

THIS MONTH IN REVIEW

In this month's news, CoreLogic's Mapping the Market tool shows rent values rose in over 90% of Australian markets over the last 12 months, with Adelaide and Perth's suburbs topping the list.

In response, the National Cabinet has introduced new measures to counter the rising housing crisis, including a New Home Bonus, a Housing Support Program and a National Planning Reform Blueprint.

It has also agreed to A Better Deal for Renters, which will streamline renters' rights across the nation with consistent policies for eviction grounds, rental standards and limits on rent increases.

According to AFR, the government's Help to Buy Scheme is expected to start in 2024, which will contribute up to 40% to the purchase of a new home and 30% to an existing home.

According to CoreLogic, Australia has arrived at the fixed-rate cliff. Now, thousands of homebuyers will have to find an additional \$1,100 per month to service an average \$500K mortgage.

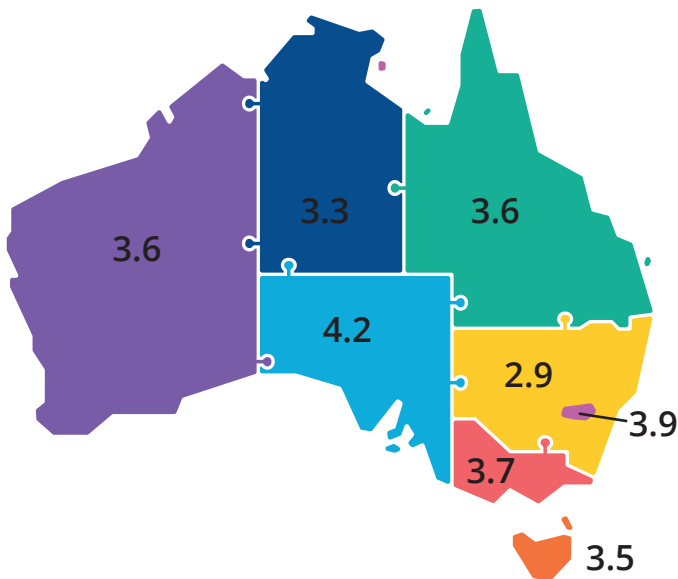
Surprisingly, CoreLogic's official data suggest the risk is contained, with arrears rising marginally, from a low 1% in Sep 2022 to 1.2%. However, it has recorded an unusual increase in listings over the last few weeks.

AUCTION CLEARANCE RATE Source: APM PriceFinder

	JUL 29		SEP 02
SYDNEY	72%	▲	74%
MELBOURNE	72%	▼	67%
BRISBANE	51%	▲	66%
ADELAIDE	73%	▲	91%

MONTHLY UNEMPLOYMENT - JUNE 2023

Source: ABS (most recent figure at time of publication)



HOUSES

	YRLY GRWTH	YIELD	MEDIAN
PERTH	3.5	5.1%	\$580K
ADELAIDE	0.4	3.9%	\$700K
DARWIN	0.2	5.6%	\$580K
SYDNEY	-2.4	2.7%	\$1.305M
MELBOURNE	-5.0	2.8%	\$895K
BRISBANE	-7.7	3.8%	\$770K
CANBERRA	-9.1	3.7%	\$950K
HOBART	-11.7	4.0%	\$705K

POPULATION GROWTH % (Yr ended DEC 2022) Source: ABS

WA	▲	2.3
QLD	—	2.2
VIC	▲	2.1
ACT	▲	1.8
SA	▲	1.6
NSW	▲	1.7
NT	▲	0.8
TAS	▼	0.5

VACANCY RATE % JULY 2023 Source: SQM Research

CANBERRA	—	2.1
HOBART	▼	1.8
SYDNEY	▼	1.6
MELBOURNE	—	1.3
BRISBANE	—	1.0
DARWIN	▲	1.0
ADELAIDE	—	0.6
PERTH	▼	0.5



UNITS

	YRLY GRWTH	YIELD	MEDIAN
ADELAIDE	5.6	5.1%	\$446K
BRISBANE	2.5	5.3%	\$490K
PERTH	2.3	6.2%	\$408K
MELBOURNE	-1.6	3.8%	\$610K
SYDNEY	-1.3	4.1%	\$755K
CANBERRA	-3.4	4.9%	\$600K
DARWIN	-3.8	6.8%	\$380K
HOBART	-10.3	4.4%	\$520K

Source: CoreLogic Hedonic Home Value Index and Market Trends Report

CAPITAL CITY UPDATES

SYDNEY NSW

- The NSW government has only partially responded to industry calls to delay the BASIX standards, coming into effect 1 October 2023, which are estimated to add \$20K to \$40K to the construction of a new home. In a partial compromise, the government says those who have already signed a contract, or will sign one before 1 October, will be exempt from the new rules until 30 June 2024.
- Approximately 8 ha of land will be unlocked at Bega's former TAFE site to accommodate a 97-dwelling diverse housing project in a mixed tenure development proposal.
- The government will commit \$1.1 billion to deliver the final section of the City and Southwest Metro. The T3 Bankston Line upgrade is expected to commence in the second half of 2024.

