ACCRUE

REAL ESTATE

MAKING YOUR MARK IN 2022

contents

The Accrue Difference.

CREATING POSITIVE CHANGE, TOGETHER.

drummond street services
wellbeing for life

At Accrue, our mission is to build a community of success while promoting positive change.

We believe this collective approach creates a win for many and a better world for all. That's why we are proud to announce our most recent charity partnership with Drummond Street Services. Drummond Street is one of Victoria's longest serving welfare organisations, and one of the first welfare services in Australia.

Since 1887, Drummond Street has been directly assisting Victorian families and individuals. The organisation also promotes connected and inclusive communities and drives innovation and research into family support interventions.

To assist, Accrue are committed to:

- Provide a financial contribution directly to Drummond Street;
- Establish a staff volunteer program to provide direct assistance to the charity.

Drummond Street's mission to promote well being for life is an undertaking fully aligned with Accrue's ethos.

YOU CAN VISIT DRUMMOND STREET TO MAKE A CONTRIBUTION OR VOLUNTEER TO SUPPORT THE INITIATIVE BY GOING TO

www.ds.org.au

welcome

A message from our managing director

The past 12 months has been one of the most extraordinary on record for Australian property markets. I have witnessed numerous price cycles during my time as an advisor, but none compared to what we experienced in 2021.

It wasn't just the height of value increases achieved, with double-digit capital growth across many centres, but the breadth of the gains. Almost regardless of where you purchased, or even what types of property you bought, there were value surges to be enjoyed.

A look at the CoreLogic numbers to the end of December shows that nationally we saw prices rise 22.1 per cent during the year. Perhaps most telling is that regional centres saw 25.9 per cent growth, outperforming capital cities at 21.0 per cent (which is still an impressive uptick by any measure).

But here's something we often forget when looking at overall percentages – there were certain locations and property types that outperformed others. If you selected the right asset in the right area, you would have seen far more than those recorded CoreLogic numbers. In addition, you could have enjoyed high rents and minimal vacancies along with your capital gains.

That's why it's crucial to think carefully about your strategy heading into 2022.

In our January issue of Accrue magazine, the cover story sets out my predictions for markets this year, along with advice on how you can maximise your investment outcomes. By my reckoning, 2022 will be less forgiving for those who don't choose the right type of investment. My overriding message is that over the next 12-months, there will be opportunity to either profit handsomely or fail dismally when it comes to real estate acquisition. The difference will be down to selecting investments based on comprehensive research and sound reasoning.

We also meet Accrue members Justine and Jon who discuss their multi-property portfolio and how they were able to grow their wealth while succeeding in their own busy professional lives and raising a family.

Finally, we've delivered our hotspot locations, start-of-the-year property clocks, and a summary of metrics we adopt when analysing prime investment locales.

A happy New Year to all our readers. I hope it's a prosperous 12 months for everyone. We at Accrue look forward to helping you achieve your goals in 2022.

JASON NEVINS
Managing Director

Making your Mark

Don't you love the opportunity each new year delivers? It's a chance to assess how the previous 12-months unfolded and apply those learnings to the coming year.

JASON NEVINS
Managing Director

Now is a moment to gain clarity and refocus on the horizon.

Your goal as an investor in 2022 should be this – come December, you'll look back without regret, satisfied that the decisions you made advanced your plans toward financial security.

So, what can you do to make that happen?

Here's my guide on what to expect from markets, and how you can make the best of 2022.

2021 IN REVIEW – OUR HIT PREDICTIONS

I want to first look back at my predictions from the January 2021 issue of Accrue Magazine which, I'm pleased to say, were spot on.

My overall position 12 months ago was that 2021 would be the year of the investor. There would be a wealth of opportunity and plenty of upsides to enjoy.

One year ago, it felt like we were emerging from the pandemic slumber. International vaccination programs were underway, and their use in Australia was imminent. Aussies were still utilising government assistance to shore up their finances. Combine that with reduced discretionary household spending (i.e., no travel or big nights out) and you saw the population accumulate plenty of savings.

Also, 2020 had taught us a lesson about how the earth could shift at a moment's notice. Most of us were given a wakeup call – you needed to make plans and act on your own behalf. As a result, we saw people take responsibility for their own financial security and real estate was the ideal investment option.

We noted back in January 2021 that markets had already begun to improve. The supply of property had remained tight throughout the year, and this was likely to continue. There was also widespread expectation interest rates would remain low.

To me, this added up to an excellent opportunity for capital gains. In fact, I said at the time:

"So, what does this tell us about the 2021 market?

It says that property prices on the whole will not only hold firm, but likely rise so long as demand and supply remain weighted in favour of sellers – and I fully expect that to happen."

Given this track record, I feel confident in analysing 2022.

So, let's break down the components that are set to drive the market, and discuss what to expect over the next 12-months or so.

▸ The pandemic influence

The pandemic will remain prominent in our decisions this year, but its relevance will fade in time.

As at the time of writing we are sitting in a somewhat precarious position. State's borders are open for the most part. Lockdowns are a thing of the past, but the Omicron variant is running rampant through the east-coast and central populations. At this stage is appears to be a less severe form of COVID, but we're yet to understand it's full fallout.

On the plus side, most states are exceeding 90 per cent first vaccine doses and are very close to reaching the same milestone with second jabs. In fact, a huge proportion of the population are now rolling up for a booster.

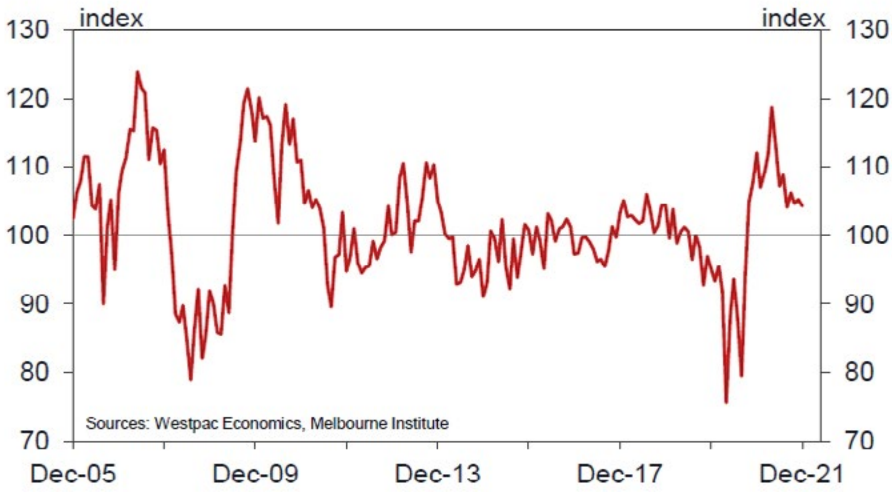
Health advice suggests that we will see case numbers rise quickly for some weeks, but there is a good chance they will come back down just as fast. In addition, there's evidence that hospitalisations and serious outcomes will be proportionally lower than with previous variants.

While I stress that I'm in no way qualified to provide medical opinion, the articles I've read paint a picture of a hope. We are going into an endemic stage of the virus with new prevention and treatment options being continuously developed.

In short, while the virus will be with us for some time, its impact will likely diminish during 2022. I believe that by the end of this year, COVID will be a lower-rung concern for most investors.

I BELIEVE THAT BY THE END OF THIS YEAR, COVID WILL BE A LOWER-RUNG CONCERN FOR MOST INVESTORS.

CONSUMER SENTIMENT INDEX



▸ Confidence and economic outlook

One of the most striking things about finance and property is that performance is influenced by the collective 'gut feeling' we have about the future. When stakeholders are confident, they're happy to speculate. But turn that confidence into trepidation, and things can quickly spiral downward.

