ACCRUE

REAL ESTATE

ESSENTIAL ELEMENTS FOR YOUR PROPERTY JOURNEY

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

We've reached mid-year and the property market's upward trajectory has been unstoppable.

From Byron Bay in the east to Steep Point in the west and everywhere in between, most markets are seeing demand outstrip supply. It's been six months of impressive gains and there's no reason to suspect things will slow anytime soon.

But of course, this wide-ranging success delivers new kinds of challenges. How do you select the very best locations and properties from across the country when every centre seems to be succeeding? How can 'analysis paralysis' be avoided, and decisive action taken?

The first step is to identify what you want to achieve through property investment. The next is ensuring you have a supportive and knowledgeable team by your side. Professionals who can help map out a strategy and deliver unbiased assistance. This is where Accrue comes in.

Another advantage we're delivering our clients is building cost certainty. With construction activity ramping up, demand for labour and materials has seen prices skyrocket. Steel and timber are in hot demand and short supply, and construction contracts have already increased their figures to reflect these conditions.

To overcome this challenge, Accrue negotiates fixed-price contracts for our clients. This certainty means no nasty variations or hidden clauses will sting the hip pocket of investors who choose to work with Accrue.

In this month's Accrue magazine cover story, we dissect the essential elements of a successful property journey. From setting goals and strategising, through to asset selection and ongoing reviews – it's a ready guide on the investment process.

We also identify not one, but five location hotspots worthy of consideration. These are areas with the right fundamentals for capital gains and reliable cashflow.

In addition, there's a profile piece describing one couple who are so committed to their long-term dreams that they acquired four investment properties in four years.

Accrue also believes information is the foundation of reliable analysis. Good data yields great results, so in our extended data deck starting on page 15, you'll discover the numbers we rely on when identifying excellent opportunities.

So please enjoy this latest issue of Accrue magazine and remember – we're here to help you navigate the investment journey and bring your goals and aspirations to fruition. We're in your corner, so don't hesitate to contact our team for any assistance with your investment needs.

JASON NEVINS
Managing Director

Essential elements for your property journey

Successful property investment is a long-term path which involves many crucial decisions.

JASON NEVINS
Managing Director

The current real estate boom is seeing would-be buyers of all kinds emerging to spend big on property across Australia.

Investment loan activity is surging after an extended lull, with the country's largest broker, AFG, reporting 24.9 per cent of mortgages went to investors in the June quarter.

That's up more than three per cent on the previous quarter and mirrors anecdotal reports from the industry about significant growth.

On the latest ABS data available, there are more than 2.2 million property investors in Australia right now, with 71 per cent of those holding one dwelling in their portfolio. What that means is, on average, 1.5 million people will have one shot to make the right financial decision when putting their money into bricks and mortar.

Of course, the most successful investment strategies are built on multi-property portfolios with diversified assets. But even in that instance, every single acquisition must be thoughtful and strategic.

Make a misstep, and you could wind up wasting an opportunity to grow your nest egg – or worse, realise a financial loss.

But buy right and you'll discover real estate offers the opportunity for you to secure your future dreams.

Investing in real estate can be overwhelming and there's a lot at stake, but with a clear strategy and an expert team, you can remove many of the daunting hurdles in your path.

Here are some of the key elements we see time and again that should be applied when building a portfolio to achieve your aspirations.

ASSESS YOUR SITUATION

A sound property investment strategy allows you to clearly map where you want to be and how to get there, helping to ensure your success.

First things first, it's critical to take stock of where you are right now.

YOUR MONEY

- **What's your financial position?** That is, how much do you have coming in and how much goes out each month?

▶ Is the difference substantial enough to service a property investment, or is it a little too close for comfort?

▶ Consider if there are spending cutbacks you can make to increase the amount left over to either make your post-purchase position more comfortable, or to fund a larger investment.

YOUR LIFE

Think about whether your circumstances are likely to change in the short- and medium-term, be it by a change of job or starting a family. It's always good to set out your near-future plan, so you can make moves to mitigate risks or take advantage of opportunities.

So, what stage of the investment journey are you currently in? Does this impact the level of risk you're willing to take on? For example, a first-time investor might be more comfortable starting smaller than someone who has owned before.

YOUR FUTURE

What do you want to ultimately achieve from your investments? Map out those long-term goals and consider the way property assets can deliver them.

For many, it's the opportunity to have a retirement that isn't plagued by financial stress and uncertainty. For others, it could be the dream of retiring early and being able to really, truly enjoy life sooner than everyone else.

At Accrue, we help our clients to formulate the clearest possible picture of their circumstances so they can define their goals and devise a path.

DEFINE YOUR STRATEGY

Now that you've built the skeleton of your strategy, it's time to get down to some serious business.

At Accrue, we don't tell our clients what to buy. We listen to them, look at their situation, help define their goals and then present a range of options that suit their needs.

A strategy we find works well for many investors is a focus on long-term growth, solid yield and immediate benefit.

A way to fast-track this is by focusing on brand new properties and the wealth of pluses they offer, including their low maintenance, their high tax advantages and lower risk.

With a brand-new home, there are far, far fewer broken doors, dead hot water systems, leaking roofs, blown air conditioners and dud ovens.

It's also a more straightforward way of getting to your growth goals.

Relying on a costly renovation or a complex development project to unlock capital gains is a level of risk that many don't have the appetite for. Even in a boom climate like this, there are countless potential pitfalls.

Understanding rental income is essential too. The yield component of the strategy focusses on a rental return that's not too negative, nor so positive that capital growth potential is compromised.

A solid yield of three to five per cent won't put stacks of cash in your pocket right now, nor will it burn a hole in it. This signals a good long-term renter base is on hand to help minimise your outgoings without being a tax liability.

Another consideration is the immediate benefit.

The ABS data tells us that about 60 per cent of Australian investors have negatively geared properties, while the remainder have assets that produce positive cash flow.

Taking advantage of immediate taxation benefits suits many investors by boosting cash flow and reducing financial stress.

So, your rental income minus your expenses (including loan interest) is a net loss amount that helps minimise your overall payable tax each year. In many instances, it shows up as a boost in your tax return cheque.

Here's where a brand-new property adds additional icing to the cake, due to the greater number of depreciable inclusions as compared to an older house or unit. This long-term spreadable deduction can be incredibly lucrative with a new build.

At Accrue, we help our clients devise a strategy that best suits their needs, wants and long-term goals. We work within their parameters to map a plan and find the best properties to suit.

SELECTING A LOCATION

Deciding what type of property to buy is only part of the process – figuring out where to buy is the key. After all, 'Location! Location! Location!' is the golden rule for successful property investment.

There are a number of considerations to determine if you're looking in a spot that offers good immediate demand from tenants and exceptional long-term capital growth prospects.

Some of the metrics we rely on are:

- ▶ 1. What are rental vacancy rates like now? Where have they come from? What trajectory do they look to be taking? A rate that trends too high could be a sign of an oversupply.
- ▶ 2. What are building approvals like? Is there a lot of activity that could see the number of available dwellings balloon? It's best to look at least 12 to 18-months in the future.
- ▶ 3. What are the demographics? Is it mostly renters or a healthy mix of tenants and owner-occupiers? Typically, the higher percentage of owner-occupiers, the better the yield and capital growth prospects.
- ▶ 4. What's happening at the local council? Knowing about their approach to development gives you an insight into future growth. Are there rezoning proposals on the table? What's the long-term vision for the area?
- ▶ 5. What infrastructure projects are in the pipeline? Big things happening on the ground – and indeed below or above it – are a positive sign for the future.

This is just a brief snapshot of the criteria we apply to every single suburb we consider investing in.

