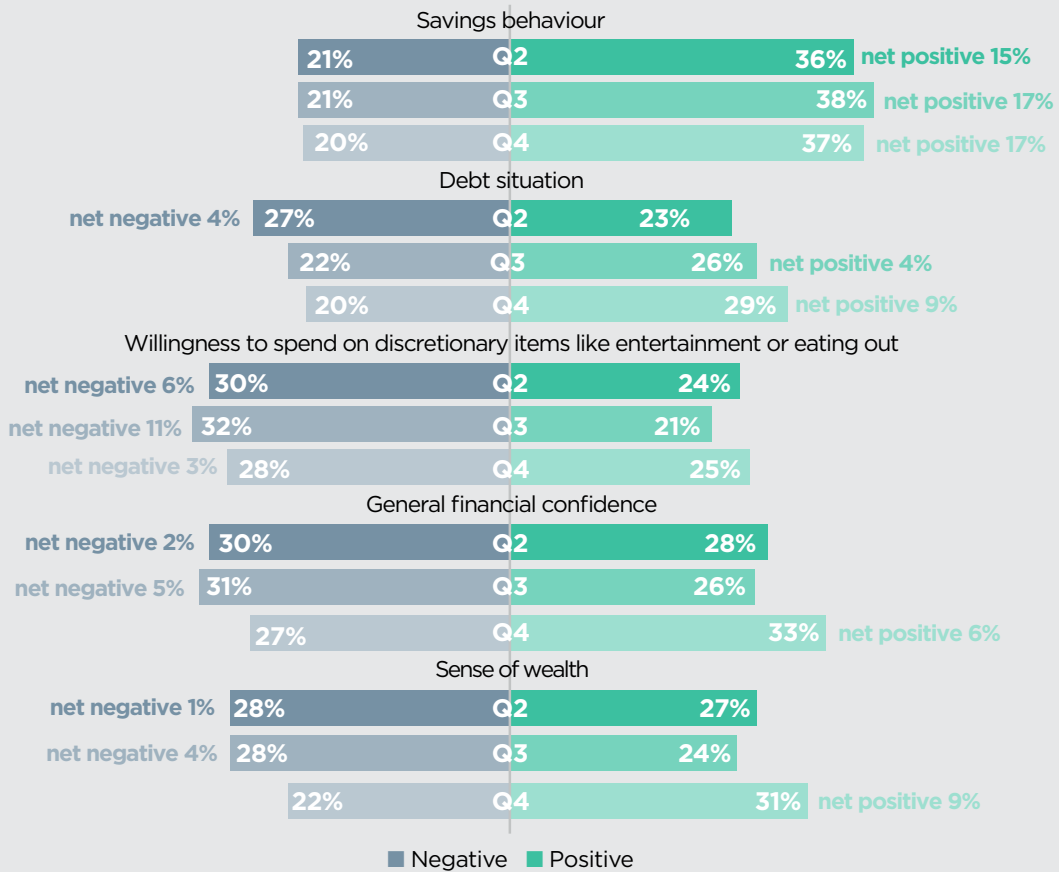


Figure 13. **Sense of wealth by property status***
What impact have recent property price movements in your area had on this aspect of your financial situation?

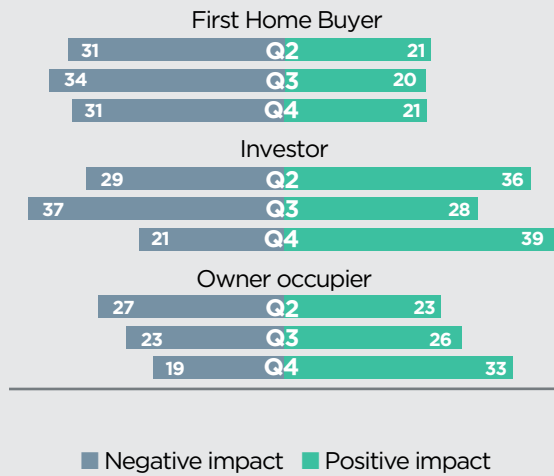


Figure 15. **Willingness to spend on discretionary items by property status***
What impact have recent property price movements in your area had on this aspect of your financial situation?