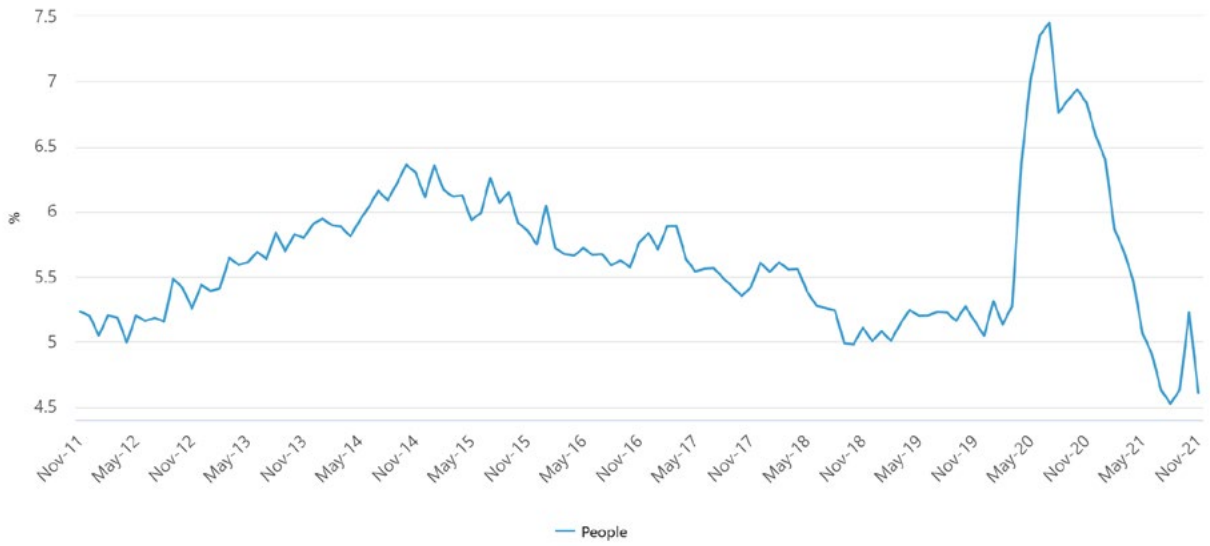
A great source for measuring our economic outlook is the Westpac-Melbourne Institute Index of Consumer Sentiment. The most recent release to December 2021 revealed confidence remains positive, although it subdued as the year progressed.

The index fell by 1.0 per cent to 104.3 in December 2021 from 105.3 in November 2021. It's also lower than back in December 2020 when the index was at 112.

According to Westpac's chief economist, Bill Evans, a state-by-state breakdown saw those jurisdictions hardest hit by lockdowns (i.e., Victoria and New South Wales) as the ones lacking the most optimism.

But here's my take – while optimism has flagged a little, it remains positive. Given current uncertainty surrounding the

UNEMPLOYMENT RATE SEASONALLY ADJUSTED



Source: Australian Bureau of Statistics, Labour Force, Australia November 2021

pandemic, this is a sign of resilience.

Then there's employment. Jobs equal confidence because workers spending their wages keep our economy turning.

ABS data to the end of November 2021 showed our unemployment rate continues to track below long-term averages after taking a hit during the worst months of the pandemic.

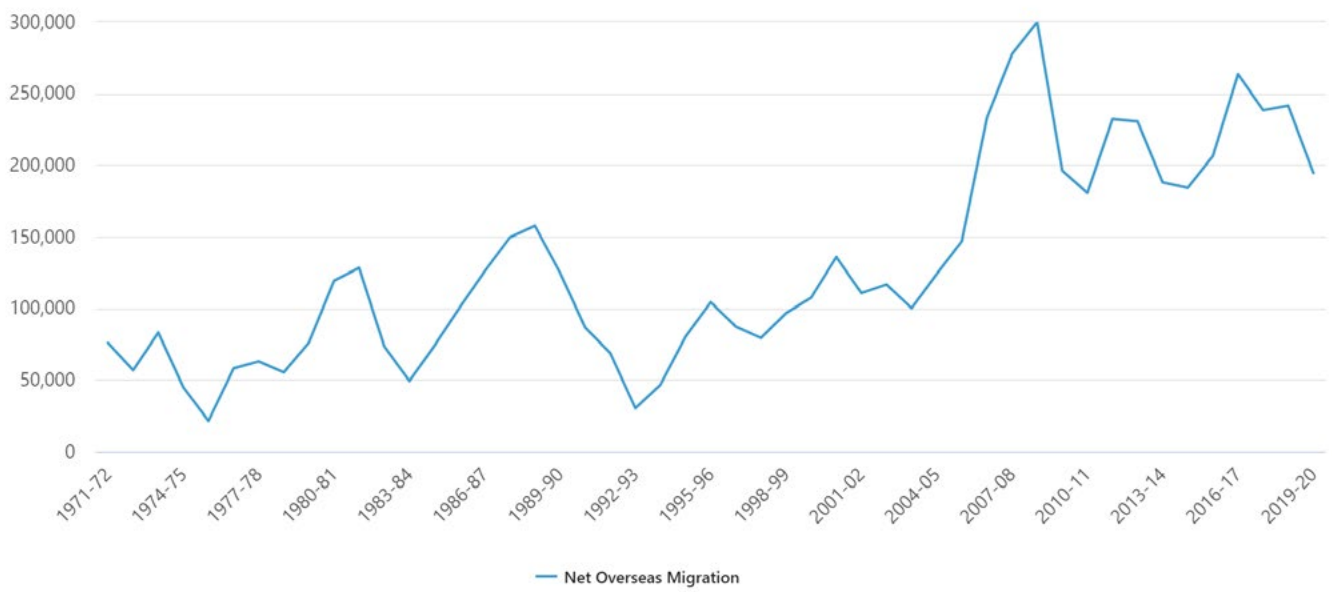
There's every reason to believe this will continue to tighten as businesses reopen and demand for labour rises.

In short, as pathways to post-pandemic recovery evolve, and free trade opens across our oceans, I believe the confidence index will remain optimistic in 2022.

Border reopening

One huge driver of demand in the property sphere comes from those crossing borders – both interstate and overseas.

NET OVERSEAS MIGRATION AUSTRALIA 1971-72 TO 2019-20 (YEAR ENDING JUNE)



a. Estimates from December quarter 2019 are preliminary - see Overseas migration status in paragraph 9 of the Methodology.
Source: Historical population (cat. no. 3105.0.65.001)

Source: Australian Bureau of Statistics, Migration, Australia 2019-20 financial year

Of course, the boom gates were brought down on this cohort way back in early 2020. We no longer allowed offshore arrivals, so demand evaporated immediately. In addition, shutdowns had locked out some extraordinary sources of economic income – namely overseas students and labour.

Net Overseas Migration numbers for the financial year 2020/21 are yet to be released by the ABS, but numbers for the previous financial year showed the beginning of a significant downward trend.

Of course, these figures are dated as they include pre-pandemic levels of immigration.

But here's the thing... those days appear to be over.

In December, Australia reopened borders to vaccinated skilled migrants and foreign students after nearly two years, and I'm expecting them to return in droves.

While we are currently at the rising end of infection, we've shown that Australia is just about the best place to be in a pandemic. Universal health care, a relatively low-density population, and a climate suited to COVID suppression. There's no doubt many from across the waves are longing to resettle here – and they'll need shelter.

> THERE'S NO DOUBT MANY FROM ACROSS THE WAVES ARE LONGING TO RESETTLE HERE – AND THEY'LL NEED SHELTER.

According to a report by Reuters, foreign students deliver around $35 billion a year to the Australian economy. This cohort also fills many of our casual employment positions.

The gates have been fully reopened to returning Australian passport holders too. Expats – many cashed up and keen to come back – have been returning. They have also been behind some of the most impressive property purchases in recent memory, which has only bolstered domestic demand for ultra-luxe homes.

In fact, according to Domain, the Top 20 Sydney house sales for 2021 tally almost $700 million. That's an average of $35 million apiece. Most telling about this sector is that nine of the top 20 sales were sold with no marketing or public sales campaigns.

And this activity isn't confined to Sydney, with capitals across the country seeing extraordinary money spent on flash housing.