At Accrue, we work hard to ensure our clients have access to opportunities in the best areas for long-term growth.

BUILD YOUR TEAM

Like any good machine, your property investment will contain a lot of moving parts that need to be optimised.

And there are many, many experts you could draw on to assist in guiding you on your investment journey.

There's a finance broker to help navigate the often-complex world of mortgage lending, from finding you a good loan deal through to getting your application ship-shape and seeing it through to settlement.

There are local real estate agents, who in this current boom climate don't have to spend a great deal of time finessing their curb-side manner with buyers. They're busy, stretched and drowning in offers. It's not a particularly enjoyable time to be on the ground as a buyer.

Or, if you're building brand new, you've got a developer or project manager to deal with also.

You've got your conveyancer to help with settlement and a property manager to take care of the leasing, tenant selection and long-term assessment.

Finding a qualified, experienced, and reliable person to do each of those tasks is quite a project to take on. Then managing these individuals can be tedious –

almost like a full-time job in itself.

At Accrue we help clients navigate this often tricky landscape. Our extensive networks provide access to a wide range of trusted professionals who can assist clients throughout their journey.

MONITOR YOUR PORTFOLIO

Property investment should be a long-term game, but that doesn't mean it should be set and forget.

A successful investor will constantly have an eye on their portfolio to make sure it's performing at or above expectation and doesn't require urgent attention.

This includes checking on the finances, from an asset value, cost and equity perspective. It's also about making sure your lending commitments are working for you and not just the bank. Regular reassessments of your loan arrangement are a must to ensure you're optimising your borrowing.

There are those physical elements too, in terms of the ongoing maintenance and care of your assets. Not only is it important to ensure your properties are in good order to maintain value, but also to maximise your rent and minimise vacancies. In short, keeping good tenants happy pays dividends.

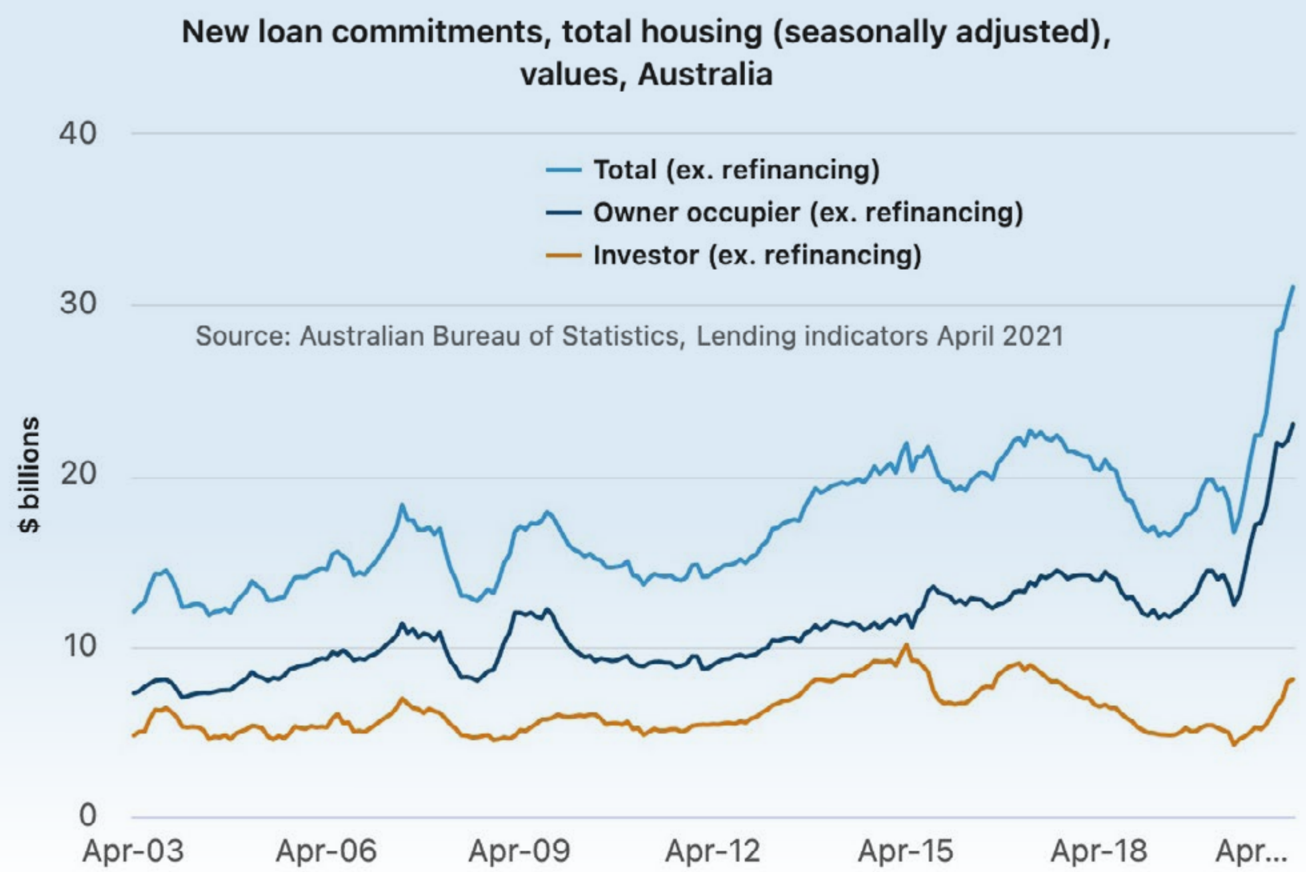
And, of course, portfolio management is about conducting a regular health check on your strategy to see if it's still the right approach for your goals.

It's not just buying a bad investment that sees the vast majority of Australians never grow a real estate portfolio beyond one asset. Not paying close enough attention to your strategy is also a sure-fire way to miss out on valuable opportunities for growth.

Because there's no reason why you should be stuck at just one holding.

Accrue clients on average have considerably more assets in their portfolios because they didn't go in blind at the start. They have a strategy that works for them, and they have an expert team that's constantly assessing the health of their holdings and their plan.

That way, the sky is truly the limit, and the focus can be on what you buy next to help accelerate your journey to the life you dream of.



