

# AUSTRALIAN PROPERTY CATCHES CORONAVIRUS



# Agenda

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- Auction clearance rates have collapsed to record lows
- Sentiment collapsing
- Unemployment Rising
- Immigration expected to collapse
- Views from the front-line (**Catherine Cashmore – Buyer’s Advocate**):
- Investment Outlook



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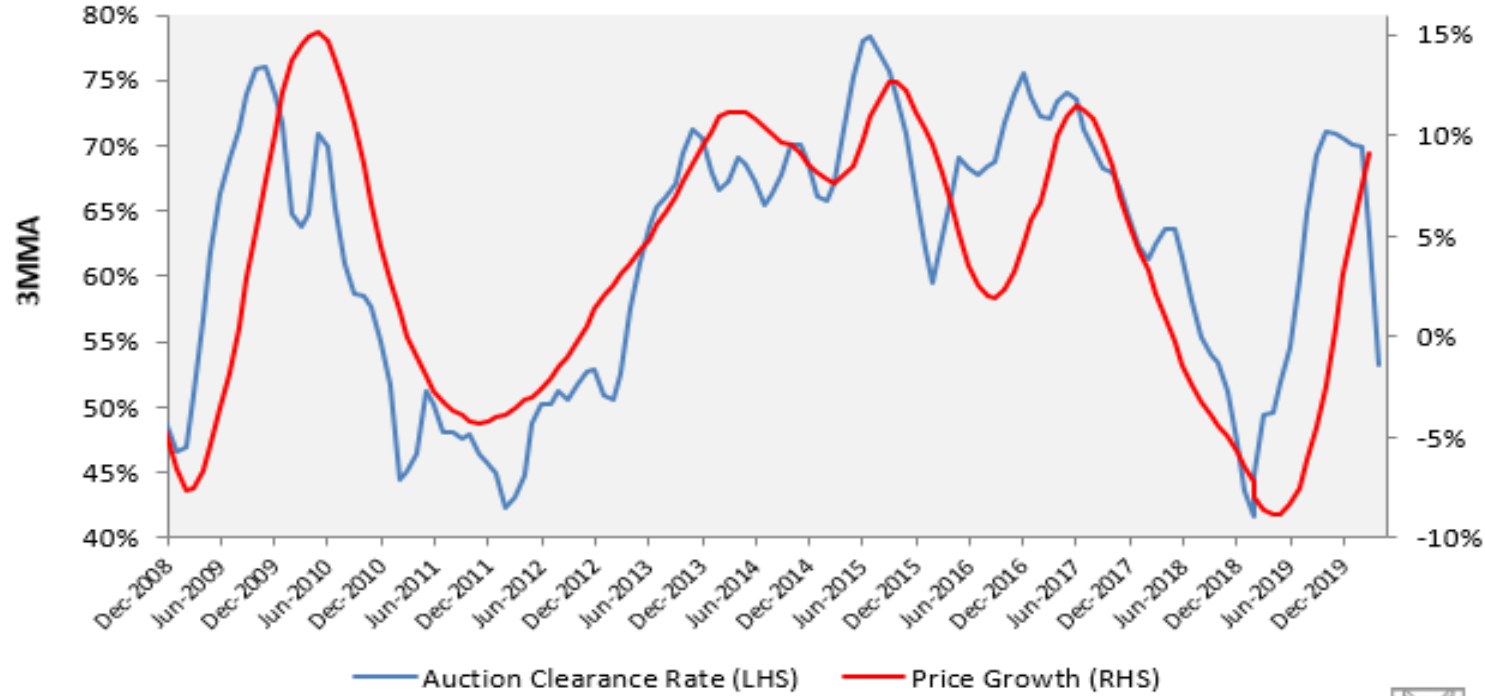
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# Auction clearance rates have collapsed to record lows:

## Capital City Auction Clearance Rate vs Price Growth

Source: CoreLogic



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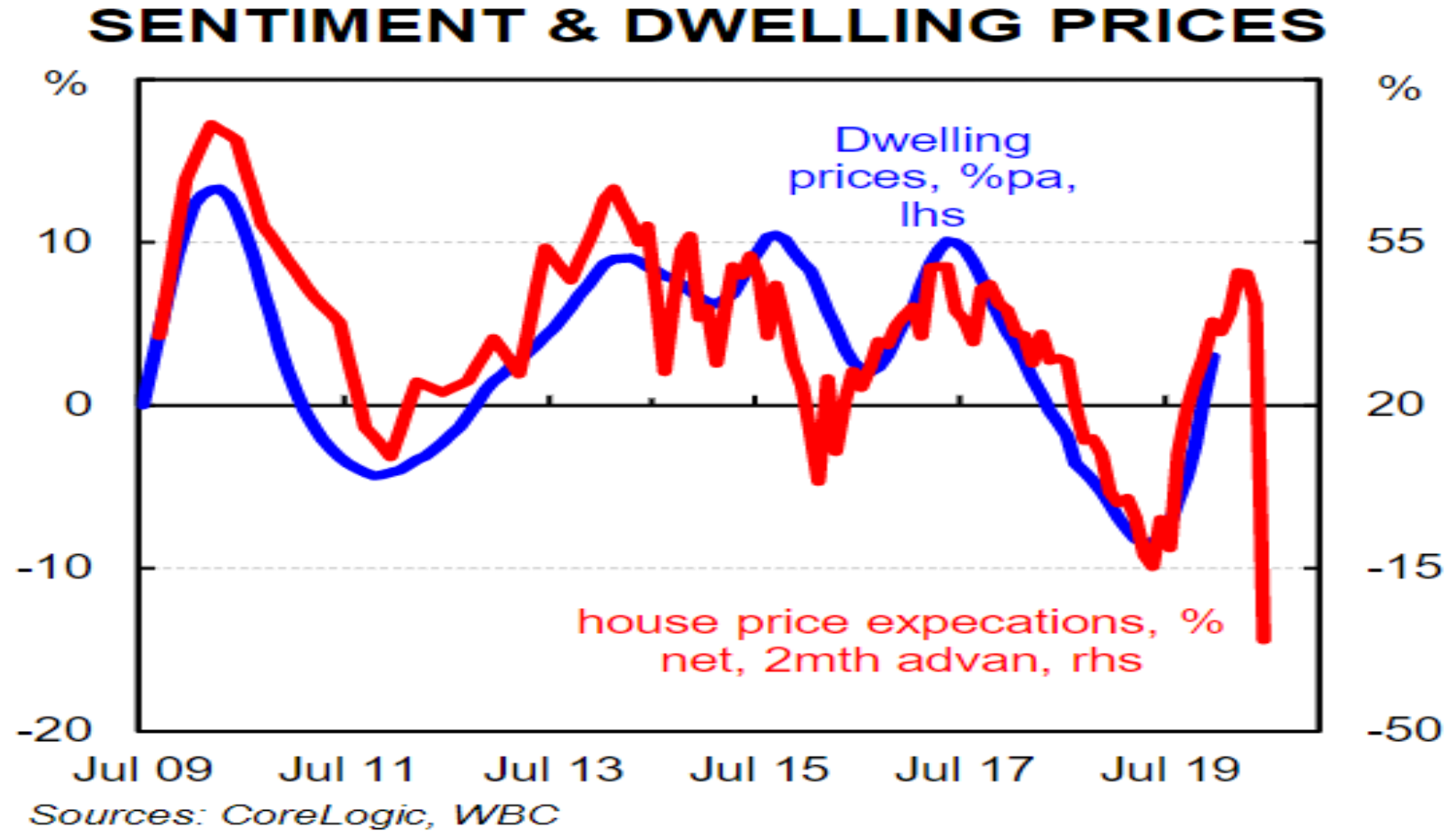
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# Sentiment Collapsing:

The proportion of households expecting dwelling prices to rise over the next twelve months has plunged to its lowest level since the question was first asked in late 2009:



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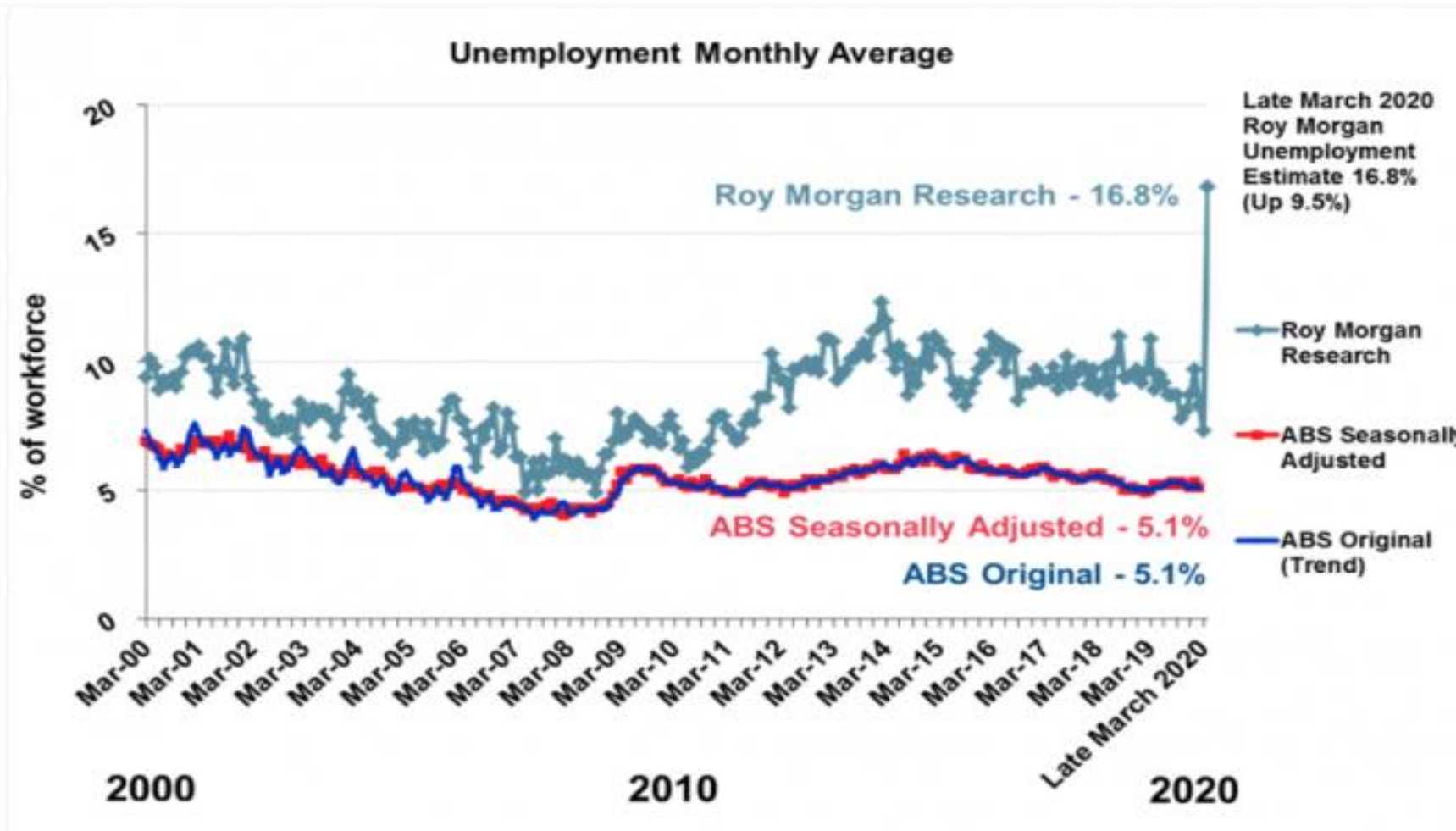
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# Unemployment Rising:



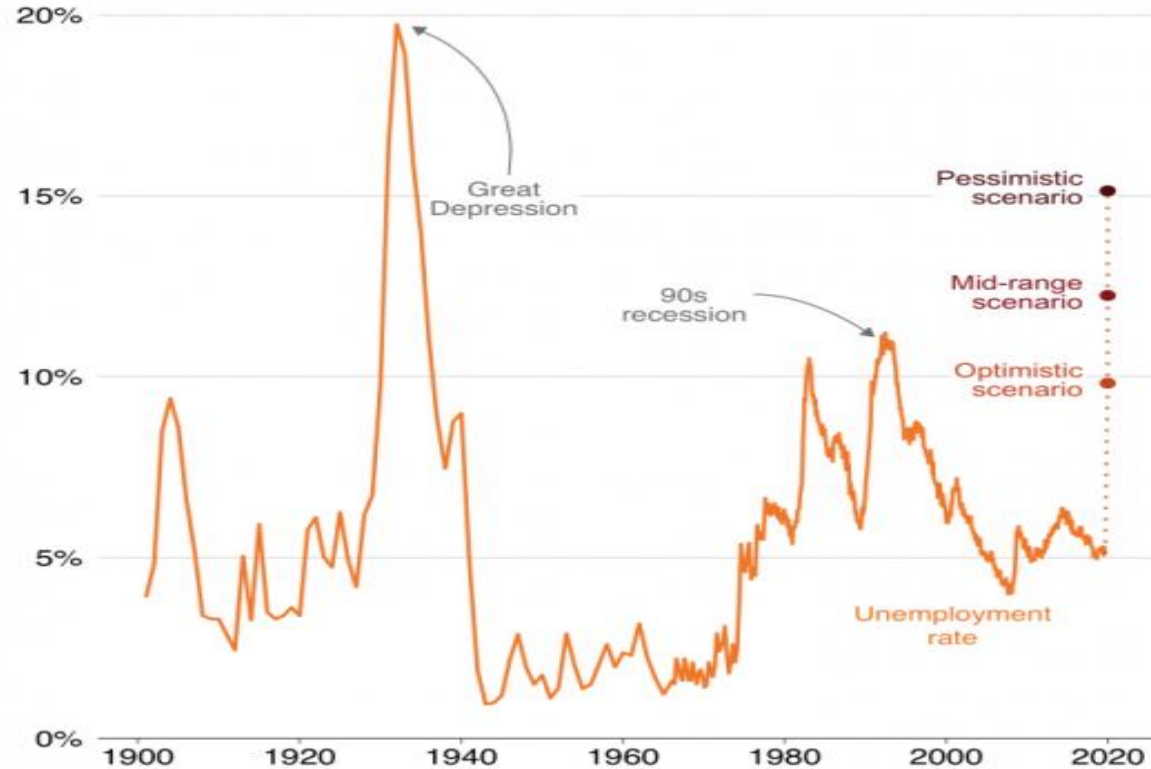
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# Unemployment Rising:

**Figure 3.7: Even with JobKeeper, Australia may face the worst unemployment rate since the Great Depression**  
Unemployment rate since federation, with our three projected scenarios



Notes: Data are annual prior to 1966; quarterly from 1966-78; and seasonally adjusted monthly data thereafter.

Sources: Butlin (1977), ABS (2007) and ABS (2020a).



