Companies must understand threats from unforeseen events and take proper preventive measures.

### Residential

Australia set for boost on low rates and election

Retention of investor-friendly tax and negative gearing policy lifts optimism

Cheryl Arciello

Record low interest rates and the re-election of a business-friendly government will provide a boost to the property market, market observers say.

The low-interest-rate environment has created bottlenecks in the residential market, particularly in parts of Sydney and Melbourne, where demand remains strong.

The Reserve Bank’s decision in May to leave interest rates on hold for the second month in a row has helped to dampen concerns over the economy. As a result, the confidence in the residential market has increased, with more buyers entering the market.

With the federal election due to be held on May 18, market observers remain cautiously optimistic. While the outcome of the election is uncertain, they believe the current tax incentives and the negative gearing policy will continue to support the residential market.

### Facts & Figures

Latest residential transactions

<table>
<thead>
<tr>
<th>Property</th>
<th>Apr 20</th>
<th>Apr 18</th>
<th>Apr 17</th>
<th>Apr 16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sydney</td>
<td>16,951</td>
<td>15,951</td>
<td>15,451</td>
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<td>Melbourne</td>
<td>14,651</td>
<td>13,851</td>
<td>13,351</td>
<td>12,951</td>
</tr>
<tr>
<td>Brisbane</td>
<td>10,551</td>
<td>9,851</td>
<td>9,351</td>
<td>8,951</td>
</tr>
<tr>
<td>Adelaide</td>
<td>8,251</td>
<td>7,651</td>
<td>7,151</td>
<td>6,751</td>
</tr>
</tbody>
</table>

### Prime office indicative rentals

Prime office rents for Sydney downtown.

<table>
<thead>
<tr>
<th>Location</th>
<th>Apr 20</th>
<th>Apr 18</th>
<th>Apr 17</th>
<th>Apr 16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sydney CBD</td>
<td>150.00</td>
<td>140.00</td>
<td>130.00</td>
<td>120.00</td>
</tr>
<tr>
<td>Melbourne CBD</td>
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<td>110.00</td>
<td>100.00</td>
<td>90.00</td>
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<tr>
<td>Brisbane CBD</td>
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<td>60.00</td>
</tr>
<tr>
<td>Adelaide CBD</td>
<td>60.00</td>
<td>50.00</td>
<td>40.00</td>
<td>30.00</td>
</tr>
</tbody>
</table>

### Average house prices

Average house prices for major cities.

<table>
<thead>
<tr>
<th>City</th>
<th>Apr 20</th>
<th>Apr 18</th>
<th>Apr 17</th>
<th>Apr 16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sydney</td>
<td>990,000</td>
<td>950,000</td>
<td>910,000</td>
<td>870,000</td>
</tr>
<tr>
<td>Melbourne</td>
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<td>810,000</td>
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<td>730,000</td>
</tr>
<tr>
<td>Brisbane</td>
<td>750,000</td>
<td>710,000</td>
<td>670,000</td>
<td>630,000</td>
</tr>
<tr>
<td>Adelaide</td>
<td>650,000</td>
<td>610,000</td>
<td>570,000</td>
<td>530,000</td>
</tr>
</tbody>
</table>

### SOCIAL UNREST SHOWS NEED FOR MORE RISK MANAGEMENT

Companies need to prepare for unforeseen events and take proper preventive measures. 

### Proactive risk control should be implemented for the interests of clients

- **Companies**
  - Must understand threats from unforeseen events.
  - Take proper preventive measures.

### municipalities

Chinese municipal governments are setting up more hazard control plans to deal with such losses. More enterprises are conducting risk registers to identify hazards and manage the associated risks.

In the event of extreme weather or natural disasters, governments can take steps to reduce risks, control threats, and insurance alone is not sufficient to adequately protect a business. Companies should implement a proactive risk control strategy to protect their assets and reputation.

### STRATEGY

**Space Matrix makes move**

Singaporean workplace design firm Space Matrix wants to expand in China, where it currently has a health and safety office of operations.

In September last year, Space Matrix acquired a 100% stake in Machine, a workplace design and construction company. Machine was acquired in Shanghai, which Space Matrix is set to transfer to Shenzhen.

**Why the move?**

Space Matrix says the move is driven by the company’s desire to expand its footprint in the Chinese market. The acquisition is part of the company’s strategy to expand its reach across the country, with a focus on key cities such as Shanghai, Beijing, and Guangzhou.

**What’s next?**

The company plans to invest in the的新市场 and expand its footprint in China. It will also focus on developing new services and solutions to meet the needs of the Chinese market.

**Implementation plan**

The company plans to implement the new strategy in phases. Initially, it will focus on key cities such as Shanghai, Beijing, and Guangzhou. It will then expand to other markets across China, with a focus on developing new services and solutions.

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**Footnotes**

1. The company operates in several key markets across Asia, including China, Japan, and South Korea.
2. The company aims to increase its market share in China by 50% in the next five years.
3. The acquisition is expected to be completed by the end of Q2 2020.

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**References**

- Space Matrix.
- China Daily.
- Bloomberg.

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**Images**

- Image of a workplace design project managed by Space Matrix.
- Image of the company’s CEO discussing the acquisition.

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**Further Reading**

- Space Matrix’s official website.
- China Daily.
- Bloomberg.