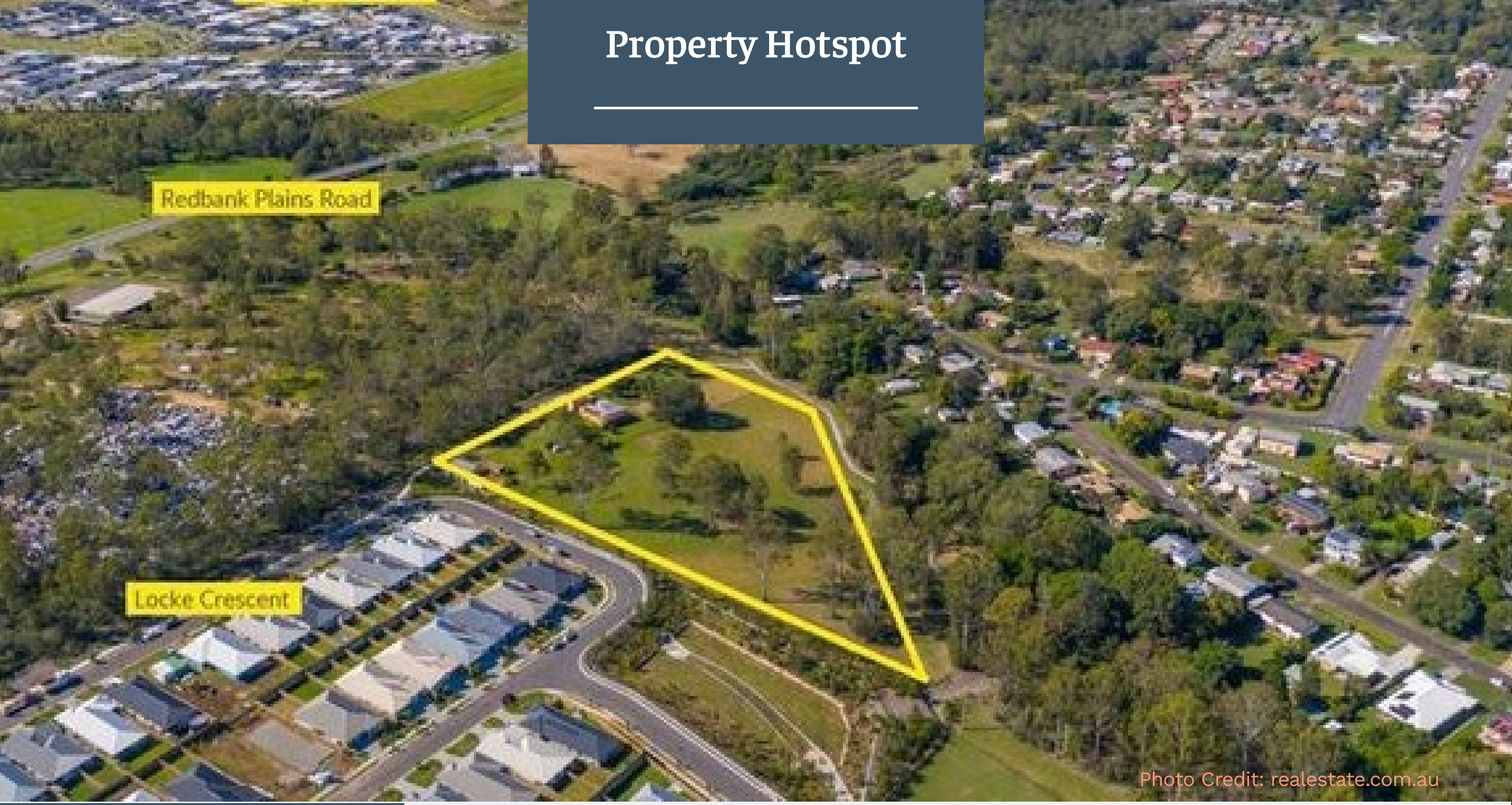
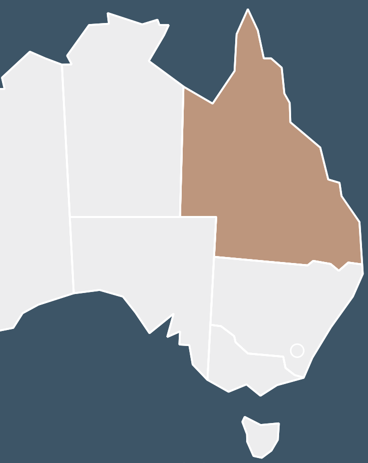


Photo Credit: realestate.com.au



Redbank Plains

Redbank Plains is fast becoming a front runner for property investors. Located in Brisbane's western growth corridor and positioned just nine kilometres from the Ipswich CBD, it's a suburb with the essential pillars of property potential – affordable housing, comprehensive facilities, and ready access to other centres.

Hotspots

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

Redbank Plains' popularity is on the rise. According to Ipswich City Council's latest Planning and Development report, Redbank Plains is recognised as the fastest growing suburb in the local authority. In just three months to March 2021, resident numbers rose by 354.

Last year 640 new homes were built in Redbank Plains, while 421 new lots were created and 346 more were approved for construction.

And you can understand the attraction.

Redbank Plains is spoiled for choice when it comes to retail and services. An already established shopping zone centred around Town Square Redbank Plains Shopping Centre provides most of the necessary services – and there's new developments such as the recently-launched $20 million food precinct along Redbank Plains Road.

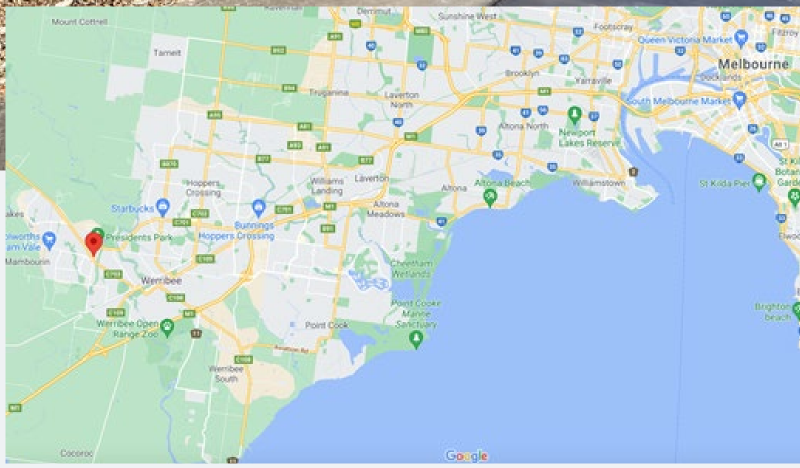
There's comprehensive schooling options catering from childcare right through to public primary and high schools, as well as private schools.

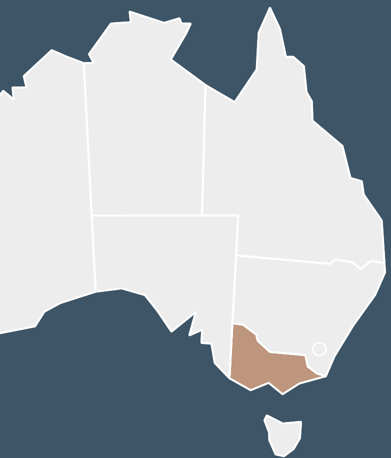
But perhaps it's the suburb's accessibility which is its major selling point. Redbank Plains Road connects through to both the M2 Ipswich Motorway and the Cunningham Highway. There's the southern connector to the Centenary Highway and the major facilities in Springfield Lakes as well.

The suburb's median house price of $335,000 makes it very affordable for investors. With a median rent of $350 per week, the gross yield of 5.4 per cent is sure to attract those looking for solid cashflow in the current low interest rate environment.

REDBANK PLAINS IS RECOGNISED AS THE FASTEST GROWING SUBURB IN THE LOCAL AUTHORITY.

ACCRUE REAL ESTATE





Wyndham Vale

Located in the City of Wyndham and positioned 30 kilometres west of Melbourne's CBD is the developing residential suburb Wyndham Vale.

Wyndham Vale has plenty to offer investors with accessibility, community facilities and services among the top fundamentals.

Public transport centres around the train with Wyndham Vale Railway Station providing ready access to metro and regional localities. For commuters who desire a more direct route to the CBD, nearby Werribee Railway Station will deliver you to the heart of Melbourne in 45 minutes.

Wyndham Vale Square Shopping Centre and Manor Lakes Shopping Centre cover all the primary retail outlets, while there are medical services and a range of food and café options on hand too.

Education is well catered for. There are four primary schools to choose from in the area, as well as secondary schools. Wyndham Christian College is a private school that's also looking to expand into secondary education in 2022.

The demographics reveal Wyndham Vale as a suburb with aspirational appeal. ABS stats show families make up a staggering 79.2 per cent of all households, with most of those households having kids.

Wyndham Vale has a reasonable buy-in value with the median property prices over the last year being $510,000 for houses. At the median house rent of $350 per week, this reflects a solid 3.6 per cent gross yield.

Units are similarly attractive. With a median price of $388,500 and a median rent of $340 per week, units are returning a gross yield of 4.6 per cent.

