ACCRUE

REAL ESTATE

GENERATIONAL INVESTING

contents

Disclaimer: Articles printed and opinions expressed in the Accrue Magazine do not necessarily reflect the views of Accrue Real Estate. All statements are believed to be true and accurate, but cannot be guaranteed and no liability will be accepted for any error or omission. Information appearing in the Accrue Magazine may not be reproduced without the written permission of the Editor. Advertisements must comply with the relevant provisions of the relevant legislation. Responsibility for compliance with legislation rests with the person, company or advertising agency submitting the advertisement. Neither Accrue Real Estate nor any of its employees accepts responsibility for advertisements. Advertising in the Accrue Magazine does not necessarily reflect the views of Accrue Real Estate. © Copyright 2021 Accrue Magazine.

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 are living through an extraordinary period in our property markets – a cycle of price growth the likes of which have not been seen in almost 20 years.

A look at the latest data from CoreLogic tells the story.

To the 10th October, we've seen 12-month median-price growth of 20.0 per cent across Australia's five largest capital cities. Sydney alone saw a 24.4 per cent increase, while Brisbane – which had languished in the single digits for almost a decade – enjoyed 20.7 per cent in gains.

CoreLogic also placed the significance of Australia's residential real estate as a retirement asset into perspective by noting the value of the sector has surpassed $9 trillion dollars over September – just five months after the market exceeded $8 trillion over April. This puts housing values around 28.2 per cent higher than the estimated value of superannuation, the ASX and commercial real estate combined.

These incredible outcomes are being fuelled by a seemingly insatiable demand for property coupled with a distinct lack of available supply.

Australia's property market is excelling itself on the international stage as well. The latest Knight Frank quarterly global house price index placed Australia in 7th position on a ranking of 55 countries. That's an incredible outcome given our population size.

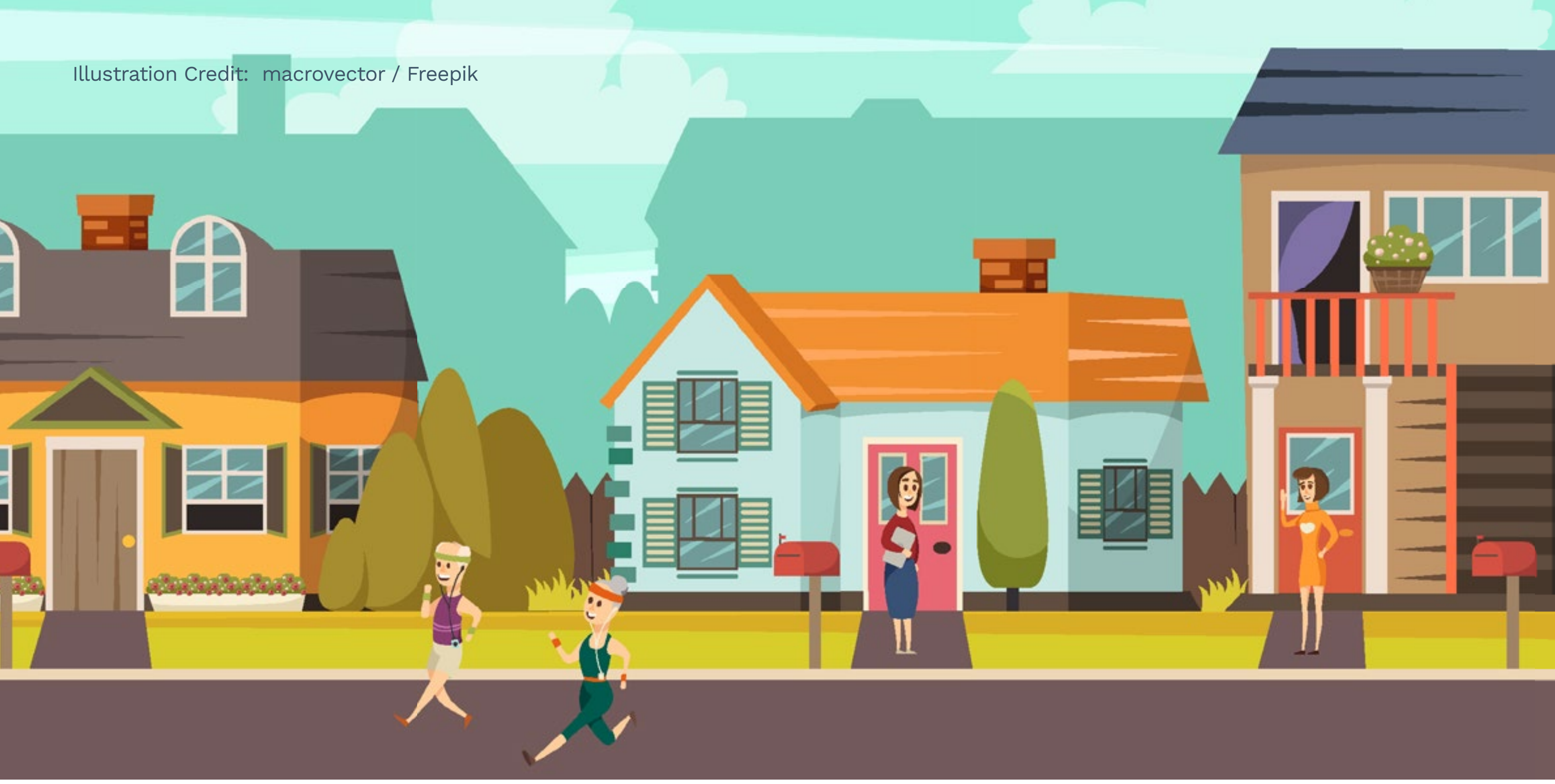
It's not all about houses and units either. Land is in short supply, and this is feeding into notable value increases. I was discussing the market with a major land developer recently. He said they were now running to just one month's supply of allotments, which reflected a 75 per cent reduction of land availability.

In response, a program of fast-tracked development approval is underway, but this will simply see future supply brought forward. The result will be shortages in available land for at least the next two-to-five years as the market struggles back to equilibrium.

Yes. There's no doubt Australian property's position as the gold standard has some time to run yet. During times of worldwide uncertainty investors find comfort in brick and mortar. Real estate is universally recognised as a safe haven, particularly when compared to volatile share markets.

The lesson should be this – anyone who now hesitates when investing in property will look back with regret in the years to come.

JASON NEVINS
Managing Director



Generational Investing

Property investment is a lifelong pursuit which allows Aussies from all walks of life to establish a secure financial future.

JASON NEVINS
Managing Director

But while the benefits of real estate ownership are universal, the types of assets you should consider buying will depend on your age and stage in the property investor lifecycle.

Analysis from the previous census revealed that of the 2.2 million property investors in Australia, only 71 per cent held one dwelling in their portfolio. This means 1.5 million Australians started a journey toward financial freedom but are struggling to progress beyond that first asset.

A huge part of the reason for this stoppage is the lack of long-term strategic planning. By understanding the generational stages we pass through on our investment journey, we can map a path for the decades, and realise our vision of financial independence.

