

RAY WHITE NOW

SEPTEMBER 2021



PROUDLY PRESENTING REAL ESTATE INSIGHTS IN REAL-TIME



WHERE
THE
GRAPES
GROW



A MESSAGE FROM OUR MANAGING DIRECTOR

I was hoping by this month's Ray White Now to talk about life beyond lockdown but unfortunately that is not the case. While the lockdown conditions experienced in August made the process of marketing and selling property more challenging, the market again proved incredibly resilient. Whilst we saw a marked drop in properties marketed for sale, not just in states in lockdown but also those that continue to see much freer conditions such as Queensland and Western Australia, our total sales results for the month held up remarkably well.

Although lockdowns have had a clear impact on listings, it has created even greater competition for properties that are on the market. Demand is always difficult to measure precisely in real-time. We are however the group that undertakes the most auctions weekly, and track data from this consistently. From this, we can see that there continues to be a very high number of active bidders. Over the last two weekends, it has hit record highs of 4.2. As a comparison, the average over the past two years has been 2.9 average active bidders per auction. This level is flowing through to higher than average prices being paid - the gap between highest prior offer and the price properties are sold for at auction hit 13.2 per cent. This is the highest level we have ever recorded.

Despite all the odds, our group has just recorded our strongest August results ever. Our members sold \$6.85 billion worth of property in August across Australia and New Zealand, and along the way helped more than 15,000 buyers and sellers with their property dreams. To put this into context, this was only four per cent less than July and nearly 50 per cent more than August 2020. This is a heroic effort by our members and shows everyone's agility in facing obstacles to be rewarded with record breaking activity and prices. We expect a bigger bounce in our results when restrictions are lifted in New Zealand, New South Wales and Victoria.

While buyer demand remains buoyant, the full impact of extended lockdowns is still uncertain. Australian house price growth has been particularly strong since the start of the pandemic, and although current data suggests it will continue, our experience with the market in New Zealand is that conditions can change quickly, particularly once regulators begin to restrict finance.



Dan White
Managing Director
Ray White

THIS MONTH IN RAY WHITE NOW

This month in Ray White Now, we go global, taking a look at what has been happening to house prices around the world, and why COVID-19 continues to act as an accelerant to house prices (and a retardant to rents) and what we can expect from regulators over the remainder of the year.

From global to local, our state by state comparison in this edition is to take a look at what is happening in regional areas. Since the start of the pandemic, we have seen a dramatic shift to regional Australia with four very different shifts taking place. These shifts have led to big increases in prices in many regional towns, from Sunshine Beach on the Sunshine Coast to Merredin in Western Australia's Wheatbelt.

And with Canberra about to be the second Australian capital city after Sydney to hit a \$1 million median, and an additional nine suburbs hitting this threshold in the past three months alone, we take a look at what \$1 million can buy you around the world and why Australians are so hesitant when it comes to buying overseas.

And finally, for those of you that own commercial property, or are looking to buy, we take an in-depth look into how to find a tenant, and keep them.

We hope you enjoy this month's Ray White Now.



Nerida Conisbee
Chief Economist
Ray White



Auction

- Cottage charm, recently renovated, a/c
- Living, dining, fire, sunroom or study
- Stone kitchen, self-contained studio
- Workshop, walk to rail, bus, schools

Saturday 15 May, 11am

Onsite



CONTENTS

- 7. Why COVID-19 continues to be a global property market accelerant
- 12. The State of the Regions
 - 15. Regional New South Wales
 - 16. Regional Victoria
 - 17. Regional Queensland
 - 18. Regional South Australia
 - 19. Regional Western Australia
 - 20. Regional Tasmania
- 22. What \$1 million will buy you around the world
- 28. How to find a tenant for your commercial asset
- 29. About Ray White
- 30. Ray White Economics team

RayWhite

Another
SOLD

by Fraser Glen
0404 653 354



Another
SOLD

by Haydon Sacilotto
0409 786 221



Auction

3 2 2

Bathed in natural light and enjoying a much-desired open plan design, this beautifully renovated character home features a fantastic indoor/outdoor flow and is perfect for those who love to entertain.

Auction - Online
Saturday, 21 August at 11:00am
View by appointment

raywhitegeorgesriver.com

Fraser Glen
0404 653 354
Haydon Sacilotto
0409 786 221

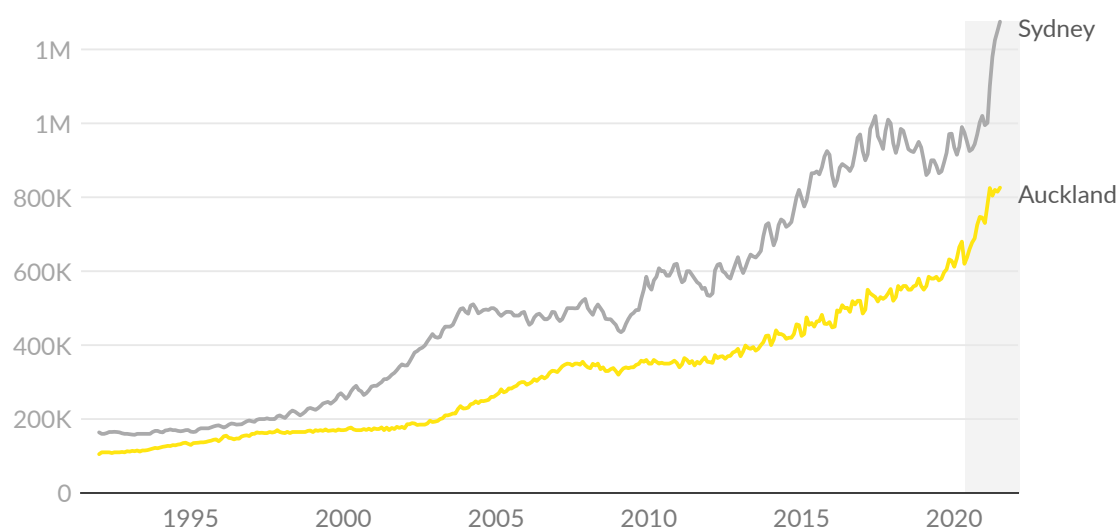


Why COVID-19 continues to be a global property market accelerant

Australian house prices have risen by 17 per cent since the start of COVID-19. In our other major market of New Zealand, we have seen an increase of 42 per cent. This extreme growth becomes even more apparent at a local area level. In some suburbs, prices have jumped by over \$1 million. In the biggest cities of Sydney and Auckland, we have never seen such a sharp increase.

