ACCRUE

REAL ESTATE

THE OUTLOOK FOR PROPERTY IN 2024

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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 is committed to:

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

Drummond Street's mission to promote wellbeing 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

If you're looking for some good news to kick off the New Year, I've got plenty to share with you.

There are multiple signs that 2024 is going to be a bumper year in real estate, with strong demand and limited supply combining to keep upward pressure on prices.

For those already in the market, the latest measure of inflation came in lower than economists were expecting, indicating the Reserve Banks' rapid run of interest rate rises have had the desired effect. Many pundits now believe the cash rate has increased for the last time and will stay on hold for a while, before beginning to fall again. Each of the four big banks expect interest rates to drop in the second half of the year, meaning there's relief on the way for those battling hefty repayments.

It also means that lending capacities will start to improve, giving investors a bit of breathing space and boosting what they're able to borrow.

Rates staying on hold will give homebuyers extra confidence, and when they start to fall again, you can expect a surge of activity from owner-occupiers who've been waiting patiently for a reprieve.

On top of this, Australia is in the midst of a property boom with half a million more people expected to arrive on an unprecedented wave of migration. They'll all need somewhere to live and the vast majority rent for the first few years they're here, research tells us. Savvy would-be landlords are making the most of it.

For investors, all of this means intense competition for a pool of properties that remains stubbornly shallow. Put simply, there aren't nearly enough homes available to purchase for the mammoth volume of buyers right now, so things are only going to get tighter from here.

Economists and researchers all expect prices to continue climbing throughout the year in most parts of the country. On top of that, the rental market remains extremely tight with vacancy rates of one per cent or less in most cities, and the situation just as stretched in the regions. Some experts tip continued rent price increases in the magnitude of 10 per cent or more.

Challenging conditions in the construction sector mean builders are eager for business and many are pulling out all the stops to entice buyers. There are some incredible incentives on offer on select stock, meaning those in a position to purchase have an exciting window of opportunity to get the most bang for their buck.

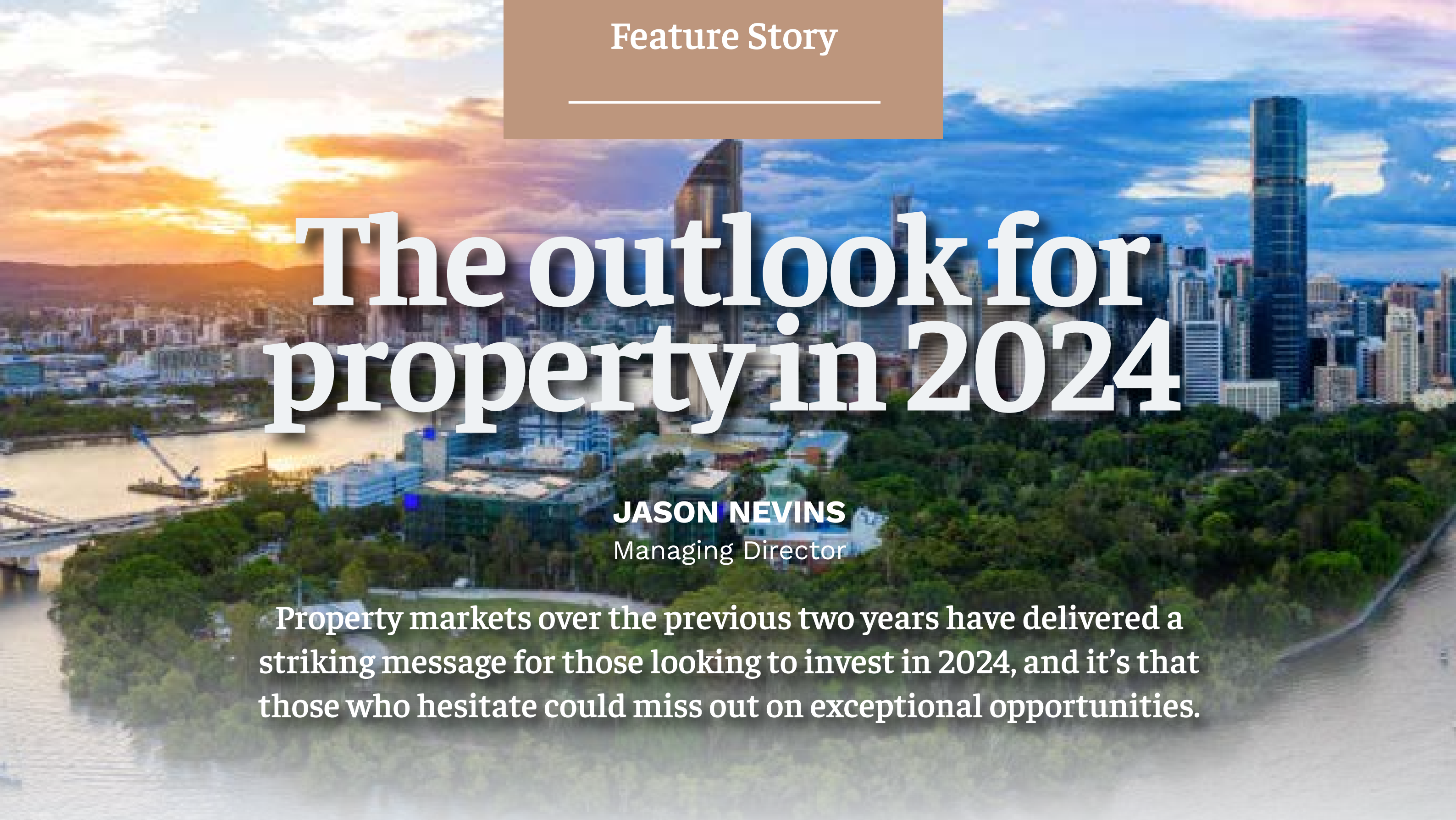
Talk to us about some of the deals going and how they might fit into your investment strategy.