So why should you care as an average-price investor? Because, historically, market gains are led from the top. Confidence in the prestige sector filters through, dragging up prices progressively. It's a canary in the coalmine if you want to get the lead on potential growth markets.

▶ Finance and Interest rates

Real estate is a game of finance. The free flow of credit makes it possible for homeowners and investors to contribute capital to the property market. Open the faucet of lending, and activity in the sector ramps up. Conversely, when the tap is shut off, watch the rivers run dry on capital gains and cashflow.

The greatest modern-day example of this was in 2017 when APRA looked to cool investor lending via a combination of mechanisms. Banks tightened their lending criteria and, as it got tougher to borrow, property prices attenuated.

Of course, the pandemic saw plenty of financial relief in this space. Apart from assistance delivered by government via grants such as HomeBuilder and access to Superannuation, buyers also boosted their deposits through savings.

Banks also helped with mortgage repayment holidays, more relaxed lending options and flexible responses to those struggling.

And then there were continued record low interest rates. The current cash rate sits at just 0.10 per cent.

With all this in mind, what do I expect will unfold this year in finance?

Well, lending criteria might toughen up again for investors. APRA signposted their intentions in October 2021 by increasing the lending buffer by 0.5 percentage points to 3.0 per cent. So, for example, if you are applying for a loan with an interest rate of 2.0 per cent, the application will be assessed as if you are making repayments based on 5.0 per cent.

The recent inflation uptick, increasing business confidence and runaway house prices have the RBA making noises about rate rises and some economists are predicting an increase in late 2022.

My thoughts are that while lending is a problem, it can be managed for clients via sound advice from the right professionals.

Don't expect a rise in rates to cut the market off at the knees. Besides, most smart borrowers will have factored increased interest rates into their arrangements and can bear a rate hike without the need to offload assets, so a mass sell down in the market is unlikely.

2022 INVESTOR CHALLENGES

There are three key hurdles you'll need to clear as part of your property portfolio's success this year.

1. Locating good stock

While I remain bullish about markets in 2022, they will be far less forgiving than they were in 2021.

Last year just about every property, regardless of location, saw its value rise. Of course, selecting ideal assets meant you would have enjoyed above-average gains, but even poorer-quality investments did OK during the boom.

But in 2022, choosing the right asset will be crucial.

There's a wealth of opportunity to select the correct location, property type and price point this year. By the same measure, there'll be plenty of chances to lose money if you don't rely on sound metrics and advice.

2. Time

While we all struggled with shutdowns, there is one gift we were given by 2020 and 2021 – and that was time. There was opportunity for us to reflect on what was important, and plan for our futures.

In 2022, I expect things to be a bit different. The pace of life will be more hectic. Unfortunately, this can see investors cut corners when analysing their options.

In addition, high-quality stock will be sought after by borderless investors Australia wide. You will be wanting to stay ahead of the pack – and that means finding and securing deals before others. It's a big country, so analysing the hundreds of property markets on offer to choose the best options will be tough.

The best way to overcome this is to outsource the hard work to professionals.

3. Agility

Yes, there is more confidence heading into this year around rebuilding our social, professional and personal lives. However, as we've learned (particularly during the past two months) we're still having to adjust quickly to our ever-changing landscape.

I think those that are flexible and adaptable are set to thrive in 2022. Being agile will serve investors well, so they can see what's occurring and make choices that will reduce risks and improve outcomes.

You must also ensure you're constantly monitoring your resources and portfolio performance so you can respond to change accordingly and make quick, sure-footed decisions as needed.

I BELIEVE THERE WILL BE GOLDEN OPPORTUNITIES FOR INVESTORS TO ACQUIRE EXCEPTIONAL ASSETS THIS YEAR. THE SORTS OF PROPERTIES THAT CAN ESTABLISH PORTFOLIOS AND BUILD FINANCIAL SECURITY FOR YEARS TO COME.

In summary, I remain cautiously optimistic about Aussie property markets in 2022.

I believe there will be golden opportunities for investors to acquire exceptional assets this year. The sorts of properties that can establish portfolios and build financial security for years to come.

With that said, choosing the right properties will be more challenging than ever, and the risk of going down the wrong path is much greater than it was last year.

2022 can be your year to thrive in real estate investment. Just ensure you rely on the right advice from experts in the know.

Five essential moves for 2022

Here are five key moves you must undertake to ensure you invest successfully in 2022.

1. GET YOUR STRATEGY IN ORDER

Those who venture into this year without a plan in place are at serious risk of long-term financial pain. Be certain to set out your short- and long-term goals and have a clear plan on how to achieve them.

2. LINE UP YOUR FINANCE

When the right asset comes your way, you must be ready to make a fast decision on whether to purchase. This means having your financial arrangements in order early to avoid missing out. Seek advice from a qualified broker and other professionals who can assist.

3. ASSET SELECTION WILL BE CRUCIAL

The most important investment decisions you make this year will be around asset selection. Choosing the wrong property will be a huge problem in 2022 that could cost you plenty for years to come. The real estate you select must have undergone the highest scrutiny and be chosen based on solid analysis.

4. MONITOR YOUR PROGRESS

Investment this year cannot be a passive activity. Ongoing assessment of your portfolio and finding opportunities for further investment will pay handsome dividends. So, get active and consistent when it comes to keeping track of your affairs.

5. HAVE A MENTOR/ADVISOR

Successful investing in 2022 without the assistance of an advisor will be extremely challenging. Drawing on their experience to help you secure the right property and achieve the best outcomes will be essential.

Client Profile

It was just so easy

Justine and Jon weren't novices when it came to property investment, but they knew experts could help them achieve their goals faster.

Justine and Jon are a professional couple who've seen their time split between building careers, bringing up children and running a household. They knew a thing or two about property investment but finding the personal bandwidth to gain more knowledge and buy assets became insurmountable – so they called on expert assistance.

The couple first met when Justine travelled overseas for a work sabbatical.

"I came back from Singapore with a cat and a husband, and I still have both," she laughs.

Justine has been the driving force behind their investment journey, having begun to acquire assets while they were still expats. She was making good money in her role and wanted to plan for their future by buying Australian real estate. The trouble was, she didn't want to travel to do inspections.

"I got some advice from a friend who said, 'Don't waste your trips coming back home just to look at properties. Instead use your time to interview and find a buyers' advocate.'"

So, in 2001 she took her first foray into remote investing, purchasing in Brisbane via a buyers' agent. She said it was a successful entry into the field.

"We kept that investment, and then when we moved back to set up a life in Melbourne, we bought an apartment to live in."

These two properties were a financial foundation. Justine said her goal was to have several more assets early, but as often happens, life got in the way.

"Once we had kids and I was on maternity leave, life took a completely different turn and I realised investing wasn't going to work out the way I thought it would."

Justine said they'd go on to buy and move into a townhouse in Melbourne, but they would eventually offload all three of their properties for a very good reason.

"We sold them to afford a decent sized family home, but also because I didn't want the pressure of worrying about big mortgages when I was having my second maternity leave."

But it wasn't long before she

ACCRUE REAL ESTATE

found herself wanting to get back into the investment game. After gaining some knowledge via a course, Justine went out and bought two properties for herself – a house in Springfield Lakes in Queensland, and an apartment in Cheltenham in Victoria.

"As things happened through delays and so on, both those properties settled on the same day, which was a drama."

Justine made the decision that next time she purchased, she'd rely on specialist assistance. That's when she came across Accrue.

"We decided to buy an off-the-plan property through Accrue and in the time between buying and settlement, it went up $50,000 in value."

This was a three-bedroom townhouse in the burgeoning area of Wollert in Victoria.

"It's one of those big, brand-new suburbs that's just exploding. When we went to look at the site two years ago, it was literally the middle of nowhere. And now when I look at it on Google maps, it's got shopping centres and schools and all sorts of infrastructure – it's so good."

Justine said while waiting for the Wollert home to be built, they went through their financials with Accrue and discovered they could afford to buy again if they wished.