COVID - 19 house price acceleration

Median house prices in Sydney and Auckland



Shaded area is the pandemic time period
































Source: Corelogic, REINZ, Ray White
































This extreme price growth is however not unique and in most countries around the world, remarkably similar housing market conditions have occurred through the pandemic. Although working like we used to has been a big problem, access to money hasn't. With record low interest rates in most countries, as well as high levels of quantitative easing, banks are flushed with cash. In Australia, the situation is so extreme that bank CEOs have commented that they have so much cash they don't know what to do with it and the impact on their profitability is problematic. It's likely that a similar situation is occurring elsewhere in the world.

The other main driver has been that locked down people don't spend much, so savings rates have been particularly high. While most of the world is now opening up, there are still frequent lockdowns in many of them. Travel restrictions are also in place in many countries and this too is impacting on household spending.

Global house price acceleration

Price growth to Q3, 2020

	Country	% change	
	Turkey	<div><div></div></div>	13
	Luxembourg	<div><div></div></div>	13
	Croatia	<div><div></div></div>	9
	Germany	<div><div></div></div>	8
	Austria	<div><div></div></div>	8
	Poland	<div><div></div></div>	8
	Portugal	<div><div></div></div>	7
	Netherlands	<div><div></div></div>	7
	Slovak Republic	<div><div></div></div>	7
	Russia	<div><div></div></div>	6
	Canada	<div><div></div></div>	6
	Lithuania	<div><div></div></div>	6
	Greece	<div><div></div></div>	5
	Thailand	<div><div></div></div>	5
	Denmark	<div><div></div></div>	5
	Estonia	<div><div></div></div>	5
	Switzerland	<div><div></div></div>	5
	Czech Republic	<div><div></div></div>	5
	United States	<div><div></div></div>	5
	New Zealand	<div><div></div></div>	5
	France	<div><div></div></div>	5
	Iceland	<div><div></div></div>	4
	Chile	<div><div></div></div>	4
	Cyprus	<div><div></div></div>	4
	Korea	<div><div></div></div>	4
	Australia	<div><div></div></div>	4
	Bulgaria	<div><div></div></div>	4
	Israel	<div><div></div></div>	3
	Slovenia	<div><div></div></div>	3
	Sweden	<div><div></div></div>	3
	Norway	<div><div></div></div>	3

	Country	% change
	Brazil	3
	United Kingdom	2
	Spain	2
	Belgium	2
	Latvia	2
	Malta	2
	Italy	2
	Taiwan	1
	Finland	1
	Macedonia	1
	Mexico	1
	Singapore	1
	Serbia	1
	Hong Kong	1
	Malaysia	1
	Indonesia	0
	China	0
	Ireland	0
	Japan	-0
	Romania	-0
	Ukraine	-1
	South Africa	-1
	Kazakhstan	-1
	Vietnam	-1
	Peru	-2
	Hungary	-2
	Morocco	-2
	Colombia	-2
	Philippines	-3
	United Arab Emirates	-5
	India	-5

Price growth has been adjusted for inflation

Source: IMF, Ray White

Price growth is accelerating faster than rents in most countries

Price to rent ratio, index

	Country	price-to-rent ratio, index, 2015 = 100
	Luxembourg	151
	Latvia	144
	Slovak Republic	143
	Portugal	141
	Russia	140
	Hungary	140
	Czech Republic	140
	Germany	133
	Canada	133
	Netherlands	131
	Mexico	130
	Iceland	128
	Sweden	126
	Spain	123
	Slovenia	122
	Denmark	122
	New Zealand	122
	Greece	120
	Euro area	119
	Turkey	119
	France	118
	United States	118
	United Kingdom	118
	Ireland	116
	Colombia	115
	Austria	114
	Norway	114
	Poland	114
	Australia	114
	Switzerland	114
	Belgium	113
	Lithuania	112
	Japan	111
	Israel	111
	Estonia	109
	Korea	105
	Chile	104
	Italy	99
	Finland	98
	South Africa	97

Price growth has been adjusted for inflation

Source: IMF, Ray White



While prices have soared across the world, the same can not be said for rents. And again, this is something that has been similar in Australia, as it is elsewhere. While cheap and easily accessible finance has pushed up values, job loss, particularly amongst young people (the main group that rent), has pulled back rents. In most countries, price growth has been far more excessive than rental growth.

This mismatch between rents and values also extends to commercial property - offices may have high vacancies right now but that isn't impacting values like you would necessarily expect.

Other housing shifts experienced in Australia have also been consistent in many other countries. Big changes to the way we work have allowed people to move to regional and outer suburban areas that may have been inconvenient prior to the pandemic. In the United Kingdom and United States, outer suburban areas have increased faster than inner urban areas. In Germany, house prices outside the seven biggest cities rose by 11 per cent last year, compared with six per cent within them.

Bigger properties, as well as those at very high price points, have also done well. Conversely, more challenging conditions have occurred in apartment markets, as investors have been more cautious and owner-occupiers have shunned smaller homes.

Without intervention, this coordinated house price boom is set to continue. Rising inflation, which was causing concern at the start of the year, has become less of an issue, suggesting interest rates will remain low as predicted by most central banks. As economic conditions improve, so too are unemployment rates - more people working means households have more money and less housing distress.

In Australia and New Zealand, rolling lockdowns will further accelerate pricing than it otherwise would. The total number of properties for sale is declining across both countries, creating greater competition from buyers. It's also likely to lead to problems in some rental markets - the rental market was doing well up until the end of June however job loss amongst renters is likely to lead to lower rates of rental growth.

With rising concerns about affordability, it's likely that we will see greater intervention from regulators. In New Zealand, loan to value ratios were reviewed in March and prices began to plateau. Further restrictions are to be put in place in October, which the Reserve Bank of New Zealand expects to lead to price declines. Over the rest of the year, we can expect to see similar measures rolling out across the world.