Here are the four broad generational phases we see in the investor lifecycle, and the types of resources and investments that help build towards their goals.

FIRST TIME INVESTORS

▶ Profile: Sub 30-years of age, mostly single and on the ground floor of their careers.

Not too long ago the first-time landlord bought their initial home in an affordable part of town. Then, when it came time to move, they held onto the property (if they could afford to) as an investment asset.

There was no premeditated plan – it just happened that way.

Nowadays, young investors are becoming more strategic. They realise that by purchasing the right type of asset and building a portfolio, they can achieve their goals faster and with more certainty.

They are also applying new approaches to purchasing, such as co-buying with friends and family, or Rentvesting – i.e., buying an investment property in a growth location while choosing to rent and live in another suburb.

▶ Resources: Limited in terms of finance. They'll be on starting wages and still like having a reasonable amount of disposable income to enjoy. While they won't have dependants and will often have a lower cost of living (e.g., share housing or living at home), many want to travel and enjoy life.

In that sense, the past two years have been accidentally kind to youngsters, with enforced savings a by-product of the pandemic. Also, various grants and incentives have allowed them to get into a first home sooner.

▶ Investment Advantages: The number one upside of being young is time.

For young investors this means plenty of years ahead to enjoy not only long-term capital gains, but also make mistakes. It's a recoverable age so you can take on slightly more risk and know you have plenty of runaway to recoup and flourish.

Also, wage increases are in their future. Those who can be disciplined now and secure an asset, will find it progressively easier to get finance and make repayments.

Then there's flexibility. As a young investor you're not yet fully tethered to a location by the needs of your family. Also, you aren't covering the costs of kids, so you can alter your own personal budget and address your needs as they arise without impacting others.

▶ Investment style: Young investors find both real estate affordability and securing a loan, challenging.

For this reason, most should be seeking a low-cost asset with strong yield. While capital growth is always essential, they can afford to sit and wait for several price cycles – particularly if the asset's high yield is helping cover borrowing and running costs.

Young investors won't have loads of extra cash on hand to cover unexpected outgoings like emergency repairs and maintenance. For this reason, new properties will be most suitable.

Attached housing in new developments should be a priority. It's high yield, has good capital growth potential (if in the right location) and onsite management will take care of the tenant's needs for you.

YOUNG FAMILIES

▶ Profile: The 30-to-40-year age bracket comprising couples who are planning, or in the first stages of, building a family. Most have completed their studies and internships, and have their eyes on reaching business ownership, partnership or management within the next decade.

Young families are beginning to think about their goals and motivations. Their time is precious. They're wanting to supplement their incomes and will probably not want to spend weekends maintaining and repairing their investment property.

They're also naturally thinking about the financial legacy they'll leave their children.

▶ Resources: In a nutshell, reasonably strong. They're earning a decent wage and there's still plenty of income upside on the horizon. Most are double-income-no-kids or just one child. This united front helps immensely in strengthening the household budget.

That said, there may also be lean years where parents take time away from work to help raise the youngsters. The cost of childcare is tough, but you are not yet dealing with the bulk of private school fees and other kid costs just yet.

The borrowing capacity of young families can be impressive – especially with a double income. They've also had enough years to establish a decent saving pattern. With the right approach to their financial affairs, they can be seen as a good risk by lenders.

▶ Advantages: Time is, once more, the bastion of the under 40s. Like young investors, young families still have plenty of markets cycles ahead of them.

The time challenge they do face is in finding enough minutes in the day to deal with life more generally. This is typically a period when you are running at 100 miles an hour with your hair on fire trying to manage home life, professional life and personal time, so relying on the assistance of qualified specialists when making decisions is crucial.

▶ Investment style: The investment style of young families is not hugely dissimilar to young first-time buyers in that they need to find the correct balance between cash flow and capital gains.

Young family investors are often in the accumulation phase of building a portfolio. They probably have their own home paid down a little and can draw on some equity for a deposit.

That said, they aren't usually buying high-priced blue-chip stock. Cashflow is key so a strong rental yield will be essential.

New property remains a good option. This requires less ongoing maintenance, but there's another advantage starting to creep in – tax deductions. Young families are on the cusp of ramping up their incomes, and tax deductions through interest, maintenance and depreciation will assist big time come end of financial year.

MATURE FAMILIES/ MIDDLE AGE

▶ Profile: Families where the kids are progressing from teenager to young adult status, and you're hitting peak earning potential. You have your career in hand and have established

yourself in terms of routine, community and finances.

But time is a challenge. With so many personalities under the one roof all with their own agendas of activity, mature families must be adaptable to each other's needs.

There are plenty of trials at this stage of life that can make investing feel like a chore. Your time is limited, and your attention is strained. It's hard to focus on financial planning and action.

But focus you must. This is also a period where you are best positioned to solidify a portfolio of assets that can take you to retirement. Of course, this must also be balanced with an appetite for risk. A lot of important events occur during this period, so putting yourself under financial stress isn't something you should invite.

▶ Resources: Investment resources during this phase are mixed because your personal incomes are peaking, but your living costs are on the rise too.

These are the years where you and your partner will be making decent incomes. In addition, if you've invested previously and enjoyed the price growth cycle, your properties should be boosting your net cashflow.

The resources downside is costs. If you've got a couple of kids at school, then the outgoings will be mounting up – particularly if you've chosen private education for them. But even outside school fees there's excursions, sporting pursuits, music lessons, vacation costs... the list goes on.

It's all to say that were dealing with a high income/high outgoing environment which requires careful management and advice.

▶ Advantages: This generation of investing can have distinct investment advantages.

For one, your strong incomes look good on the loan application. You'll also likely to have a few dollars already invested which helps shore up your balance sheet.

Most people have bought their home and done a few improvements by now. Combine this with paying down the loan and rising market values, and there's probably a decent chunk of equity on hand to help finance you into an investment.

The other advantage is that there's still time between now and retirement to see at least a property price cycle or two – provided you choose wisely when building your portfolio.

In short, these investors are well positioned to ramp up their asset accumulation so long as they carefully analyse their position and manage the home finances.

> THESE INVESTORS ARE WELL POSITIONED TO RAMP UP THEIR ASSET ACCUMULATION SO LONG AS THEY CAREFULLY ANALYSE THEIR POSITION AND MANAGE THE HOME FINANCES.

▶ Investment style: The type of property you buy will be dependent on your personal financial circumstances, so investors in this generational category must be certain of their needs.

If you're a high-income, high-net-wealth household, now is the time to accumulate multiple high-growth assets. These are the years that will pay handsome dividends in the future. Yield remains an important consideration, but you should weight your decisions as much as possible toward growth.

These investors should be shooting for newer homes in high growth locations dominated by owner-occupiers. New homes also deliver much needed tax breaks to this generation.

For those will less risk appetite, and a tighter financial position, consider buying between one and three low-priced assets in decent growth zones. This delivers flexibility and diversification.

EMPTY NESTERS/ RETIREES

▶ Profile: This 55+ years category has seen their mature-age kids fly the coop.