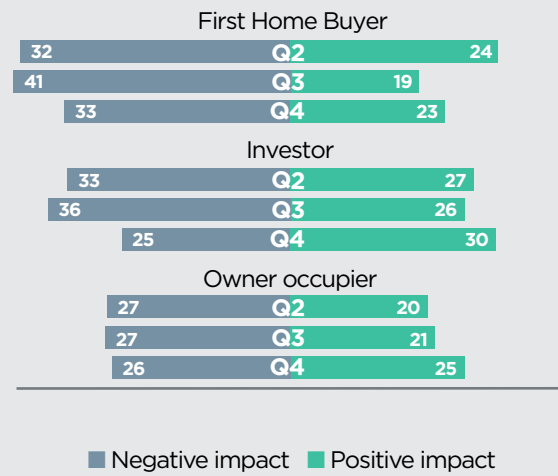


Figure 14. **General financial confidence by property status***
What impact have recent property price movements in your area had on this aspect of your financial situation?

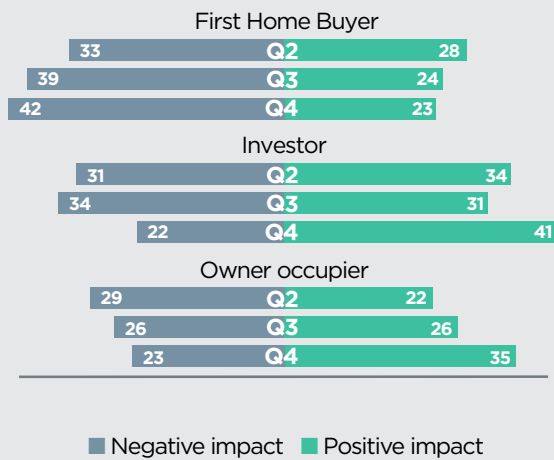
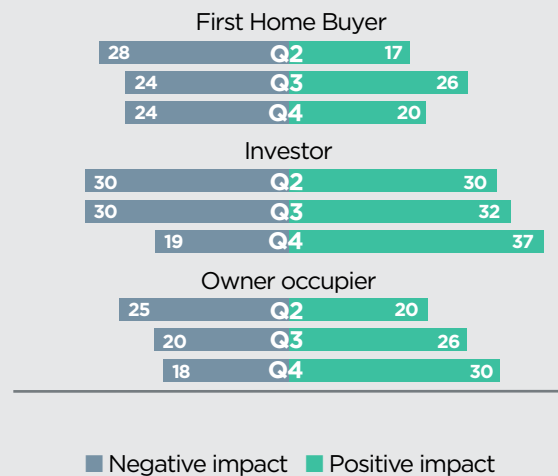
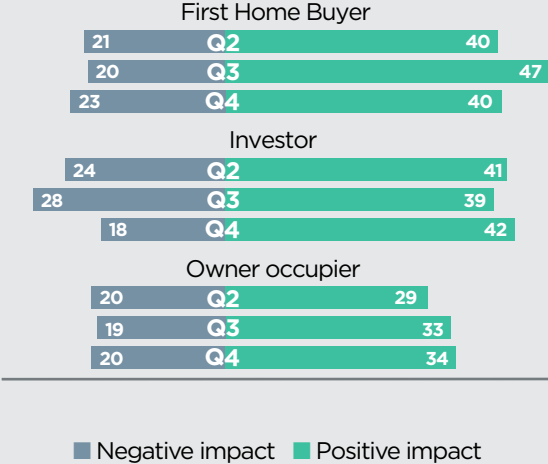


Figure 16. **Debt situation by property status***
What impact have recent property price movements in your area had on this aspect "of your financial situation?"



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

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?



Perceived worries and opportunities

There are still perceived worries among people in the property market however most worries have eased in severity over the last quarter, and some are now in net positive territory for the first time since the report began.

Figure 18. **Overall worries and opportunities for property owners**
Do you agree or disagree with the following statements?

