

THIS MONTH IN REVIEW

The latest PropTrack data this month shows the market downturn is losing momentum, with the overall national home prices rising by 0.18% in February caused by tight supply and continued buyer demand.

However, according to Realestate.com.au Senior Economist Eleanor Creagh, this may not be the end of the downturn just yet. She says that 'with additional rate rises expected, borrowing costs will continue to increase and borrowing capacities will be further reduced, weighing on prices'.

CoreLogic's data shows the 'fixed-rate cliff' will be felt most

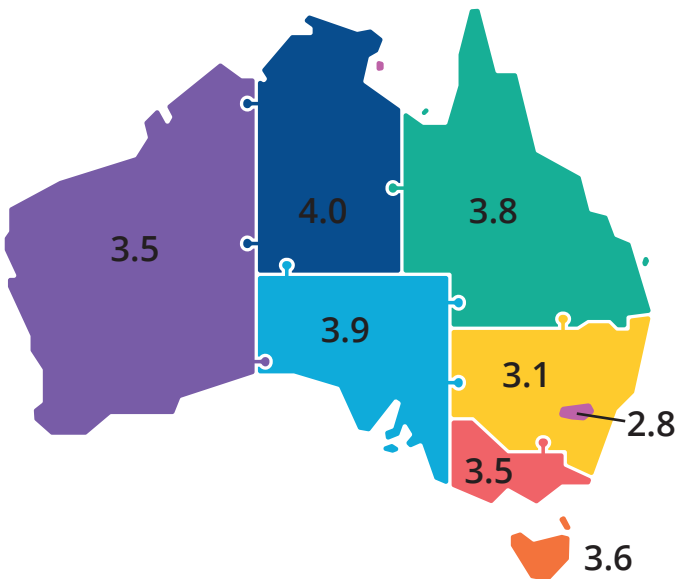
severely from April 2023. The Head of Residential Research, Eliza Owens, says that the cliff may pose 'one of the biggest potential risks to housing market values' in 2023.

Realestate.com.au data shows that despite the media's reports of property doom and gloom and the market downturn, buyer demand is 64% higher across all capitals than it was pre-pandemic.

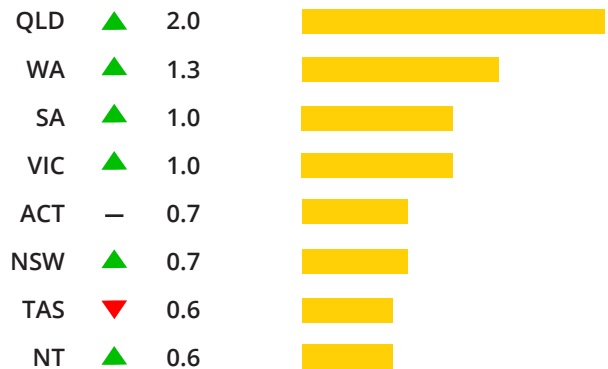
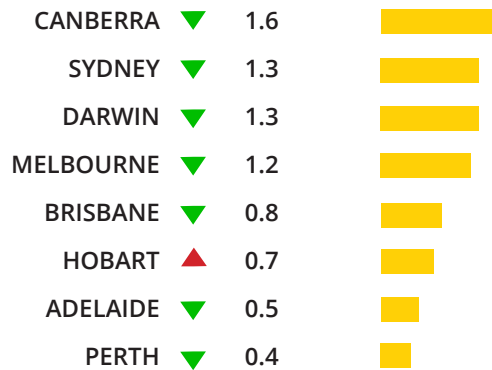
According to Westpac Senior Economist Pat Bustamante, tight vacancy rates and growing demand will push the rental market - expected to spike another 11.5% this year - into a crisis not seen in any previous cycles.

AUCTION CLEARANCE RATE Source: APM PriceFinder

	FEB 04		MAR 04
SYDNEY	68%	—	68%
MELBOURNE	71%	▼	68%
BRISBANE	42%	▲	61%
ADELAIDE	78%	▼	65%

MONTHLY UNEMPLOYMENT - DECEMBER 2022
Source: ABS (most recent figure at time of publication)

HOUSES

	YRLY GRWTH	YIELD	MEDIAN
ADELAIDE	6.2	3.8%	\$665K
DARWIN	4.5	5.4%	\$560K
PERTH	2.9	4.7%	\$560K
BRISBANE	-6.4	3.6%	\$751K
CANBERRA	-7.7	3.7%	\$972K
HOBART	-9.3	3.8%	\$750K
MELBOURNE	-10.8	2.6%	\$906K
SYDNEY	-15.0	2.5%	\$1.300M

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

VACANCY RATE % JAN 2023 Source: SQM Research

UNITS

	YRLY GRWTH	YIELD	MEDIAN
ADELAIDE	12.2	5.0%	\$433K
BRISBANE	5.0	5.0%	\$468K
DARWIN	2.1	6.5%	\$385K
CANBERRA	0.9	4.9%	\$580K
PERTH	0.8	5.8%	\$400K
MELBOURNE	-5.5	3.5%	\$613K
HOBART	-10.0	4.2%	\$560K
SYDNEY	-10.4	3.7%	\$740K

