

THIS MONTH IN REVIEW

The end of the year is fast approaching, with most capitals experiencing a strong recovery on dwelling values from the downturn that culminated at the start of 2023.

The recovery is mainly due to an influx of immigration and constricted supply, which the Government is trying to remedy with its ambitious goal of building 1.2 million homes by 2029 through HAFF.

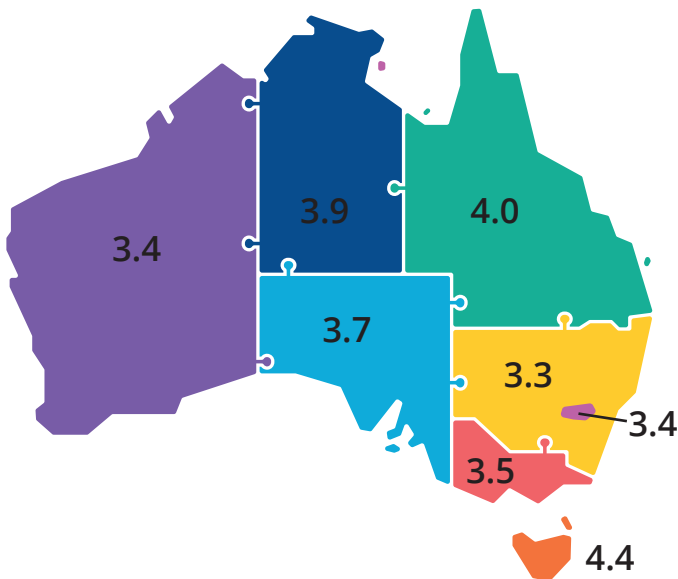
However, according to an ABC report, the industry is only able to deliver about 175K properties per year at current capacity; although, Prefabricated Building Industry claims these figures can be boosted with modular construction.

AUCTION CLEARANCE RATE Source: APM PriceFinder

	SEP 30		NOV 04
SYDNEY	63%	▲	64%
MELBOURNE	51%	▲	57%
BRISBANE	47%	▼	46%
ADELAIDE	58%	▲	69%

MONTHLY UNEMPLOYMENT - SEP 2023

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



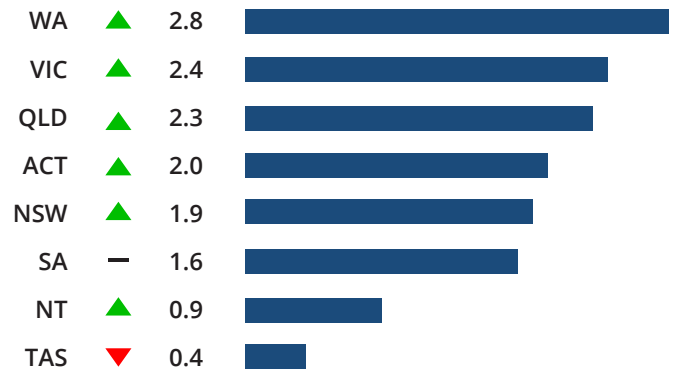
HOUSES	YRLY GRWTH	YIELD	MEDIAN
PERTH	9.1	5.0%	\$590K
SYDNEY	8.1	2.7%	\$1.330M
ADELAIDE	4.6	4.0%	\$710K
BRISBANE	4.4	3.9%	\$790K
MELBOURNE	1.2	3.0%	\$870K
DARWIN	-2.6	5.7%	\$590K
CANBERRA	-3.3	3.7%	\$950K
HOBART	-7.0	4.0%	\$685K

On a good note, overall construction costs are stabilising, recording the lowest lift in years: a quarterly growth rate of 0.5%, according to CoreLogic's latest Cordell Construction Cost Index.

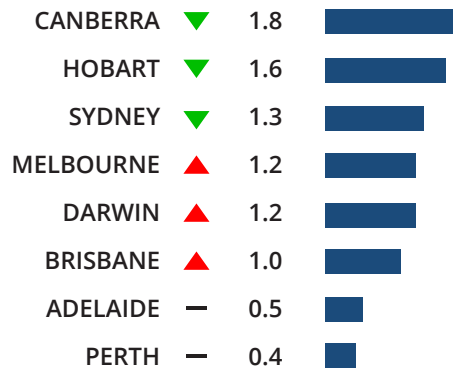
Another positive effect of market recovery is the return of residential property investors following a steep decline in FY23, with August investor loan activity up by 27% on previous year - approx. \$7 billion - as per PIPA report.

And it's no wonder property investors are returning, with CBRE Apartment Rent and Vacancy Outlook predicting rental price growth will exceed mid-to-high 30% between now and 2028.