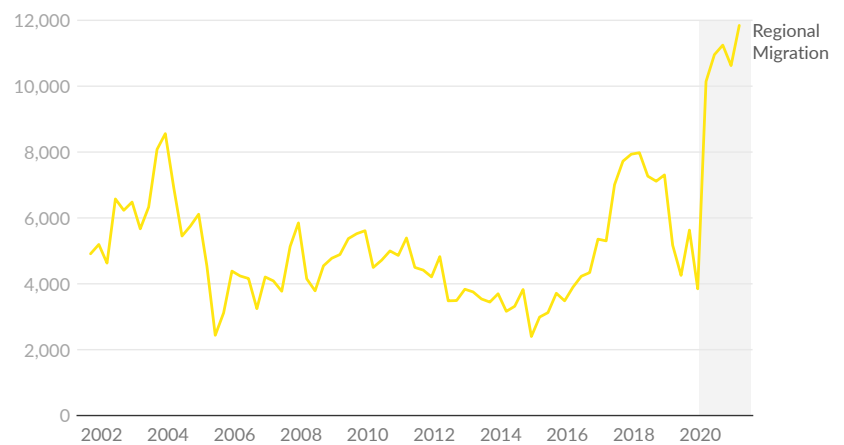


The State of the Regions

For decades, state and federal governments have looked to move people out of congested and expensive capital cities to the regions. Leading up to COVID-19, there were some success stories, particularly to areas that were located adjacent to capital cities. COVID-19 accelerated the trend, with four main drivers:

- Lifestyle shift driven by changes to the way people work, and the desire for more space
- Demand for second homes - no longer being able to head overseas, and saving more money, led more people to buy holiday homes
- Mining boom, particularly for iron ore and gold
- Agriculture boom, particularly for beef and wheat.

Australia's COVID - 19 regional shift

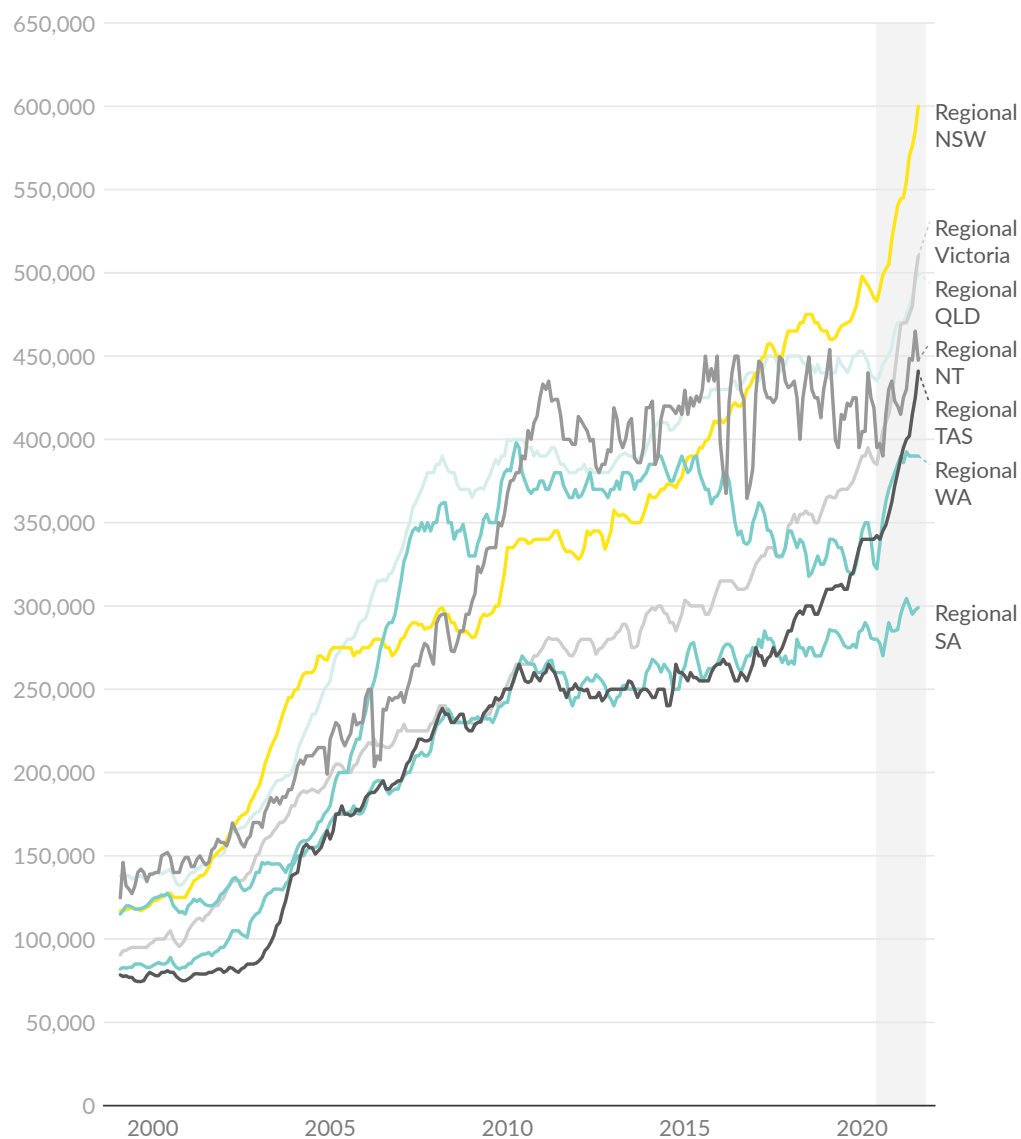


Source: ABS, Ray White

Not surprisingly, this acceleration in movement also led to prices increasing dramatically. Prices across regional Australia have now increased more in 18 months than they had in almost seven years. In many regional towns, prices have increased far more quickly than suburban areas.