"We then bought a second and third property with Accrue – a four-bedroom house-and-land in Flagstone, Queensland and a three-bedroom townhouse in Pimpama in Queensland which settled in 2021 and 2020 respectively. Although the pandemic has accelerated population growth in Queensland, I can't believe how much both the places have gone up in rent and value in such a short time."

Justine says they now have a portfolio of five properties – three through Accrue and two she purchased herself.

Justine said employing Accrue to do the heavy lifting during their property journey was one of the wisest decisions they've made as investors.

"The reason why we chose Accrue is that I just couldn't get my head across the vast amount of research that I needed to decide where the best place in Australia was to invest my money.

"As I say to my own clients, I'm an expert in what I do as an advisor. You come to me because I'm the expert. Well, I figured it was just taking me too long to become the 'expert' in property investment and I was better off hiring an expert to look after me for a change.

"What I also love about Accrue is because I had a bit of background knowledge in real estate, when they presented those first few properties to us, I felt like I was in a position to cleverly discern whether they really knew their stuff or not... and it was obvious to me straight away that they did. In terms of the types of property and the information they presented me, that was exactly the sort of information I was trying to get myself, but it was just way too time consuming and stressful."

Justine said Accrue were able to identify areas primed for population growth, infrastructure development, transport options and all the other fundamentals that help an investment hotspot thrive.

"Accrue also worked seamlessly with my own accountant and they

FLAGSTONE INVESTMENT

were always available for me to ask questions."

Justine discovered another advantage to working with specialist property professionals.

"I realise, now that we've bought three properties through Accrue, that they are obviously incredibly well networked and connected. They know about properties well before they come on the market. Gaining this inside running was, again, just not worth doing on my own."

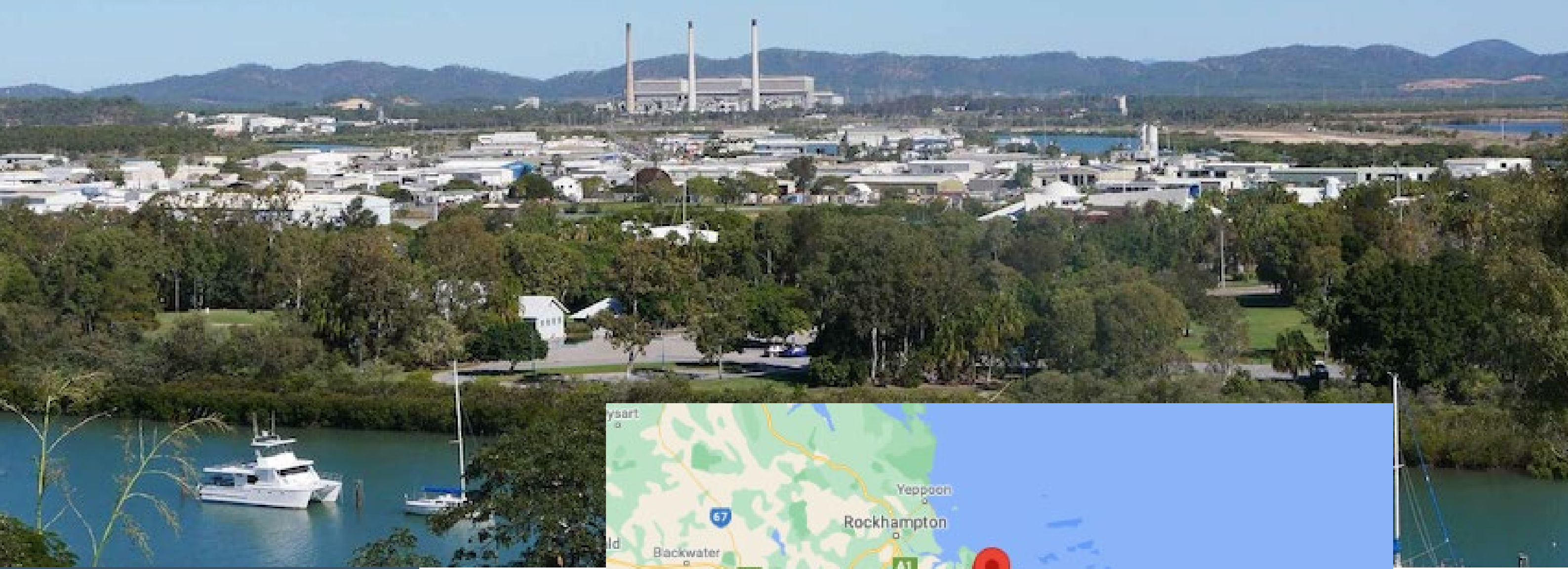
She also loved the breadth of coverage Accrue could deliver – something that her previous advocate couldn't. It meant they would have a huge number of hotspots to choose from right across the nation.

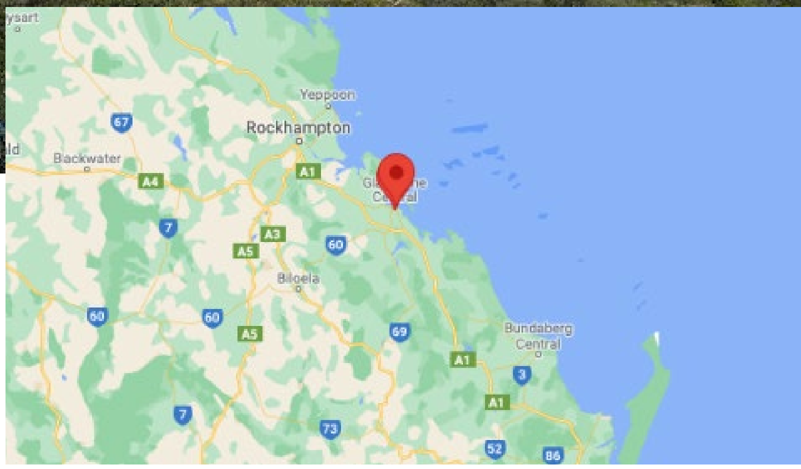
"I actually think a typical buyers' advocate is a really good option for some people, but they are usually just focused on a very narrow market and that didn't work for us as investors. What I liked about Accrue was that they looked across a bunch of markets and had that high level of detailed information and knowledge about all those areas so you could make the best choice about where to invest.

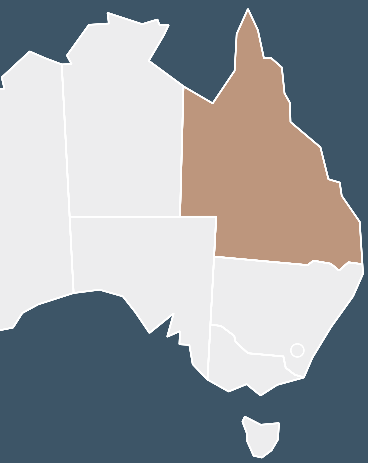
"And for me, the whole point is having choice."

Photo Credit: ABC News

In each issue of Accrue magazine we discuss locations across the nation with great investment potential.







Gladstone

Regional real estate across the country saw sterling gains over the past two years. Locations which suffered setbacks in the previous decade shone through, with bigger centres delivering the most benefit to property owners.
We believe Gladstone will be a shining example of the regional boom in 2022 as well.

This coastal city, positioned approximately 450 kilometres north of Brisbane, has historically seen its fortunes rise and fall in harmony with the resources industry. As one of the nation's major port towns, it's a gateway to overseas markets.

