

NAB AUSTRALIAN CONSUMER ANXIETY SURVEY Q1 2019

INSIGHTS INTO: CONSUMER ANXIETIES, HOUSEHOLD SAVINGS, INCOME & DEBT, SPENDING BEHAVIOURS & ATTITUDES TO THE HOUSING MARKET



NAB Behavioural & Industry Economics

May 2019

Consumer anxiety moderated in Q1 2019 but remains above year earlier levels. Cost of living remains the main cause of anxiety, underlining the disconnect between low levels of economy-wide inflation and consumer focussed costs. With an election looming, anxiety over government policy was much higher than year-earlier levels. New research shows many consumers may be feeling the pinch from stagnant income growth. Many are also struggling to save or make inroads into reducing their debt levels. This could help explain why (despite lower anxiety) spending behaviours were more conservative in Q1 2019. Despite this, around 1 in 4 Australians spent more (or much more) than they earned. Consumer caution was most apparent when spending on non-essential goods and services as more consumers increased spending on essentials, particularly utilities and transport. Consumers were also more conservative about their expectations for making a major purchase in the next 12 months. Finally, new research also reveals consumers may think the housing market downturn will extend into next year, as more Australians said it will be a good time to buy a property to live in or renovate over the next year, but a bad time to sell their home or investment property or to take out a property investment loan.

EXECUTIVE SUMMARY

- **How is consumer anxiety tracking?** The NAB Consumer Anxiety Index moderated over Q1 2019 but remains above year earlier levels. The Index fell 6.2 points to 55.8 in Q1 2019 but was 4.2 points higher than at the same time last year (51.6). Anxiety fell across all components of the index over the quarter, led by ability to fund retirement, job security, health, government policy and cost of living. Anxiety was however higher relative to the same period in 2018.
- **What's driving consumer anxiety?** Cost of living is still the single biggest concern. It moderated over the quarter, but was higher than at the same time last year. It is also of concern that 1 in 4 consumers rated cost of living anxiety 'very high'. With official inflation indicating weak consumer price pressures, the survey results point to a big disconnect between low levels of economy-wide inflation and consumer focussed costs. Government policy was the next biggest cause of anxiety and significantly more so than at the same time last year. The NAB survey was conducted prior to the official election announcement, but consumers would have been aware that an election was looming.
- **Which groups fared best and worst?** Anxiety moderated in 52 of 53 monitored demographic categories (TAS was the exception). In Q1 2019, anxiety was lowest for widows, people in de-facto relationships, people earning over \$100,000 p.a. and men aged 18-29. It was highest for consumers earning less than \$35,000 p.a. divorced people, consumers who lived in and rented an apartment, in TAS and SA/NT, for single people and women aged 30-49.
- **Is the economy playing a role?** Despite slower domestic growth and a generally softer global economy, the level of concern consumers had about the economic situation in Australia and how it was impacting their future spending and savings plans moderated in Q1 2019 after lifting substantially over the course of 2018. New research also showed consumers rated their level of concern over the global economic situation below that of the domestic economy.
- **What's happened to incomes?** Many consumers may be feeling the pinch from stagnant income growth. Overall, almost 6 in 10 said their incomes were stagnant in the last 3 months, around 1 in 4 said it fell (rising to 1 in 3 consumers in the lowest income group). Looking ahead, around 1 in 3 consumers expect their incomes to increase in the next 12 months. But almost 1 in 2 still see no change and 15% expect it to fall.
- **What about savings?** Many consumers struggled to save in an environment of stagnant income growth. Over 4 in 10 said their savings fell in the past 3 months - twice as many as those who said their incomes fell. A further 3 in 10 said they were unchanged and only 2 in 10 increased their savings. Around 35% expect to save more in the next 12 months, but 31% to save less and 28% unchanged. A strong relationship was seen between income and savings expectations - as incomes increased more people expected to save - from around 2 in 10 in the lowest income group to around 5 in 10 in the highest income group.
- **What about debt?** Around 18% of consumers said their debt levels had increased in the past 3 months, 52% said it was unchanged and 1 in 4 said it decreased. Debt increased for more 18-29 year olds than any other age group. It also increased for more people in the lowest income group than other income groups. Looking ahead, around 34% expect their level of debt to fall in the next 12 months and 15% to increase. More women expect debt levels to fall than men, but more men expect it to rise. By income, the number of consumers expecting their debts to fall in the next 12 months increased in line with incomes - from 21% in the lowest income group to 46% in the highest income group (but there was less variation when it came to expectations about debts increasing).

- **Have spending behaviours changed?** Consumer spending behaviours were more conservative in Q1 2019 despite lower anxiety. NAB's measure of household spending behaviour showed more consumers on balance cut their spending relative to Q4 2018 (and at any time since early-2017). Caution was most apparent when spending on non-essential goods and services, particularly entertainment, major household items, eating out, home improvements and personal goods. The net number of consumers who increased spending on essentials also increased, driven mainly by utilities and (increasingly) transport. Consumers were also more conservative about their expectations in regards to making a major purchase in the next 12 months.
- **Are consumers over-extending themselves?** Around 1 in 4 consumers spent more than they earned in the past 3 months, about the same number that indicated their incomes had fallen. And the number that spent more than they earned was around the same as those that said their incomes had fallen in all key demographic groups. Around 34% of spent less than they earned in the past 3 months - but this ranged from 27% in the lowest income group to 45% in the highest income group.
- **Is it a good time to buy, sell or take out a property loan?** Consumers were more pessimistic about the market in Q1 2019. The net number who thought it was a good time to sell jumped sharply, and those who didn't think it was a good significantly out-weighed those who thought it was. These themes were consistent in all states (bar TAS).
- **Will it be a good time to buy sell or take out a property loan in the next 12 months?** More consumers speculated the market downturn will extend into the next year, as more indicated it will be a good time to buy a property to live in or renovate but a bad time to sell their home or investment property or take out a property investment loan.
- **Do you intend to buy, sell or renovate property in the next 12 months?** Consumer intentions around property remain overwhelming conservative. The number of consumers who don't intend to buy or sell property or take out a property loan far outweighed those that said they would.