Rising house prices in regional Australia

Median price

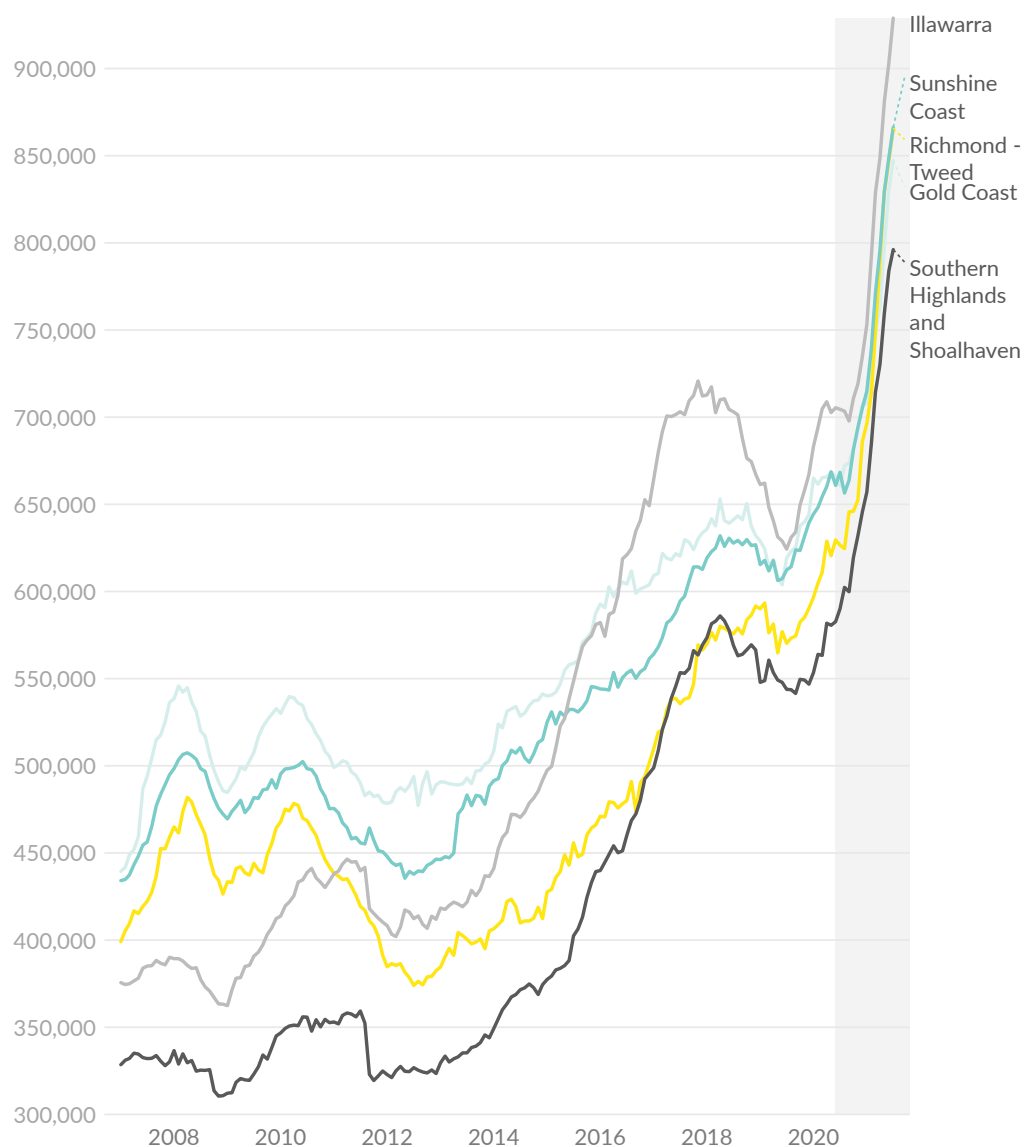


Source: Corelogic, Ray White

The regions that have seen the strongest growth in value are overwhelmingly lifestyle locations. Topping the list is the Richmond-Tweed region where prices have on average \$255,000 through the pandemic. This is followed by the Southern Highlands and Shoalhaven, south of Sydney, where they have increased by \$233,000.

Lifestyle regions topping the list for price growth

Strongest median price growth regions during the pandemic



Source: Corelogic, Ray White



REGIONAL NEW SOUTH WALES - COASTAL AREAS DOMINATE PRICE GROWTH

Price growth over the pandemic in regional New South Wales has exceeded Sydney and the median now exceeds Darwin, Perth and Adelaide. It's getting close to Brisbane and Hobart. The most significant driver has been a lifestyle shift. Not surprisingly, the Northern New South Wales area of Richmond-Tweed has seen an increase in median price over \$250,00 and now sits at \$865,700. Closer to Sydney, the Southern Highlands and Shoalhaven, and the Illawarra have also both seen an increase in excess of \$200,000.

The growth of beachside areas in New South Wales is now very well documented however it's interesting to see many inland areas of the state also achieving solid conditions. Moree still has a relatively low median however it has increased by 40 per cent over the past 12 months.

For now, with New South Wales locked down, regional areas are likely to continue to see increases. The number of properties for sale has dropped everywhere however we are not seeing a comparable drop in buyer demand. It's likely that any future restrictions to finance will be the key to a moderation of pricing.

Coastal New South Wales topping the list for regional price growth

Value change over the pandemic for regional New South Wales

	Median	\$ change
Richmond - Tweed	865,678	254,656
Southern Highlands and Shoalhaven	796,160	232,846
Illawarra	928,968	224,166
Newcastle and Lake Macquarie	757,145	175,158
Capital Region	634,336	148,870
Coffs Harbour - Grafton	631,573	142,749
Mid North Coast	617,539	137,360
Hunter Valley exc Newcastle	570,024	127,555
Murray	378,680	95,829
Central West	446,650	91,749
Far West and Orana	255,293	80,338
Riverina	342,795	74,183
New England and North West	315,759	47,878

Source: Corelogic, Ray White

Moree tops the list for inland regional New South Wales price growth

Median price change for inland regional New South Wales

	Region	Median Price	% change
Moree	Northern	\$265,000	40
Wellington	North Western	\$185,000	26
Forbes	Central West	\$323,000	24
Cootamundra	Murrumbidgee	\$300,000	22
Glen Innes	Northern	\$240,000	22
Narrandera	Murrumbidgee	\$210,000	21
East Albury	Murray	\$520,000	19
North Albury	Murray	\$285,000	19
North Tamworth	Northern	\$440,000	19
Orange	Central West	\$510,000	19

Source: Corelogic, Ray White



REGIONAL VICTORIA - GROWTH CONTINUES TO MOVE BEYOND GEELONG, BALLARAT AND BENDIGO

Price growth in regional Victoria has far exceeded Melbourne, driven not just by a lifestyle shift but also decent agricultural conditions further afield. The gap between regional and capital city growth is one of the highest in Australia, likely driven by the particularly long time Melburnians have spent in lockdown since the start of the pandemic.

At a local area, the towns of Geelong, Ballarat and Bendigo were achieving strong price growth prior to COVID-19 and all towns have now seen over 50 per cent price growth over the past five years. Ballarat price growth has increased in excess of 80 per cent and Lake Wendouree, the most expensive suburb in that city, has now hit a \$1 million median.