It's an excellent time to be investing in real estate, but those who hesitate will likely look back with regret in a year's time. With increased competition and fewer choices, investors who delay a purchase run the risk of paying more than they need to. Those who get in now before prices spike can sit back and watch their portfolio value grow.

And anyone buying new can lock-in current prices before they surge further, generating capital growth that can be realised upon competition in a year or two.

Time is of the essence. Make the most of it and get the year off to a flying start.

JASON NEVINS
Managing Director



The outlook for property in 2024

JASON NEVINS
Managing Director

Property markets over the previous two years have delivered a striking message for those looking to invest in 2024, and it's that those who hesitate could miss out on exceptional opportunities.

Despite facing challenges such as rising interest rates, economic uncertainties, global conflicts, and cost of living pressures, home prices demonstrated resilience and sustained an upward trajectory throughout 2023.

CoreLogic reports national dwelling values have leapt by more than seven per cent this year. That run of rising prices looks set to continue throughout 2024.

Economists at the big four banks recently released their latest forecasts for market performance next year, all expecting healthy growth – particularly in the country's two largest cities. CBA is expecting five per cent growth nationally and it tips prices in Melbourne to surge five per cent and to rise four per cent in Sydney. Over at NAB, its economists forecast national home price growth of five per cent, with prices rising five per cent in Sydney and 5.5 per cent in Melbourne. The ANZ expects a national growth rate of between three and four per cent, with Sydney prices rising four per cent and Melbourne's nudging three per cent higher. And Westpac tips a four per cent increase in national property prices, with a six per cent increase in Sydney and a three per cent lift in Melbourne.

