

### THIS MONTH IN REVIEW

In this month's report, the \$10bn Housing Australia Future Fund (HAFF) has finally passed the Senate after the Labor Government struck a deal with the Greens to add another \$1bn for public and community housing. The HAFF plans to build 30,000 social and affordable homes in the next five years; though, national spokesperson for Everybody's Home, Maiy Azeiz says it won't solve the existing "shortfall of 640,000 homes".

The RBA has also welcomed in its new governor, Michelle Bullock. However, the introduction of new changes will undermine her authority, says former governor, Ian Macfarlane.

The new model proposes a "central bank of Australia which is unlike any other central bank in the world", he said, and gives

"part-time members of the board majority votes in monetary policy decisions". These members will be academics without any on-the-job experience, which Macfarlane claims is risky and radical.

According to a recent Knight Frank report, it's the first time global investors are prioritising the residential sector above all others, focusing on the Asia-Pacific region, with a particular preference for Sydney and Melbourne.

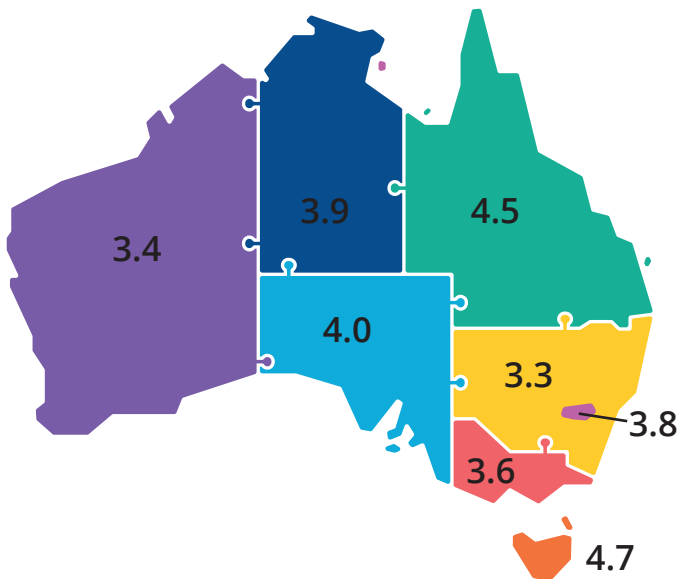
In the face of the housing crisis, many local governments have begun changing planning rules for tiny homes, giving them a permanent primary residence status in a stand-alone classification, instead of being bundled up with the caravan category.

### AUCTION CLEARANCE RATE Source: APM PriceFinder

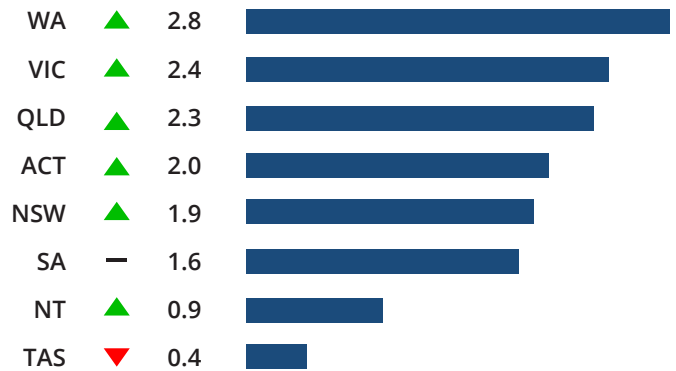
	SEP 02		SEP 30
SYDNEY	74%	▼	63%
MELBOURNE	67%	▼	51%
BRISBANE	66%	▼	47%
ADELAIDE	91%	▼	58%

### MONTHLY UNEMPLOYMENT - JULY 2023

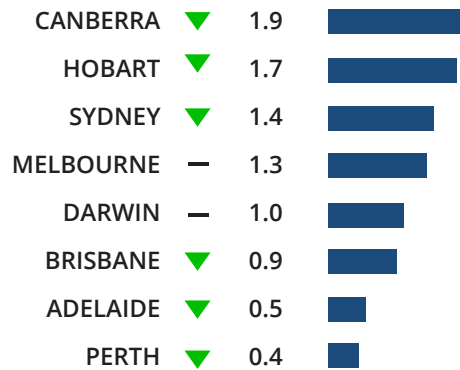
Source: ABS (most recent figure at time of publication)



### POPULATION GROWTH % (Yr ended MAR 2023) Source: ABS



### VACANCY RATE % AUG 2023 Source: SQM Research



#### HOUSES

	YRLY GRWTH	YIELD	MEDIAN
PERTH	4.7	5.0%	\$586K
ADELAIDE	1.8	3.9%	\$701K
SYDNEY	1.3	2.7%	\$1.340M
DARWIN	-0.8	5.6%	\$585K
MELBOURNE	-2.9	2.9%	\$880K
BRISBANE	-4.2	3.8%	\$776K
CANBERRA	-6.9	3.7%	\$950K
HOBART	-9.9	4.0%	\$704K