And capital growth has been consistent. Based on five years of sales, Wyndham Vale has seen a compound growth rate of 8.8 per cent for houses and 6.2 per cent for units.

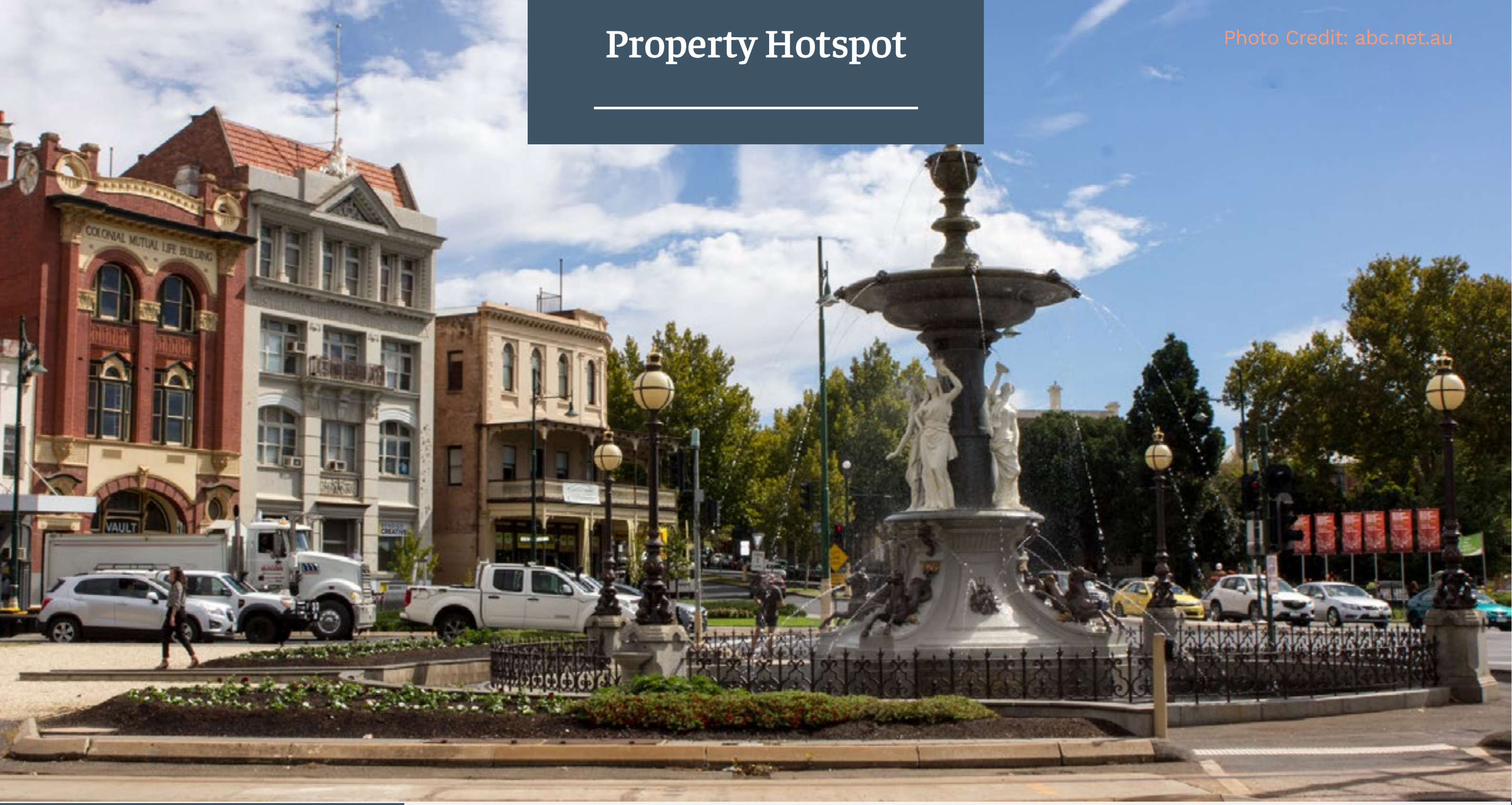
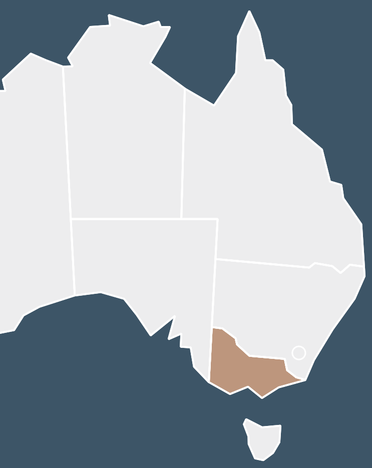


Photo Credit: abc.net.au



Bendigo

Bendigo featured prominently in our nation's gold-rush history, but the modern way to 'strike it rich' in this regional city might be via real estate.

Positioned approximately 130 kilometres north-west of Melbourne, Bendigo is an established centre with all the necessary facilities and services residents need. Transport options make it very accessible to the Melbourne CBD, so it strikes a nice balance between regional appeal and big city convenience.

Bendigo has graduated beyond its gold-rush past with a diverse economic base bolstering its property price growth potential. Industries include retail and industrial sectors, along with tourism, medical services, agriculture, forestry, and mining.

BENDIGO HAS GRADUATED BEYOND ITS GOLD-RUSH PAST WITH A DIVERSE ECONOMIC BASE BOLSTERING ITS PROPERTY PRICE GROWTH POTENTIAL

Infrastructure projects are also boosting the region. A multi-billion-dollar Regional Rail Revival program will increase train frequency. In addition, the Bendigo Senior Secondary College, and the creation of a 'Gov Hub' will deliver improved employment prospects.

Bendigo has seen rising sales activity, which is a good indicator of future price growth. Many suburbs have median prices in the $300,000s. In addition, yields range from around 4.5 per cent to 5.5 per cent which make for a healthy return.

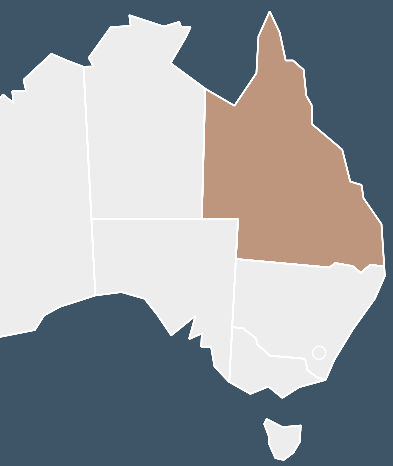
And for investors, you can expect secure ongoing tenancy. Vacancy rates have been below three per cent since a sharp downturn in April 2020, with most suburbs now below one per cent. Tenant demand is well and truly outstripping available housing supply.

There are also several great Bendigo suburbs where value growth is well established.

Take Strathdale, for example, which has seen its median house price increase 18 per cent over the last year to reach $490,000, based on CoreLogic data.

Another location worthy of mention is Kangaroo Flat. This area has plenty of liquidity with a substantial 182 sales last year.

Photo Credit: abc.com.au



Toowoomba

Toowoomba – or 'The Garden City' as it's affectionately known – sits high on the Great Dividing Range in Queensland's mid-southeast. It's viewed as an excellent regional option for those looking to escape Australia's big capital cities. Toowoomba has been the primary hub for surrounding agricultural operations for decades, but in recent years, the city has expanded its economic base.

Several drivers now boost Toowoomba's property performance.

Coal reserves throughout the Surat Basin have made the city an attractive commercial centre for mining operators. With its airport, and other comprehensive facilities, mine workers often utilise Toowoomba as either a home base or a FIFO hub.