They are concentrating of what life will look like post-employment. Plans for travel and pursing individual interests will be top of mind, while relationships beyond the family unit will gain importance.

While many at this stage of the cycle are beginning to enjoy the fruits of their labours and investing, there's still value in acquiring the right assets. Our key takeaway is... don't worry! There is always time to benefit from investment, even late in your work life. You just need to rely more heavily on guidance and advice.

▶ Resources: Your asset base is strong, and this pool can be drawn upon as part of your investment process.

That said, there are challenges on the finance front for some mature-age investors. Banks will be looking at your longevity and income before granting lending approval.

▶ Advantages: Flexibility can be a great advantage at this age and stage. Firstly, moves to downsize and release equity form the family home can provide a stock of funds for further investing.

You can also be a more transient in choosing where to live, retiring to locations for lifestyle, rather than professional, reasons.

In addition, as empty nesters you could find more money in your account each week. No more supporting your adult offspring (hopefully!). Of course, once you choose retirement, the loss of wages is a challenge that must be managed.

▶ Investment style: As a first-time investor, you were weighting asset choices toward strong yields – the sort that could help you secure a loan and service the repayments. Interestingly in the pre-retirement and retirement years, you will once again look to the strength of yield.

The income you generate from your property will help sustain your lifestyle. That said, you don't want to give up on capital gains altogether – there's still plenty of years left to enjoy a price growth cycle or two – and capital gains give you excellent options for selling down.

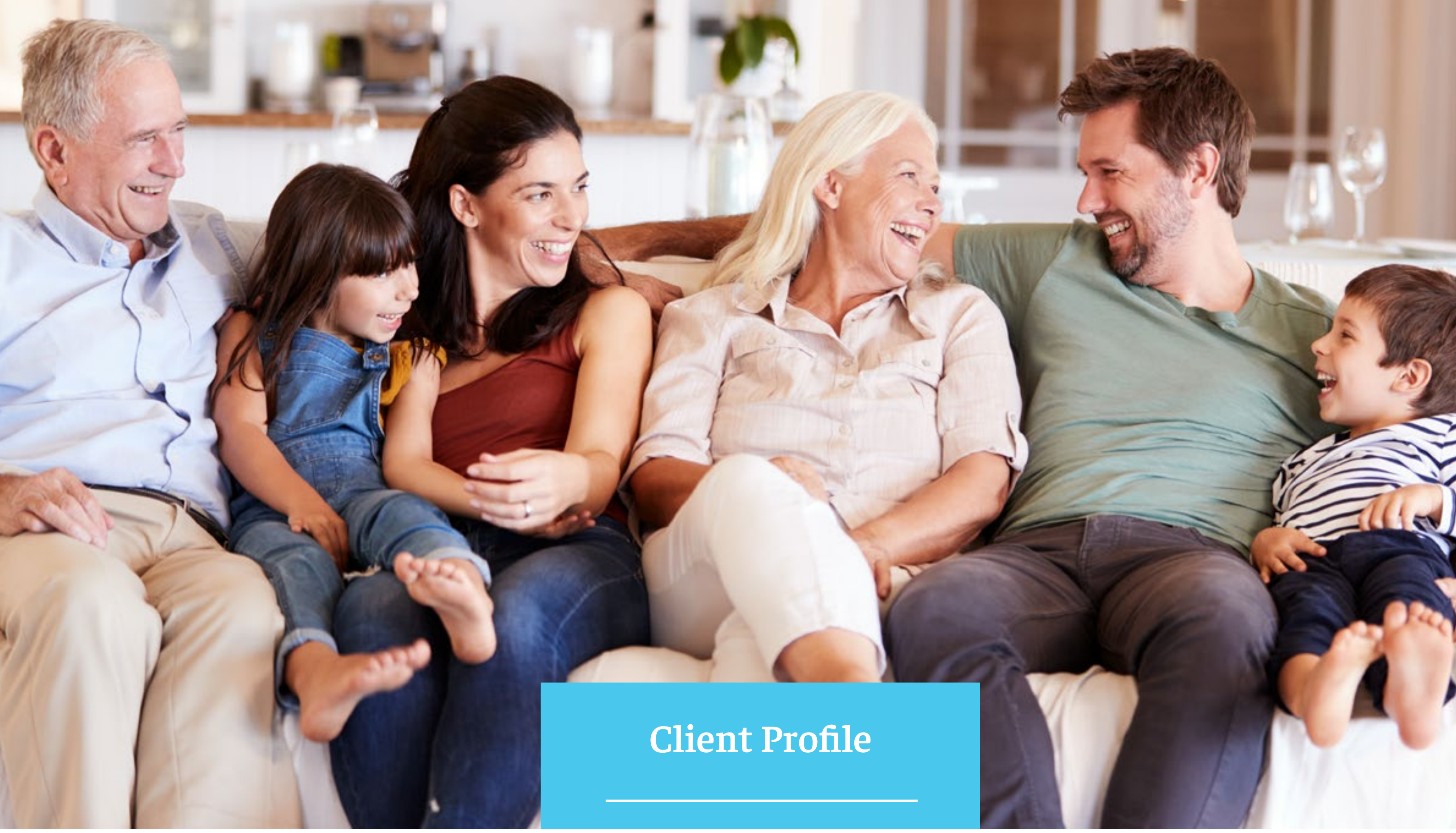
Most of those at or near retirement also want something low maintenance. Well-managed assets in excellent condition will be a priority. New townhouses or apartments are well worth considering, so long as the location has been fully vetted by a professional.

GENERALISE, THEN PERSONALISE

The one major takeaway from this information should be to start with these broad observations but personalise the journey. There are, of course, sub-categories of people who will also enjoy the benefits of investing such as divorcees, forever singles, mixed families etc.

Finally, there's no denying that perhaps the most valuable asset of all is 'time'. A common theme we strike with many of the investors we deal with – from young to mature – is that they wish they'd started investing earlier. The best outcomes are delivered by time in the market. So, while the advice here is useful, the next step really relies on devising a bespoke approach to your investment plans, and acting ASAP.

A COMMON THEME WITH MANY INVESTORS – IS THAT THEY WISH THEY'D STARTED INVESTING EARLIER.



Client Profile

Investing across the generation gap

The primary role of a parent is to nurture and protect their child. You want them to be happy, loved, successful, and free to make their own choices.

So, when a mum or dad discovers a service so good they can't wait to recommend it to their kids, it's a huge endorsement.

This was the case for 22-year-old Annabel. Her dad Tom (featured in the last issue of Accrue magazine) wanted a secure financial future for his little girl – and he knew Accrue could help deliver it.

Mind you, Annabel already has runs on the board when it comes to money matters. She works in financial planning at an accounting firm, and is studying part time.

"I've always been around shares and managed funds, but I've always thought property seems 'safer'.

"In fact, over the years my family on both sides have tended toward property investment, and since the start of the pandemic when the stock market first crashed, property's been more solid."

Annabel said COVID had also incidentally been a silver lining in helping her put together a deposit.

