

**THIS MONTH IN REVIEW**

The rates-cuts narrative has done a U-turn over the last few weeks, with many economists and several banks now talking about probable further interest rate hikes in the second half of 2024, due to the latest stubborn inflation figures released by the Australian Bureau of Statistics.

The possibility of interest rate increases will have a bearing on the already strained rental market, with prices increasing nationwide by another 3.4% in the first quarter of 2024, according to PropTrack's Rental Report.

The report shows that the current national median weekly rent has now reached a record \$600. However, rents are not the only record-breakers; according to Domain House Price Report, Australia's median house price has also jumped to a record high of \$1.113 million.

Month-on-month listings are also on the rise nationally, climbing by 6.2%, but in the 3 cities where property values are rising the fastest – Perth, Adelaide and Brisbane – the listings have dropped in the last 12 months by 27.2%, 13.7% and 11.1%, respectively, according to SQM Research.

While market reports are typically focused on capital cities, it is regional Australia that is winning the property-price-growth race over the last 5 months, with regional WA leading the nation, rising by 5.3% in the last quarter, according to CoreLogic.

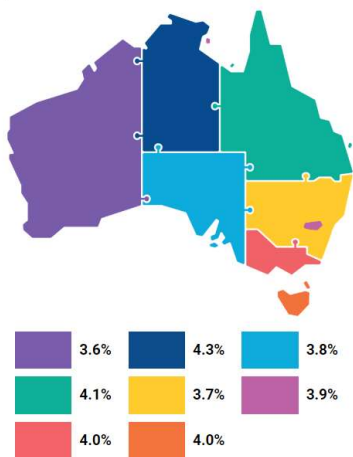
**AUCTION CLEARANCE RATE**

Source: APM PriceFinder

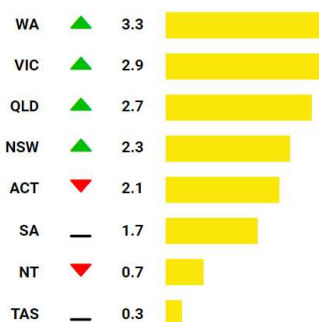
	Mar 30th		May 4th
SYDNEY	62%	▲	69%
MELBOURNE	62%	▼	59%
BRISBANE	-	▲	43%
ADELAIDE	-	▲	67%

**MONTHLY UNEMPLOYMENT - MARCH 2024**

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

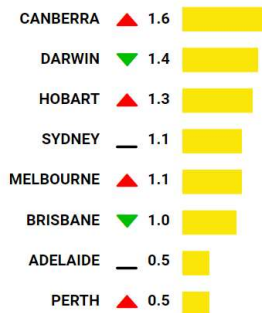


**POPULATION GROWTH % (Yr to Sept 2023)** Source: ABS



**VACANCY RATE % - MARCH 2024**

Source: SQM Research



**CAPITAL CITY UPDATES**

**SYDNEY NSW**

- According to the Domain House Price Report, Sydney leads the nation with the highest median house price increase of \$162,302 over 12 months to March 2024.
- The same report shows the suburbs of Glebe, Cabramatta West and Bexley recording the highest house price growth in Sydney, climbing by 28.6%, 25.1% and 23.8%, respectively, over the same period.
- The latest Suburbtrends report shows only 22% of Sydney's houses are priced under \$1 million, pushing less cashed-up buyers into the apartment market, where a more reasonable 69% of units cost less than \$1 million.
- According to HIA chief economist Tim Reardon, the number of apartments starts in NSW has fallen by 50% "To levels last seen in 2012," he said; blaming the exodus of foreign investment caused by increased taxes introduced in 2017.

**AUD to USD**  
**66.0c**  
 up from 65.7c in Apr  
 Source: RBA

**MELBOURNE VIC**

- Melbourne is the only capital recording negative movement of -0.1% in total dwelling values for April. This is mostly driven by falling house prices, which dropped by 0.2%, according to CoreLogic latest figures.
- The underperforming market has recorded the nation's lowest median house price increase of only \$7,578 over the last 12 months, according to the latest Domain House Price Report.

**RBA Cash Rate**  
**4.35%**  
 Steady to mid June  
 Source: RBA

- Yet it isn't all gloom and doom for Melbourne as two of its suburbs – Brooklyn and Aberfeldie – have claimed the nation's top spots in PropTrack's top 10 suburbs with the largest yearly increase in house rental yield, both surging by 38%.

#### BRISBANE QLD

- Including April's increase of 0.9%, Brisbane's median dwelling price has risen by almost \$300K since March 2020, "the largest dollar value increase of any capital," said CoreLogic's research director Tim Lawless.
- The Queensland Government is the first state to introduce the Help to Buy Bill, aimed at helping 8,000 Queenslanders purchase their home with up to 40% equity contribution.
- The latest figures from the Queensland Government Statistician's Office show 2,436 total dwellings approved in the state in March, 3.1% lower than February.
- The downward trend is amplifying housing demand, with increased interest in apartment living, according to Adrian Parsons, managing director of TOTAL Property Group.

#### PERTH WA

- It seems there's no end to the supercharged price rises in Perth's market, with total dwelling values climbing by another 2% in April, according to CoreLogic's indices.
- With that, the city has taken out ubank's top 8 out of 10 spots for upward median price movement, with the suburbs of Armadale, Gosnells and Rockingham rising by 28.6%, 27.1% and 26.7%, respectively – according to the bank's latest report.
- Perth's suburb of Lathlain has claimed the nation's top spot in PropTrack's top 10 suburbs with the largest yearly increase in unit rental yield of 35%, recording a median yield of 6.4%.

#### CANBERRA ACT

- According to SQM Research, Canberra was the only mainland capital to experience declining unit rents, dropping by 0.3% in March.
- Oxford Economics Australia senior economist Maree Kilroy predicts strong growth for Canberra's combined dwelling values of about 6% a year, through to 2027.
- The ACT Government has opened consultations on the laws protecting off-the-plan buyers from unfair contract cancellations. Consultations will close 20 May.
- In addition, the state government has introduced a Bill to strengthen renters' rights and streamline rental processes for landlords and tenants in share-house situations, e.g. by enabling the initial condition report to be used by subsequent tenancies.

#### ADELAIDE SA

- Adelaide is one of 3 capitals (including Sydney and Darwin) to experience declining house rents, although it did record the highest drop of 1.3% in March, according to SQM Research.
- South Australia has once again taken out first place in HIA's Housing Scorecard, being, among other things, "one of the few markets where first home buyers can still afford a house and land package," says HIA executive director Stephen Knight.
- While Adelaide currently remains one of the more affordable capitals, according to Domain, its median house price is on track to hit \$1 million this year, possibly overtaking Melbourne.

#### DARWIN NT

- It seems the predictions mentioned in our last report about Darwin's prices taking a shift have eventuated, with total dwelling values climbing by 0.6% in April, according to CoreLogic's latest figures.
- A report authored by Oxford Economics Australia senior economist Maree Kilroy predicts a healthy growth for Darwin over the next three years of 7.4% per annum for homes and 8% for units.
- While total listings in Darwin were up by 0.9% in March, according to PropTrack Listings report, new listings fell by 11.6% in the same period, reflecting a slower-moving market with properties taking longer to sell.