A key driver of growth in these towns has been their close proximity to capital cities however it's interesting to see the extent of growth further afield. Towns such as Nhill and Dimboola in the Wimmera region, Robinvale, Red Cliffs and Ouyen in the Mallee and Rutherglen regions, Mount Beauty and Tawonga South in the Alpine region have all seen in excess of 25 per cent price increases. Great agriculture conditions, and lifestyle to a lesser extent, are the main drivers here.

With Victoria largely locked down again, it's likely that price growth will remain solid for the foreseeable future. The most likely driver of price moderation would be any future restrictions to finance.

Growth continuing beyond Geelong, Ballarat and Bendigo

Value change over the pandemic for Victoria

	State	Jul-21	\$ change
Geelong	VIC	\$764,354	147,089
Ballarat	VIC	\$577,252	139,462
Bendigo	VIC	\$554,084	136,235
Latrobe - Gippsland	VIC	\$505,683	116,294
Warrnambool and South West	VIC	\$449,324	114,421
Shepparton	VIC	\$388,380	76,278
North West	VIC	\$303,793	61,009

Source: Corelogic, Ray White



REGIONAL QUEENSLAND - LIFESTYLE REGIONS TOPPING THE LIST FOR GROWTH

Regional Queensland has not outpaced Brisbane for price growth however the adjoining Sunshine Coast and Gold Coast have. The Sunshine Coast has topped the list with the median increasing by in excess of \$200,000. The Gold Coast has increased by just over \$180,000.

The drivers of this growth have been twofold. Very high levels of migration from southern states have been a big one but demand for holiday homes has also played a role. Victoria has played a much bigger role in price increases than prior to the pandemic - we can see this through migration levels, however data collection from our

offices in these regions also shows the trend. Anecdotally, more interstate buyers have been purchasing properties sight unseen, likely given the difficulties in travelling to Queensland at the moment.

Beyond South-East Queensland, price growth in dollar terms drops off significantly however all regions are recording some growth. In percentage terms, the increases are significant. The drivers of growth in these regions are also tourism, however mining and agriculture are also driving activity.

Lifestyle regions topping price growth in Queensland

Value change over the pandemic for Queensland

	State	Jul-21	\$ change
Sunshine Coast	QLD	\$866,227	211,790
Gold Coast	QLD	\$847,237	181,902
Wide Bay	QLD	\$372,601	78,388
Queensland - Outback	QLD	\$226,830	69,771
Central Queensland	QLD	\$342,425	58,610
Toowoomba	QLD	\$434,817	55,738
Cairns	QLD	\$437,266	54,645
Mackay - Isaac - Whitsunday	QLD	\$373,758	48,909
Townsville	QLD	\$327,167	29,034

REGIONAL SOUTH AUSTRALIA - THE SOUTH-EAST TOPS THE LIST FOR GROWTH

Adelaide has outpaced regional South Australia for price growth however parts of the state are seeing particularly strong conditions. Topping the list is the south-east where the median price has increased by nearly \$50,000 over the pandemic.

South Australia's south-east topping the list for price growth

Value change over the pandemic for South Australia

	State	Jul-21	\$ change
South Australia - South East	SA	\$331,872	49,231
Barossa - Yorke - Mid North	SA	\$278,973	30,686
South Australia - Outback	SA	\$206,691	22,100

Although at a high level, regional areas have been outpaced by Adelaide, there have been some locations that have experienced particularly strong increases. The majority of these are located on the Fleurieu Peninsula and Port Pirie. The drivers of growth here are very different. The Fleurieu Peninsula is a popular holiday destination and has benefited from both people seeking a lifestyle change, as well demand for second homes. Port Pirie is a mining region and Risdon Park is a suburb of Port Pirie, home to one of the world's largest lead smelters.

Fleurieu Peninsula and Port Pirie dominate very high price growth towns

Top price growth for regional South Australia

	Region	Median Price	% change
Risdon Park	Port Pirie	\$180,000	50
Streaky Bay	West Coast	\$319,500	39
Stirling North	Flinders Ranges	\$312,250	33
Peterborough	Port Pirie	\$90,000	30
Goolwa Beach	Fleurieu Peninsula	\$384,050	29
Coober Pedy	Far North	\$65,000	26
Middleton	Fleurieu Peninsula	\$657,500	25
Milang	Fleurieu Peninsula	\$318,500	24
Ardrossan	Yorke Peninsula	\$277,000	23
Riverton	Lower North	\$276,000	23

Source: Corelogic, Ray White

REGIONAL WESTERN AUSTRALIA - TRIPLE IMPACT OF MINING, LIFESTYLE AND AGRICULTURE DRIVING PRICE GROWTH

All parts of regional Western Australia have seen price growth but the drivers are vastly different. Mining has of course been a major driver with towns close to mines seeing big jumps in pricing. Agricultural areas have also done well, albeit off a low base. Lifestyle shifts and demand for holiday homes has driven coastal areas.

Mining, lifestyle and agriculture driving Western Australia's regional areas

Value change over the pandemic for Western Australia

	State	Jul-21	\$ change
Western Australia - Outback (South)	WA	\$309,271	72,649
Mandurah	WA	\$446,938	69,682
Bunbury	WA	\$445,668	65,927
Western Australia - Wheatbelt	WA	\$335,537	60,969
Western Australia - Outback (North)	WA	\$421,572	52,883

Source: Corelogic, Ray White

The coastal areas seeing the strongest growth are all south of Perth. Topping the list is Yallingup in the Margaret River region which now has a median of almost \$1.48 million.

Yallingup tops the list for beachside regional Western Australia

Top price growth for beachside regional Western Australia

	Region	Median	% change
Yallingup	South West	\$1,480,000	46
Busselton	South West	\$470,000	28
Wannanup	South West	\$530,000	27
Coodanup	South West	\$302,500	25
Castletown	South Eastern	\$390,000	24
Mira Mar	Lower Great Southern	\$450,000	23
San Remo	South West	\$547,000	23
Mandurah	South West	\$290,000	22
Lower King	Lower Great Southern	\$440,000	21
Greenfields	South West	\$290,000	19

Source: Corelogic, Ray White

REGIONAL TASMANIA - PRICING FOLLOWING THE PATH OF HOBART AND LAUNCESTON

No part of Tasmania is immune to price growth. Outside of Hobart, the south-east is currently seeing the biggest jump in pricing. The region hit a \$511,000 median in July, increasing over \$140,000 over the pandemic

Regional Tasmania is getting expensive

Value change over the pandemic for Tasmania

	State	Jul-21	\$ change
South East	TAS	\$510,914	143,381
Launceston and North East	TAS	\$450,524	99,220
West and North West	TAS	\$374,524	77,468

Source: Corelogic, Ray White

The most expensive regional suburb of regional Tasmania is East Launceston. Cygnet, a town in the Huon Valley is currently placed third with a median of \$539,000.