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



VACANCY RATE % SEP 2023 Source: SQM Research



UNITS	YRLY GRWTH	YIELD	MEDIAN
ADELAIDE	7.6	5.2%	\$460K
BRISBANE	8.0	5.4%	\$503K
PERTH	6.5	6.4%	\$410K
SYDNEY	5.2	4.2%	\$755K
MELBOURNE	2.0	4.0%	\$605K
DARWIN	-1.1	7.0%	\$395K
CANBERRA	-1.8	4.9%	\$599K
HOBART	-6.9	4.6%	\$520K

Source: CoreLogic Hedonic Home Value Index and Market Trends Report

CAPITAL CITY UPDATES

SYDNEY NSW

- The NSW Government has invested \$10 million to trial the modular construction approach to deliver faster quality housing. The investment will be spent assessing planning approaches, identifying quality standards and searching for suitable contractors and locations.
- For property investors interested in starting small – with a granny flat in the backyard – the NSW Government has sped up its approval pathway to only 20 days.
- Domain Chief of Economics and Research Dr Nicola Powell says Sydney house prices are on track to hit new records by the end of 2023.
- Speaking of records, Sydney is also, “one of only two capital cities with a record price gap between property types – a house is twice the price of a unit”, says latest Domain report.

MELBOURNE VIC

- Treasurer Tim Pallas has announced the first property tax changes under the new Victorian Premier Jacinta Allan, expanding vacant properties tax to the entire state. The same tax will now also cover vacant residential land in metropolitan Melbourne.
- Melbourne has overcome Canberra to become the second most expensive city to buy a unit – according to latest Domain report – with prices on the strongest growth streak since the second half of 2019.
- PropTrack’s data shows Melbourne as the favourite offshore property location for home seekers, with primary buyer and renter interest coming from China and the UK. The data reveals Mulgrave as the top-searched suburb.

BRISBANE QLD

- Queensland is facing the biggest property law change in half a century: Property Law Bill 2023 will replace Property Law Act 1974. Although to allow for consultation, it might take up to a year to come into effect.
- The latest CBRE Apartment Rent and Vacancy Outlook reveals Brisbane has the nation’s fastest-growing apartment rental increases, saying “almost all precincts in Brisbane” are showing rises exceeding 30%.
- Having recouped \$39K of the \$47K value lost in the downturn, Brisbane is set to hit new records in 2024, with values now only 0.6% lower than previous peak – according to Australian Property Investor.
- Kokoda Property has received DA for its 21-storey multi-residential Ruby Ruby project, featuring 144 architecturally designed apartments, in Brisbane’s Milton.

PERTH WA

- Perth dwelling values continue to outpace all capitals, with another 1.3% rise last month, its market has made a strong year-on-year recovery of 8.8%, according to CoreLogic’s indices.
- With investor-friendly policies and cash flow and capital gains opportunities, investment is flowing into the capital, jumping from 9% to 32% in the last year, according to The Property Tribune.
- According to The Property Investor, it’s the southern side of the Swan River that wins for house price growth, representing 8 out of 10 suburbs on their top-10 list, with Shelley taking out the number 1 spot.
- The capital is set to welcome the world’s tallest hybrid timber tower and the nation’s first carbon-negative building by Grange Development.

CANBERRA ACT

- While most capital cities show year-on-year growth, dwelling values are 3% down from the same time last year for Canberra, according to CoreLogic’s indices.
- Month-on-month figures are showing signs of slow recovery – up by 0.3% last month – with Domain Chief of Research and Economics Dr Nicola Powell proclaiming “Canberra is now officially in recovery”.
- Canberra has recorded its first sale of a fully completed build-to-rent project: Dickson Village. It was acquired for \$157.5 million by Aware Super’s property investment arm Aware Real Estate and its investment partner Barings.

ADELAIDE SA

- Adelaide has come ahead of all capitals last month, with total dwelling values by CoreLogic up by 1.7%.
- While dwelling values continue to rise, Adelaide’s rental vacancy has plummeted to a record low of 0.3% – on par with Perth – according to Domain’s September 2023 Rental Report.
- Para Hills West – median weekly rent of \$430 – is the city’s most popular suburb, with rental hopefuls competing with 135 other applicants, according to PropTrack figures.
- Investors will have an opportunity to snap up a 6-storey, 31-apartment block in Bowden built by developer Jean Nassif whose company Toplace was Australia’s largest-ever collapse recorded in the sector.

DARWIN NT

- While new listings have fallen by 4.3% in September, properties are taking longer to sell, translating to a rise in total listings – 4.9% higher year-on-year in September – according to PropTrack Senior Economist.
- According to realestate.com.au, Darwin’s stabilising property prices are giving new home buyers an opportunity to enter the market, with 30-year mortgage repayments often mirroring rental payments.
- Chief Minister Natasha Fyles has approved the formation of the Northern Territory Housing Alliance, which, among other things will focus on investor attraction and research and advisory, advising on cost-efficient strategies for sourcing materials and labour.



AUD
64.3c
US
up from 63.1c in Oct
Source: RBA



RBA Cash Rate
4.35%
up for Nov
Source: RBA



Cash Rate Forecast
4.10%
12 mths to Sep'24
Source: Westpac



Inflation
5.4%
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
2.9%
up for Oct
Source: Westpac-Melbourne Institute



Disposable Income
-1.4%
year to Jun qtr
Source: ABS

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