

THIS MONTH IN REVIEW

Even though the year began at the peak of the downturn, the market has made a robust recovery over the last 12 months, with all capitals combined dwelling values gaining an average of 7.7% – according to SQM Research.

The same research shows all-capitals average combined-dwellings rents increased by 14.3% in the same period, raising the median rent for houses to \$802 and units to \$594.

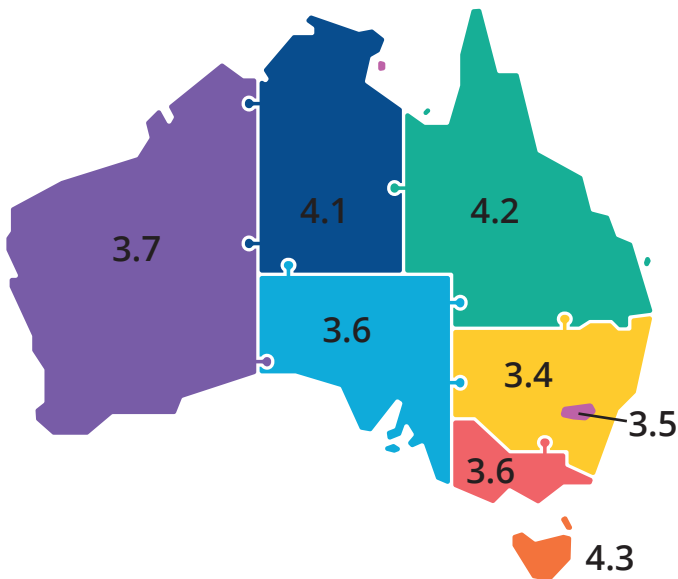
But it looks like the high-growth period might be slowing, with SQM's 2024 Boom and Bust Report released end of November predicting a mixed 2024 market, with Sydney and Melbourne tipped for a slight correction.

AUCTION CLEARANCE RATE Source: APM PriceFinder

	NOV 04		DEC 02
SYDNEY	64%	▼	62%
MELBOURNE	57%	▲	59%
BRISBANE	46%	▼	44%
ADELAIDE	69%	▼	58%

MONTHLY UNEMPLOYMENT - SEP 2023

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



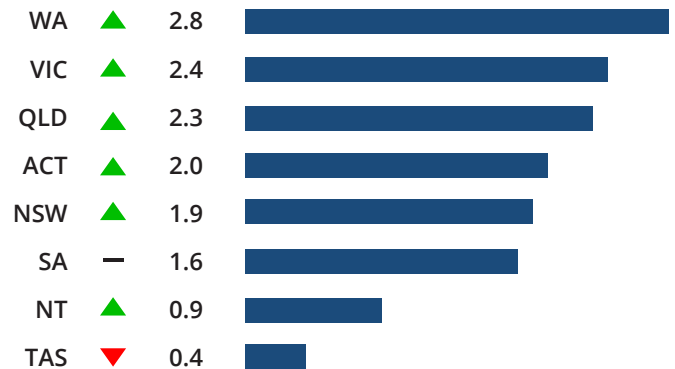
HOUSES	YRLY GRWTH	YIELD	MEDIAN
PERTH	11.1	5.1%	\$599K
SYDNEY	10.0	2.7%	\$1.350M
BRISBANE	7.5	3.9%	\$790K
ADELAIDE	6.3	4.0%	\$712K
MELBOURNE	2.2	3.0%	\$870K
DARWIN	-1.3	5.8%	\$580K
CANBERRA	-1.7	3.7%	\$936K
HOBART	-5.1	4.1%	\$685K

The year caps off with a final RBA rate hike last month of 0.25%. According to Canstar, this adds about \$84 per month to an average \$500K home loan, for a total extra of \$1,301 since the hikes began.

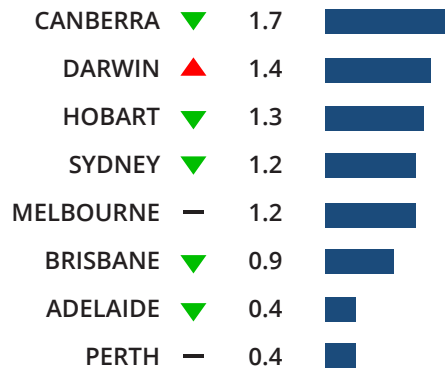
November has also observed a landmark High Court judgement in the NT, making landlords responsible for unsafe and unhealthy housing, setting a precedent for the rest of the country and sparking class action in NT and WA.

The news comes in at the same time as CBA's announcement to reduce the deposit required for property investment loans, down to 5%, which may help to counter the dwindling investor activity reported by PIPA's 2023 survey.