Source: CoreLogic Hedonic Home Value Index and Market Trends Report

CAPITAL CITY UPDATES

SYDNEY NSW

- Despite Sydney prices finally bouncing back in February – by 0.36% – the capital has recorded the biggest fall of any market since the downturn began, with prices 6.64% lower than in February 2022.
- The City of Sydney is offering Green Building Grants for existing apartment buildings to help them become more energy efficient and sustainable and, in turn, help the city meet its 'Net Zero by 2025' targets.
- Randwick City Council vote this week will decide whether to lobby the NSW to introduce a 'bed tax' for short-term rentals. The move is backed by Airbnb, which says that 'an opt-in tourism levy ... could fund key worker housing projects'.
- NSW Accelerated Infrastructure Fund's latest \$300M round comprises \$180M for metropolitan projects and \$120M for regional projects in high-growth areas.

MELBOURNE VIC

- Many off-the-plan property sales are falling through due to rising interest rates and falling prices in Melbourne. This is caused by the fact that lenders re-assess conditional approvals just before settlement due to the time lapse caused by construction.
- A \$2 billion, 40-hectare redevelopment of the Moonee Valley Racecourse is set to launch, with the first stage including 86 residences overlooking the iconic 139-year-old racecourse.
- Development Victoria has joined forces with builder Creation Homes to develop a great range of housing diversity at Springvale South as part of the Greater Dandenong Housing Strategy. Inner Melbourne's rental vacancy rates, currently sitting at 2.06%, are at their lowest in 5 years, according to PropTrack. This is caused by the post-pandemic return of renters back into the city.

BRISBANE QLD

- Queensland has introduced a new Property Law Bill, which the Attorney-general said will ensure the 'state's property laws are modern and fit-for-purpose'. The policy has come under fire from the state's peak body, REIQ, which says parts of the proposed legislation are vague and, in some cases, regressive.
- Meanwhile, according to the Australian Financial Review, the current waiting time for many housing lot settlements in QLD has increased from 70 days pre-Covid to more than 7 months, mainly due to labour and construction material shortages.
- Brisbane is experiencing a surge in the rent-to-own sector, with major national and international players, such as Lendlease, Mirvac and Blackstone, pouring millions into proposed new projects.

PERTH WA

- WA has announced a major reform to support housing development: DAP assessments and determinations to be capped at 120 days; any multi-dwelling development exceeding \$2M will be able to have their application processed through DAP; and \$80M fund to help developers offset services-connection costs.
- Perth is still considered the most affordable city in Australia, but it won't be for long due to its dire housing shortage. According to REIWA CEO Cath Hart, rental vacancies have hit a 42-year low, sparking a rent-bidding war among applicants.

CANBERRA ACT

- ACT's Deputy Under Treasurer Stephen Miners will lead the new Office of the Coordinator-General for Housing, aiming to ease the Territory's housing crisis. The Office plans to re-establish the Rent Relief Fund and offer higher stamp-duty cuts to owner-occupiers as well as other initiatives.
- Even though weekly unit rentals have risen by 17.1% in the last year, Queanbeyan remains Canberra's most affordable city to rent a unit – at \$410 p/week – and the 4th most affordable area for house rents.
- Allhomes reports apartments are selling much better than homes in Canberra. According to Blackshaw Manuka Agent Christine Shaw, 'there is more interest in 3-bedroom apartments'.

ADELAIDE SA

- According to PropTrack, Adelaide has beaten every other capital in the slowing downturn, showing a 0.44% increase in house values for February. It also came ahead of all capitals over the last 12 months, with total dwelling values rising by 8%.
- The SA government is set to give the go-ahead for the state's largest residential land release in recorded history. The land, which is spread across several of Adelaide's metropolitan areas, will provide more than 23,700 new homes.

DARWIN NT

- Multiple developments are underway in Darwin's CBD to help house the 10,000 overseas students expected to arrive in the state. The most ambitious is the 8-storey apartment blocks to be constructed at a former primary school site.
- According to Realestate.com.au, Darwin's rental and median house prices are expected to increase in 2023, driven by short supply of new housing and population growth.
- The new Charles Darwin University campus in the CBD is less than 2 years from completion, but the intake is already increasing, which makes student accommodation an attractive proposition for investors.



AUD
67.5c
US

down from 69.4c in Feb
Source: RBA



RBA Cash Rate

3.6%

up for Mar
Source: RBA



Cash Rate Forecast

3.85%

12 mths to Dec '23
Source: Westpac



Inflation

7.8%

year to Dec
Source: RBA



GDP

0.6%

year to Sep qtr
Source: ABS



Wage Growth

3.4%

year to Nov qtr
Source: ABS



Consumer Confidence

6.9%

down for Feb

Source: Westpac-Melbourne Institute



Disposable Income

-2.5%

year to Sep 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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