NAB CONSUMER ANXIETY INDEX (100 = extremely concerned)

	Q1 2018	Q4 2018	Q1 2019
Overall Index	51.6	62.0	55.8
- Job security	36.2	48.5	42.3
- Health	52.0	60.2	54.6
- Ability to fund retirement	54.6	64.6	57.1
- Cost of living	60.0	70.1	64.3
- Government policy	55.4	66.7	60.8

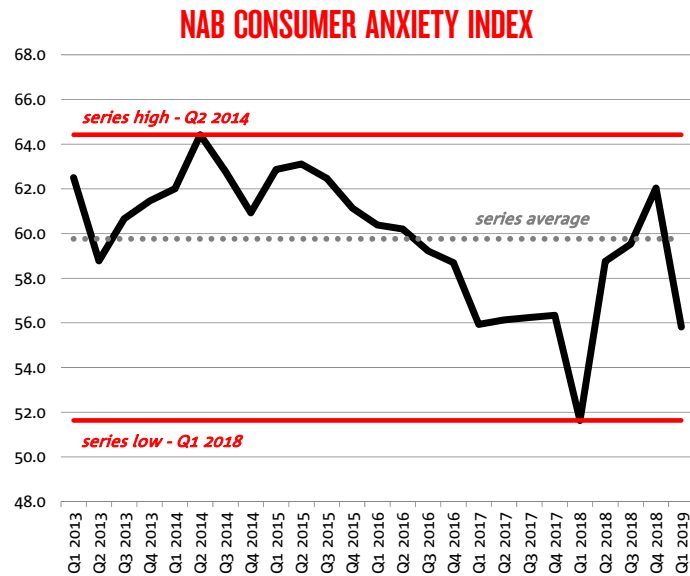
HOUSEHOLD SPENDING BEHAVIOURS (net balance - spending more/spending less)

	Q1 2018	Q4 2018	Q1 2019
Non-essential spending	-13	-15	-21
Essential spending	7	3	7
Financial spending	-3	-5	-3
Overall Spending Behaviours	-6	-8	-10

HOUSEHOLD SPENDING BEHAVIOURS - SPENDING CATEGORY (net balance - spending more/spending less)

	Q1 2018	Q4 2018	Q1 2019
Travel/holidays	-5	-13	-14
Eating out (coffee, take-away, restaurants, etc.)	-22	-20	-27
Entertainment (movies, sports, concerts, etc.)	-18	-20	-28
Groceries (food, alcohol etc.)	4	3	3
Home improvements and maintenance	1	-9	-14
Major household items (appliances, furniture etc.)	-19	-16	-24
Utilities (electricity, gas, phone, etc.)	14	10	13
Personal goods (clothes, toiletries, sports, pets, etc.)	-17	-14	-19
Medical expenses (doctors, pharmacy, optical etc.)	12	4	9
Transport (car running costs and public transport)	5	3	11
Children (school fees, childcare, activities etc.)	-2	-2	-3
Paying off debt	9	3	8
Use of credit	-16	-11	-16
Savings, investments and super contributions	-3	-8	0
Charitable donations	-20	-17	-21

PART 1: NAB CONSUMER ANXIETY INDEX



Consumer anxiety moderated across all components of the index in Q1 2019, but it remains well above year earlier levels...

The NAB Consumer Anxiety Index - a measure of concern about future spending and savings plans arising from job security, health, retirement funding, cost of living and government policy - fell 6.2 points in Q1 2019 to 55.8 points and was below average levels (59.8 points).

However, the index was 4.2 points higher than at the same time last year (51.6 points).

Anxiety fell across all components of the index in Q1.

It fell most in regards to the ability to fund retirement (down 7.5 to 57.1 points), but consumers were more anxious than at the same time last year (54.6 points).

Anxiety relating to job security also fell 6.2 points to 42.3 points over the quarter.

But with employment growth slowing in 2018 (albeit to still healthy levels), anxiety around job security was also 6.2 points higher than at the same time last year (36.2 points).

Consumers were less anxious about their health (down 5.6 points to 54.6 points), but again were somewhat more concerned than at the same time last year (52.0 points).

Anxiety relating to government policy moderated over the quarter (down 5.9 points to 60.8 points), but it was noticeably higher than in the same period last year (55.4 points).

The NAB survey was conducted prior to the official election announcement, but we suspect most consumers would have been aware that an election was looming.

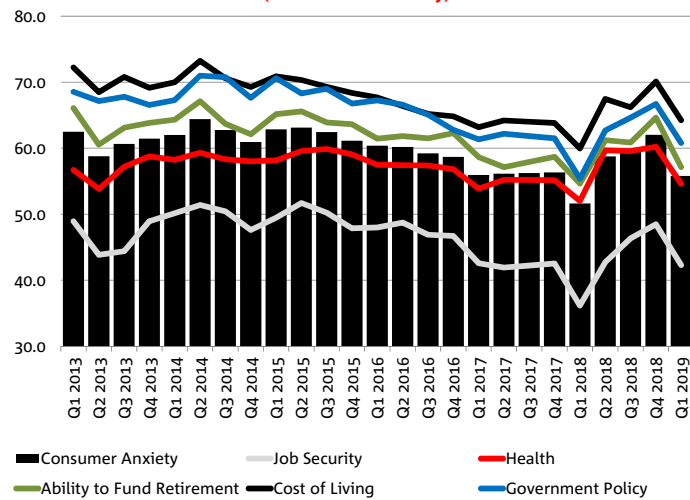
Concern over the cost of living is still the single biggest driver of consumer anxiety, although the level of concern moderated over the quarter (down 5.9 points to 64.3 points).

However, anxiety relating to living costs was 4.3 points higher than at the same time last year (60.0 points).

It is also of some concern that 1 in 4 consumers rated their anxiety over their living costs 'very high' (i.e. 90 points or higher) and a further 3 in 10 rated it 'high' (between 70-90 points).

With official inflation data indicating that consumer price pressures remain weak, NAB's survey results continue to highlight a big disconnect between low levels of economy-wide inflation and consumer focussed costs.

NAB CONSUMER ANXIETY INDEX
(100 = extreme anxiety)



NAB CONSUMER ANXIETY INDEX
(100 = extremely concerned)

	Q1 2018	Q4 2018	Q1 2019
Consumer Anxiety Index	51.6	62.0	55.8
- Job security	36.2	48.5	42.3
- Health	52.0	60.2	54.6
- Ability to fund retirement	54.6	64.6	57.1
- Cost of living	60.0	70.1	64.3
- Government policy	55.4	66.7	60.8

Consumer anxiety levels varied widely across our 53 monitored demographic groups.