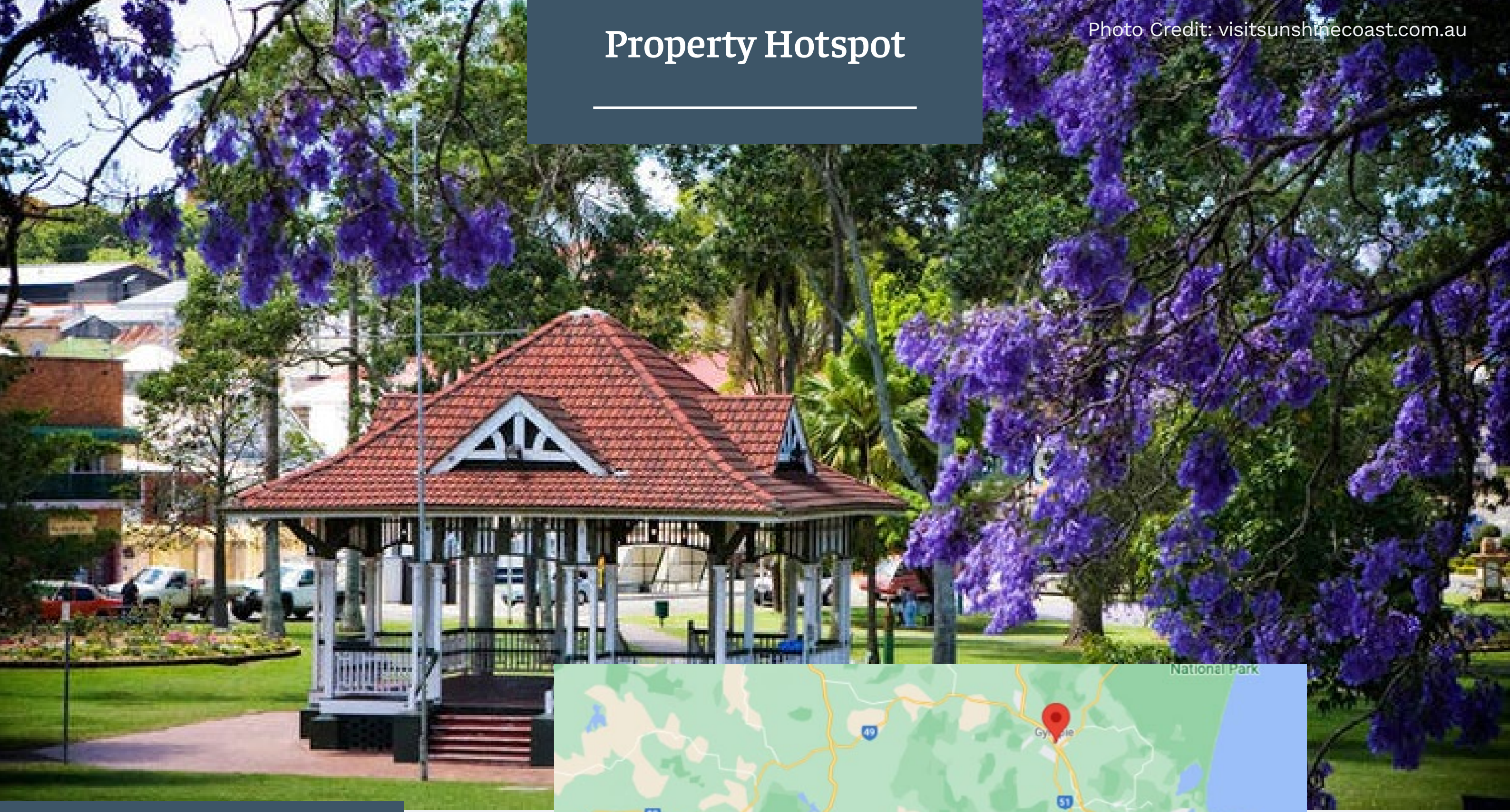
Property throughout the mining boom was hugely popular with worker demand driving double-digit yields for investors, peaking around 2012. Unfortunately the end of the mining boom saw its real estate fortunes plummet.

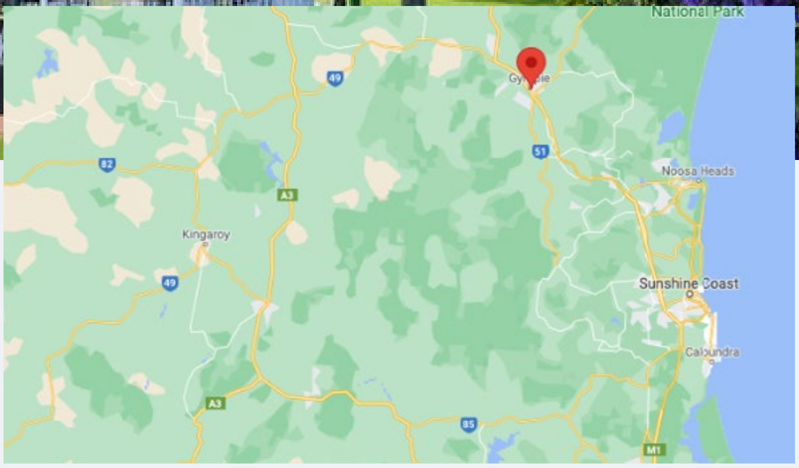
But the stars are aligning once more. Gladstone's prices have bounced back to their 2014 levels after housing gained around 15 per cent in 2021. In short, values are trying to catch up to where they should be.

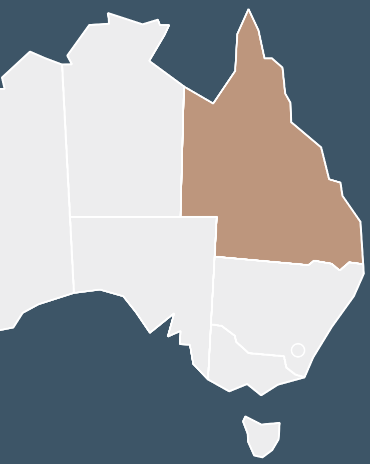
There's the uptick in interstate migration too of course, but industry is coming back as well – including tourism. As post-pandemic supply chains improve in 2022, Gladstone and its port will benefit. There's also plenty of interest in Fortescue Metals Group's plan to build a hydrogen electrolyser plant here.

Housing types in Gladstone ranges from typical Queensland tin-and-timber, through to new lowset brick houses, plus units and townhouses. The median detached house price for central Gladstone is $320,000 with a median yield of around five per cent. While that encompasses older homes, it shows affordability and cashflow will continue to bolster the city's property prospects.

There's another reason to be bullish about Gladstone – we feel the real upside will be long-term. The city's market is now enjoying measured, sustainable growth rather than the boom-bust cycles of the past.







Gympie

Gympie has been flying under the southeast Queensland radar for decades, but the regionalisation of our population has unearthed this hidden gem, and it's set to run hot in 2022.

Gympie is positioned around 150 kilometres from Brisbane, and 50 kilometres from Noosa.

It's a major regional population centre with comprehensive services and facilities for its residents including education, retail and commercial. Gympie is also an agricultural hub – particularly for the beef industry with a local meat processing plant among the commercial drawcards.

Getting to the Sunshine Coast or south to Brisbane is a road trip along the Bruce Highway.

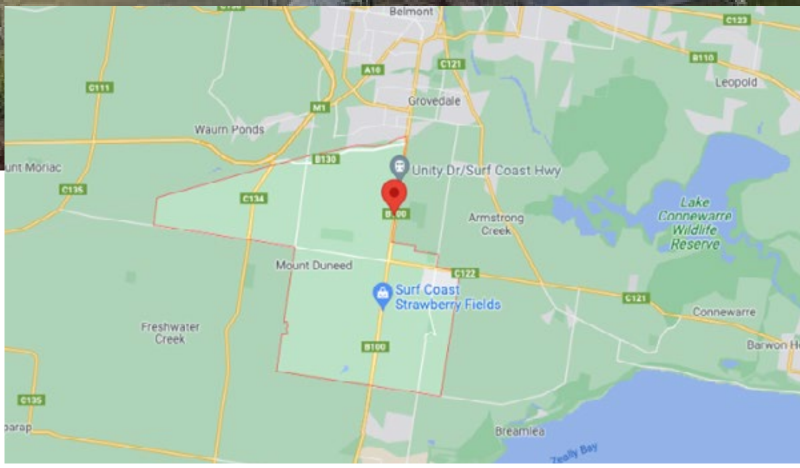
Housing options are diverse. Detached older homes, small farms or even bigger agricultural operations are on offer. Gympie has something to offer everyone, which means a range of buyers will continue to flock here. Also, step beyond the township's boundaries and you'll discover a thriving small production industry based around eco farming and sustainable living.

