



www.MortgageePROPERTY.com

Australian high rise apartment report. 220,000 Australian high rise apartments are scheduled to reach completion, apartment report prices to plunge.

AUSTRALIAN HIGH RISE APARTMENT REPORT



The oversupply of Australian high rise apartments, feeble investor demand, falling rental yields and settlement risk is likely to force prices to plunge in most capital cities over the next three years, this new report shows.

Reported across the mainstream media; 220,000 Australian high rise apartments are scheduled to reach completion that could potentially cause property prices to plunge. Australian high rise apartment buyers may not complete their purchases due to the high-rise apartment glut, falling valuations and Australian banks stopping lending to property buyers with foreign income.

Date: July 31, 2016
Published by: Mortgagee Property Limited
Reporter: Scott O. Talbot
Category: Australian high rise apartment report

<https://mortgageeproperty.com/australian-high-rise-apartment-report.html>

HIGH RISE APARTMENT OVERSUPPLY

BIS Shrapnel the leading forecaster of the Australian high rise apartment industry anticipates a record 220,000 new dwellings. Australian high rise apartments with longer construction time frames, will cause a high volume of completions in 2017-18, potentially triggering a glut of over 70,000 high rise apartments that will unbalance the historical supply and demand for high rise apartments by investors.

Australia to have too many homes in 2017: BIS Shrapnel report
Roger Montgomery sees apartment oversupply sending property prices south
Apartment oversupply in Australia reaches 70,000
Australia set for housing oversupply by 2018: BIS Shrapnel

HIGH RISE APARTMENT LOAN CRISIS

The big four Australian banks: Westpac Banking Corp (ASX: WBC), Australia and New Zealand Banking Group (ASX: ANZ), Commonwealth Bank of Australia (ASX: CBA) have all stopped lending to overseas Australian high rise apartments buyers with foreign income. That came as a result of fraudulent loan applications and widespread fears of deceitful activity by Chinese real estate agents, mortgage brokers and foreign investors.

Frozen loans trigger Australian property funding crisis
Foreign property investors turn lying into an art, lenders say
ANZ, Westpac hit by hundreds of Chinese home loan frauds
Westpac, ANZ investigate suspected Chinese foreign home loan fraud

HIGH RISE APARTMENT VALUATIONS FALLING

The ANZ, CBA, NAB and Westpac are lowering valuations of Australian high rise apartments bought off-the-plan that are approaching settlement with valuations "well below" the initial off the plan purchase price. Apartments in central Melbourne are being resold at up to 30 per cent less than their off-the-plan purchase price, sales data shows. According to reports from mortgage brokers, a huge number of brand new off-the-plan apartments could be forced onto the market with existing buyers struggling to gain the necessary financing – despite paying deposits many months ago. When the banks value a high rise apartment for less or cut the loan-to-value ratio they will offer customers, off-the-plan buyers will be forced to pay more at the time of settlement. If they cannot provide the additional funds to secure finance, they may be forced to sell into a weaker market or walk away from the contract of sale signed with the property developer. High rise apartments due for settlement is ballooning and Australian property developers are deeply concerned whether off-the-plan purchasers will be able to pay for them, especially at a time when banks have stopped lending to foreign investors.

Apartment settlement risk soaring as overseas buyers restricted
Off-the-plan apartments are under the spotlight as prices slump
Melbourne CBD apartment values fall 30pc, settlement fears rise
RBA warns apartment 'mismatch' could hit prices, rents

HIGH RISE APARTMENT INVESTOR CONFIDENCE

The Australian high rise apartment market has been the engine room for Australia's economy since the mining boom / crash and is predicated to be worth in excess of 50 billion. Property investor confidence has halted; rental returns are declining with existing apartment owners bracing for a longterm decline with no or little opportunity to exit the high rise apartment market.

Australia Investor Confidence at Lowest Level Since 2009
Declining Business Confidence in the Australian Economy is a Sign of Worse to Come

AUSTRALIAN RECESSION 2017

Australia is one of seven countries that Forbes magazine says is the "most likely to suffer a debt crisis" within the next three years. Professor Steve Keen formerly an associate professor of economics at the University of Western Sydney in an interview with ABC news has stated that there will be an Australian Recession in 2017 and real estate prices will decline by 40% up to 70%.