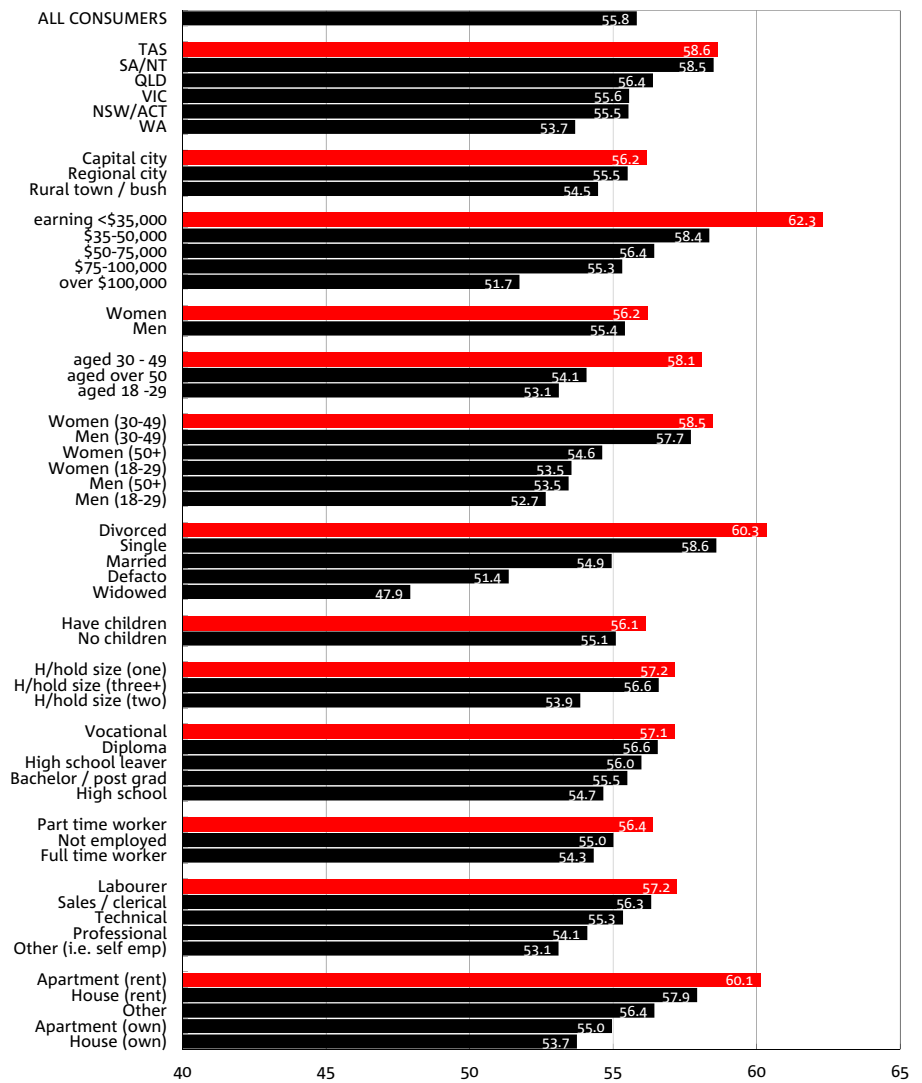
In Q1 2019, anxiety was highest for consumers earning less than \$35,000 p.a. (62.3 points), divorced people (60.3 points), consumers who lived in and rented an apartment (60.1 points), in TAS (58.6 points), for single people (58.6 points), in SA/NT (58.5 points) and for women aged 30-49 (58.5 points)

Consumer anxiety was lowest for widows (47.9 points), people in de-facto relationships (51.4 points), consumers earning over \$100,000 p.a. (51.7 points) and men aged 18-29 (52.7 points).

Consumer anxiety moderated in all 53 monitored groups over Q1 2019, except in TAS (up 6.1 points).

Among the biggest improvements, anxiety was rated much lower by widows (-12.6 points), high school leavers (-10.0 points), self-employed Australians (-9.8 points), consumers earning between \$75-100,000 p.a. (-9.1 points), Australians living in rural towns or the bush (-8.4 points), in VIC (-8.3 points) and by women over 50 (-8.1 points).

NAB CONSUMER ANXIETY INDEX: ALL GROUPS



In the key demographic groups, TAS (58.6 points) and SA/NT (58.5 points) replaced VIC (55.6 points) as the most anxious states. Consumers in TAS were also the most anxious about cost of living (70.2 points), government policy (63.2 points), ability to fund retirement (61.1 points) and health (59.5 points), while consumers in SA/NT were the most anxious about their jobs (45.9 points). WA (53.7 points) was the least anxious state overall, and the least anxious in regards to all components of the index except job security, where TAS was lowest (39.3 points).

Women (down 6.4 to 56.2) continue to report higher levels of anxiety than men (down 6.0 to 55.4), but the anxiety gap narrowed in Q1 2019. Women reported higher levels of anxiety around their cost of living (66.1 vs. 62.4), ability to fund retirement (58.8 vs. 55.4) and their health (55.4 vs. 53.8) than did men. Men however were much more anxious about government policy (63.0 vs. 58.7) and a little more worried about their job security (42.5 vs. 42.1).

By age, 30-49 year olds (58.1 points) were the most anxious group - both women (58.5 points) and men (57.7 points). This was underpinned by much higher levels of anxiety relating to their ability to fund retirement (61.5 points overall; 62.3 points for women and 60.7 points for men) and cost of living (67.2 points overall; 68.7 points for women and 65.8 points for men). This group also worried most about their job security (48.8 points), but over 50s worried most about health (56.7 points) and government policy (67.3 points), particularly men over 50 (70.1 points). By gender, women over the age of 50 were much more anxious about their ability to fund retirement than similarly aged men (57.7 points vs. 51.7 points), and young women aged 18-29 years old were much more worried about the cost of living than 18-29 year old men (66.8 points vs. 60.0 points).

Consumer anxiety was highest in the lowest income group (62.3 points). But it stepped down progressively by income band and was lowest for consumers earning over \$100,000 p.a. (51.7 points). The lowest income earning consumers also reported higher levels of anxiety for all key drivers.

PART 2: ANXIETY ABOUT THE STATE OF THE ECONOMY

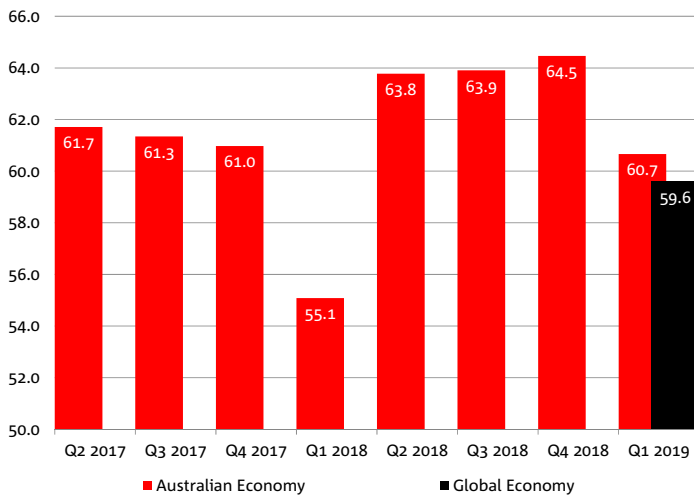
The December quarter national accounts confirmed that economic growth in Australia slowed significantly in the second half of last year, with the data showing substantial weakness in the private sector led by a fall in dwelling investment and only modest growth in consumption. Economic trends globally also generally softened, with growth in major advanced and emerging market economies slowing in Q4, and more timely indicators pointing to further slowing early in 2019.

Despite this, the level of concern consumers had about the general economic situation in Australia and how it was impacting on their future spending and savings plans moderated in Q1 2019 to 60.7 points, after lifting substantially over the course of 2018. For the first time, we also asked consumers how the general global economic situation was impacting them, and they scored their level of concern below that of the domestic economy at 59.6 points. A score of 100 signals 'extreme' concern.