While agriculture plays a bit of a role in the Tasmanian price growth story, it's primarily lifestyle that is driving growth. Tourism has become a major component of the economy, and the state is also popular with people wanting a lifestyle change.

East Launceston is regional Tasmania's most expensive suburb

Most expensive suburbs in regional Tasmania

	Region	Median	% change
East Launceston	Greater Launceston	\$700,000	28
Launceston	Greater Launceston	\$575,000	22
Cygnet	Southern	\$539,000	20
Bridport	North Eastern	\$525,000	45
Bicheno	Southern	\$520,000	24
Port Sorell	Burnie-Devonport	\$495,000	24
Huonville	Southern	\$486,250	8
Newstead	Greater Launceston	\$477,500	4
West Launceston	Greater Launceston	\$475,000	20
Shearwater	Burnie-Devonport	\$475,000	15

Source: Corelogic, Ray White



Where would you prefer to buy? Pelican Waters or Paris - **what \$1 million will buy you around the world**

While we can't travel, it is still fun to daydream about the rest of the world, particularly their cheaper property prices. While Australia's house prices continue to rise, you may be wondering whether you could find better value buying something in one of your favourite holiday destinations.

Australians are property obsessed and particularly like investing in property. But the places in which we invest are overwhelmingly in Australia and we are generally wary about looking too far afield. Unlike investors from China, who represent the biggest group investing offshore, who look far and wide for opportunities. We have a much stronger preference to stick closer to home.

As well as being nervous overseas buyers, we are restricted from buying in many countries. New Zealand has completely banned overseas buyers. In Thailand, foreigners can own an apartment but are forbidden from owning freehold land. Elsewhere, there are far fewer restrictions. In the United Kingdom, anyone can buy, even if you don't live there. It's a similar situation in the United States. In Cyprus, they will

even throw in a passport, although you do need to spend at least €300,000 in a government approved new development.

The final challenge is getting finance. Australian banks are not keen on providing finance to offshore purchases of residential property. And it's difficult to get finance from foreign banks. If you want that Paris apartment, it might be best if you have the cash available.

Assuming you have overcome your nervousness about buying overseas, have saved up lots of cash over the pandemic and have found a country that allows you to buy, what types of properties could you afford to buy?

It's hard to compare pricing at a global level, particularly given within a capital city or country, there can be significant variance in properties available. On a sqm basis, Turkey is the cheapest country to buy in, while Switzerland and Luxembourg are the most expensive. But in the United Kingdom, cities like London would have precincts that are potentially far more expensive than Switzerland.



Switzerland is the world's most expensive country to buy in on a sqm basis

Price per sqm by country

Country	Price/sqm
Switzerland	\$14,694
Luxembourg	\$13,748
South Korea	\$12,810
Japan	\$10,212
Israel	\$9,780
France	\$9,350
Norway	\$7,701
Sweden	\$7,380
Germany	\$7,301
Austria	\$7,007
Australia	\$6,947
Denmark	\$6,909
United Kingdom	\$6,898
Finland	\$6,845
New Zealand	\$6,526
Netherlands	\$6,158
Ireland	\$5,738
Iceland	\$5,643
Canada	\$5,543
Czech Republic	\$5,065
Italy	\$4,658
Belgium	\$4,555
Spain	\$4,234
Slovenia	\$4,160
United States	\$3,683
Portugal	\$3,509
Estonia	\$3,376
Chile	\$3,217
Poland	\$3,182
Slovakia	\$2,969
Lithuania	\$2,962
Hungary	\$2,946
Greece	\$2,613
Latvia	\$2,332
Brazil	\$1,738
Russia	\$1,557
Mexico	\$1,515
South Africa	\$1,248
Turkey	\$1,131

Source: comparethemarket.com.au, Ray White

Given the challenges with comparing prices, I have instead opted to take a look at some well-known areas to see what is available for around \$1 million, and compare what you would get in Australia. This will allow you to see exactly what you get for your money.

One bedroom apartment in a global city

The Australian dollar is pretty weak at the moment. \$AU1 million will only get you around \$US715,000, £525,000 or €610,000. But if you're dreaming of New York, London or Paris, this is enough to buy you a one bedroom, one bathroom apartment close to Central Park, close to the City of London or near the River Seine. This is roughly similar to the median for our most global city, Sydney where the median for an apartment is \$960,000. If you want a much cheaper option, you could look at Melbourne CBD where the median for an apartment is \$460,000.



New York, NY 10026



Whitechapel, London E1



Paris (region Ile-de-France)

Family home in a “most liveable city”

If a one bedroom apartment doesn't appeal, then living in the most livable city in the United States may do so. Austin, Texas is ranked as one of the best places to live and the neighbourhood of Highland one of its best suburbs. For \$AU1 million, you are looking at a pretty nice house on a big block.

In the United Kingdom, one of the best suburbs of Edinburgh, West End, you can also buy a three bedroom house.

In Australia, you are unlikely to get into many of our most expensive suburbs which currently sit at around \$3 million but you could definitely get into a nice suburb in our most liveable city of Adelaide. And it would be beachside. Henley Beach has just hit a \$1 million median. In Melbourne, the up and coming inner west could also appeal with Footscray hitting that price point now.