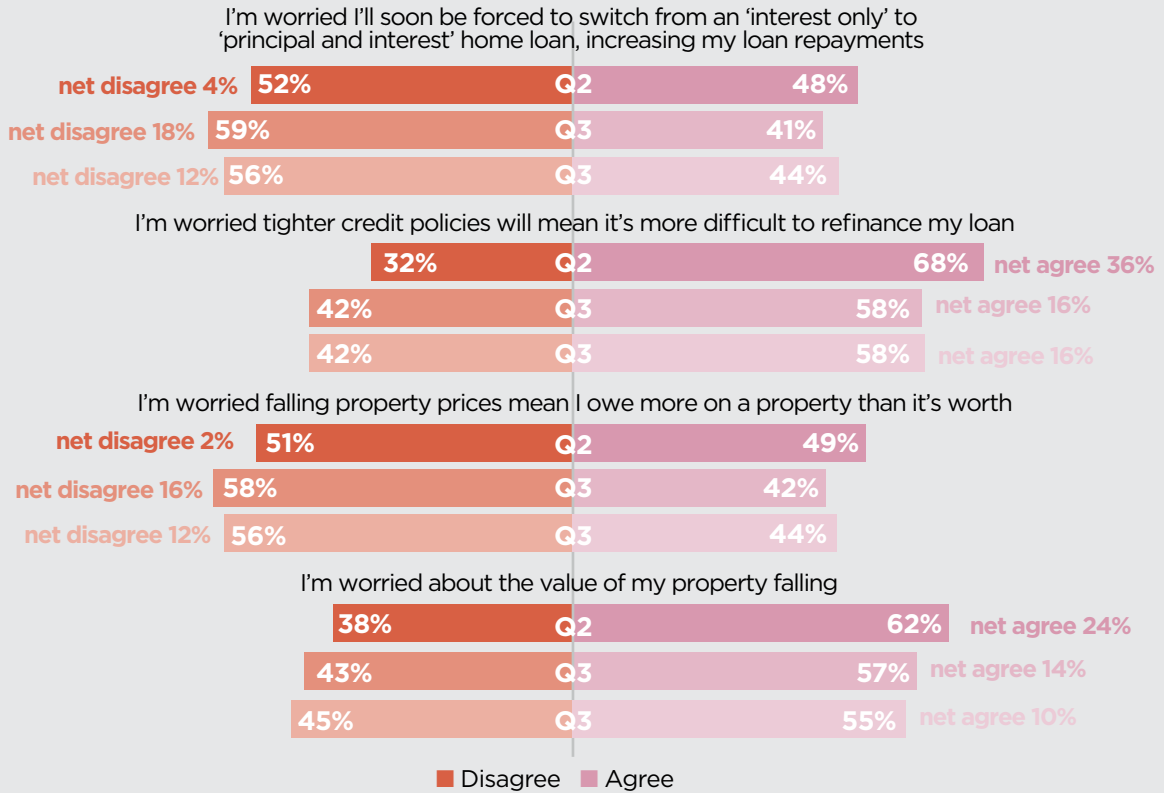


Figure 19. **I'm worried about the value of my property falling by property status**
Do you agree or disagree?

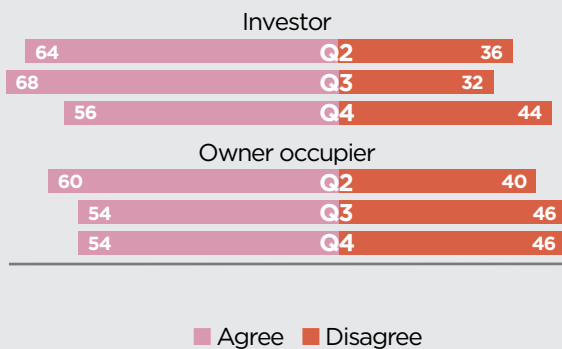


Figure 20. **I'm worried falling property prices mean I owe more on a property than it's worth by property status**
Do you agree or disagree?

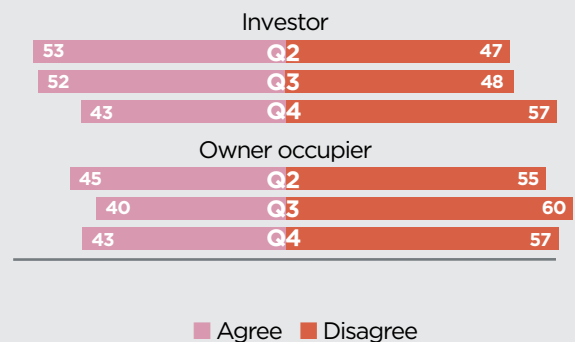


Figure 21. **I'm worried tighter credit policies will mean it's more difficult to refinance my loan by property status**
Do you agree or disagree?