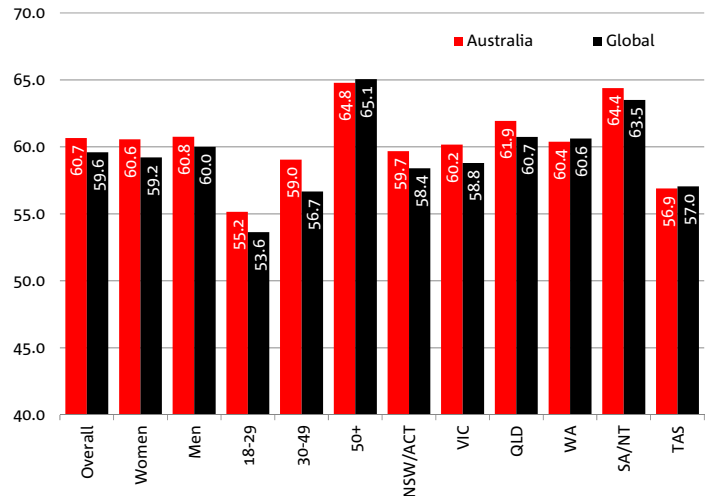
Consumers in all states reported lower levels of anxiety about the economic situation in Australia, except in TAS (up 2.3 to 56.9), although they were still the least anxious overall, and in SA/NT (up 0.9 to 64.4 points), who were the most anxious overall. Consumers in NSW/ACT (58.4 points) and VIC (58.8 points) were the least about the Australian economy. TAS (57.0 points) was the least anxious state about the global economic situation and SA/NT (63.5 points) the most anxious.

By age, over 50s were the most concerned about the Australian (down 3.0 to 64.8) and global (65.1 points) economies. Young people were the least concerned about both the Australian (down 3.5 to 55.2 points) and global (53.6 points) economies. By gender, concerns relating to both the Australian and global economic situation were broadly the same.

LEVEL OF CONCERN ABOUT ECONOMIC SITUATION
(100 = extremely concerned)



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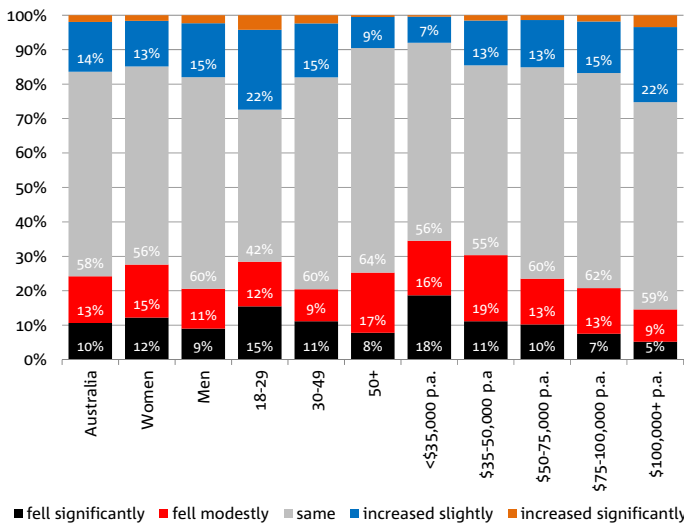
PART 3: HOUSEHOLD INCOME, SAVINGS & DEBT

For the first time, we asked Australian consumers what happened to their income, savings and debt levels over the past 3 months and what they expect will happen to them in the next 12 months.

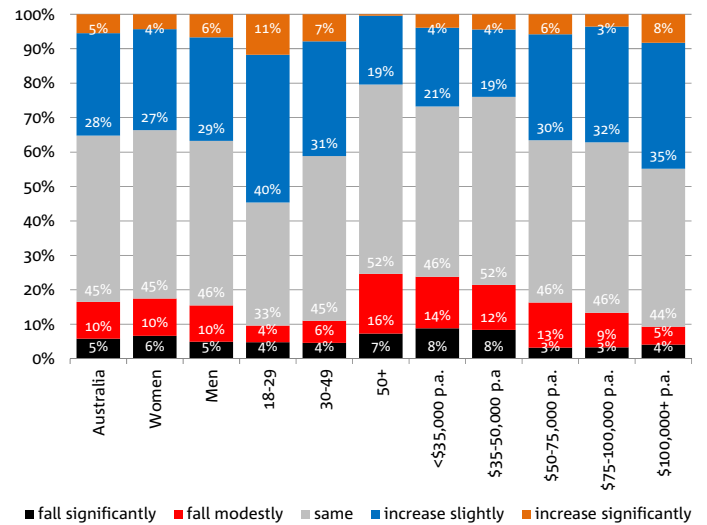
For most consumers (almost 6 in 10 or 58%) incomes were stagnant in the last 3 months. Around 1 in 4 (23%) said it fell (10% substantially and 13% modestly), and just 14% said it increased slightly. More women (27%) said their incomes fell than did men (20%), as did 18-29 year olds (27%) relative to over 50s (25%) and 30-49 year olds (20%). By income, 1 in 3 consumers in the lowest income group said their incomes fell, compared to just 14% in the over \$100,000 p.a. group.

Looking ahead, around 1 in 3 (33%) Australians expect their incomes to increase in the next 12 months. But almost 1 in 2 (45%) see no change and 15% expect their incomes to fall. Men and women shared a similar view, while young people were the most optimistic about their incomes. Expectations were also more positive as household income levels increased - see charts below.

CHANGE IN INCOME - LAST 3 MONTHS



CHANGE IN INCOME - NEXT 12 MONTHS



Most Australian consumers are struggling to save. Over 4 in 10 (44%) said their savings had fallen in the past 3 months (21% significantly and 23% modestly) - almost twice as many as those who said their incomes had fallen (23%). In addition 3 in 10 (31%) said their savings were unchanged. Only 1 in 5 (21%) increased their savings - and 19% only slightly.

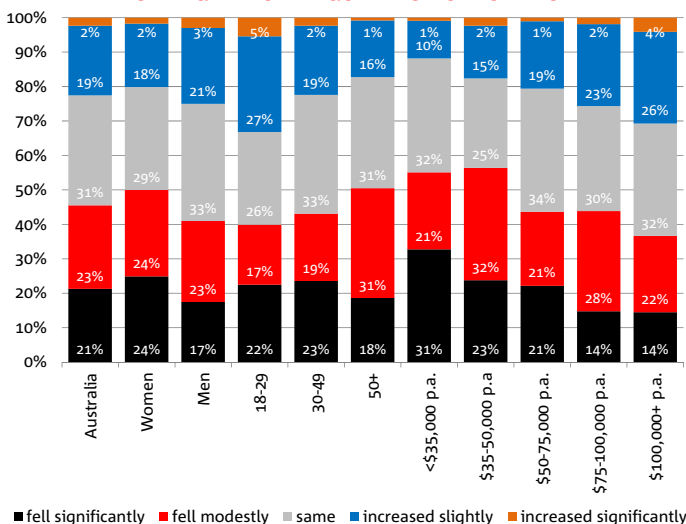
The ability to save was challenging for both women and men, albeit slightly more so for women. Almost 1 in 2 (48%) women said their savings fell in the last 3 months compared to 40% of men.

