

**THIS MONTH IN REVIEW**

Recent favourable inflation figures have kept rates on hold this month. However, housing inflation remains "sticky", and according to RateCity's director of research Sally Tindall, "we could still see hikes before the end of the year."

The key culprit of that stubborn inflation is rent, which rose by 7.3% over the year; something that the Labor Government pledged to correct with increased supply. Yet, the latest ABS report shows new dwelling approvals have fallen to a 12-year low.

As the rents increase, tenants' preferences are also evolving as shown by CoreLogic's recent rental market analysis, revealing that larger properties are experiencing a higher-than-average rental growth, brought on by a growing trend for multi-generational and share-house living.

Meanwhile, month-on-month vacancy rates, for combined capital cities, have risen for the fourth consecutive month, going up by another 0.1% in June – currently sitting at 1.3%, according to SQM Research.

Unlike the increasing vacancy rates, new property listings are going down on a national level, decreasing by 13.3% in June, while distressed sales are rising slightly, lifting by 0.5%, according to SQM Research.

On the surface, Australia's property market is continuing to perform, rising for the 18<sup>th</sup> consecutive month, with home values up by 0.5% in July. However, CoreLogic's Hedonic Home Value Index shows the cycle is beginning to lose momentum.

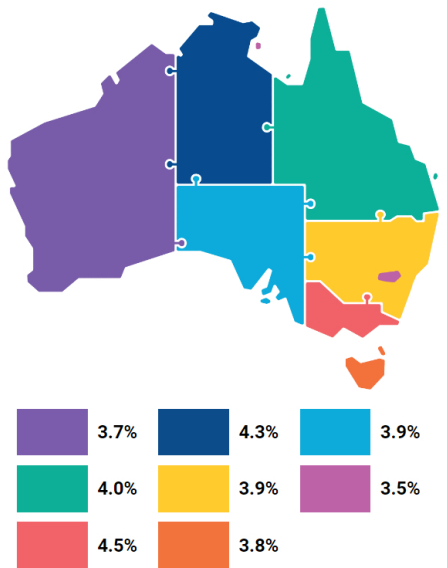
**AUCTION CLEARANCE RATE**

Source: APM PriceFinder

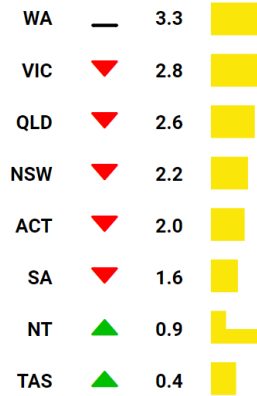
	July 6th		Aug 3rd
SYDNEY	70%	▼	65%
MELBOURNE	57%	▲	59%
BRISBANE	52%	▬	52%
ADELAIDE	73%	▼	65%

**MONTHLY UNEMPLOYMENT - June 2024**

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

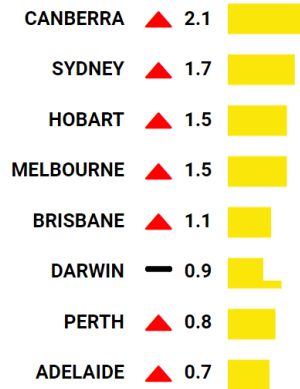


**POPULATION GROWTH % (Yr to Dec 2023)** Source: ABS



**VACANCY RATE % - June 2024**

Source: SQM Research



**CAPITAL CITY UPDATES**

**SYDNEY NSW**

- Coming into effect in early 2025, the Minns government passed a Bill banning no-grounds evictions; the new legislation includes limits on valid reasons for termination, such as a landlord or family move-in clause, demolition and reconstruction works and change of use.
- While the capital continues to hold the nation's highest asking median

house rent of \$1,040, the combined asking weekly rents have dropped by 0.4% in June, according to SQM Research.

- Correspondingly, Sydney has experienced the highest month-on-month increase (17.6%) in rental vacancy rates – rising to 1.7% in the same period, as per SQM report.
- According to Property Investment Professionals Australia (PIPA), top-end suburbs are leading Sydney's market, with Surry Hills earmarked to continue to outperform other areas in terms of sales and strong growth.