"I've managed to save quite a bit of money – I'm not spending it at the moment because I'm busy and because of the pandemic shutdowns. Rather than letting is sit in the bank, and because of the COVID grants and assistance, I thought it'd be good to invest."

While Annabel obviously has a keen mind for numbers, she did need some help with her next steps.

"Dad had invested through Accrue and I thought it was a great idea for his situation."

When Annabel was ready to invest, Dad was right on it, steering her toward a company that he knew would take care of her.

"Dad loves dealing with Accrue – especially Mark (Mark Gilbert, Accrue's Melbourne Sales Manager) – so he was keen for me to have a chat with him. I was also covered under Dad's Accrue membership so that was good."

The first meeting with Mark was

a get-to-know-you affair with mum coming along to hear what he had to say.

"We had a really long meeting with Mark where he explained how the process would work. "After the meeting, Mark did some investigation to locate appropriate properties. Sometime after that he presented four property options to me."

Annabel said an extensive discussion with Mark on the investments and their potential helped put things into perspective.

"Mark found four specific properties and Queensland was our spot. We had a Zoom call for about three hours."

She found Mark's level of analysis and amount of detailed information compelling.

"We had the research up on a couple of screens at home and had information about the locations, growth data, infrastructure, level of owner-occupiers in the area and all of that. It was great.

"Mark also reminded me that because it's an investment, it doesn't really matter if I love the look of the property. If it can grow in value and do what it needs to for my investment plans, I don't need to see it."

She said having Accrue's support also allowed her to move fast when buying.

"The market is expected to go up further and has already been running strong, so we wanted to act quickly. After Mark presented the options, I took some time overnight to look at them properly and the next day I made a decision on which to buy.

"It was a three-bedroom townhouse in Morayfield about half an hour outside Brisbane. I paid $395,000 and it rents for $375 a week"

Annabel said with Accrue's help, she didn't face too many challenges as a young investor.

"Luckily Dad was willing to guarantee a small part of the loan so I could avoid lenders mortgage insurance. Mum also put in some cash but I'm going to pay them back ASAP."

She says the idea is to keep the property as a set-and-forget asset.

"The plan is to hold this for five to six years and then look at whether I draw on the equity or sell it and use the funds to put a deposit on place here in Melbourne. It would be really good to keep it long term, pay it off and then just have that as rental income.

"But I'd definitely go again and invest in another."

Annabel said she'd have no hesitation in recommending Accrue to other young investors.

"Mark especially was great. It was very easy dealing with him. If I needed anything I could call him, and he could take care of things."

"THE MARKET IS EXPECTED TO GO UP FURTHER AND HAS ALREADY BEEN RUNNING STRONG, SO WE WANTED TO ACT QUICKLY.

Rising cost of building supplies revealed

Building Item	Old	New	% increase
Laminated beams	2,000	3,500	75%
Prefabricated framing	8,000	14,000	75%
Trusses	8,000	14,000	75%
Steel Reinforcing	5,110	6,900	35%
Roofing (Colourbond)	10,000	13,000	30%
Structural Steel	150	174	16%
Timber Fencing	3,000	3,420	14%
Plaster supply & Plaster labour	7,800	8,580	10%
Lightweight cladding materials	1,320	1,440	9%
Garage Doors	1,000	1,090	9%
Tile supply & install labour	1,600	1,728	8%
Landscaping	4,000	4,320	8%
Scaffold Hire	700	756	8%
Shower Screens	1,400	1,500	7%
Hardware	2,000	2,123	6%
Windows	3,700	3,922	6%
Concrete slab (50 cubic m)	8,500	9,000	6%
Plumbing	6,000	6,350	6%
Bricks & labour	12,000	12,480	4%
Labour Hire	2,000	2,060	3%
Waste management & removal	2,140	2,204	3%
Waterproofing	1,300	1,326	2%

*Source: HIA, Master Builders Queensland/Rawlinsons, based on an average 3-4 bed, double garage, single storey home on about 200 sqm. NB: Not all costs for a new house construction are included.

Investment and rising construction costs

One of the big challenges facing property stakeholders at present is fast-rising construction costs, so it seems timely to address what this issue means for investors.

The onset of the pandemic delivered a sharp increase in the cost of building. Manufacturing shutdowns overseas were just the start of supply chain issues. With international shipping grinding to a slow crawl, the cost of filling a container and importing materials to our shores skyrocketed.

Then there were well-placed moves by governments to stimulate the industry through grants and incentives. While the HomeBuilder Scheme, for example, saw plenty of owners take advantage of the $25,000 on offer, the rush to sign up builders put further strain on the supply of essential materials. In addition, labour has been in hot demand. Securing good trades in a reasonable timeframe has become tough.

So, builders are finding the environment a struggle – particularly those who signed fixed-price contracts based on last year's costs. Not only are their margins being squeezed but construction time frames have blown out too.

Despite all this, investors need to consider one critical part of the equation – time out of the market will cost you dearly.

We have seen property values grow in the order of circa 25 per cent across most states within the last six months, while construction cost blowouts of 13 to 15 per cent have been recorded.

So, rising construction costs don't necessarily mean you should delay a build in hopes things will get cheaper. Experience tells us that costs will simply find a new elevated benchmark and settle in for the long term.

If you are sitting on a property that hasn't settled or commenced construction, be comforted by the fact the market has outperformed cost increases, and you have ultimately achieved asset price escalation.

We will closely monitor the next 12 to 24 months to see how the industry fairs, and how consumers will be impacted.

ACCRUE REAL ESTATE

Past Hits and Future Predictions

Welcome to this issue's section on Australian investment hotspots.

Since launching Accrue 16 years ago, we have applied our skills and experience to help identify those locations set to yield extraordinary results for our members. And our track record of success speaks volumes. In fact, we have become the leading estate agent in Australia specialising in sourcing and shortlisting investment property opportunities.

For example, in 2005 Accrue introduced investors to properties in Brunswick – it was a time when many local agents were cynical about the suburb's prospects. Then, in 2007, a substantial property boom in the suburb saw our clients benefit considerably.

Next, we accurately predicted a hot five-year run of growth for Melbourne's northern suburbs.

In more recent years, we've turned our attention to regional markets. In 2017 Accrue identified Ballarat as an area of exceptional opportunity. We helped ensure over 130 Accrue members were among the first wave of investors there, and they were rewarded with a near doubling of property values in just four years. The same processes saw our investors prosper in Bendigo to a similarly impressive degree.

This approach to location analysis is skilfully combined with property selection criteria. What we've discovered is that new product delivers a range of advantages across most markets. For example, while many investors might avoid apartments, we see their benefits. Apartments are an affordable path into certain locations and deliver above-average rental yield as compared to detached established houses. In fact, apartments can often be cashflow positive, which makes them far easier to hold as a long-term asset.