By age, more over 50s (49%) said their savings fell than did 30-49 year olds (42%) and 18-29 year olds (40%). More low income earners (52%) also said their savings fell than did higher income groups. But 30% of consumers in the highest income group were able to save more - around 3 times as many as in the lowest income group (11%).

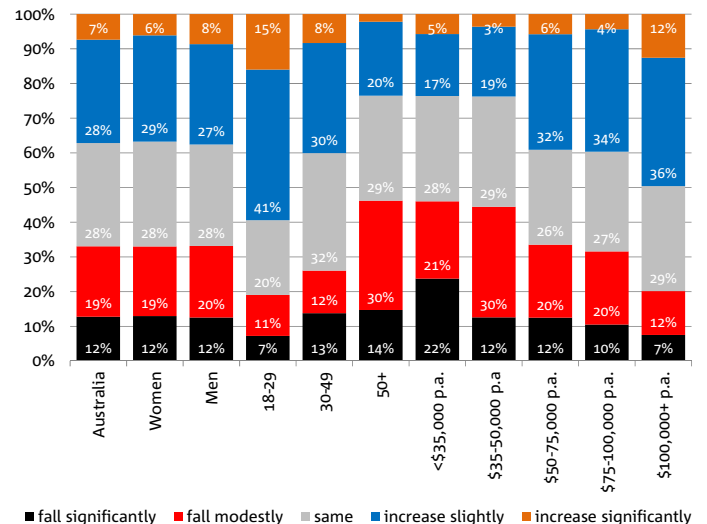
Around 35% of consumers expect to save more in the next 12 months, but 31% expect to see their savings fall and 28% remain unchanged. Women and men shared a very similar view. Young Australians aged 18-29 year olds had much higher savings expectations - almost 6 in 10 (56%) expect to save more, compared to 38% of 30-49 year olds and 49% of over 50s.

We found a very strong relationship between income and savings expectations. As incomes increase, more consumers expect to save - from 22% in the lowest income group to 48% in the highest income group - see charts below.

CHANGE IN SAVINGS - LAST 3 MONTHS



CHANGE IN SAVINGS - NEXT 12 MONTHS



Around 1 in 5 (18%) Australian consumers said their debt levels increased in the past 3 months (12% slightly and 6% significantly). Over 1 in 2 (52%) said it was unchanged and 1 in 4 (24%) said it decreased.

The debt profile was broadly the same for women and men.

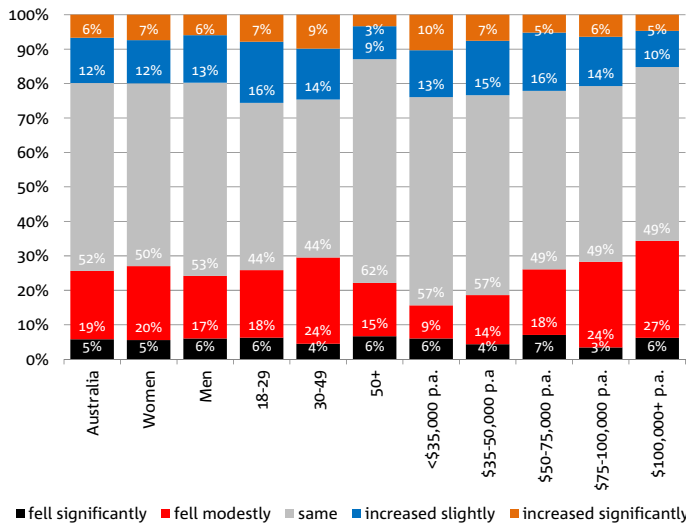
Debt increased for more 18-29 year olds (23%) than in any other age group, and fell for most in the 30-49 year old group (28%). Significantly more people in the highest household income group (33%) also said their debt levels had fallen, particularly when compared to the lowest income group (15%). But debt increased for more people in the lowest income group (23%) than in all other income groups.

Looking ahead, around 1 in 3 (34%) Australian consumers expect their level of debt to fall in the next 12 months and only 15% to increase. More women (36%) expect their debt levels to fall than men (31%), but more men (17%) expect it to rise than women (13%).

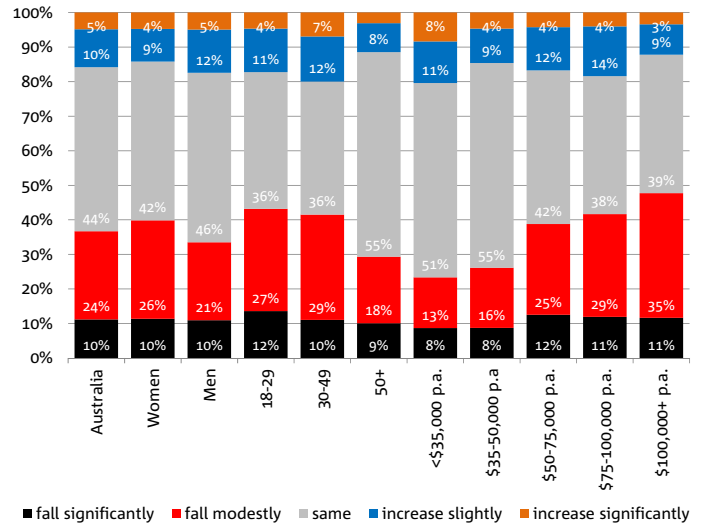
Young Australians 18-29 were the most positive age group (39%) and over 50s most likely to expect their debts to increase (19%).

By income, the number of consumers expecting their debts to fall in the next 12 months increased in line with incomes - from 21% in the lowest income group to 46% in the highest income group. But when it came to their expectations about debts increasing, there was less variation - see charts below

CHANGE IN DEBT - LAST 3 MONTHS

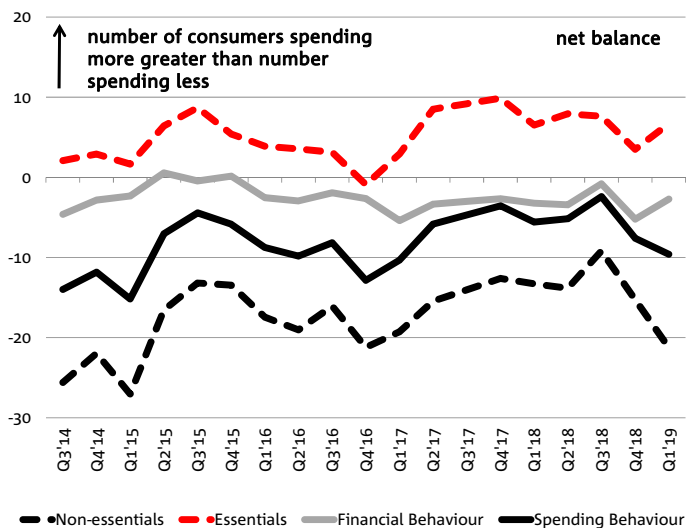


CHANGE IN DEBT - NEXT 12 MONTHS



PART 4: IS CONSUMER ANXIETY IMPACTING HOUSEHOLD SPENDING?

