

SA MARKET UPDATE – 2020 MARCH QUARTER

6 May 2020

The results of the first quarter of 2020 show an amazing resilience to COVID-19 and its effects on the real estate market. While the next set of figures may prove otherwise, we should acknowledge the optimism of the real estate consumer and the real estate profession's innovation in keeping the real estate market moving forward.

Following the release of the Valuer-General's median house price data for the 2020 March quarter, REISA President Mr Brett Roenfeldt said that the latest figures showed a pleasing growth in the median price since the same period last year and only a slight dip from the record high in the last quarter of 2019.

"It is great news that the median price recorded this quarter is still the second highest median price ever. While this quarter only partially captured some of the effects of COVID-19, it is nevertheless, a terrific result. The sustained median price is a clear indicator of the underlying strength and resilience of the Adelaide real estate market. It is very clear that purchasers are still willing to enter the real estate market and pay a premium price for properties that are affordable, realistically priced and which offer great opportunities for life change experiences, investment and development".

"It is too soon to tell what COVID-19 will bring in the next quarter but there will inevitably be an impact. REISA has written to the State Government calling for relief and emphasising the effects that COVID-19 is having and will have on the real estate profession" Mr Roenfeldt said.

In the March quarter, 3, 871 houses settled across the Adelaide metropolitan area which is down from the previous quarter (as it always is) but significantly up from the same quarter last year. Sales across the entire State were down from the previous quarter but again, significantly up from the same quarter last year.

"I am thrilled with these sales figures this quarter. There is always a downturn in sales volume from the last quarter of the preceding year, but these figures have held up surprisingly well. It is noteworthy that the sales increased by almost 400 sales from the same period last year." Mr Roenfeldt said.

Suburbs which have seen the largest growth over a 12 month period were North Adelaide, Gawler South and Tea Tree Gully with increases of 39.92%, 39.38% and 34.29% respectively. Other big movers included Golden Grove, Blackwood and Hazelwood Park.

Top selling suburbs in terms of recorded sales over the March quarter were the perennial Number 1 Morphett Vale, Mount Barker and Aldinga Beach. Other top performing suburbs included Parafield Gardens, Andrews Farm and Aberfoyle Park.

More broadly, the March quarter statistics showed that the growth in the South Australian median price was slightly down from the previous quarter and remained the same as the same period last year.

The unit and apartment market showed a sustainable increase of 1.40% in the median price compared to the previous quarter and a decrease in the median price from the same quarter last year. Sales were very slightly down from the previous quarter and down from the same quarter last year.

“I am pleased by these results and encouraged by the real estate profession’s determination to weather this crisis through. I am confident that we will survive this crisis and that the real estate market will be stronger than ever” Mr Roenfeldt said.

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