The opening of the University of Southern Queensland has been another modern-day positive. Not only has this facility increased the population via students, staff, and support industries, it's also generated economic activity and gentrification.

In addition, there's a proposed new hospital, plus the recently opened Qantas Training Academy.

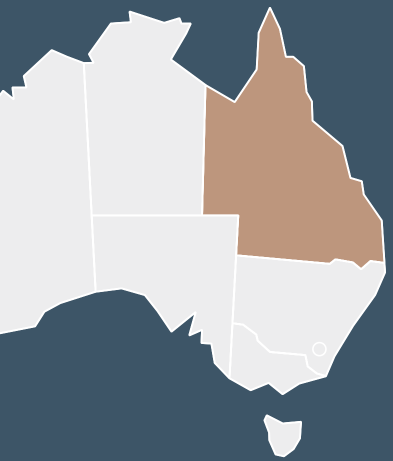
Other infrastructure projects include the Toowoomba Second Range Crossing, plus an Inland Rail project which is currently under construction.

Several Toowoomba suburbs have enjoyed substantial price gains in recent years. According to the CoreLogic data cited in one Hotspotting report, the biggest price increase in Toowoomba over the past 12 months was 13 per cent in Mount Lofty, with a median price of approximately $480,000. Other noteworthy suburbs include Wilsonton Heights which has risen eight per cent, and South Toowoomba which is up five per cent.

Of note is that Toowoomba had the highest uptake nationally of the Homebuilder Grant and the First Home Loan Deposit Scheme in 2020.

Affordability is also a factor with Centenary Heights, Harristown, Newtown, North Toowoomba, South Toowoomba, Wilsonton, and Wilsonton Heights all having a median house price below $400,000. In addition, the city's current vacancy rate 0.5 per cent is a testament to the level of tenant demand.

Photo Credit: realestate.com.au



Sunshine Coast

'Seachange' describes the way large swathes of the nation's population are moving to attractive coastal lifestyle locations – and the Sunshine Coast is an excellent example of the phenomenon. Positioned around 100 kilometres north of Brisbane, the Sunshine Coast region extends from the old-school seaside charm of Caloundra in the south, through to glamourous Noosa in the north.

The Sunshine Coast was already flourishing as a population centre, but the onset of COVID really ramped up its appeal. A growing number of interstate migrants coming to Queensland are choosing to settle in this idyllic coastal stretch.

Riskwise Property Research recently dubbed Coolum Beach and Peregian Beach two of Australia's top 10 suburbs to retire to. Also solid, sustained capital gains are evident with Noosa Heads, Sunrise Beach, Sunshine Beach, Warana and Yaroomba all showing value growth averages between five and seven per cent per year.

While tourism initially struggled on the Sunshine Coast under the weight of COVID restrictions, domestic holiday demand has picked up pace. Of course, relying on vacationers is just one pier in the region's economic foundation.

Manufacturing, retail, and commercial services are all on offer... and then there's the health sector. A $5 billion health precinct in the southern suburb of Birtinya has led the charge in diversifying and bolstering the Coast's prospects.

A new 53-hectare Maroochydore CBD, expansion of the Sunshine Coast Airport to include international flights, the University of the Sunshine Coast's ongoing development to become Australia's first university town and more than $1 billion worth of upgrades to the Bruce Highway are all on the cards.

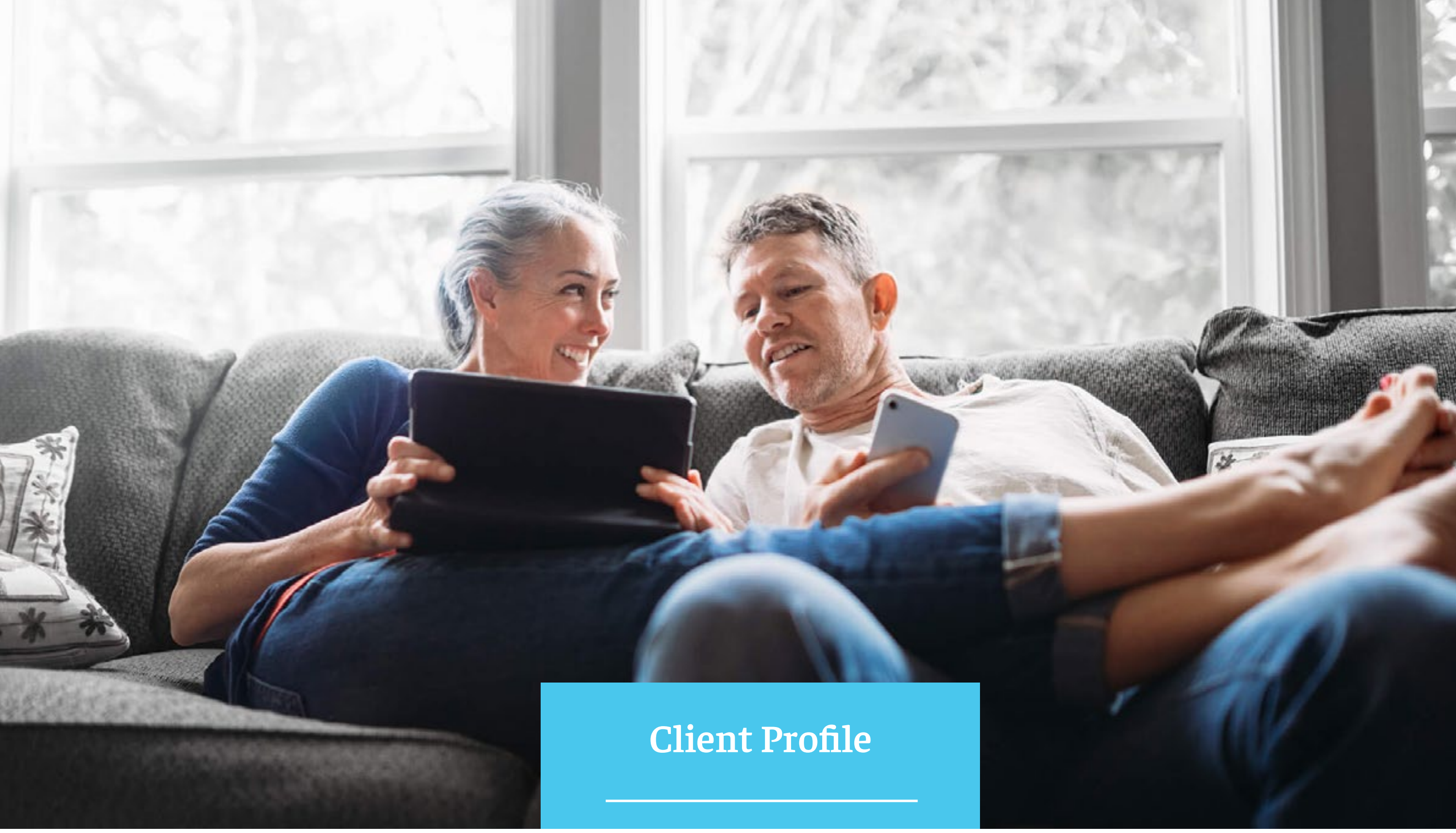
As such, the Sunshine Coast's economy has grown four per cent per year on average over the last 15 years.

> OF COURSE, RELYING ON VACATIONERS IS JUST ONE PIER IN THE REGION'S ECONOMIC FOUNDATION.

While demand is high on the Sunshine Coast, accessibly priced property is still on offer. Homes below $500,000 are available in areas such as West Caloundra and Nambour. Of course, beachside suburbs see much higher medians, such as Mooloolaba housing which run at around $900,000.

Tenant demand is incredibly strong here. Premium rentals and low vacancy rates are common, while long-term capital gains have remained at the five per cent mark.