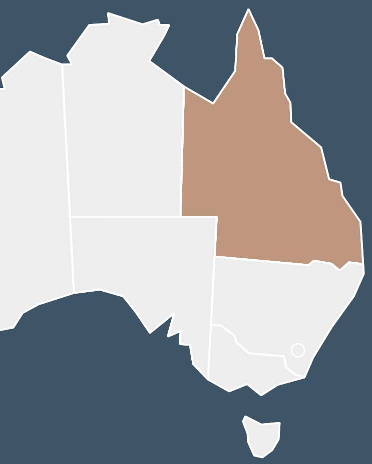
So, what looks good for the future?

We're extraordinarily bullish about the Melbourne apartment market right now. House prices have been rocketing away in the capital and affordability is an issue. Apartments are relatively inexpensive compared to houses. They give investors a price-accessible option – particularly as financiers become increasingly cautious around over-lending to the investment sector.

We're also keen on a range of regional locations, as is evident from our hotspot selections in the following pages. Regionals have certainly come of age during the pandemic and prospects away from the cities remain strong.

As you can see, the Accrue advantage is we are a truly borderless operation. We're one of the few, if not only, national real estate agencies where investors can come to one central place and gain access to Australia as a whole real estate market.

Doesn't that sound like the kind of support we could all use in making decisions as important as our future financial security?



Beerwah

Sunshine Coast beachfront destinations have, understandably, received plenty of attention as investment hotspots throughout the past year. But smart investors know – you need to be in early on locations primed to go – and for us, that means heading inland.

Hotspots

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

Beerwah is positioned 18 kilometres west of Caloundra, just under 70 kilometres north of Brisbane, and is probably best known as the home of Steve Irwin's Australia Zoo. For decades, it's simply been the suburb you pass through as an alternate travel route when traffic congestion on the Bruce Highway gets too much, but that's all set to change.

Beerwah is the perfect balance of coastal and hinterland lifestyle. It has great accessibility to the forest reserves, farmland and the beach – and is an easy drive to the popular villages of Maleny and Montville too. While a vast portion of its 60 square kilometres is taken up by forest reserve and low-density/ rural lifestyle blocks, the retail centre is buzzing. Beerwah Village Shopping Centre has all the necessities covered with a Woolworths, café's, takeaway foods and chemist among the mix. There's also an Aldi nearby.

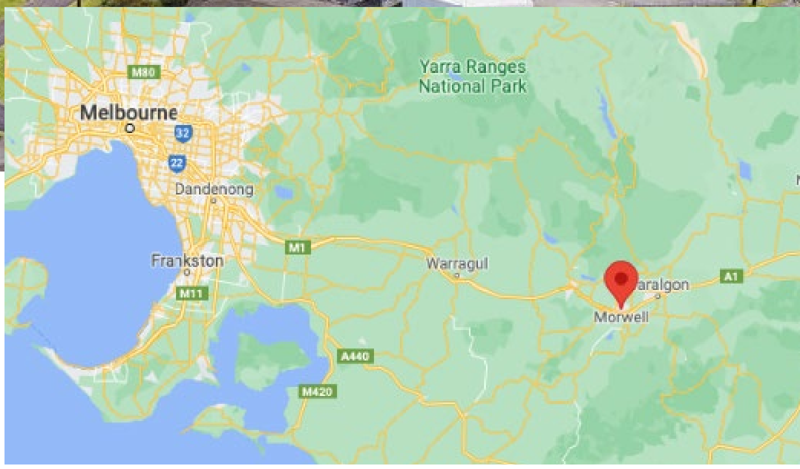
But perhaps one of Beerwah's most compelling attributes is its surprising commutability to Brisbane. Beerwah Train Station delivers a direct journey to the Sunshine State's capital in just over an hour.

BUT PERHAPS ONE OF BEERWAH'S MOST COMPELLING ATTRIBUTES IS ITS SURPRISING COMMUTABILITY TO BRISBANE.

The suburb's median house price of $600,000 may seem a little above the mark, but this statistic would likely include some older homes on large allotments too. In addition, the levels of demand for rental property on the Sunshine Coast is extraordinary at present. In terms of rising rents and values, Beerwah is perfectly positioned to take advantage of the next wave.

ACCRUE REAL ESTATE

Photo Credit: realestate.com.au



Morwell

Morwell is a town located in the glorious Latrobe Valley area of Gippsland. The community is positioned 135 kilometres east of the heart of Melbourne's CBD. Morwell has been growing in popularity as city dwellers decentralise in response to the pandemic.

It's picturesque rural surrounds, relaxed regional lifestyle and low-density living provide the right mix for those looking to escape the big smoke.

The town provides a central commercial hub for the surrounding district with established retail and services throughout the Tarwin Street and George Street areas. Major outlets, along with essential and convenience facilities are on hand.

> IT'S PICTURESQUE RURAL SURROUNDS, RELAXED REGIONAL LIFESTYLE AND LOW-DENSITY LIVING PROVIDE THE RIGHT MIX

Education options are well catered for with primary schools, a secondary school, TAFE and ready access to Federation University Australia which is just 13 kilometres south in Churchill.

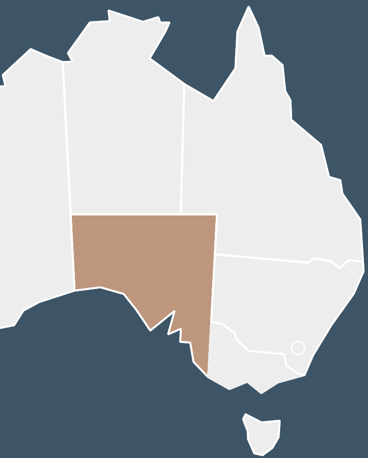
The town has good access to the Melbourne CBD and the bayside suburb via train too. The trip from Morwell Station to Flinders Street is just over two hours, which will suit weekend day trippers, and remote workers needing to periodically head to the city. The Princess Freeway provides the most direct road route into and out of town and to all other centres.

Housing is very accessibly prices according to realestate.com.au with a median house figure of $250,000 and median rent of $290 per week, reflecting a generous 6.0 per cent yield. In the unit sector, the median price sits at $202,000 with a median rent of $210 per week, which equated to a yield of 5.4 per cent.

That said, asset selection will be key to success and buying newer property at a higher price point will likely pay stronger long-term dividends to smart investors.

Property Hotspot

Photo Credit: CoreLogic



Munno Para West

South Australia has seen a surge of buyer interest in the wake of Sydney and Melbourne shutdowns, but there remain pockets of untapped potential set to run hot as the years progress.

One such location in Munno Para West, positioned 28 kilometres north of central Adelaide.

The family-buyer appeal here is undeniable. There are modern homes with plenty of space as well as ready access to parklands and facilities throughout the Munno Para location. For example, Munno Para Shopping City is in close proximity, and Playford Lakes Golf Club sits on the suburb's boundaries.