HOUSEHOLD SPENDING BEHAVIOURS



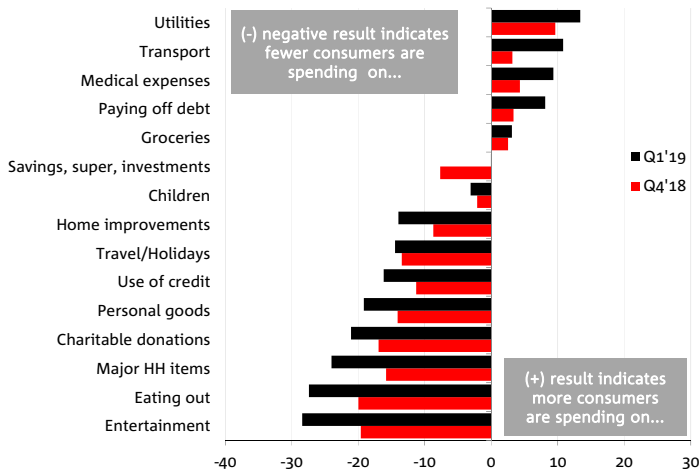
Consumer spending behaviours were more conservative in Q1 2019...

How consumers 'feel' doesn't necessarily correspond to how they 'act'. In Q1 2019, consumer spending behaviours were more conservative despite lower levels of consumer anxiety.

NAB's measure of household spending behaviour (which counts the number of consumers that spent more on a range of items against those that spent less on these items) showed more people had on balance cut back their spending relative to the previous quarter and at any time since early-2017.

NAB's overall spending indicator fell to -10 in Q1 2019, down from -8 in Q4 2018 and -6 in the same period last year. This means the net number of consumers that cut back their overall spending relative to those that spent more increased.

CHANGES IN HOUSEHOLD SPENDING BEHAVIOURS (Q/Q)
(NET BALANCE)

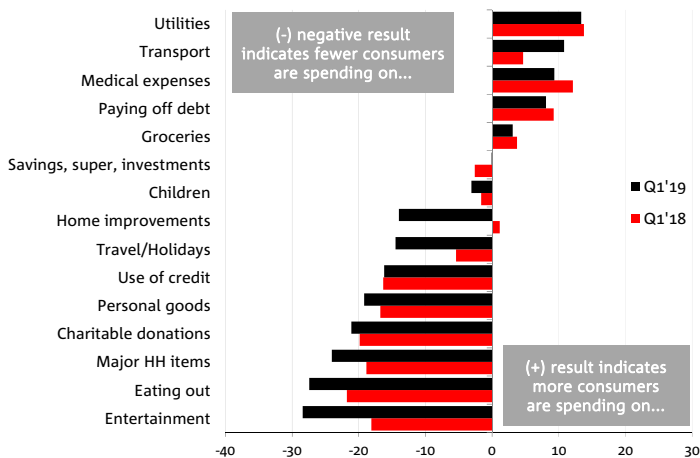


Consumer caution was most apparent when it came to spending on non-essentials, where the net number who cut back spending relative to those that spent more widened to -21 in Q1 2019 (-15 in Q4 2018 and -13 in Q1 2018).

Over the quarter, we noted an increase in the net number of people that cut back their spending on all non-essential items, especially entertainment (-28 vs. -20 in Q4 2018), major household items (-24 vs. -16), eating out (-27 vs. -20), home improvements (-14 vs. -9) and personal goods (-19 vs. -14).

Over the same period last year, however, the biggest cutbacks were observed in the number of consumers spending on home improvements (-14 vs. +1 in Q1 2018), entertainment (-28 vs. -18) and travel or holidays (-14 vs. -5).

CHANGES IN HOUSEHOLD SPENDING BEHAVIOURS (Y/Y)
(NET BALANCE)

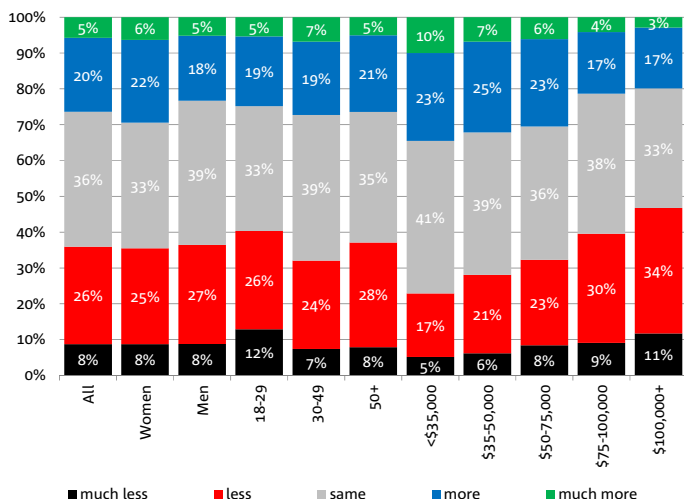


The net number of consumers who increased their spending on essential goods and services also increased to +7 in Q1 2019 (+3 in Q2 2018; unchanged from a year ago). Spending on essentials continued to be mainly driven by utilities, with the net number of consumers who spent more on utilities in Q1 2019 rising to +13 (up from +10 in Q4 2018, but down slightly from +14 in Q1 2018). The biggest increase however was noted in the net number of consumers who increased spending on transport (e.g. car running costs, public transport etc.) which rose to +11 (from +3 in Q4 2018 and +5 at the same time last year).

Financial spending behaviour (paying off debt, using credit cards and savings, investments & superannuation) were a little less conservative. The net number that cut back their financial spending fell to -3 in Q1 2019 (-5 in Q4 2018 but unchanged from a year ago).

More consumers paid off debt (+8 vs. +3 in Q4 2018) and spent more on their super, savings and investments (0 vs. -8). They also cut back their use of credit (-16 vs. -11).

EXTENT YOU HAVE SPENT MORE THAN YOU EARNED IN THE PAST 3 MONTHS



But almost 1 in 4 consumers are spending more than they earn...