ACCRUE REAL ESTATE



How one couple invested in four properties in four years

There isn't a much higher recommendation about a company than wanting your daughter to use their services, is there?

Well, that is the situation for property investor and Accrue client, Tom and his wife, who are keen for his adult-age daughter to invest in property using the agency's expertise and know-how.

Of course, children don't often take much heed of their parents, but Tom is hopeful that she will one day listen to someone else say the same thing he's been telling her.

"She hasn't actually gone there yet, but I'm still hoping she will have a chat with Mark, and just feel comfortable about it, because kids rarely listen to their parents, do they?" Tom says with a laugh.

In his younger years, Tom had bought, renovated, and sold several homes during his first marriage but never had the extra cash flow to invest in property as well.

However, with the passage of time and his children leaving school, he found himself with fewer household expenses as well as a new wife who was a strong proponent of property investment as a wealth creation vehicle.

After the couple met with Accrue a few years ago, Tom was immediately impressed with the investment strategy and financial analysis they provide, given he works in the finance industry.

"We ended up meeting with Mark Gilbert, who we've been dealing with ever since, and we both get on with him very well," he recalls.

"He's a low key, low pressure sort of guy and we have never felt like we're being pressured into doing anything we don't want to do.

"When you work in my sort of business you tend to be risk averse and you look at all the downsides and all that sort of thing, so I eventually said to my wife, ‘Look, the worst thing that could happen is that we don't like it, or it doesn't work, and we just sell it. It's not going to be the end of the world.’”

Well, the couple went ahead with Mark’s recommendation and won’t be selling the first property they bought using Accrue anytime soon, because the three-bedroom townhouse they purchased through Accrue has not only seen a solid value uplift since it was completed but has also been tenanted every week as well.

At the time of their first property investment purchase, the couple became Accrue clients, which has enabled the busy executive to continue to grow their portfolio when he usually has very little time to spare day to day.

“I understand how the mathematics and the money works, but I don't have time to drive around all weekend looking for properties and I don't know the ins and outs of the industry like a professional does,” Tom says.

“Mark told us, 'These are the types of properties I look for. I look for areas where there's high owner occupancy. I look for ones that are close to train stations. I look at ones that are on growth corridors.’

“There was a whole list of things that he was looking for. I could presumably go and find all these statistics myself, but it would take weeks, and he does it as part of his day-to-day job, so it just seemed to make sense.”

During their annual review, it became apparent that the couple had the ability to purchase another investment property relatively quickly due, in part, to the solid performance of their first investment.

The next property to be added to their portfolio was a three-bedroom, two-bathroom townhouse in Melbourne’s western suburbs.

Construction was due to be completed in about early 2020, which we all know now was also the start of the COVID19 pandemic.

“At the time, I thought, ‘This isn't going to be good’, but after only a short delay we did get tenants, and they’ve been there ever since,” Tom says.

“They're three single blokes who you couldn't fault as tenants. We haven't had to reduce the rent – we haven't had to do anything like that.”

The success of their second venture with Accrue meant the pair soon decided to build not one, but two, houses in different locations sooner rather than later.

One of the properties is in a newer suburb, with construction due to start soon, while the other will be on a block of vacant land in regional Victoria that will settle later this year, which will provide the portfolio with some diversity.

Tom says his positive experiences with Accrue meant he felt confident to add two more properties to their growing portfolio in quick succession.

“When we were talking about the third one with Mark, he said, ‘Look, if you come to me next year and say you want a fourth one, then you may as well do it now because this property isn't going to settle for another 12 months because the land hasn't even been subdivided,” Tom recalls.

“He said, ‘If you put your foot on it now, then you can get 12 months of growth by paying a very modest deposit now.’”

And put their feet on it the couple have certainly done, with the vacant block of land due to settle later this year – a full year of booming market conditions after they paid a deposit for it.

The pair has plans to add to their portfolio again in the coming years, but it seems clear that they may never have achieved such a significant number of holdings if they had not decided to work with Mark and the team at Accrue.

“We really like Mark. He's a friendly person who's just nice to talk to, he appears to be very knowledgeable about what he does, and is very low key,” Tom says.

“The follow-up is really good and Accrue has good support people to help when required. We had a small problem with trying to get the title back on one of the properties that we needed to refinance, and they jumped in and helped straight away.

“You never feel like you're heading along blind. It gets easier, obviously, as you get used to the process, but equally, it's nice to have them just checking things in the background so that you don't have to go back to the contract and grind it all out yourself.

“I choose to do that because I'm quite meticulous, but I can imagine for some people who really don't have the time or expertise, it would be really helpful to know that when they give you all that information, you know that it's exactly what you need.”

Australian Property Clock

JULY 2021

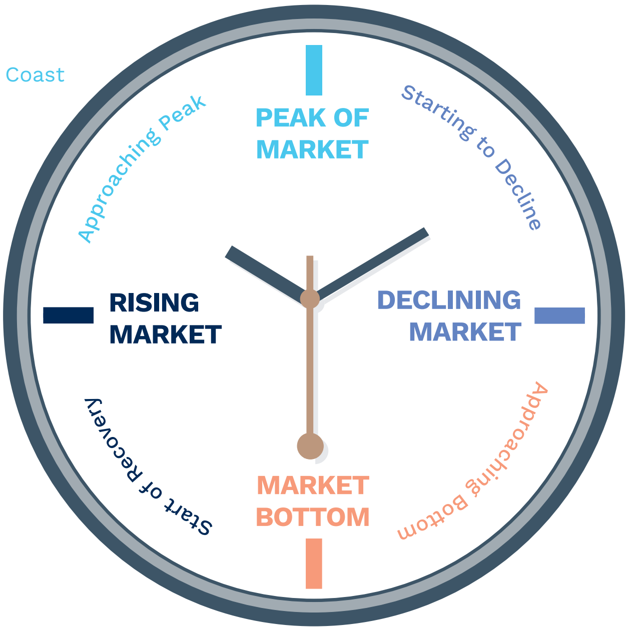
Our research and acquisition team use data and analytics to identify the nation's next property hotspots, keeping our clients ahead of the market.

Investing is a science and by using the latest data we are able to predict market trends and growth suburbs. Here's just some of the analytics we're tracking at Accrue.

Hobart
Launceston

Canberra
Geelong
Ballarat
Sunshine Coast
Canberra

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



Melbourne CBD
Melbourne Southbank
Sydney CBD
Brisbane CBD
Perth CBD

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 clients.

CORELOGIC HEDONIC HOME VALUE INDEX

CoreLogic's analysis to June 30 highlights the extraordinary capital gains being made by those who've invested in Australian residential property. National home values rose 1.9% in June, taking annual growth to 13.5% for the financial year. This is the highest annual rate of growth seen across the Australian residential property market since April 2004.