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



VACANCY RATE % OCT 2023 Source: SQM Research



UNITS	YRLY GRWTH	YIELD	MEDIAN
BRISBANE	9.6	5.3%	\$515K
PERTH	8.8	6.3%	\$415K
ADELAIDE	8.0	5.2%	\$462K
SYDNEY	6.3	4.3%	\$763K
MELBOURNE	2.8	4.1%	\$600K
CANBERRA	-0.9	4.8%	\$580K
DARWIN	-2.5	7.0%	\$400K
HOBART	-3.7	4.5%	\$535K

Source: CoreLogic Hedonic Home Value Index and Market Trends Report

CAPITAL CITY UPDATES

SYDNEY NSW

- Sydney is leading the nation in the highest median asking price of \$1,8 million for a house and \$780K for a unit, according to SQM Research.
- For investors with larger capital, \$4.5 to \$23 million will buy them a boarding house investment in the city, with 10-20 rooms, according to 2023 Knight-Frank Wealth Report.
- The NSW Government has overridden local government planning rules, preventing councils from blocking low-rise apartment developments within 800 metres of transport hubs.
- In addition, the state government has introduced reforms making it easier for strata community residents to keep their pets at home without being charged a fee, bond or requested insurance.

MELBOURNE VIC

- Despite SQM's Boom and Bust Report predicting a slight correction for Melbourne, NAB and Westpac are anticipating a 5.5% and 3% rise in the city's dwelling values, respectively.
- CoreLogic's Tim Lawless says Melbourne's affordability advantage over Sydney will 'incentivise migrants looking for more affordable housing options,' and according to InvestorKit's data, Melbourne's eastern suburbs are the most undersupplied.
- From 1 December, Victorians will no longer be required to obtain a planning permit (only a building permit) to build a granny flat under 60m2 on blocks larger than 300m2.

BRISBANE QLD

- The latest SQM Research data shows Brisbane is ahead of all capitals, recording the sharpest rise in average combined dwelling values of 10.4% in the last 12 months, with a median asking price of \$908K.
- Brisbane – and Perth – are the only 2 capitals expected to experience growing dwelling prices into 2024, according to SQM's 2024 Housing Boom and Bust Report.
- According to Domain's latest House Price Report, Brisbane's Ascot, Hamilton and New Farm are the best suburbs to downsize, boasting the biggest price gaps between homes and units.
- The Queensland Government has doubled the first home buyers grant as of 20 November, from \$15K to \$30K. The grant will run until mid-2025 and will include granny flats.

PERTH WA

- According to SQM Research, Perth has recorded a whopping 17.9% rise in rental prices for combined dwellings in the last 12 months, with current median weekly house rents sitting at \$737, and units at \$555.
- Considering Perth has the lowest vacancy rate in the nation, it's no wonder the Boom and Bust Report predicts rents will continue to rise in 2024 – by another 12% to 15%.
- The Cook Government will be offering \$10,000 grants to encourage short term rental accommodation (STRA) owners to switch their properties to long-term rentals.
- If the owners want to keep them as STRA, the same legislation requires them to register these properties by 1 January 2025 (registrations will open mid-2024) to be able to advertise or take bookings.

CANBERRA ACT

- As one of the few cities recording accelerated supply this year, SQM's Boom and Bust Report anticipates Canberra will experience the strongest dwelling prices correction of between 4 to 8% in 2024.
- Clearance rates may be down in Canberra, but according to Domain, many properties are achieving record prices after auction, such as a 4-bed house in Holder, setting a record for the suburb at \$1.65M.
- The Minister for Sustainable Building and Construction Rebecca Vassarotti has introduced legislation to protect property buyers from shonky developers. 'Developer licensing schemes like this should be in place all over Australia,' said Zach Smith, National Secretary.

ADELAIDE SA

- The biggest rental reforms in generations have passed parliament in SA. They include, among other things, prescribed grounds to terminate or not renew tenancy, end-of-tenancy notice period extension to 60 days and pets in rentals amendment.
- Even though overall Adelaide property prices have risen by 7.7%, according to CoreLogic the suburb of Ottoway, with a median dwelling price of \$611K did most of the legwork, surging year-on-year by 15.4%.
- Homeowners can offset their interest-rates pain by considering renting a room, and according to Flatmates.com.au, Adelaide's suburb of Woodville has the biggest demand in the country, with 54 people looking but zero vacancies.

DARWIN NT

- After recording the lowest rise, behind other mainland capitals, in combined dwelling values of only 2.2% in the last 12 months, Darwin is the only capital to lose value in the same category this month, falling by 1.2% – as per SQM data.
- However, the SQM's Boom and Bust Report expects combined dwelling prices to level out for Brisbane and remain steady or 'record a minor rise/correction' in 2024.
- The Northern Government has passed a rental reform bill that will protect tenants' rights by outlawing rent bidding. The notice to vacate has also increased to 60 days, but renters still require only 14 days.



AUD
66.1c
US

up from 64.3c in Nov
Source: RBA



RBA Cash Rate
4.35%

steady for Dec
Source: RBA



Cash Rate
Forecast
3.85%

12 mths to Dec' 24
Source: Westpac



Inflation
5.4%

year to Sep
Source: RBA



GDP
0.4%

year to Jun qtr
Source: ABS



Wage Growth
3.9%

year to May qtr
Source: ABS



Consumer
Confidence
2.6%

down for Nov
Source: Westpac-Melbourne Institute



Disposable
Income
-1.4%

year to Jun qtr
Source: ABS

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