## MELBOURNE VIC

- Melbourne is one of two mainland capitals – the other one being Darwin – with falling combined dwelling values, dropping by 0.4% in July. According to CoreLogic's research director Tim Lawless, this is caused by the "well above average" levels of supply.
- PIPA blames Melbourne's weak market – which according to CoreLogic, has risen by only 1.6% over the year – on "anti-investor rental reforms as well as its new land tax regime".
- The Allan Labor Government's renting taskforce will begin its first inspections this month. It will target properties that have been reported not to meet minimum standards, such as providing a waterproof, structurally sound property.

## BRISBANE QLD

- The capital has recorded the biggest drop in month-on-month asking weekly median rents for units, falling by 1.4% in June (currently at \$574), according to SQM Research.
- Queensland Treasurer Cameron Dick has announced a major overhaul of the state's property taxes and charges. REIQ CEO Antonia Mercorella responded by saying that such an "ambiguous" announcement could "rattle the confidence of the investment community".
- According to realestate.com.au, Nundah – in Brisbane's north – has just been named the capital region's most undervalued suburb, receiving top scores using DSR + metrics; it's already generating strong interest and buyer activity.

## PERTH WA

- Perth's combined dwelling values have risen by 2% for the fourth consecutive month. According to CoreLogic's research director Tim Lawless, this is driven by low supply that is about "30% below average for this time of the year".
- The prices are rising so fast that almost all listings are advertised without a set sales price. According to Synergy senior economist and head of property research Dr Kevin Hoang, this is "driven by a fear of missing out".
- According to SQM Research, Perth has surpassed other capitals for the highest month-on-month jump – of 0.9% – in asking combined median rents. This figure is mainly driven by units, skyrocketing by 3% in June.

## CANBERRA ACT

- Canberra continues to hold the nation's highest rental vacancy rate, which has increased from 1.8% in May to 2.1% in June, the highest jump in the nation, according to the latest data from SQM Research.
- While Canberra's combined dwelling values are at a standstill, the capital has registered the nation's sharpest drop in unit prices – down by 0.6% in July, according to CoreLogic.
- The ACT Government has opened a six-week community consultation on minimum rental standards. The consultations, which will run until 2 September, are asking stakeholders about key issues, such as sufficient ventilation or functional cooking facilities.

## ADELAIDE SA

- The capital has recorded the nation's lowest vacancy rate of 0.7% in June, which has pushed up the combined median weekly asking rents by 0.6% last month, according to SQM Research.
- Adelaide's July unit values have surpassed other capitals, increasing by 2.7%, according to CoreLogic's monthly indices. Additionally, PropTrack says the capital's house prices could soon overtake Melbourne.
- The city's continued property price acceleration continues to be matched by

**65.15c**

down from 67.4c in July  
Source: RBA



**RBA Cash Rate**

**4.35%**

Steady to Sept  
Source: RBA



**Cash Rate Forecast**

**3.35%**

12 mths to Sept 2025  
Source: Westpac



**Inflation**

**3.8%**

to Jun 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%**

The city's continued property price acceleration continues to be matched by falling numbers of new listings, decreasing by 15.4% in June; SQM Research shows it's the biggest drop among the nation's capitals.

- Adelaide City Council has launched an Adaptive Reuse City Housing Initiative to help fund feasibility and construction costs – \$10K and \$50K, respectively – for projects delivering 4 or more dwellings.

## DARWIN NT

- While Darwin continues to hold the mainland capitals' lowest unit median weekly asking rent of \$476, the figure is steadily rising, up by 1.3% in June, as per SQM Research's latest data.
- The latest PropTrack data has identified Ludmilla as Darwin's hottest suburb, registering the NT's shortest time on market, which lasts an average of 22 days. The suburb has a median house price of \$590K and weekly rental of \$630pw.
- Urbex has commenced its seven-stage development of over 400 residential blocks at Palmerston, with land sales forecasted for early 2025. Urbex general manager Peter Sherrie says the development will "prioritise open spaces, landscaped parklands and playgrounds".



down for May 2024  
Source: Westpac-Melbourne  
Institute



Disposable  
Income

**-0.2%**

up for Mar Qtr 2024  
source:ABS