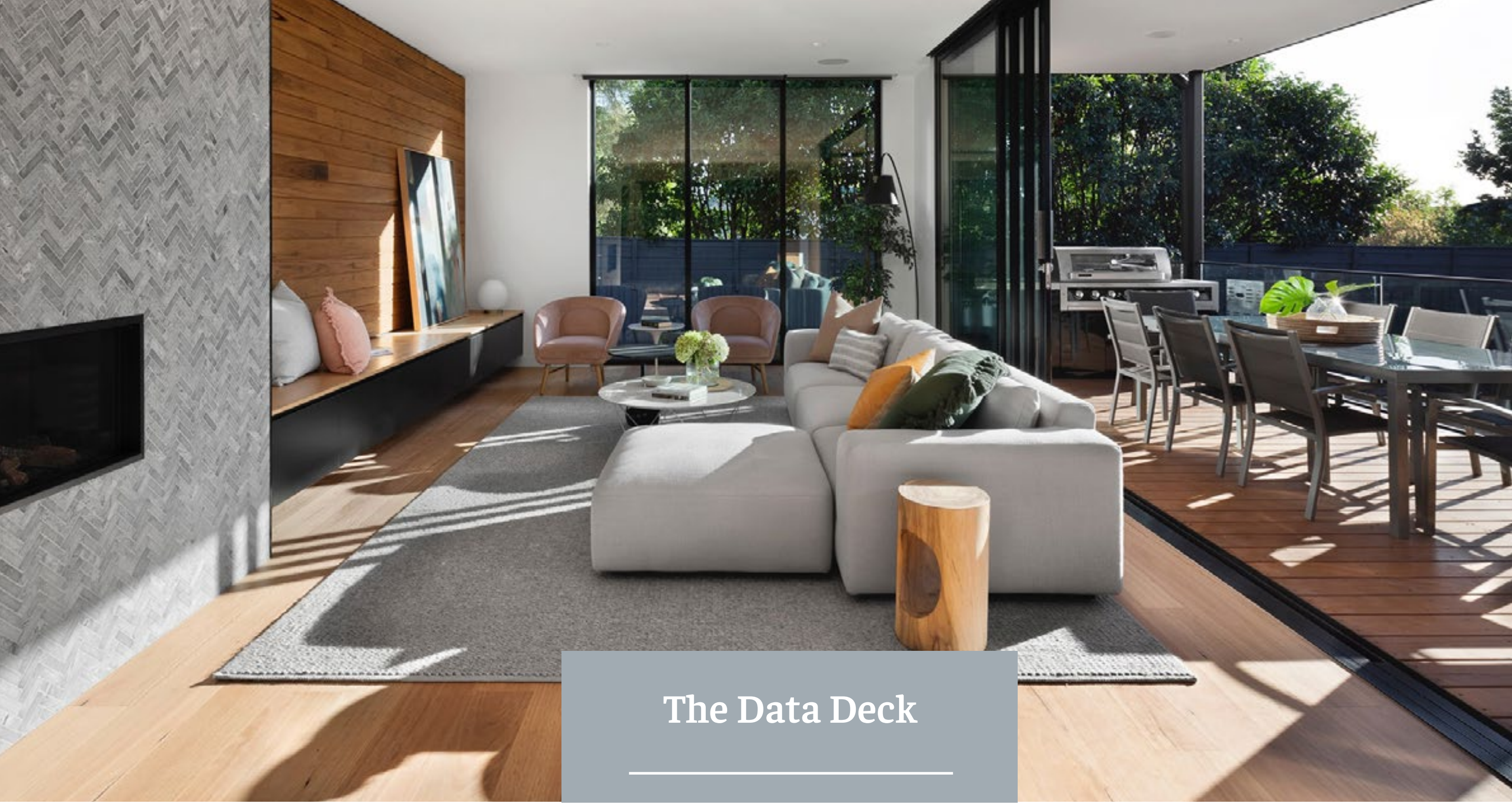
Nearby schools cater for all age groups, including St Columba College, Mark Oliphant College and Munno Para Primary School.

Access is a breeze as well. Munno Para Tram Stop provides for direct access to town as does the regular bus service. That said, a journey along North South Motorway will have you in the centre of Adelaide in under 40 minutes.

But the real attraction is the housing.

THERE ARE MODERN HOMES WITH PLENTY OF SPACE AS WELL AS READY ACCESS TO PARKLANDS AND FACILITIES

The median house price sits at $311,000 and the median rent is $360 per week reflecting a solid 6.0 per cent yield. New housing is defiantly your best option, but it's key to ensure your investment appeals to family tenants. ABS analysis reveals a staggering 78 per cent of all households are families. Within that number, families with children comprise 45 per cent of all households, which is higher than both the South Australian and national percentages. It's noted that 52.6 per cent of residents either own outright, or are paying off, their home as well. This relatively high proportion of owner occupiers bodes well for those who invest in the suburb.



The Data Deck

Australian Property Clock

OCTOBER 2021

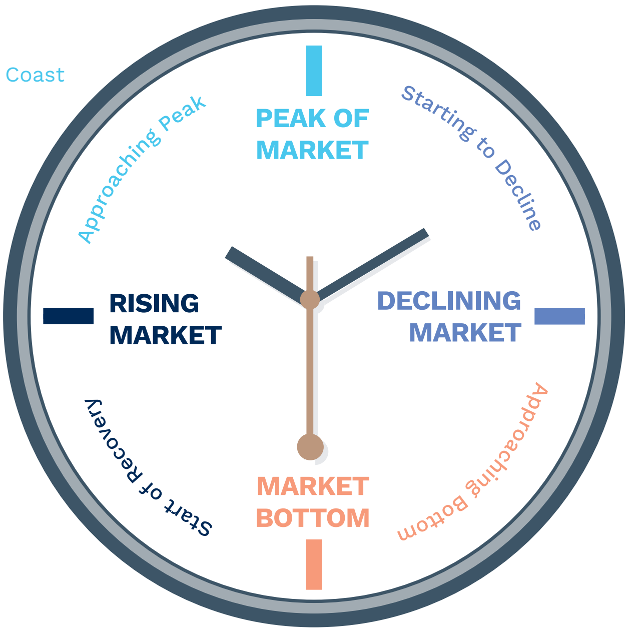
Our research and acquisition team use data and analytics to identify the nation's next property hotspots, keeping our clients ahead of the market.

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.

Canberra
Geelong
Ballarat
Bendigo
Sunshine Coast

Hobart
Launceston

Outer West Brisbane
South Brisbane
Gold Coast
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 30th September revealed a continuation of those extraordinary capital gains. National home values rose 1.5 per cent in October while annual growth reached 20.3 per cent. Combined regionals were a standout with 23.1 per cent annual growth.

Index results as at September 30, 2021 Source: CoreLogic

	Change in dwelling values				
	Month	Quarter	Annual	Total return	Median value
Sydney	1.9%	5.7%	23.6%	26.5%	$1,056,093
Melbourne	0.8%	3.3%	15.0%	17.9%	$775,142
Brisbane	1.8%	5.9%	19.9%	24.7%	$625,291
Adelaide	1.9%	5.5%	19.1%	24.0%	$529,376
Perth	0.3%	1.2%	18.1%	23.2%	$524,589
Hobart	2.3%	6.4%	26.8%	32.5%	$659,622
Darwin	0.1%	1.7%	20.2%	26.8%	$481,767
Canberra	2.0%	6.9%	24.4%	29.0%	$838,904
Combined capitals	1.5%	4.7%	19.5%	22.9%	$759,753
Combined regional	1.7%	5.1%	23.1%	28.6%	$503,609
National	1.5%	4.8%	20.3%	24.1%	$674,848

Note: CoreLogic has released a revised index series for Western Australia to stabilise some volatility in property attribute data. This has resulted in an uplift in the hedonic index for Perth and Regional WA.

