

THIS MONTH IN REVIEW

Despite higher-than-predicted inflation, the RBA has left the interest rate on hold at 4.35% last month, but Governor Michele Bullock says the upcoming federal budget “might impact their forecasts”.

While the rates remain stagnant, the property market is buzzing with activity, with 18% more listings than the same time last year, according to CoreLogic executive research director Tim Lawless.

Normally, a surge in listings might have a cooling effect on the market; however, Lawless says there is “enough buyer demand to absorb the higher-than-average flow”, except in Victoria and Tasmania where we are seeing subdued value growth.

It seems the increased market activity has marginally reversed spiralling rental vacancy rates, which have risen nationally to 1.1% over the month of April, according to SQM Research.

The rise in vacancy rates has also been influenced by the government’s efforts to cool migration, resulting in declining overseas rental searches, dropping by 2.3% compared to April last year, according to PropTrack’s latest Overseas Search Report.

However, the rental market remains strong with yields expanding to 3.75% in April, the highest national result since October 2019 (3.77%), according to CoreLogic’s Monthly Housing Chart Pack.

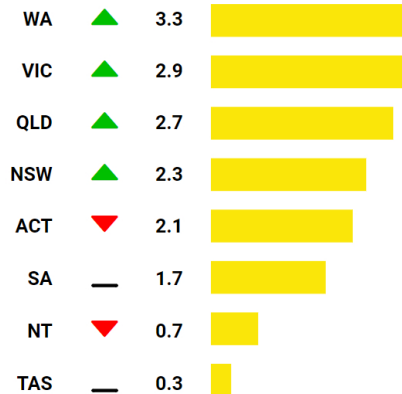
Meanwhile, the Australian Bureau of Statistics’ newly released figures reveal new home building approvals have remained nearly flat in April, “falling by 0.3% from already depressed levels,” says HIA senior economist Tom Devitt.

AUCTION CLEARANCE RATE

Source: APM PriceFinder

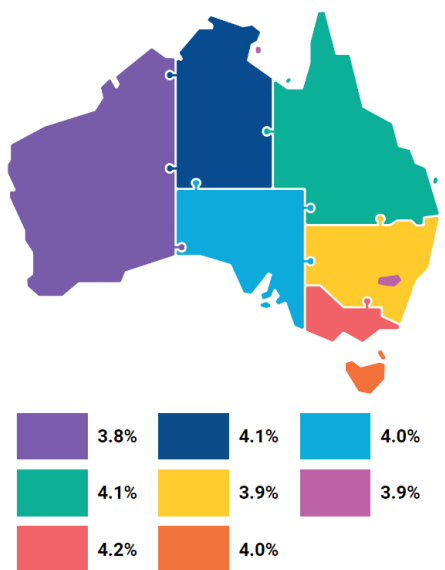
	May 4th		June 8th
SYDNEY	69%	▼	68%
MELBOURNE	59%	▼	56%
BRISBANE	43%	▲	53%
ADELAIDE	67%	▲	71%

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



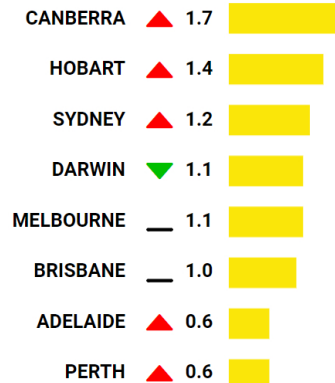
MONTHLY UNEMPLOYMENT - APRIL 2024

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



VACANCY RATE % - APRIL 2024

Source: SQM Research



CAPITAL CITY UPDATES

SYDNEY NSW

- According to CoreLogic’s Monthly Housing Chart Pack, Sydney has recorded the nation’s highest increase in property sales volume, rising by 15.5% in the 12 months to April 2024.

- Shore Financial State of Sydney Report has identified the top 5 suburbs forecasted to return an average of 4-5% over the next 6 months; they include Kingswood, Parramatta, Barden Ridge, Dundas and Lane Cove.
- Changes in NSW strata laws coming into life 11 June 2024, include electronic storage of various mandatory strata documents, making them easily available to interested parties.
- The Federal Government has announced an investment of \$1.9 billion for roads and other infrastructure around the Western Sydney Airport Precinct where developers have plans to attract around 250,000 new residents.