[Austin, TX 78752](#)



[Dean Village, Edinburgh EH4](#)

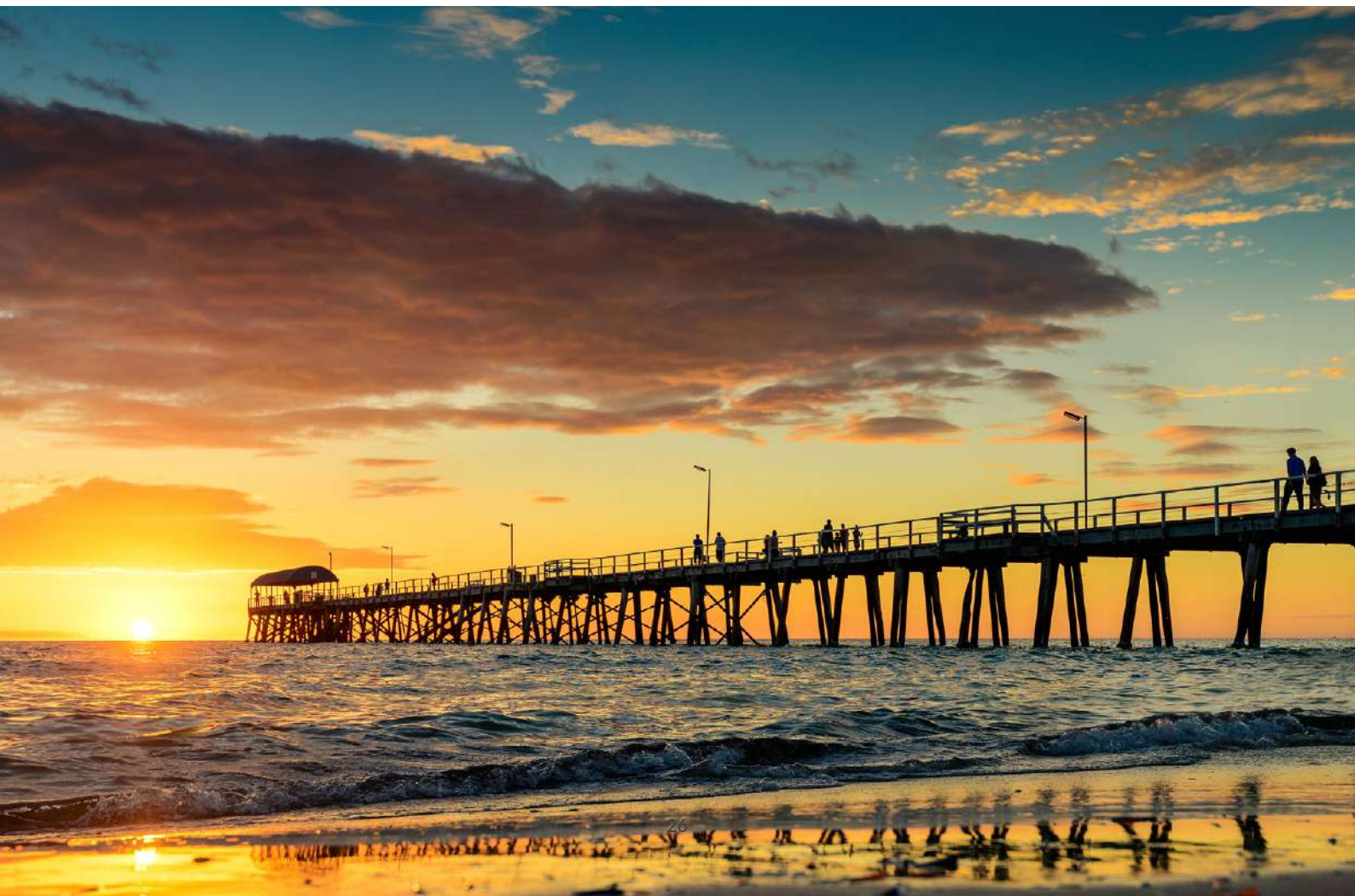


[Dean Village, Edinburgh EH4](#)

Australia's newest \$1 million plus suburbs

Suburb	Region	Median
Henley Beach	Adelaide	\$1,140,000
Pelican Waters	Sunshine Coast	\$1,100,000
Frankston South	Melbourne	\$1,077,500
Yagoona	Sydney	\$1,025,000
Punchbowl	Sydney	\$1,025,000
Merrylands	Sydney	\$1,022,500
Diamond Creek	Melbourne	\$1,010,000
Footscray	Melbourne	\$1,000,000
West Footscray	Melbourne	\$1,000,000

Source: Corelogic, Ray White



A beachside getaway

If you want to buy in Asia, then a beachside holiday home represents very good value, although you would need to carefully look at what you are allowed to buy in each country.

\$AU1 million is approximately 24 million Thai baht. In Phuket, you can get a luxury hillside villa for this price. In Indonesia, that same million will get 10,405 million rupiah which would get you a similarly beautiful villa close to the beach in Canggu.

In Australia, you can definitely buy into a beachside suburb but you are unlikely to get a new luxury villa for the price. Pelican Waters on the Sunshine Coast recently hit that price point and the weather is likely to be just as nice.



[Canggu, Pererenan](#)