AUCTION CLEARANCE RATES

Data to the 19th September revealed a slight rebound on softening clearance rates across the five capitals. That said, the reopening of Melbourne's auction market could result in some heightened activity in the near future.

Sydney's auction clearance of 82.3 per cent has already blasted past last year's 67.5 per cent result. Traditionally soft auction markets Brisbane, Adelaide and Perth are also exceeding their last year results by an incredible margin.

Weekly Clearance Rate, Combined Capital Cities

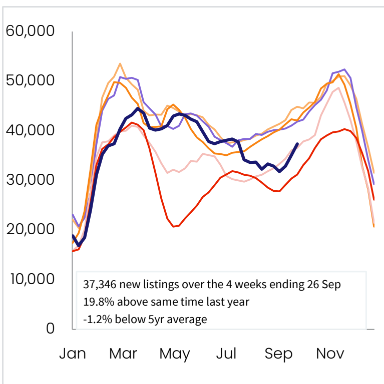
Capital City Auction Statistics (Preliminary)

City	Clearance rate	Total auctions	CoreLogic auction results	Cleared auctions	Uncleared auctions	Clearance rate (last year)	Total auctions (last year)
Sydney	82.3%	796	693	570	123	67.5%	677
Melbourne	56.4%	565	383	216	167	70.0%	11
Brisbane	82.6%	186	155	128	27	52.4%	64
Adelaide	85.0%	216	133	113	20	64.4%	74
Perth	90.0%	18	10	9	1	53.8%	13
Tasmania	n.a.	7	3	2	1	n.a.	2
Canberra	78.6%	47	42	33	9	87.8%	74
Weighted Average	74.6%	1,835	1,419	1,071	348	67.6%	915

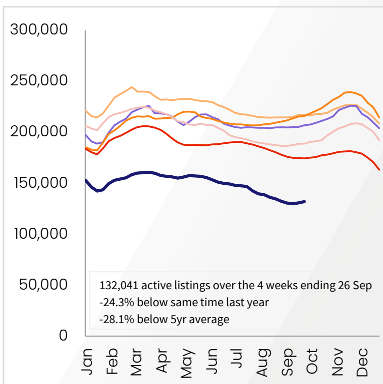
RENTAL MARKET PERFORMANCE

CoreLogic's numbers to the end of September show continued strength in rental demand has been maintained across most major markets, although they do observe that rental growth has slowed somewhat from its peak.

New listings, rolling 28 day count, national



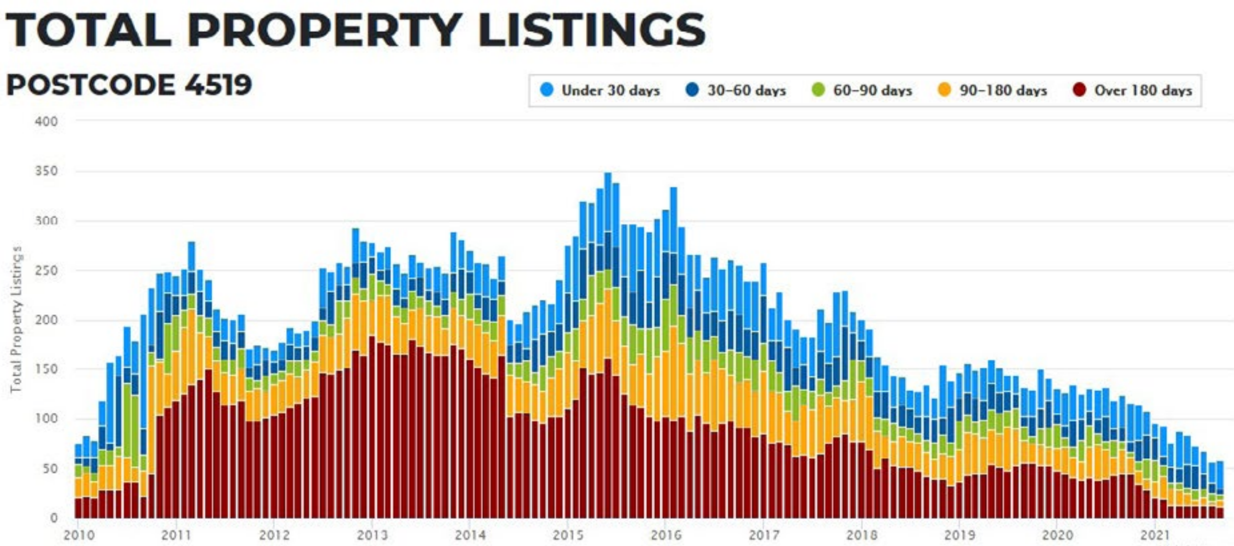
Total listings, rolling 28 day count, national



Source: CoreLogic

PROPERTY LISTINGS

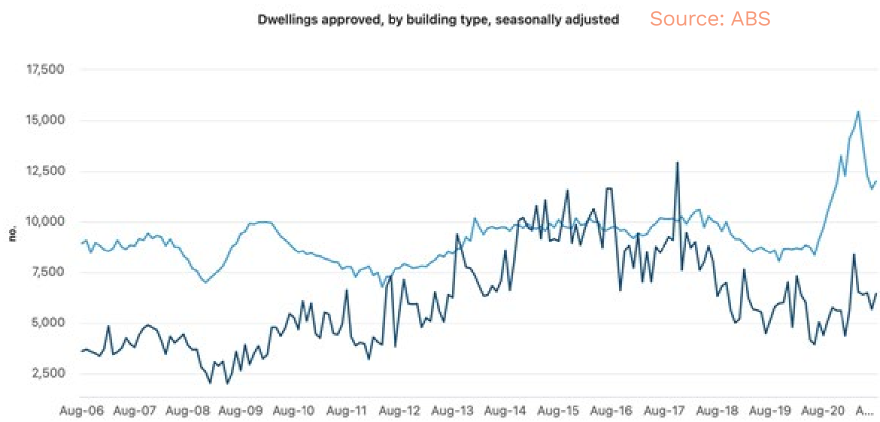
Anecdotal evidence suggests listing numbers have risen slight across many markets as vendors look to take advantage of increased values. That said, good-quality, investment-grade property remains scarce, particularly in regional centres as demonstrated by this SQM Research chart for Beerwah (QLD).



Source: SQM Research

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 national building approvals rose 6.8% in August, in seasonally adjusted terms. This follows a 8.6% decrease in July.