MELBOURNE VIC

- While Melbourne's prices remain almost stagnant, rising by a mere 0.1% in May, REIV President Jacob Caine says, "There is certainly a strong case for confidence and optimism", considering the ongoing housing supply shortage.
- The state's ongoing property tax changes are continuing to cool buyer interest. These changes include a new property tax of 1% per annum (of unimproved land value), which will replace stamp duty as of 1 July for commercial and industrial properties bought throughout Victoria.
- In addition, the vacant residential land tax (VRLT) is now in effect for Melbourne's inner and middle suburbs. However, from 1 Jan 2025 the VRLT will apply to all Victorian residential properties that remain vacant for more than 6 months in the previous calendar year.

BRISBANE QLD

- PropTrack Home Price Index reveals Brisbane's surging property prices have pushed the capital to claim second place – tying with Canberra – for the nation's most expensive city, behind Sydney.
- According to Australian Property Investor, the city's record-high prices are driven by its bottom 25% of property values segment, and it's the demand for units that's mostly contributing to the growth.
- The rising market is also fuelled by an influx of interstate migration and investment, particularly from Victoria, according to Australian Financial Review.
- The Stage 2 Rental Reforms will come into effect 1 July in Queensland. The reforms will impose limits on rent increase frequency to once every 12 months and prevent landlords from accepting rent bids.

PERTH WA

- Perth's dwelling values are continuing to outperform all other capitals by rising 2% for the second month in a row, according to the latest CoreLogic indices.
- The capital has also recorded the nation's fastest median time on market, with the average dwelling requiring only 10 days to secure a sale in April, according to CoreLogic's Monthly Housing Chart Pack.
- A multi-billion-dollar deal to develop a new world-class terminal at the Perth Airport is set to unlock significant economic growth for the city. The development includes a new parallel runway, 2 multi-storey carparks and an airport hotel.

CANBERRA ACT

- According to SQM Research, Canberra has the nation's highest vacancy rate, which has increased in April to 1.7% – from 1.6% in March – while correspondingly decreasing by 0.9% for asking rents.
- The capital continues to hold second place for the nation's most expensive weekly median rent of \$674, with areas such as Weston Creek and Tuggeranong still experiencing growth at 3.4% and 2.8%, respectively.
- The Commonwealth Budget has allocated \$10 million to plan and develop a new mixed-use district for Canberra within the AIS/Bruce precinct.

ADELAIDE SA

- While Perth has taken out the top spot for rising home values last month, it's Adelaide that's leading the nation in unit prices, surging by 2.3% in May, according to CoreLogic.
- Those looking to invest in commercial property might consider the city of churches, which has taken out the top spot for the highest hotel occupancy – of 78% – across Australia and New Zealand, according to hotel data analytics



66.72c

up from 66c in May
Source: RBA



RBA Cash Rate

4.35%

Steady to mid July
Source: RBA



Cash Rate Forecast

3.6%

12 mths to Jun 2025
Source: Westpac



Inflation

3.6%

to Mar Qtr 2024
Source: RBA



GDP

0.1%

to Mar Qtr 2024
Source: ABS



Wage Growth

3.7%

yrly to Mar 2024
Source: ABS



Consumer Confidence

-0.3%

down for May 2024
Source: Westpac-Melbourne

firm STR.

Institute

- The SA government will allocate \$59 million to expedite water and sewage infrastructure upgrades to Angle Vale and surrounding suburbs, allowing thousands of new homes to be built in the area.

DARWIN NT

- Darwin has recorded the nation's slowest median time on market in April, with the average dwelling selling in 68.5 days. However, it's 8.5 days less than same time last year, according to CoreLogic's Monthly Housing Chart Pack.
- Raine & Horne Darwin says property sales have exploded on the capital's fringes, with the suburbs of Virginia, Humpty Doo and Noonamah recording more sales in the second week of May than during the entire month last year.
- SQM Research shows Darwin was the only capital to register a fall in vacancy rates, from 1.4% in March to 1.1% in April, while at the same time recording a sharp rise in asking rents of 4.8%.



**Disposable
Income**

-0.2%

up for Mar Qtr 2024
source:ABS