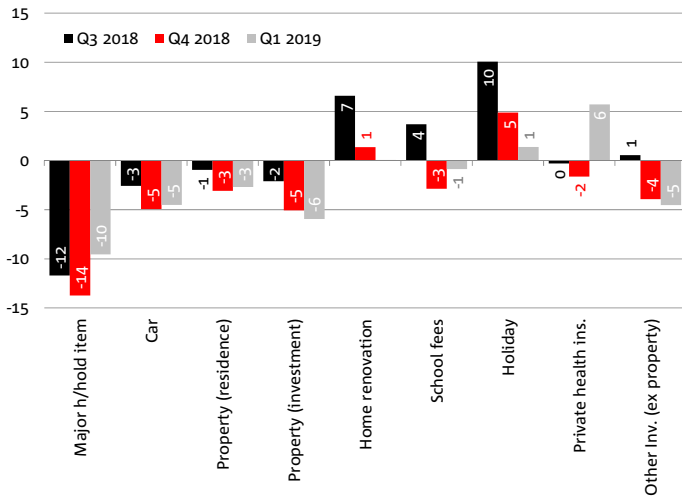
Around 1 in 4 (25%) consumers said they spent more than they earned over the past 3 months - around the same number that indicated their incomes had also fallen in the past 3 months.

The number of people that spent more than they earned was broadly the same as the number that said their incomes had fallen in all key demographic groups.

Overall, around 34% of Australian consumers said they spent less than they earned in the past 3 months.

But this ranged from just 27% in the lowest income group to 45% in the highest income earning group, and 31% for 30-49 year olds to 38% for 18-29 year olds. It was broadly similar for women and men.

EXPECTATIONS IN REGARDS TO MAKING MAJOR PURCHASES IN NEXT 12 MONTHS (NET BALANCE)



Consumers were also asked about their expectations in regards to making major purchases in the next 12 months. The results reinforce a picture of a conservative consumer with intentions negative in nearly all areas of spending.

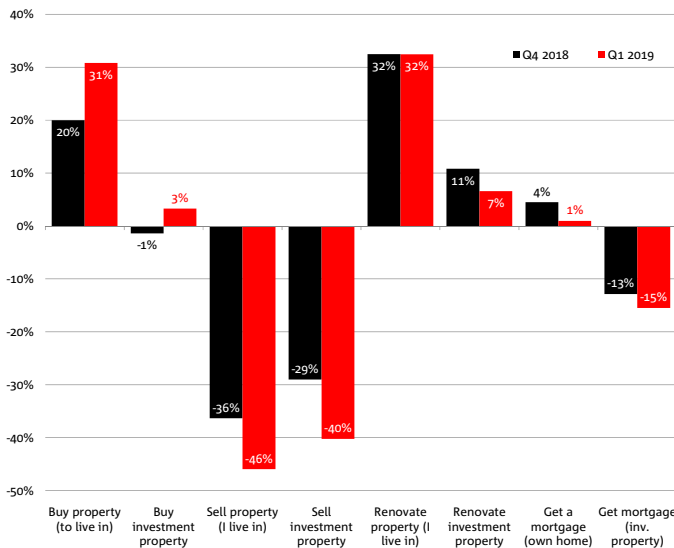
Overall, the number who expected to spend more in Q1 2019 out-weighed those expecting to spend less in only two areas - private health insurance (+6) and holidays (+1). In contrast, more consumers expected to spend less on major household items (-10), cars (-5), residential property (-3), investment property (-6), school fees (-1) and other investments (-5).

By gender, noticeable differences were in spending intentions for home renovations (+4 women vs. -3 men), school fees (+5 women vs. -6 men) and health insurance (+8 women vs. +4 men). By age, noticeably more over 50s intended to spend more on health insurance (+14) and 18-29 year olds on holidays (+8). But more over 50s (-13) intended to cut back on major household items and 18-29 year olds on home renovations (-13).

PART 5: CONSUMERS' VIEW OF THE HOUSING MARKET

With Australian house prices continuing to moderate after 5 years of solid growth (particularly in Sydney and Melbourne), home owners, investors, buyers and sellers face a very different property market today. In January 2019, NAB released a special report titled "Australian housing market - How do consumers view the market now & in the future? The report explored how Australian consumers were weighing up new opportunities and challenges in this market. Consumers were asked whether they thought it was a good time to buy, sell, renovate or take out a mortgage now and in 12 months' time. They were also asked if they actually intended to buy, sell, renovate or get a mortgage over the next 12 months. Given the important role that the housing market plays in the Australian economy and the consumer psyche, we will track continue to track their responses quarterly.

IS IT A GOOD TIME TO...AUSTRALIA (net balance)



Is it a good time to buy, sell or renovate property or to take out a property mortgage?

Consumer sentiment around housing markets appears to have faded further in Q1 2019.

In net terms, the number who said it was a good time to renovate their home was unchanged at +32%, but the number who thought it was a good time to sell jumped to +31% (+20% in Q4 2018).

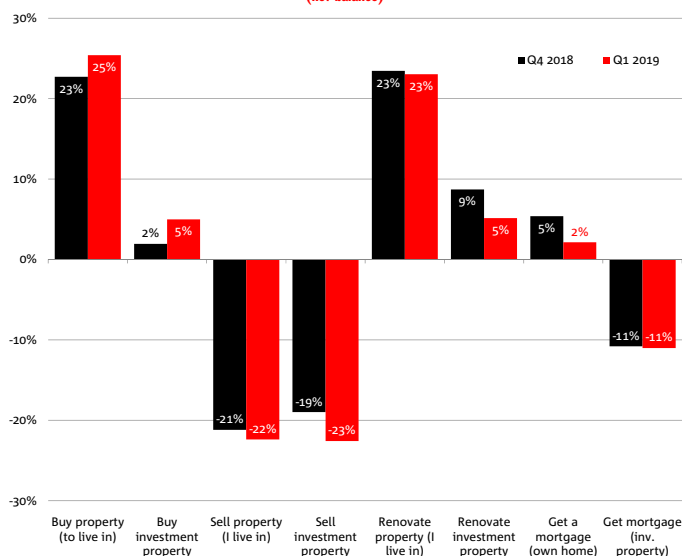
The number who thought it wasn't a good time to sell their home or investment property also significantly out-weighed those who thought it was a good time to sell. And the number of consumers who thought so climbed sharply to -46% and -40% respectively.

These themes were broadly consistent across most states. TAS was the exception and the only state where the net number of consumers who thought it was a good time to buy was negative (-2%), likely reflecting the out-performance of house prices in that state - see table below.