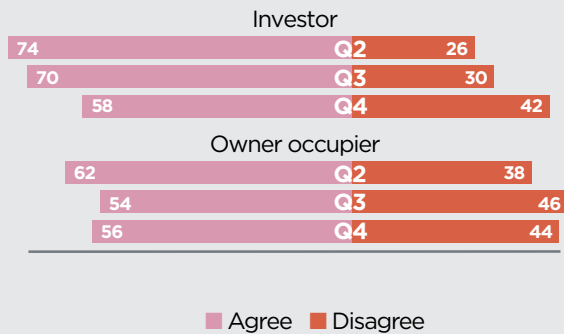


Figure 22. **I'm worried I'll soon be forced to switch from an 'interest only' to 'principle and interest' home loan, increasing my loan repayments by property status**
Do you agree or disagree?

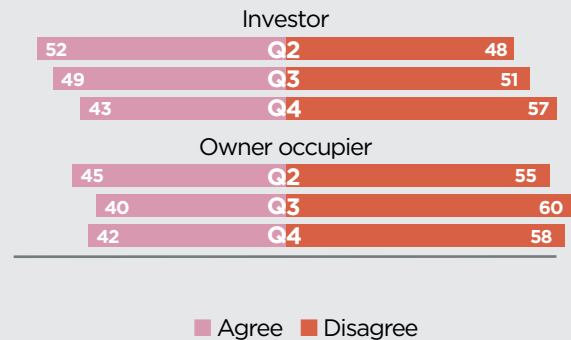


Figure 23. **Overall property market worries and opportunities**
Do you agree or disagree with the following statements

Despite price falls in some areas, I still think housing affordability is a big issue in Australia

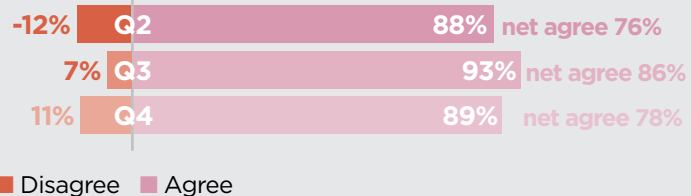
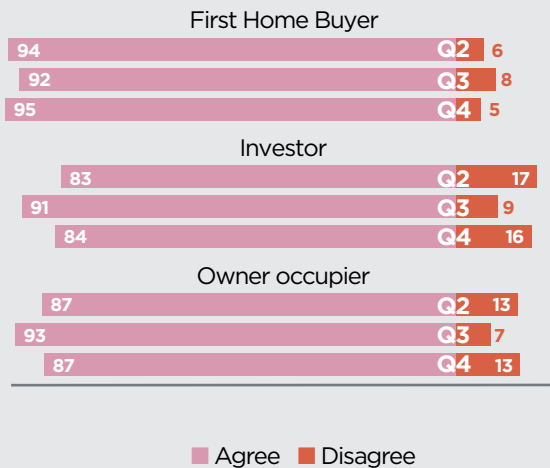


Figure 24. **Despite price falls in some areas, I still think housing affordability is a big issue in Australia by property status**
Do you agree or disagree?



Choice in the property market

Figure 25. Do you feel like there's enough choice in the property market?

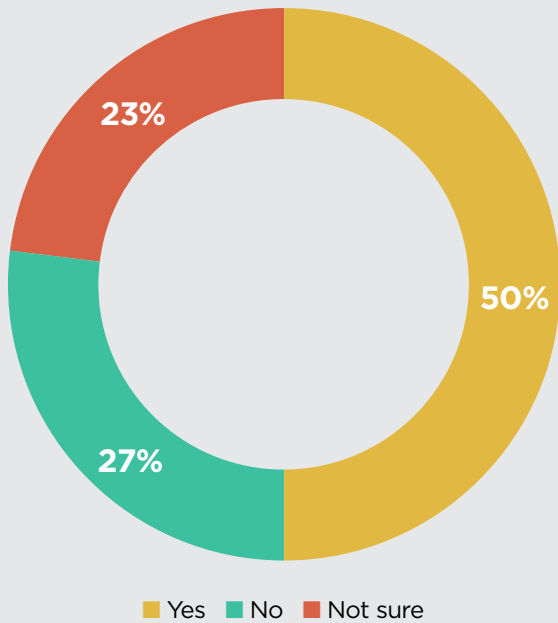


Figure 26. Do you feel like there is currently enough choice in the property market? By property status