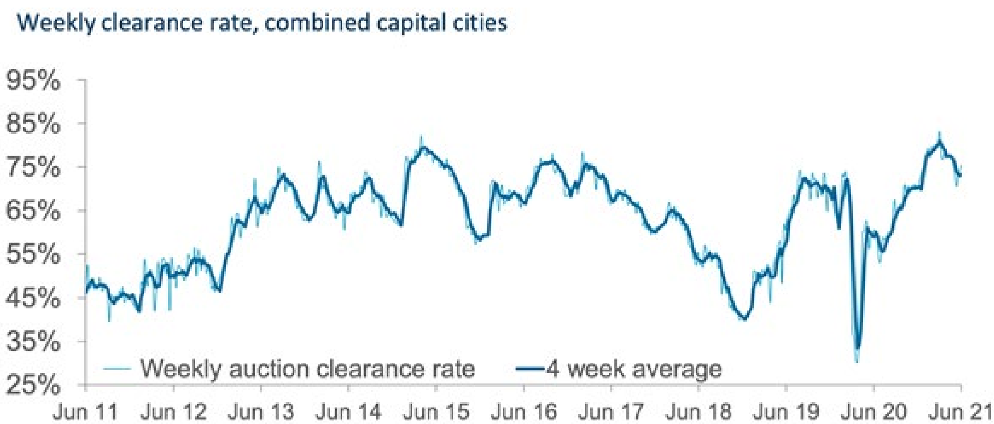
Index results as at June 30, 2021

	Change in dwelling values				
	Month	Quarter	Annual	Total return	Median value
Sydney	2.6%	8.2%	15.0%	17.8%	$994,298
Melbourne	1.5%	4.6%	7.7%	10.7%	$753,100
Brisbane	1.9%	5.7%	13.2%	17.9%	$586,142
Adelaide	1.6%	5.6%	13.9%	18.5%	$508,712
Perth	0.2%	2.1%	9.8%	14.7%	$526,166
Hobart	3.0%	7.4%	19.6%	25.3%	$607,960
Darwin	0.8%	6.3%	21.0%	27.6%	$475,083
Canberra	2.3%	6.1%	18.1%	22.5%	$770,873
Combined capitals	1.9%	6.2%	12.4%	15.9%	$727,427
Combined regional	2.0%	6.0%	17.7%	23.1%	$478,212
National	1.9%	6.1%	13.5%	17.3%	$645,454

Source: CoreLogic

AUCTION CLEARANCE RATES

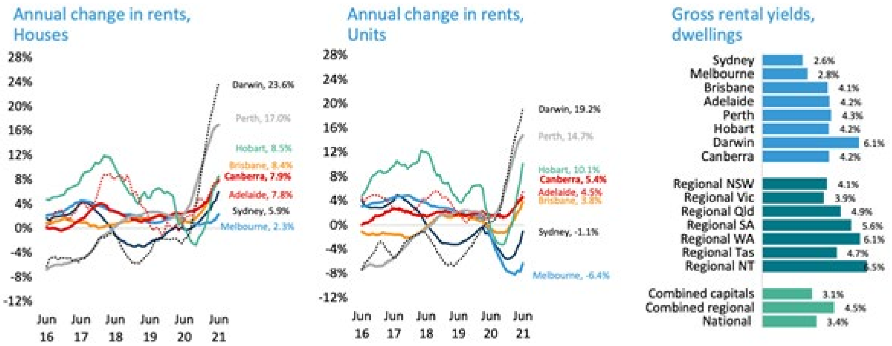
Data to the 4th July shows the resent overall rebound in auction clearance rates has now consolidated a little. Sydney, Melbourne and Adelaide are all between 74 per cent and 78 per cent clearance, while Canberra saw a staggering 91.7 per cent clearance rate.



Source: CoreLogic

RENTAL MARKET PERFORMANCE

Changes in rents and gross yields have a direct impact on investor cash flow. The latest data from CoreLogic revealed a continued strong post-pandemic rebound in detached housing rents.



Source: CoreLogic

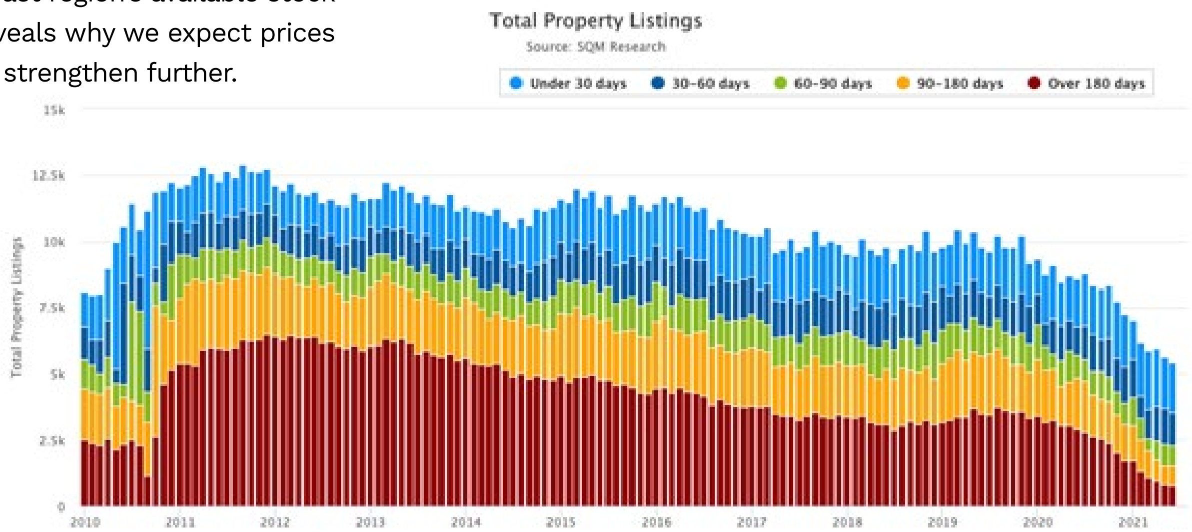
PROPERTY LISTINGS

Total listing numbers tightened during the pandemic. This chart on the Sunshine Coast region's available stock reveals why we expect prices to strengthen further.

Source: SQM Research

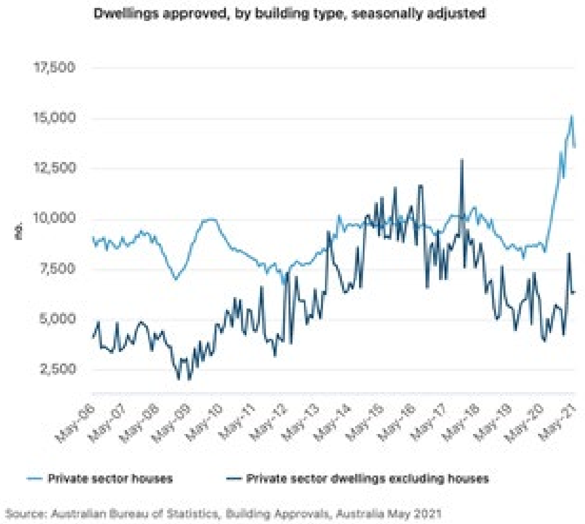
TOTAL PROPERTY LISTINGS

REGION: SUNSHINE COAST



BUILDING APPROVALS

Building approvals help inform experts on the supply vs demand balance. Suburb levels approvals are most useful, however this chart from the ABS shows building approvals have been on the rise nationally.

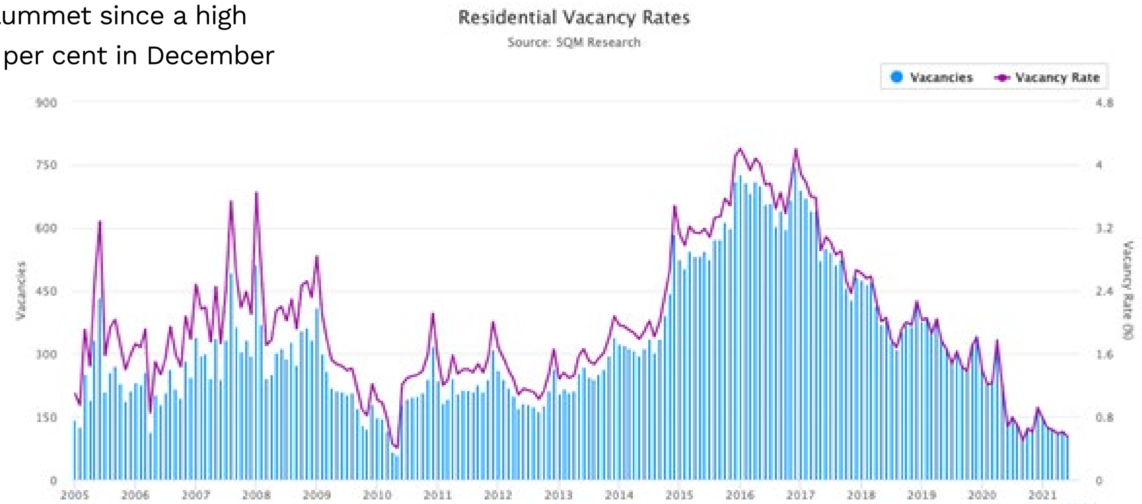


VACANCY RATES

Low vacancy rates indicate a market where demand for rentals outstrips the available supply of rental housing. This SQM Research chart reveals Toowoomba's vacancy rate has plummet since a high of 4.2 per cent in December 2016.