MELBOURNE VIC

- Short-term rentals in the City of Melbourne will have to comply with new rules starting in 2024. Aiming to ease the rental crisis pressure, the council wants to see them convert to long-term rentals, according to The Urban Developer.
- As part of energy reforms, the Victorian government has announced a ban on gas connections to new dwellings, apartments and residential subdivisions starting 1 January 2024.
- HIA will partner up with the Victorian Government's Connecting Community to Builders program. It's a free program that will connect builders and trades with people whose homes were damaged by the floods in October 2022.
- Domain's House Price quarterly report shows Lower Plenty as Melbourne's fastest-growing suburb, with a median house price rising by 17.5% in the last 12 months.

BRISBANE QLD

- New rules will come into effect 1 September 2023, affecting new tenancies in Queensland, with those rules to extend to all rentals by 1 September 2024. These rules include at least nine rental housing standards, ranging from the property's safety features to design, which landlords must comply with before they can lease a property to a tenant.
- While the rest of the nation's reports low numbers of distressed sales, Queensland is struggling. According to latest Domain data, distressed stock comprises up to 5% of all property listings.
- A giant 124.25ha parcel of land has been put up for sale by Brisbane-based Melthorn Property Developers. The Canungra Meadows estate has development approval for 121 residential lots.

PERTH WA

- Perth and Adelaide continue to hold the lowest rental vacancy rates in the nation, at 0.6%, according to latest SQM research.
- HIA WA Executive Director Michael McGowan says WA is set to defy the nation's declining house-commencements trend; despite WA recording an 18.8% decline in the first quarter.
- Mr McGowan says that "a recovery is expected in the second half of the year from an anticipated low of 3,020 [commencements], rising to more than 4,000 per quarter again by early 2025".

CANBERRA ACT

- According to SQM research, Canberra has the highest rental vacancy rates in the nation of 2.1%, as reported in the latest HIA quarterly National Outlook report.
- However, Domain's data shows the capital has recorded a 2.2% drop in median weekly asking rents in the last quarter, while all other capitals (except Darwin) are showing an increase.
- Canberra is also the only capital recording a price drop this month for total dwelling values, which have fallen by 0.1%, according to CoreLogic's data.
- There are suburbs such as Denman Prospect, where units have shown a very strong year-on-year price increase of 28.7%, according to the latest Domain House Price report.

ADELAIDE SA

- Adelaide shares the top spot with Brisbane for the highest month-on-month jump in total dwelling values, rising by 1.4%, according to CoreLogic's data, while Australian Property Journal says land prices in the greater Adelaide area have risen by 20% in the last 12 months.
- Metricon has terminated thousands of fixed-price contracts. However, according to The Advertiser, SA customers will not be affected by the cancellations.
- A new Benchmarking Adelaide report compared Adelaide with 19 international peer cities. It came 3rd in business and investment dynamics and 5th for liveability and affordability. However, the capital showed weakness in transportation and infrastructure.

DARWIN NT

- The latest PropTrack Rental Report shows rental prices are rising in Darwin. At the same time, vacancy rates are improving, with new rental listings rising to 13.1% -up by 0.2% from a 5-year average.
- According to the latest REA Market Trends report, Darwin's top-performing suburbs have recorded price surges in excess of 32%.
- The suburb of Larrakeyah has taken out the top spot, with a median sale price rising from \$1 million to \$1.325 million over the last 12 months.



AUD
64.7c
US

down from 66.8c in Aug
Source: RBA



RBA Cash Rate
4.10%

steady for Sep
Source: RBA



Cash Rate
Forecast
3.85%

12 mths to Sep'24
Source: Westpac



Inflation
6.0%

year to Jun
Source: RBA



GDP
0.2%

year to Mar qtr
Source: ABS



Wage Growth
3.9%

year to May qtr
Source: ABS



Consumer
Confidence
2.7%

up for July
Source: Westpac-Melbourne Institute



Disposable
Income
0.9%

year to Mar qtr
Source: ABS

All data shown is the latest available for the issued month. Any information contained within this document should not be considered investment or financial advice. Before acting on any information please speak with a qualified investment adviser, accountant and solicitor. The information contained in this document has been obtained from various sources and other third parties and is indicative and to be used as a guide only. To the extent permitted by law, BuySide Pty Ltd and its associates will not be liable for any costs, loss or damage arising in any way from the information contained within this document, including file attachments.

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