

THIS MONTH IN REVIEW

As predicted, the RBA has held the cash rate for the sixth consecutive time last month. However, the economy is almost at a standstill – rising by only 1% year-on-year – which, the ABS reports is the weakest growth since the 1990s recession.

On a one hand, the national property prices rose by 5% last month, translating to 19 months of consecutive growth, on the other, the market has begun to cool with vastly diverse effects between the capitals, according to CoreLogic.

While the boost in listings is common for spring, the slowdown in demand is not; signalling the nation might be shifting to a buyers' market, spurred on by the "Government's efforts to slow the rate of migration", according to SQM Research managing director Louis Christopher.

Correspondingly, new data from SQM Research shows significant declines in capital city asking rents, recording the biggest monthly rental falls since Covid, with an average decrease of 0.5% across the capitals in July.

This may not be the best news for investors whose activity has picked up in the June quarter, with year-on-year new investment loans increasing by 25%, according to the Australian Bureau of Statistics (ABS).

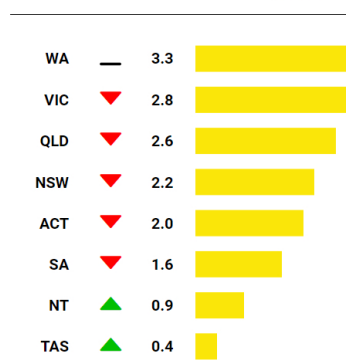
However, there is some optimism on the horizon, with total number of dwellings approved for construction rising by 10.4% in July, according to the latest ABS figures.

AUCTION CLEARANCE RATE

Source: APM PriceFinder

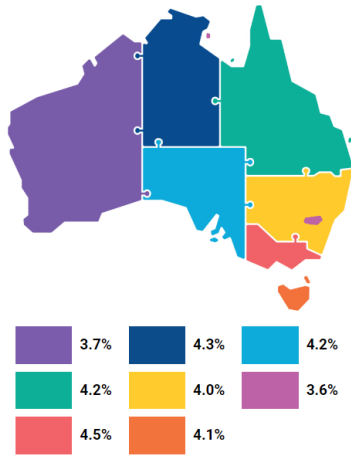
| | Aug 3rd | Aug 31st |
|-----------|---------|----------|
| SYDNEY | 65% | 65% |
| MELBOURNE | 59% | 60% |
| BRISBANE | 52% | 41% |
| ADELAIDE | 65% | 69% |

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



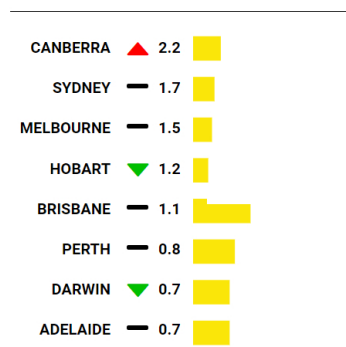
MONTHLY UNEMPLOYMENT - July 2024

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



VACANCY RATE % - July 2024

Source: SQM Research



CAPITAL CITY UPDATES

SYDNEY NSW

- According to SQM Research, Sydney's new listings were the highest ever recorded for the month of August, showing a significant monthly increase of 14.7%, bringing the total of properties for sale to 33,790.
- In the same manner, the research shows the capital has experienced the largest fall in asking rents, with monthly rentals dropping by 1% in July, double the nation's average – currently at around \$803 per week.
- REA Group's economic analyst Megan Lieu says there's good news for those willing to invest outside of capital centres, with South Lismore scoring the top spot for the highest gross monthly return on investment of \$581.
- In an effort to better protect people building homes, the NSW Government has commenced a review to increase the HBCF's current \$340K maximum coverage to adequately reflect the 60% increase in building costs.

AUD to USD
67.41c
 up from 65.15c in Aug
 Source: RBA

MELBOURNE VIC

- Melbourne's median dwelling value of \$776K has just been overtaken by both Adelaide and Perth last month. According to CoreLogic's research director Tim Lawless, this is mainly due to the capital's composition of housing, with 33% of its housing stock comprising multi-units.
- Victoria is leading the nation, with a total of 4,691 dwelling units approved for construction in July – a 20.1% month-on-month increase – according to ABS.
- The new minimum rental standards will be phased in by the Victorian government starting October including compliance around ceiling

RBA Cash Rate
4.35%
 Steady for Sept
 Source: RBA

government planning activities including compliance or state building insulation, heating, cooling and others; some of these will only apply to new rental agreements.

- The Victorian government has announced the next stage in the Activities Centres program, with 10 key suburbs – including Broadmeadows, Preston, Ringwood, Chadstone and Frankston – earmarked for fast-tracked planning approvals aimed at delivering more homes faster.

BRISBANE QLD

- A report by CoreLogic's head of research Eliza Owen reveals Brisbane has experienced the nation's highest buying and selling activity, with 24.6% of its housing stock turned over in the last 5 years.
- Queensland was the only state to record falling approval rates for new dwellings, down by 5% in July, according to the latest ABS data.
- A recent report from Digital Finance Analytics (DFA) says Brisbane has the nation's highest rate of mortgage stress, with the suburb of Toowoomba recording up to 74% of homeowners struggling to keep up with repayments.

PERTH WA

- August marked the fifth consecutive month of Perth's combined dwelling values increasing by 2%. In total, this translates to a 49% growth over the last 3 years, according to PropTrack.
- Falling by 21.6%, Perth was the only capital recording a significant yearly drop in property listings, with a total of only 13,078 properties listed for sale in August, according to SQM Research.
- Suburb trends data shows that Perth's suburb of Maylands – where weekly rents range from \$1,100 to \$1,550 – is leading the nation with the highest number of sales tied to investor activity, with 19 recent sales linked to a new rental.

CANBERRA ACT

- The capital's unit prices are continuing to drop, falling by 0.5% in August, the biggest decline in the nation – alongside Darwin – with the median unit price currently at \$580, according to CoreLogic data.
- The ACT government's Territory Plan has been approved and will come into effect as of 27 September. The Plan aims to improve the planning system and address the housing's missing middle – i.e. duplexes, townhouses and row houses.
- Research commissioned by the Property Council ACT shows that up to 60,000 new homes could be unlocked by zoning reforms, which could help Canberra meet its growing demand for housing.

ADELAIDE SA

- While some may be celebrating Adelaide's median house prices – currently at \$816K, according to PropTrack August Home Value Index – overtaking Melbourne, others are concerned about falling affordability, says Shelter SA.
- PropTrack's senior economist Eleanor Creagh says that while Adelaide is following the national trend of increased year-on-year new property listings (up by 17.4%), its "total listings were still down 6.9%", she said.
- A joint development by Villawood and Renewal SA will see an 800-home, net-zero community created in Adelaide's wine region, at Aldinga; construction is set to start in 2026 on the 46-hectre site.

DARWIN NT

- Despite the predicted rise in property prices, Darwin has registered a drop in August. And while combined dwelling values have declined by 0.2%, it is units that have suffered the biggest loss – of 0.5%.
- PropTrack senior economist Anne Flaherty says, "Darwin saw the largest quarterly drop in available rentals of all markets in July", down by 0.78%, which may attract investor interest to meet the shortfall in market demand.
- The latest Domain House Price Report reveals Darwin has the capitals' lowest median house price of just over \$585K, which also equals to having the nation's lowest median stamp duty cost of only \$28,960.