GOOD TIME NOW TO...STATES

	NSW/ACT		VIC		QLD		WA		SA/NT		TAS	
	Q4 2018	Q1 2019	Q4 2018	Q1 2019	Q4 2018	Q1 2019	Q4 2018	Q1 2019	Q4 2018	Q1 2019	Q4 2018	Q1 2019
Buy property (to live in)	14%	33%	24%	30%	18%	31%	36%	42%	19%	21%	21%	-2%
Buy investment property	-4%	5%	2%	5%	-7%	-2%	13%	11%	-3%	-5%	-7%	-4%
Sell property (I live in)	-37%	-51%	-38%	-47%	-27%	-32%	-58%	-70%	-32%	-33%	-2%	-18%
Sell investment property	-29%	-44%	-32%	-42%	-20%	-30%	-58%	-56%	-16%	-28%	5%	-15%
Renovate property (I live in)	33%	32%	32%	34%	31%	37%	34%	27%	29%	26%	37%	29%
Renovate investment property	10%	3%	10%	9%	14%	14%	5%	-2%	10%	5%	26%	20%
Get a mortgage (own home)	3%	1%	5%	1%	-5%	-2%	18%	13%	13%	-4%	8%	-9%
Get mortgage (inv. property)	-13%	-16%	-13%	-12%	-17%	-19%	-6%	-8%	-13%	-20%	-16%	-29%

WILL 12 MONTHS FROM NOW BE A GOOD TIME TO...AUSTRALIA (net balance)



Do you think it will be a good time to buy, sell or renovate property or to take out a property mortgage in 12 months' time?

More consumers are indicating that the housing market downturn will extend into next year.

On balance, +25% of consumers think it will be a good time to buy a property to live in (+23% in Q4 2018), and +23% to renovate a home they live in (unchanged from Q4 2018).

They were also somewhat more negative about selling their home (-22%) or investment property (-23%) than in Q4 2018.

Those who think it will be a good time to renovate an investment property (+5%) or take out a mortgage for their own home (+2%) also fell, while -11% don't think it will be a good time to take out an investment loan.

Interestingly, the net number of people who thought it would be a good time to buy a home in the next 12 months increased in all states except VIC and TAS, suggesting that consumers may be expecting the downturn to be even deeper in VIC and for price growth to moderate in TAS.

There was also a noticeable shift in sentiment in TAS about selling their homes and investment properties in the next 12 months, with the overall net number now negative.

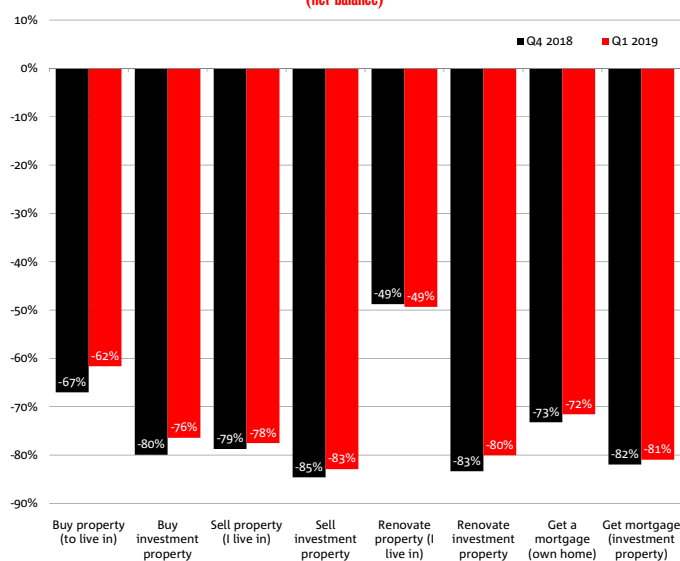
The number of people who thought it would be a good time to renovate their homes was basically unchanged in all states, but consumers in VIC, SA/NT and NSW were less positive about renovating investment property.

In net terms, more people in all states also thought it would be a bad time to take out an investment loan (except TAS) - see table below

WILL 12 MONTHS FROM NOW BE A GOOD TIME TO...STATES

	NSW/ACT		VIC		QLD		WA		SA/NT		TAS	
	Q4 2018	Q1 2019	Q4 2018	Q1 2019	Q4 2018	Q1 2019	Q4 2018	Q1 2019	Q4 2018	Q1 2019	Q4 2018	Q1 2019
Buy property (to live in)	22%	27%	28%	27%	20%	22%	22%	32%	13%	16%	30%	20%
Buy investment property	2%	8%	9%	9%	-5%	-1%	5%	11%	-3%	-8%	-15%	-5%
Sell property (I live in)	-25%	-23%	-20%	-24%	-13%	-19%	-32%	-27%	-24%	-19%	11%	-16%
Sell investment property	-21%	-26%	-18%	-22%	-16%	-17%	-26%	-28%	-21%	-19%	10%	-13%
Renovate property (I live in)	27%	24%	26%	24%	19%	23%	21%	28%	14%	12%	17%	18%
Renovate investment property	12%	8%	11%	5%	4%	3%	7%	6%	6%	0%	-4%	-5%
Get a mortgage (own home)	7%	4%	7%	7%	-3%	-5%	8%	7%	5%	-8%	15%	7%
Get mortgage (inv. property)	-9%	-10%	-10%	-6%	-17%	-17%	-6%	-11%	-11%	-19%	-17%	0%

DO YOU INTEND IN THE NEXT 12 MONTHS TO...AUSTRALIA (net balance)



Do you intend to buy, sell or renovate property in the next 12 months?

Consumer intentions around property remain overwhelming conservative, but a little less so than in Q4 2018.

The net number of consumers who said they didn't intend to sell investment property (-83%), take out an investment loan (-81%), renovate an investment property (-80%), sell their home (-78%), buy investment property (-76%) or take out a home loan (-72%) far outweighed those that said they would.

Consumers were least negative about renovating their homes (-49%) and buying a property to live in (-62%).

Intentions were overwhelmingly negative and conservative in all states - see table below.

DO YOU INTEND IN THE NEXT 12 MONTHS TO – STATES

	NSW/ACT		VIC		QLD		WA		SA/NT		TAS	
	Q4 2018	Q1 2019	Q4 2018	Q1 2019	Q4 2018	Q1 2019	Q4 2018	Q1 2019	Q4 2018	Q1 2019	Q4 2018	Q1 2019
Buy property (to live in)	-66%	-60%	-67%	-63%	-67%	-57%	-61%	-66%	-74%	-69%	-85%	-69%
Buy investment property	-78%	-72%	-77%	-77%	-83%	-76%	-84%	-85%	-86%	-83%	-76%	-83%
Sell property (I live in)	-78%	-77%	-81%	-79%	-76%	-75%	-78%	-78%	-83%	-77%	-81%	-82%
Sell investment property	-83%	-82%	-86%	-86%	-82%	-78%	-86%	-83%	-90%	-84%	-90%	-91%
Renovate property (I live in)	-43%	-49%	-55%	-52%	-49%	-50%	-48%	-46%	-58%	-51%	-30%	-38%
Renovate investment property	-80%	-78%	-84%	-82%	-86%	-80%	-87%	-83%	-87%	-81%	-74%	-78%
Get a mortgage (own home)	-71%	-70%	-72%	-73%	-74%	-66%	-73%	-74%	-79%	-83%	-92%	-76%
Get mortgage (inv. property)	-78%	-78%	-82%	-81%	-85%	-81%	-86%	-87%	-85%	-85%	-81%	-80%

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