But far and away the greatest attraction is affordability – both for homebuyers and renters. You can purchase a traditional home close to the township's centre for between $450,000 and $500,000, which is a long way short of Noosa, Maroochydore and Mooloolaba prices.

Also booming demand for rental property throughout the Sunshine Coast has seen tenants flock to the hinterlands. Because of its range of services, and easy access to the coastline, Gympie offers the ideal commuter option for tenants in the region. Investors can enjoy strong yields in a low vacancy environment, which bodes well for your long-term security and gains.

Buy right in Gympie and you can expect the best of all worlds – continued capital gains, strong tenant demand, low vacancies and increasing rents.

Photo Credit: realestate.com.au



Mount Duneed

Mount Duneed is positioned seven kilometres south of the centre of Geelong, and nine kilometres north of the beautiful coastal township of Torquay. The suburb is a Victorian growth zone that's come leaps and bounds over the past two years – and by our analysis, this is set to continue.

The Mount Duneed mountain itself is literally an extinct volcano, so while we'll avoid any lame 'explosive property price growth' headlines, it's fair to say that investors seeking a foot into the lucrative Geelong/Surf Coast market will find plenty of excellent options here.

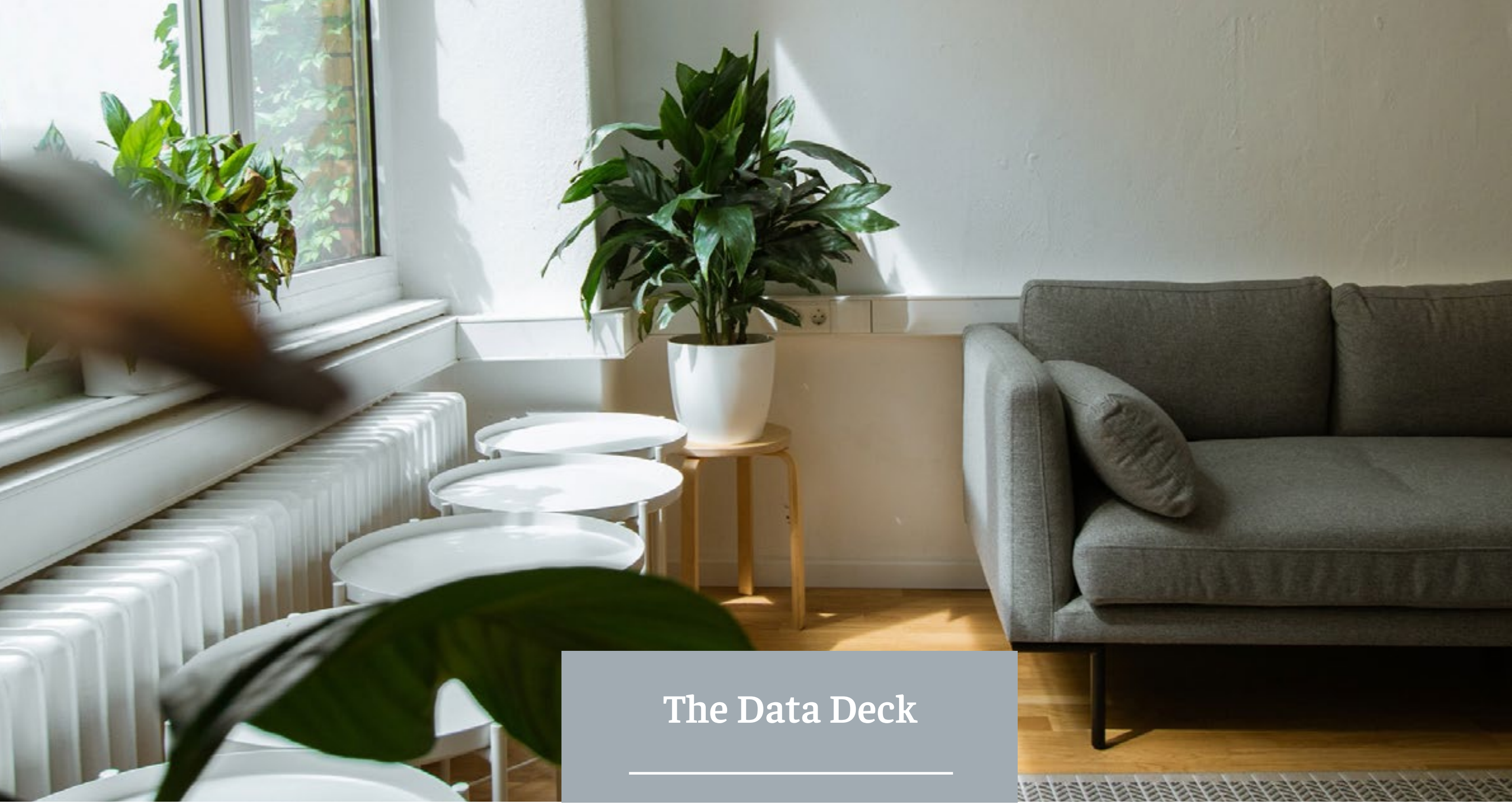
Part of Mount Duneed encompasses the Armstrong Creek Growth Area – an extension of the Geelong Urban Growth Boundary. The Growth Area was approved by state government in 2010 and allowed much of the necessary facilities and infrastructure needed for the community to be established early.

The Surf Coast Highway provides a primary access route to Geelong where comprehensive services and facilities are located. Localised services including specialty retail, groceries and other amenities, can be found at facilities such as the HomeCo Armstrong Creek Town Centre. Primary, secondary and private schools are also located in the adjacent suburb of Armstrong Creek. This is part of the reason why just under 50 per cent of households comprise a family with children, according to ABS data.

In addition, 83 per cent of dwellings are owner occupied. This bodes well for investors as a high percentage of owner occupiers indicates a broad demand for housing and is a signpost of ongoing gentrification.

Because it's a developing suburb, Mount Duneed is dominated by contemporary design detached housing – mostly of lowset construction. The suburb's median house price sits at $680,000, with median rent at $480 per week, reflecting a gross yield of 3.7 per cent. Good metrics for long-term gains.

ACCRUE REAL ESTATE



Australian Property Clock

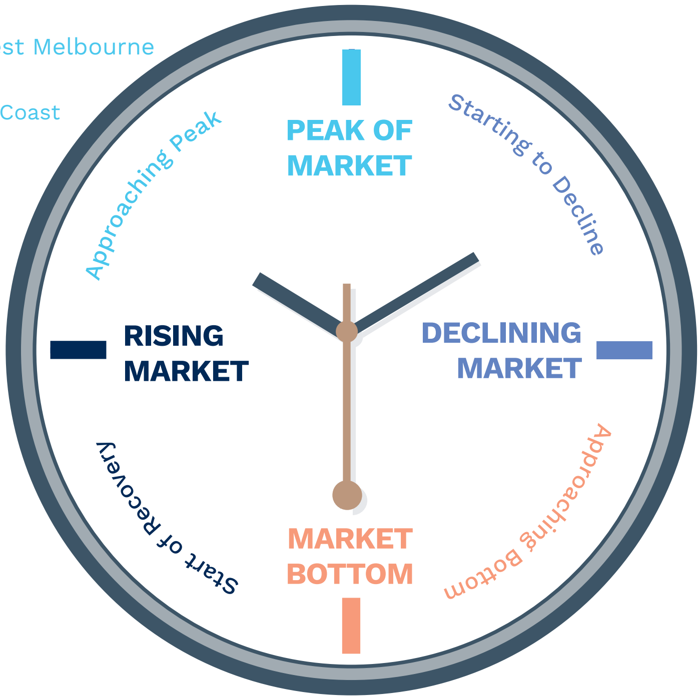
JANUARY 2022

Our research and acquisitions team use data and analytics to identify the nation's next property hotspots, keeping our clients ahead of the market.