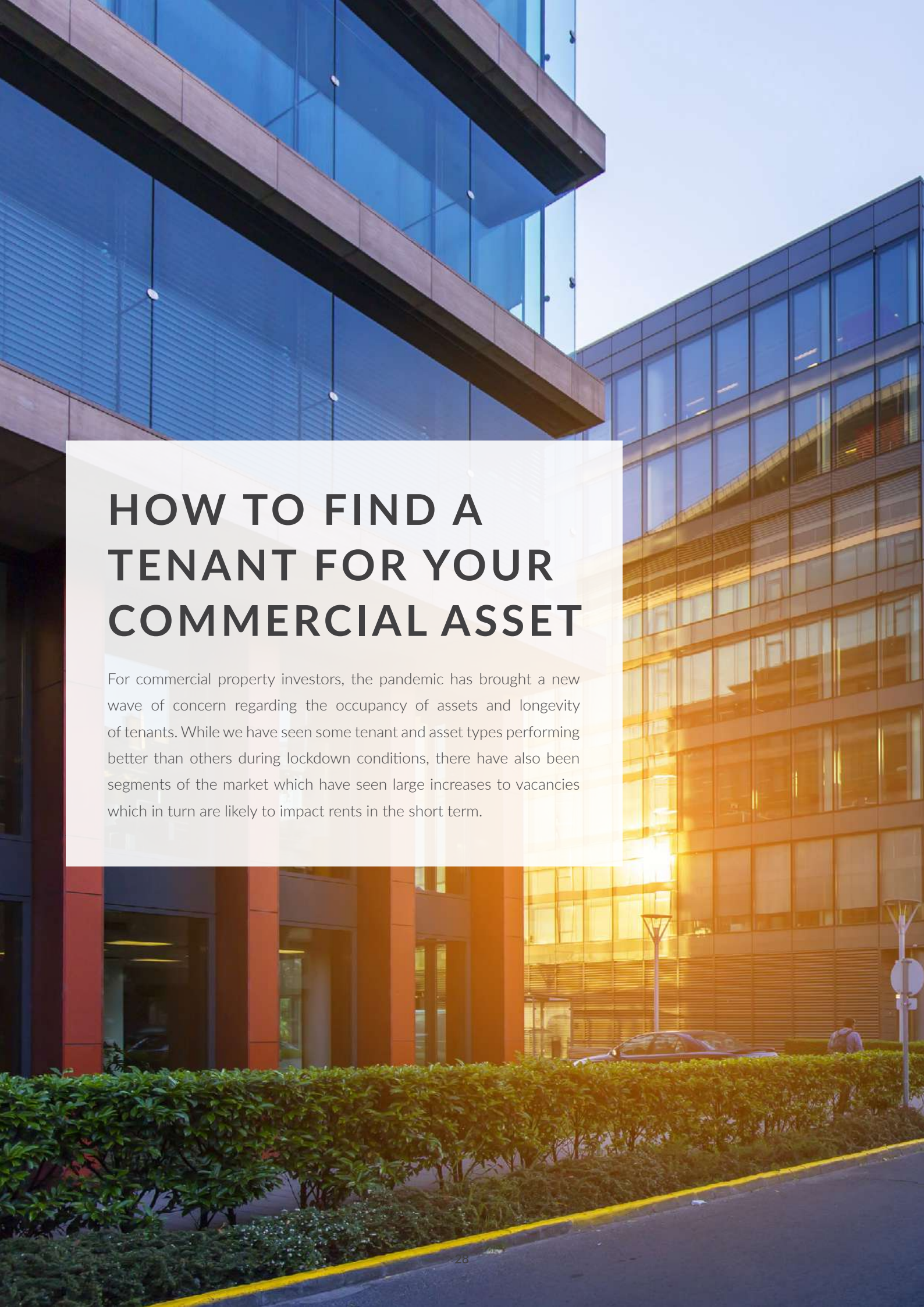
A country mansion

Rural Europe is pretty nice, but there are also some pretty nice places in rural Australia. The main difference is that in Europe, you get a castle. In Australia, you would get something potentially as large but certainly not as historical. I don't know much about the predominantly rural Auvergne region of France but for \$AU1 million, you can certainly get a lot of house on a lot of land, more specifically a 16th century manor with two towers.

For \$1 million in Australia, you could get into inland parts of northern New South Wales. Mullumbimby currently has a median of \$988,000. Close to Melbourne, Macedon has just recently clicked over to the \$1 million median mark.



[Tronget, France](#)

A photograph of a modern glass skyscraper at sunset. The building's glass facade reflects the warm orange and yellow light of the setting sun. The sky is a clear, pale blue. In the foreground, there is a low green hedge and a paved area with a yellow curb. A few cars and a person are visible in the distance near the building's entrance.

HOW TO FIND A TENANT FOR YOUR COMMERCIAL ASSET

For commercial property investors, the pandemic has brought a new wave of concern regarding the occupancy of assets and longevity of tenants. While we have seen some tenant and asset types performing better than others during lockdown conditions, there have also been segments of the market which have seen large increases to vacancies which in turn are likely to impact rents in the short term.



Recent results from the Property Council of Australia's Office Market Report, shows that Australian office vacancies have increased from 8.4 per cent 18 months ago to 11.9 per cent in July 2021. Despite this total increase, there are some markets faring better than others, such as Perth which has seen a positive take up of 19,697sqm and Gold Coast which has had the greatest level of demand since 2006. The improvements in these locations hinged on robust border controls, keeping lockdowns minimal and interstate migration notably from the lockdown states of Victoria and New South Wales.

For the industrial market, strong demand has kept occupancy high across most markets, particularly those within close proximity to road/rail nodes, while the retail market has seen some difficulties. Again, this can vary by locations impacted by lockdowns or changing regulations regarding operations, however convenience-based food retailing remains the greatest growth sector for retailers.

With these ongoing changes to lockdowns and health orders, it may be a difficult time to keep your commercial assets fully occupied particularly in some parts of the country. However, there are a number of steps a landlord can take to help keep your property occupied or attract a new tenant.

- Agent selection – be confident that the agent you have appointed is knowledgeable on the asset and location of your property. Don't be fooled by promises of high rents or quick results, look towards an agent who can provide evidence of recent transactions, track records and those who understand current legislation.
- Advertising – with the on-again, off-again restrictions changing the ability for prospective tenants to inspect your property, it's important that your property is visible and shown in its best light. Quality photography, floor plans and video walkthroughs are useful tools when marketing your property at times when inspections are not possible, while advertising on major portals often ensures your property is seen by the widest range of prospective tenants.
- Capital expenditure – if your property has become vacant, perhaps now is the time to invest in upgrades to your property. This could be as little as a coat of paint, upgrade to bathroom facilities/entry foyer, landscaping or a total refurbishment. This will make your asset stand out from the rest; particularly during the pandemic, many tenants are likely to be attracted to a clean, fresh asset with high standards of hygiene.

Speak with a Ray White Commercial agent via <https://www.raywhitecommercial.com/>

ABOUT RAY WHITE

Ray White is a fourth generation family owned and led business. It was established in 1902 in the small Queensland country town of Crows Nest, and has grown into Australasia's most successful real estate business, with more than 930 franchised offices across Australia, New Zealand, Indonesia and Hong Kong.

Ray White today spans residential, commercial and rural property as well as marine and other specialist businesses. Now more than ever, the depth of experience and the breadth of Australasia's largest real estate group brings unrivalled value to our customers. A group that has thrived through many periods of volatility, and one that will provide the strongest level of support to enable its customers make the best real estate decisions.



Ray White's first auction house, 'The Shed' Crows Nest, Queensland.

RAY WHITE **ECONOMICS TEAM**



Nerida Conisbee
Chief Economist



Vanessa Rader
Head of Commercial Research



Jordan Tormey
Data Analyst



William Clark
Data Analyst



raywhite.com



raywhitecommercial.com



loanmarket.com.au