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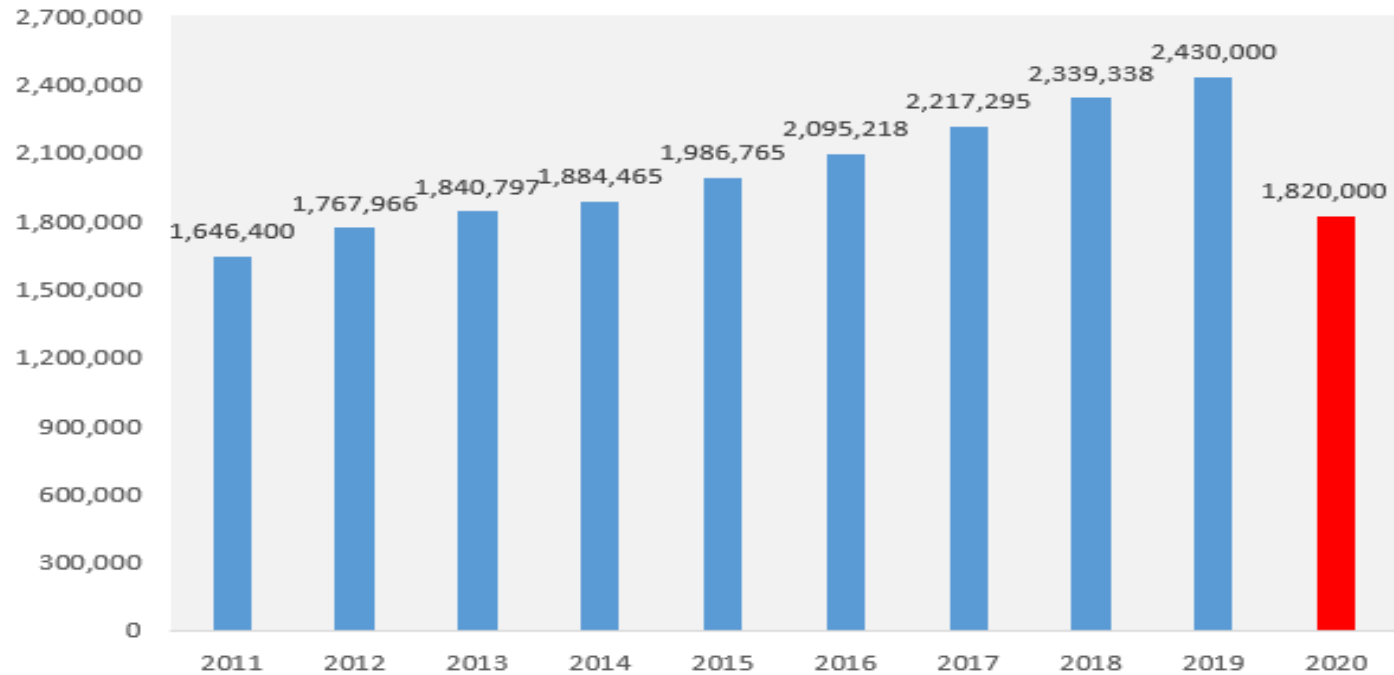
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# Immigration expected to collapse:

## Australian Temporary Visas on Issue

Source: Department of Home Affairs



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# Further discussion & viewer questions:

## Additional headwinds:

- Surge in rental properties (e.g. AirBnb coming back on marker)
- Credit tightening

## Nucleuswealth.com/webinar

- If you're watching natively on YouTube, head to nucleuswealth.com/webinar to ask questions

The screenshot shows a YouTube video player interface. At the top, there is a navigation bar with the Nucleus Wealth logo, 'Invest With Us', 'Content', 'Coronavirus analysis', 'Login', and a 'Get Started' button. The video title is 'Live Investment Webinar' and the video content title is 'AUSTRALIAN PROPERTY CATCHES CORONAVIRUS'. The video thumbnail features a modern apartment building on the left and a blue-tinted image of a coronavirus particle on the right. Below the video player is a comment section with a text input field containing the placeholder 'Enter message here' and a smiley face icon. At the bottom of the player, it says 'Live every Thursday, 12.30PM (AEDT)'.



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# Investment Outlook:

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**Unemployment:** Number one issue

**Equities:**

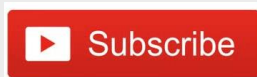
- How far will earnings fall / recover
- Consensus earnings useless. Five year average more helpful.
- -ve: Gearing changes, deglobalisation, increased redundancy, supply chain
- +ve: Reduced rent, travel, new efficiencies

**Bonds:**

- Inflation vs safety

**AUD:**

- Stimulus vs disruption



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## Coming up

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# Nucleus Investment Insights : **Coronavirus investment update**

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Thursday 30/4/2020



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