#### UNITS

	YRLY GRWTH	YIELD	MEDIAN
ADELAIDE	5.6	5.1%	\$450K
BRISBANE	3.8	5.4%	\$498K
PERTH	3.1	6.3%	\$410K
SYDNEY	1.1	4.2%	\$760K
MELBOURNE	-0.7	4.0%	\$608K
DARWIN	-2.3	6.8%	\$392K
CANBERRA	-2.5	4.9%	\$590K
HOBART	-10.2	4.6%	\$523K

Source: CoreLogic Hedonic Home Value Index and Market Trends Report

## CAPITAL CITY UPDATES

### SYDNEY NSW

- The NSW Government has put a down payment of \$24 million to establish the NSW Building Commission aimed to deliver more high-quality homes while providing protection for consumers.
- According to recent CoreLogic's figures, rents are predicted to keep rising in Sydney due to strong population growth that's outstripping supply, with rents already rising by 9% since January this year.
- Following the recommendations of the Property Council's Outcomes Report, the NSW Government will invest \$5.4 million in AI as part of its Faster Planning Program.
- The state government has also provided an additional \$200 million to fund Stage 2 of the Parramatta Light Rail (PLR), which will support the delivery of new homes in Parramatta and surrounding suburbs.

### MELBOURNE VIC

- The City of Melbourne has closed consultations to introduce a 180-day cap on short-term rentals, including a \$350 annual fee. The new Local Law is currently under review and might come into effect as early as March 2024.
- Meanwhile, the Victorian government has revealed the first stage of its housing statement, which includes a short-term accommodation consumer levy of 7.5%. Once legislated, the levy is planned to come into life in January 2025.
- The housing statement also plans to change the current, inefficient planning laws blamed for the falling dwelling construction approval rate, down by 26.1% in the last 12 months.
- The Union Quarter, 332 apartments plus retail located in Melbourne's southwest, is the first large-scale completed build-to-rent development offered on the market in Australia, according to Urban Developer.

### BRISBANE QLD

- With all major capitals' dwelling values on the rise last month, Brisbane is leading the charge with prices up by 1.5%, according to CoreLogic's indices.
- And according to Property Tribune's Market Insights, the price-rising trend will continue as Queensland prepares to welcome the Olympics and with it, a population boom.
- The Queensland Government has deferred the introduction of 7-star efficiency requirements, planned to come into life 1 October 2022, until 1 May 2024.
- According to PEXA Residential Land Report, Queensland has failed to release enough land to keep up with growth forecasts, with a whopping 16.2% annual drop in vacant land settlements, driving up land values by 9.4% in FY23.

### PERTH WA

- The WA Government has made a decision to extend the NCC 2022 transition period to 1 May 2025, including the 7-star efficiency and condensation provisions.
- Perth's property prices are rising fast, driven by above-average population growth, as per ABS figures. All this growth is centred around Perth's school catchment areas, according to the Property Tribune.
- Rising property prices are reflected in rising rentals, which reached a new high last month according to Real Estate Institute of WA, with median weekly dwelling rent now at \$575, up by \$25 from March.
- This is clearly driven by Perth's record low rental vacancy rate, which has dropped again last month, now hovering at 0.4%. According to SQM Research, it's the worst vacancy rate in the nation.

### CANBERRA ACT

- Up to 45,000 of Canberra's blocks of land could become eligible for dual occupancy division under the newly introduced changes to planning laws by the ACT Government.
- HIA has won their appeal to delay the implementation of the energy efficiency (7-star) provisions in NCC 2022, which were supposed to take effect from 1 October 2023, to 15 January 2024.
- South Canberra has tied with Sydney's Baulkham Hills for the nation's highest profit-making resales, with an average profit of \$600K, according to Domain's Tenure and Profit research paper.

### ADELAIDE SA

- Wake Concepts is the latest SA construction company to collapse, and the fourth one in the state in a matter of months. This time, over 100 staff have lost their jobs with many projects left unfinished.
- Renewal SA announced it will develop the 8.4ha landmark West End Brewery site into a \$1bn world-class precinct, incorporating a mixed-use model with over 1,000 homes as well as retail and recreational areas.
- The Australian Property Investor has ranked Adelaide's Belair as the nation's top spot for property upsizers based on Property Credit findings. It is also one of the more affordable suburbs on the list, with prices starting at \$997,500.

### DARWIN NT

- The latest PropTrack Listings report shows there is more choice for Darwin buyers, with the total number of properties listed for sale up by 4.9% from last year.
- There is also good news for renters as Darwin's vacancy rate returned to 3% over the last quarter; the only city in the nation to achieve such benchmark, according to REIA Deputy President, Leanne Pilking.
- Despite rising construction costs, Darwin buyers still prefer to build new than buy established, the preferred option for the rest of the nation, according to the latest Herron Todd White Month in Review.



AUD  
**63.1c**  
US

down from 64.7c in Sep  
Source: RBA



**RBA Cash Rate**

**4.10%**

steady for Oct  
Source: RBA



**Cash Rate Forecast**

**3.85%**

12 mths to Sep'24  
Source: Westpac



**Inflation**

**6.0%**

year to Jun  
Source: RBA



**GDP**

**0.4%**

year to Jun qtr  
Source: ABS



**Wage Growth**

**3.9%**

year to May qtr  
Source: ABS



**Consumer Confidence**

**1.5%**

down for Sept  
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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