Source: ABS

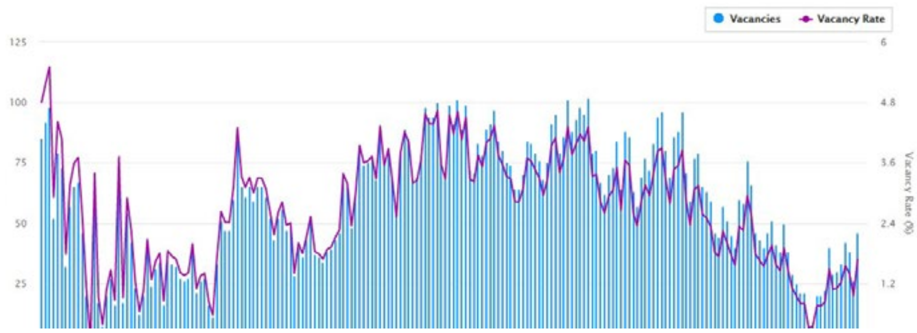
VACANCY RATES

Low vacancy rates indicate a market where demand for rentals outstrips the available supply of rental housing. This SQM Research chart reveals Morwell's (Vic) vacancy rate has risen recently, but remains below 2.0 per cent, meaning rentals supply is tight.

RESIDENTIAL VACANCY RATES

POSTCODE 3840

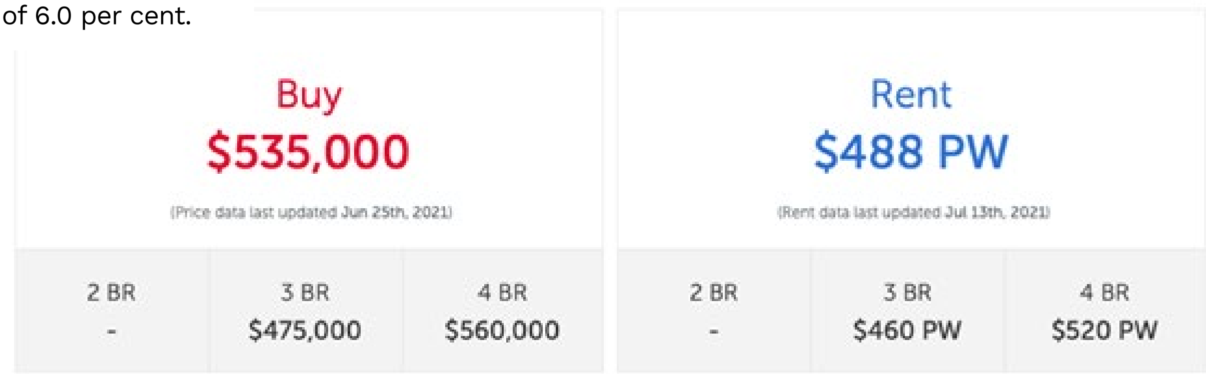
Source: SQM Research



RENTAL YIELD

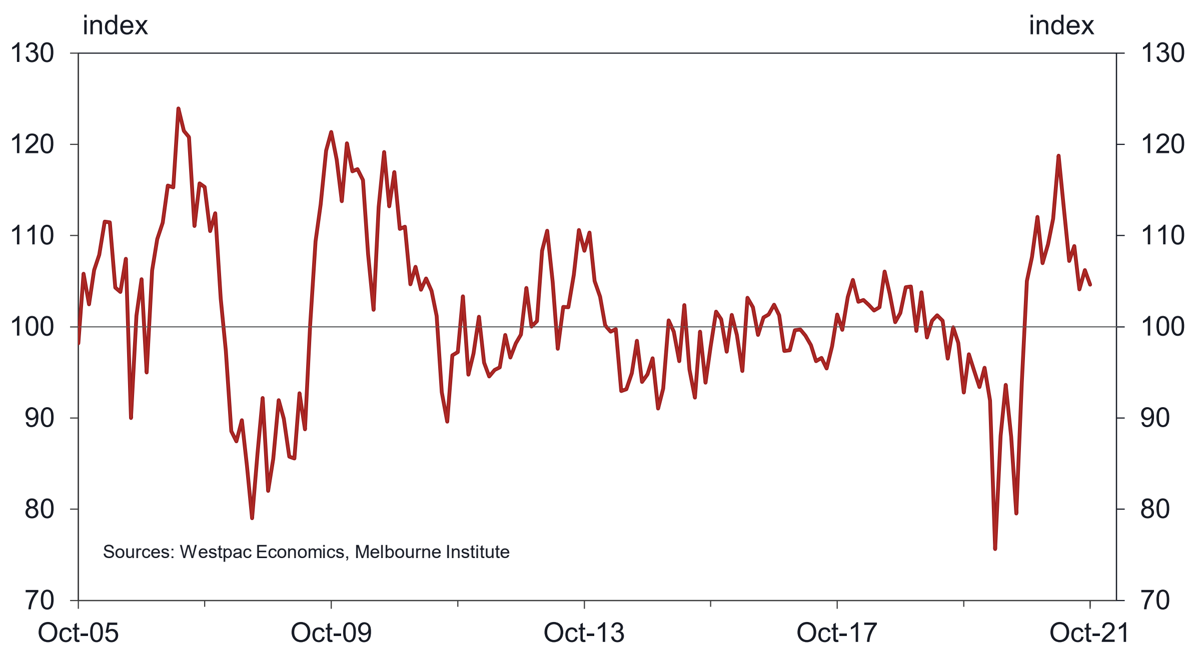
Rental yield for a given suburb is assessed by dividing the median property price by the median annual rent. This graphic from realestate.com.au supports an exceptional rental yield for Munno Para West (SA) houses of 6.0 per cent.

Source: 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 latest The Westpac-Melbourne Institute Index of Consumer Sentiment has decreased slightly but remains firmly positive.



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 overall capital growth potential for a suburb. The below chart from the ABS for Beerwah (QLD) shows the suburb exceeds the State's average for OO vs. renters.

Tenure *Occupied private dwellings*	Beerwah	%	Queensland	%	Australia	%
Owned outright	691	29.4	471,407	28.5	2,565,695	31.0
Owned with a mortgage	871	37.0	558,439	33.7	2,855,222	34.5
Rented	724	30.8	566,478	34.2	2,561,302	30.9
Other tenure type	19	0.8	15,566	0.9	78,994	1.0
Tenure type not stated	49	2.1	44,944	2.7	224,869	2.7

Of occupied private dwellings in Beerwah (State Suburbs), 29.4% were owned outright, 37.0% were owned with a mortgage and 30.8% were rented.
View the data quality statement for Tenure type (TEND)

Source: Census

ACCRUE
REAL ESTATE

Buy like a professional by taking advantage of our experience.

Our investment property acquisitions services expand Australia wide.

Refer a friend and be rewarded!

Referrals are the foundation of our business, and we love helping family and friends.

If you know of anyone who could benefit from Accrue's services, tell us. We'll arrange a no-obligation meeting to discuss their options.

Simply send us their details and we'll take care of the rest.

info@accruerealestate.com.au

accruerealestate.com.au

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