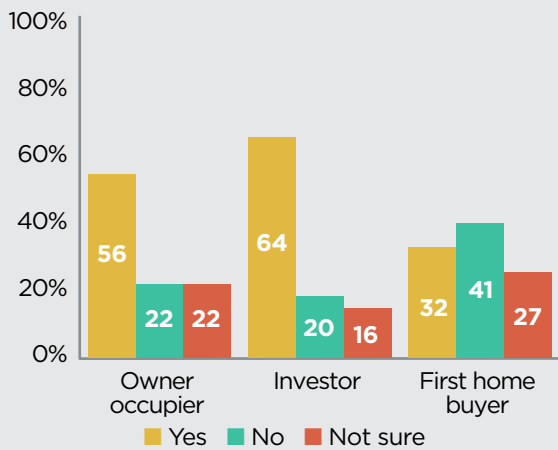
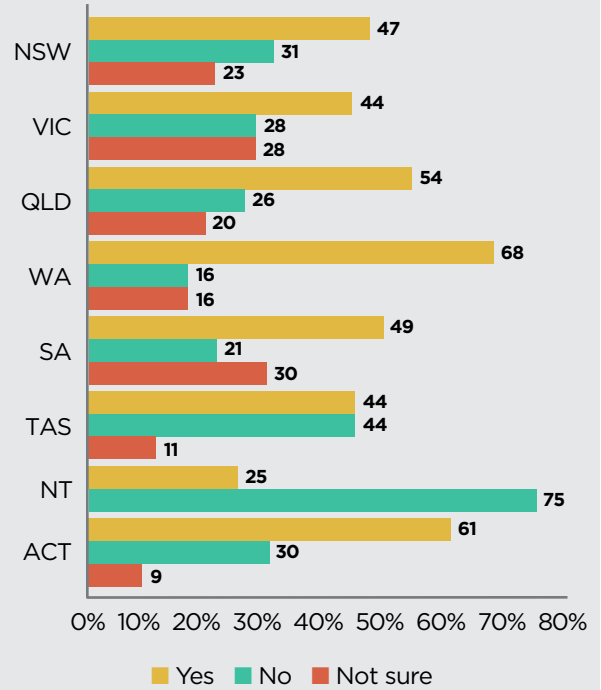


Figure 27. Do you feel like there is currently enough choice in the property market? By location



About this report

The *ME Quarterly Property Sentiment Report* 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 third edition – Q4 of the 2019 calendar year, conducted at the start of October 2019.

The report 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:

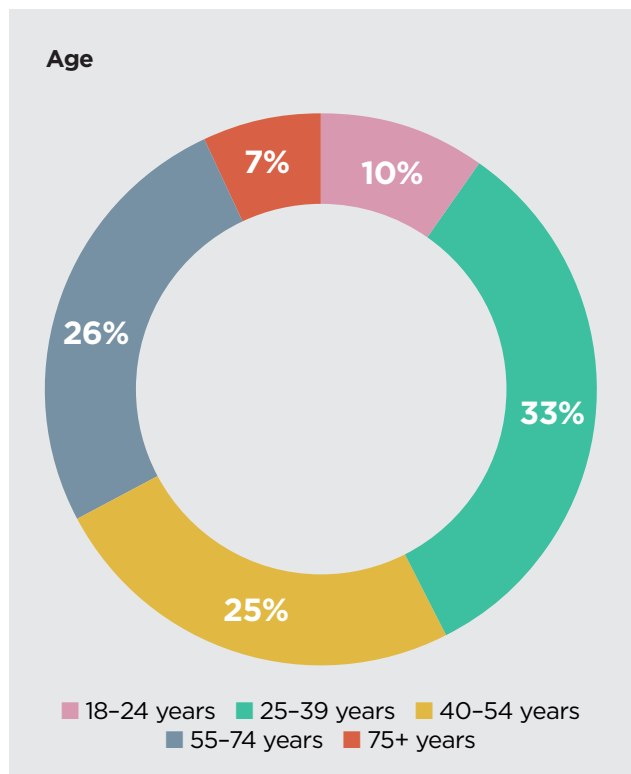
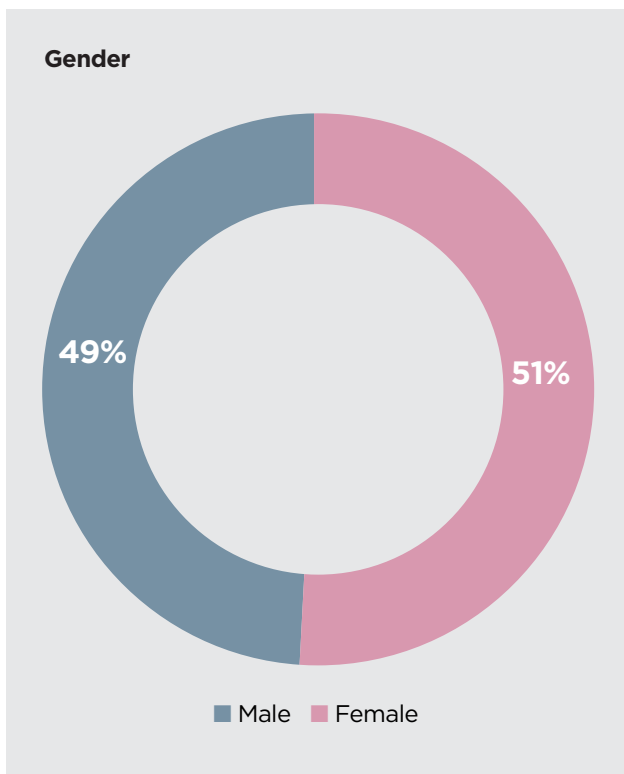
- overall property market sentiment
- price expectations
- impacts on future property plans
- impacts on finances, wealth, and savings behaviour
- perceived worries and opportunities

