



## What's ahead for our property markets for the rest of 2020 and into next year?

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We share this recent article by Michael Yardney as he explores what is on our minds as we traverse the year of 2020.

Thank you, Michael.

That's a common question people are asking now that our real estate markets have been hit by the

triple threat of:

1. The Coronavirus Pandemic
2. A recession
3. Social and political unrest around the world

And with the second wave of Coronavirus now upon us, particularly in Melbourne, many are wondering if those dire predictions of 20-30% falls for our property markets that were made earlier in the year by those property pessimists are now going to come true.

The simple answer is NO - our property markets are not going to crash - in fact, they've remained remarkably resilient.

Sure there are problems in some of our rental markets and certain sectors of our real estate markets are suffering, but having invested in property for almost 50 years I've found that whenever there has been an economic threat, recession, interest rate spike, or credit squeeze, the residential markets always bounce back, usually more quickly than projected, demonstrating the resolve of the Australian community to maintain its embrace of real estate and homeownership.

Perspective is key through the COVID-19 crisis, and although Victoria and New South Wales are battling to contain a second wave of the virus, we can't lose sight of the fact that Australia still has some of the lowest rates of death and infection in the world.

Our economy is also proving more resilient than those of our peers, and, barring a significant deterioration, should return to growth in the December quarter of 2020.

While there are still many challenges ahead for our economy and our property markets, there are also reasons to be optimistic about certain segments of the Australian property market, particularly in the long term, and that's what I'll be discussing in this article.

It wasn't that long ago that the media was forecasting a property bust and that Australia's housing markets could fall up to 30%.

This was predicated on the worst-case scenario of a long drawn out COVID-19 pandemic and a deep worldwide recession, but Australia's property markets look like they'll be in for a soft landing.

The worst-case scenarios of Covid-19 racing through our national and killing hundreds of thousands of people just haven't occurred, but our response to the pandemic has pummelled our economy.

Yet despite our economy being in poor shape, housing price falls are likely be modest, and much smaller than predicted at the height of the COVID-19-related shutdowns earlier this year.

In fact, so far the property markets have remained resilient to a material correction.

And, other than Victoria, with restrictive policies being progressively lifted or relaxed, the downwards trajectory of housing values will be milder than many first expected.

To read more please click the link below.

<https://propertyupdate.com.au/property-predictions-for-2021-revealed/>

<https://nextaddress.com.au/blog/whats-ahead-for-our-property-markets-for-the-rest-of-2020-and-into-next-year>