



MEDIA RELEASE

Confidence in SA rises – and bucks national trend

Confidence across South Australia's property sector has risen despite sentiment falling in every other jurisdiction.

According to the latest ANZ/Property Council Survey, statewide confidence in South Australia sits at 137 for the September 2021 quarter, lifting 2 points since June. The survey includes responses from property industry professionals from South Australia and across the country and was conducted between 30 August and 15 September 2021.

Confidence levels in South Australia are currently 17 points higher than the state's historic average (120) and only 12 points shy of the strongest result on record (149). A score of 100 is considered neutral.

"Property industry confidence has improved by 40% in 12 months – and South Australia is the only jurisdiction in the nation to record an increase in sentiment," said Property Council SA Executive Director Daniel Gannon.

"Despite some sections of the business community still facing a period of uncertainty, this data reveals an extraordinary recovery given what the community faced last year.

"Over the past 12 months, we've learned a lot about business innovation and organisational nimbleness. Here in South Australia, we are comparatively safe, healthy and resilient, we're getting back to business, reopening our economy and attracting investment.

"If we rewind 18 months, there were predictions of double-digit unemployment, a share market in free-fall and a WFH trend that would erode CBD office buildings.

"Well, fast-forward 18 months. South Australia's jobless rate starts with a five – not a 10 – there are cranes aplenty across the CBD, workplaces are filling up, and Adelaide has been celebrated as Australia's most liveable city.

"Business confidence is trending upwards, investors are investing, and while CBD office occupancy still has some work to do, we are stimulating spending and filling up the CBD through targeted initiatives like FOMO Fridays and #GoToTown.

Mr Gannon said the latest ANZ/Property Council dataset also reveals that business owners have great confidence in their forward work schedules and staffing levels for the coming 12 months. Forward work schedule expectations increased by 9 index points and staffing level expectations increased by 12 index points over the September 2021 quarter.

“Adelaide has always been a market of resilience, and this year is proving to be no different,” concluded Mr Gannon.

The survey also revealed the following:

- 12-month staffing level expectations have increased by 85% since last quarter, and 294% since March last year.
- Forward work schedule expectations have increased by 26 points since last quarter, and 258% since March last year.
- National economic growth expectations decreased by 46% over the quarter, while expectations improved by 133% over the last 12 months.
- Residential house price expectations have strengthened, improving by 576% since last year despite a 16 index point drop since last quarter.
- Retirement living price growth expectations have increased by 25% since last quarter, while hotel capital growth has decreased by 3 index points.
- Confidence in the Federal and State Governments to manage and plan for future growth remains strong, with a 342% increase in the South Australian Government since last quarter and 720% above the historic average.