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:

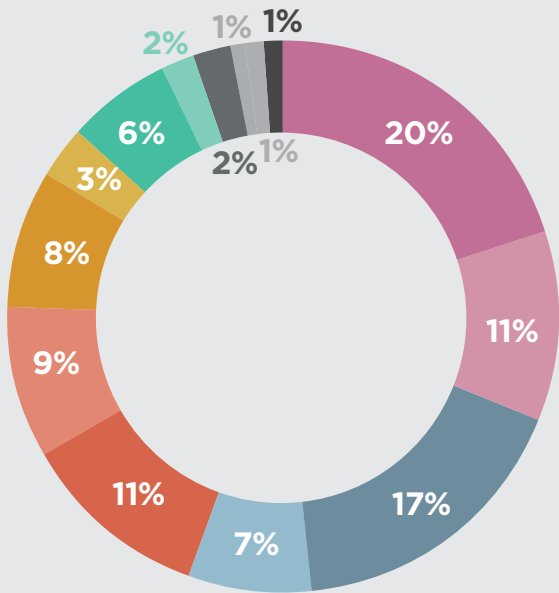
- 450 – Owner occupied property owners
- 350 – Investment property owners
- 200 – First home buyers

The data has been weighted to be nationally representative across age, gender, and location.

Breakdown of survey respondents by gender, age, location, and income

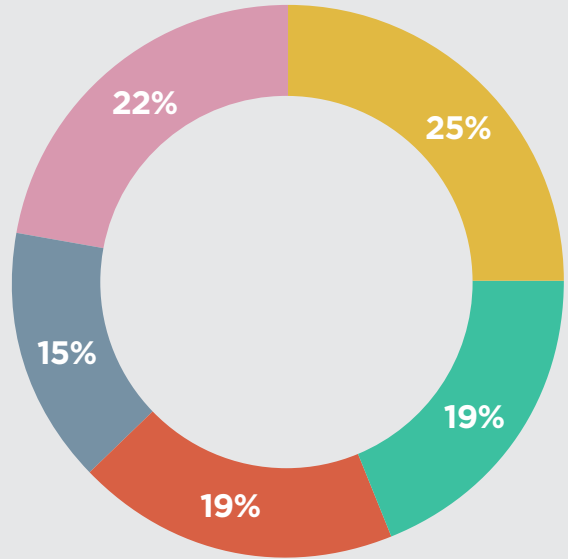


Location



- NSW metro
- NSW regional
- VIC metro
- VIC regional
- QLD metro
- QLD regional
- WA metro
- WA regional
- SA metro
- SA regional
- ACT
- TAS metro
- TAS regional
- NT metro

Personal income before tax



- Under \$50,000
- \$50,001-\$75,000
- \$75,001-\$100,000
- \$100,001-\$125,000
- Over \$125,001

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