Canberra
Geelong
Ballarat
Outer West Melbourne
Bendigo
Sunshine Coast

Hobart
Launceston

Outer West Brisbane
South Brisbane
Gold Coast
Gippsland
Shepparton
Coffs Harbour
Newcastle
Adelaide - North West
Perth - South West
Albury



Melbourne CBD
Melbourne Southbank
Sydney CBD
Brisbane CBD
Perth CBD

Toowoomba
Gladstone
Adelaide South West

Townsville
Cairns
Darwin

Melbourne
- Outer South East
& Northern

Sydney
- Outer West
& South West

Please note: Property Clock positions are based on the subjective opinion of our highly informed Accrue team. They are not based on a defined algorithm or specific data points.

Data Deck

Accrue is presented with over 3000 property options each year.

Based on a comprehensive analysis of a range of criteria, we narrow this pool down to less than 30 per cent which we consider worthy of presentation to our members.

CORELOGIC HEDONIC HOME VALUE INDEX

CoreLogic's analysis to end of December reveals the extent of growth across the nation in 2021. National home values rose 3.9% in the final quarter of the year, while annual growth reached 22.1 per cent. Combined regionals were, again, a standout with 25.9 per cent annual growth.

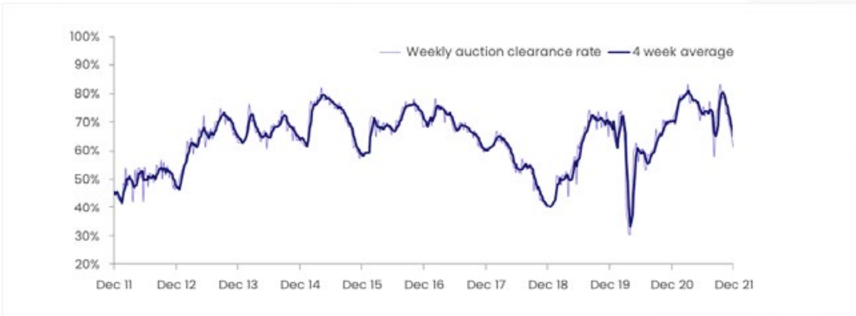
Index results as at December 31, 2021 Source: CoreLogic

	Change in dwelling values				
	Month	Quarter	Annual	Total return	Median value
Sydney	0.3%	2.7%	25.3%	28.2%	$1,098,412
Melbourne	-0.1%	1.5%	15.1%	17.9%	$795,108
Brisbane	2.9%	8.5%	27.4%	32.0%	$683,552
Adelaide	2.6%	7.2%	23.2%	28.0%	$569,882
Perth	0.4%	0.4%	13.1%	17.9%	$528,551
Hobart	1.0%	4.2%	28.1%	33.4%	$694,261
Darwin	0.6%	0.7%	14.7%	21.4%	$498,168
Canberra	0.9%	4.0%	24.9%	29.6%	$894,338
Combined capitals	0.6%	3.1%	21.0%	24.3%	$793,658
Combined regional	2.2%	6.4%	25.9%	31.0%	$542,646
National	1.0%	3.9%	22.1%	25.7%	$709,803

AUCTION CLEARANCE RATES

Data to the 19th December revealed the combined capital city auction clearance rate fell throughout the final quarter of 2021. This could well reflect the rise in stock levels as more owners brought their properties to market after holding off for most of the past two year. As can be seen on the second table, Sydney's auction clearance for the week ending 19th December was relatively low (57.0%) compared to its usual 70% to 80% clearance. That said, this can be a seasonal effect.

Weekly clearance rate, combined capital cities Source: CoreLogic



Capital city auction statistics (Final)- w/e 19 December 2021

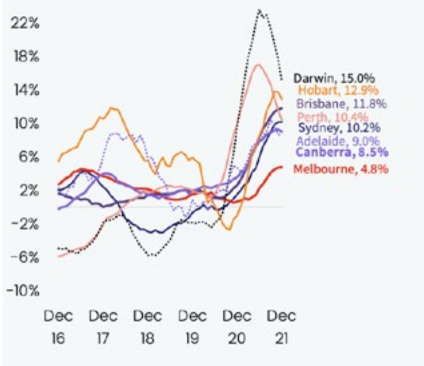
City	Clearance rate	Total auctions	CoreLogic auction results	Cleared auctions	Uncleared auctions
Sydney	57.0%	1,634	1,629	928	701
Melbourne	60.0%	2,161	2,155	1,294	861
Brisbane	67.3%	354	352	237	115
Adelaide	73.5%	344	343	252	91
Perth	53.1%	32	32	17	15
Tasmania	n.a.	3	3	0	3
Canberra	73.7%	255	255	188	67
Weighted Average	61.1%	4,783	4,769	2,916	1,853

RENTAL MARKET PERFORMANCE

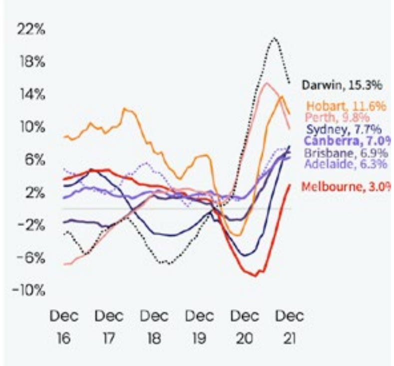
CoreLogic's numbers to the end of December show that while rental growth attenuated during 2021, dwelling rents still managed to increase by 9.4 per cent, and unit rents rose 7.5 per cent.

Source: CoreLogic

Annual change in rents, Houses



Annual change in rents, Units

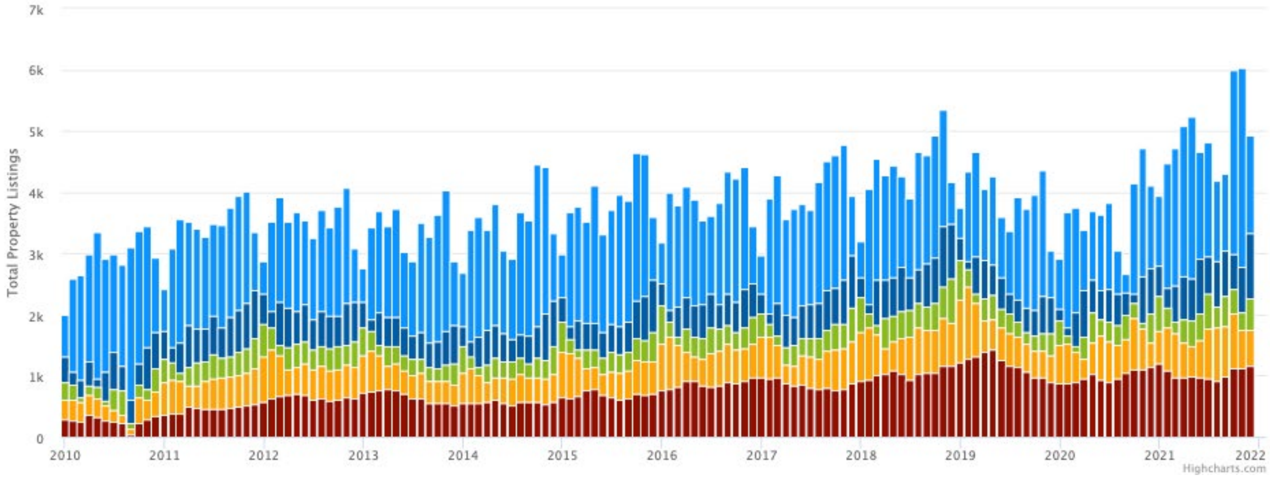


ACCRUE REAL ESTATE

PROPERTY LISTINGS

Property listing numbers in 2021 were well below the five-year average nationwide as owners looked to hold off selling during the pandemic. That said, stock numbers increased toward the end of 2021 as some sellers took advantage of what they considered to be a peaking market. A good example of this is the below total listings number for inner-east Melbourne which hit a 12-year high in November 2021.