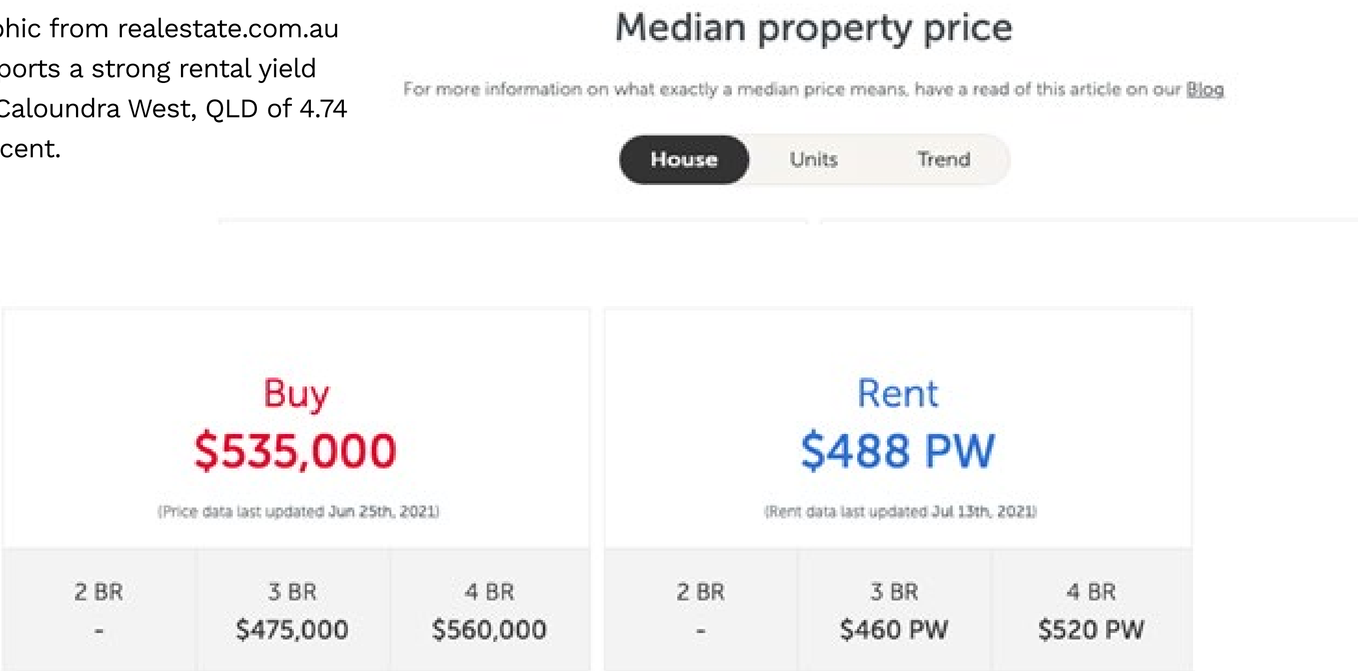
RESIDENTIAL VACANCY RATES

REGION: TOOWOOMBA



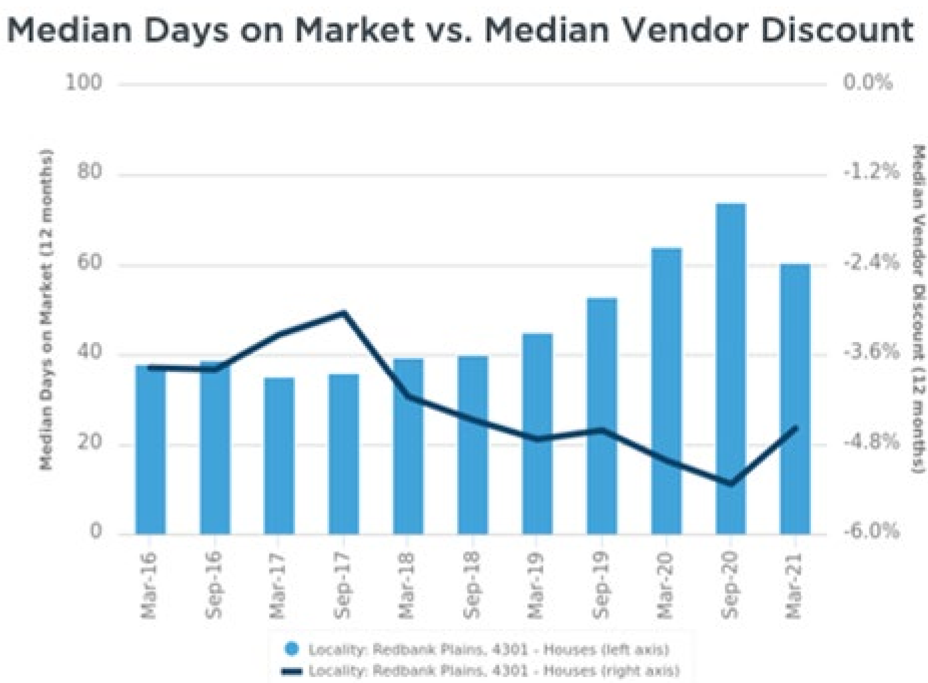
RENTAL YIELD

Rental yield for a given suburb is assessed by dividing the median property price by the median annual rent. This graphic from realestate.com.au supports a strong rental yield for Caloundra West, QLD of 4.74 per cent.



DAYS ON MARKET VS. VENDOR DISCOUNT

Days On Market (DOM) refers to the average number of days between properties listing and selling within a given location. A low DOM indicates a stable market with good growth potential. Vendor Discounting refers to the average percentage sellers have reduced their asking price by to achieve sale. A lower vendor discount indicates high demand in a suburb. This CoreLogic chart for Redbank Plains shows DOM rising (blue bars) while the Vendor Discount remains tight.



Source: CoreLogic

OWNER OCCUPIERS VS. RENTERS

A relatively high proportion of owner occupiers (OO) as compared to renters bodes well for a suburb's investment potential. OOs tend to be less transient and spend more money upgrading their homes. This results in better yields and over capital growth potential for a suburb. The below chart from the ABS for Peregian Beach on the Sunshine Coast QLD shows the suburb exceeds the State's average for OO vs. renters.

Tenure *Occupied private dwellings*	Peregian Beach	%	Queensland	%
Owned outright	452	32.2	471,407	28.5
Owned with a mortgage	484	34.5	558,439	33.7
Rented	431	30.7	566,478	34.2
Other tenure type	3	0.2	15,566	0.9
Tenure type not stated	34	2.4	44,944	2.7

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 5/138 Juliette St
Greenslopes, QLD 4120
Mail: P.O. Box 416,
South Melbourne, VIC 3205