TOTAL PROPERTY LISTINGS

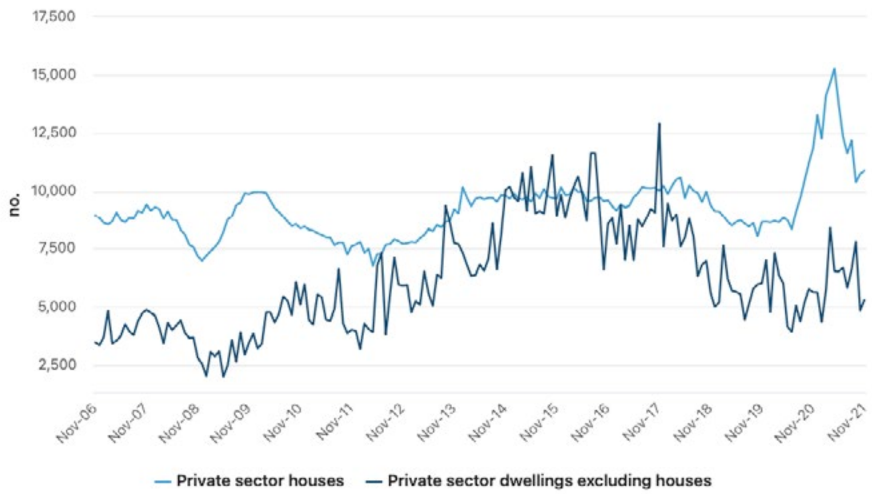


Source: SQM Research

BUILDING APPROVALS

Building approvals help inform experts on the supply vs demand balance. Suburb level approvals are most useful, however the ABS are reporting that national building approvals rose 3.6% in November 2021, in seasonally adjusted terms. This follows a 13.6% decrease in October.

Dwellings approved, by building type, seasonally adjusted Source: ABS

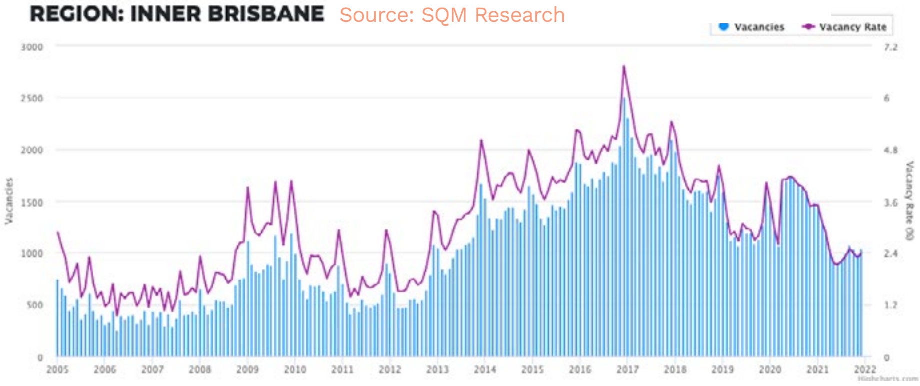


VACANCY RATES

Low vacancy rates indicate a market where demand for rentals outstrips the available supply of rental housing. This SQM Research chart shows inner Brisbane's (QLD) vacancy rate which sits at a balanced 2.4 per cent and has trended downward since June 2020.

RESIDENTIAL VACANCY RATES

REGION: INNER BRISBANE Source: SQM Research



ACCRUE

RENTAL YIELD

Gross rental yield for a given suburb is assessed by dividing the median property price by the median annual rent. This graphic supports a strong rental yield for Gladstone South (Qld) houses of 5.4 per cent.of

Median property price

For more information on what exactly a median price means, have a read of this article on our Blog

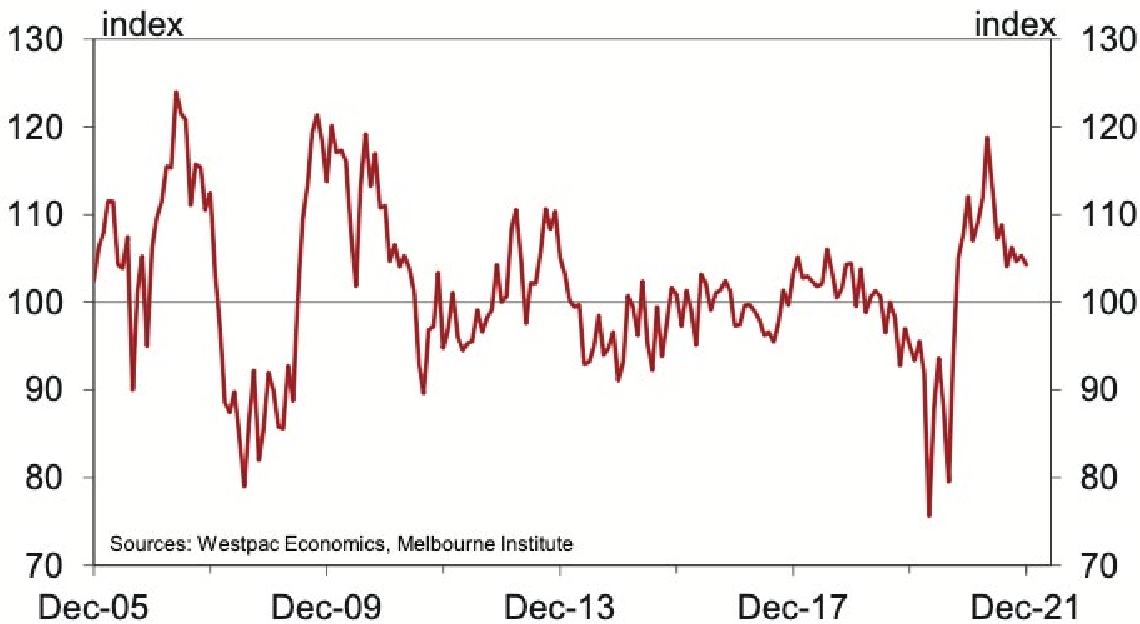
House | Units | Trend

Buy $310,000 (Price data last updated Jan 6th, 2022)			Rent $320 PW (Rent data last updated Jan 11th, 2022)		
2 BR	3 BR	4 BR	2 BR	3 BR	4 BR
-	$259,500	$455,000	-	$305 PW	$390 PW

Source: www.realestate.com.au

CONSUMER SENTIMENT

Consumer sentiment delivers a ‘temperature check’ on the perceived economic strength of the nation. Positive confidence bodes well for property markets. The most recent chart shows that while confidence has softened in the past few months, it still remains buoyant, which bodes well for 2022’s economic performance.



Source: CoreLogic

OWNER OCCUPIERS VS. RENTERS

A relatively high proportion of owner occupiers (OO) as compared to renters augurs well for a suburb's potential. OOs tend to be less transient and spend more money upgrading their homes. This results in better yields and overall capital growth in a suburb. The below chart from the ABS for Mount Duneed (QLD) shows the suburb exceeds the State's average for OO vs. renters by a long margin.

Tenure *Occupied private dwellings*	Mount Duneed	%	Victoria	%
Owned outright	125	24.5	682,685	32.3
Owned with a mortgage	299	58.5	746,502	35.3
Rented	77	15.1	607,354	28.7
Other tenure type	0	0.0	17,178	0.8
Tenure type not stated	10	2.0	58,983	2.8

Source: Census

Accrue Real Estate

46 641 781 624

T: Melbourne (03) 9696 0085
Brisbane (07) 3088 7932

F: (03) 9696 0075

E: info@accruerealestate.com.au

Office: **Melbourne** 69 York Street,
South Melbourne, VIC 3205

Brisbane Suite 20 /138 Juliette St
Greenslopes, QLD 4120

Mail: P.O. Box 416,
South Melbourne, VIC 3205