CHANGE IN DWELLING VALUES

Source: CoreLogic

Index results as at 31 October, 2023	Change in dwelling values				
	Month	Quarter	Annual	Total return	Median value
Sydney	0.8%	2.5%	9.0%	12.2%	$1,121,196
Melbourne	0.5%	1.2%	2.4%	5.7%	$778,541
Brisbane	1.4%	3.8%	7.8%	12.5%	$770,575
Adelaide	1.3%	4.2%	6.5%	10.7%	$700,024
Perth	1.6%	4.6%	10.8%	16.1%	$631,195
Hobart	0.8%	0.3%	-4.9%	-0.8%	$662,166
Darwin	-0.1%	0.3%	-1.7%	4.3%	$497,315
Canberra	0.1%	0.7%	-1.6%	2.4%	$842,722
Combined capitals	**0.9%**	**2.6%**	**6.8%**	**10.5%**	**$821,419**
Combined regional	**0.7%**	**1.5%**	**2.0%**	**6.5%**	**$595,940**
National	**0.9%**	**2.3%**	**5.6%**	**9.6%**	**$747,424**

THIS DOESN'T MAKE SENSE... RIGHT?

On the face of it, the run of home price growth we've seen over much of the past year year and the predictions of more increases to come seems at odds with reality. There are wars raging in Ukraine and Gaza. We're in the midst of a cost-of-living crunch. The Reserve Bank recently hiked interest rates again.

How can real estate remain so buoyant in the face of these challenges?

Unemployment in Australia is at its lowest level in five decades. That's right – we have the highest proportion of people in the workforce in 50 years. Crucially, the rate of underemployment, which is people needing more hours to make ends meet, has also fallen.

Household savings buffers also remain in good shape, despite the higher amounts of money we're having to devote to mortgage repayments.

There are signs of a recovery in the construction sector thanks to easing material costs and improvements in supply chain issues.

Globally, it appears inflationary pressures are beginning to ease and major economies like the United States and China are still enjoying solid levels of economic growth. And here at home, the Australian economy grew above the pre-Covid decade trend last financial year and continues to post monthly upward increments.

There's no doubt that cost pressures are impacting a lot of Australians. Just about everything is more expensive

SYDNEY, MELBOURNE, PERTH & BRISBANE ARE LIKELY TO HAVE SEEN SIGNIFICANT POPULATION GROWTH IN THE YEAR TO JUNE 2023

Capital city	ERP at 30 Jun 21	FY21 change (%)	ERP at 30 Jun 22	FY22 change (%)	*Estimate Jun 23	*Estimated FY23 change (%)
Sydney	5,259,763	-0.5%	5,297,089	0.7%	5,420,000	2.4%
Melbourne	4,976,156	-1.6%	5,031,195	1.1%	5,180,000	2.9%
Brisbane	2,568,925	0.7%	2,628,083	2.3%	2,700,000	2.7%
Adelaide	1,402,392	0.5%	1,418,455	1.1%	1,445,000	1.9%
Perth	2,192,228	1.2%	2,224,475	1.4%	2,300,000	3.4%
Hobart	251,046	0.6%	252,693	0.7%	255,000	0.6%
Darwin	148,801	0.0%	149,582	0.5%	150,000	1.3%
Canberra	453,557	0.6%	456,692	0.7%	465,000	2.1%

Source: ABS, Proptrack Analysis

these days and the impact of rapid rate rises can't be understated. It's also tough if you're renting a home and face dwindling supply and high demand.

But broadly speaking, the economy is in good shape and so the fundamentals that underpin our long-term security remain firmly in place.

AUSTRALIA IS HOME TO LOTS MORE PEOPLE

While the economy keeps firing, a huge number of people are moving to our shores to work, study or begin a new life.

Australia is in the midst of a population boom. In 2022, the number of Aussies grew by record numbers, with the Australian Bureau of Statistics recording the biggest increase ever. Net overseas migration contributed the lion's share. Minus the number of people leaving, the population grew by 454,000 people thanks mostly to new arrivals, which is about 182,000 additional households.

It's continued to accelerate into 2023.

Population data isn't overly timely but based on last year's figure and assuming existing projections outlined by the government, we could wind up with another 600,000 people.

Research firm PropTrack did some modelling based on available data and historical distributions to give a snapshot of where our cities might be sitting.

As of June 2023, Sydney's population likely grew by 2.4 per cent in the previous 12 months to 5.42 million people. The modelling indicates Melbourne's population might've reached 5.18 million, up 2.9 per cent, and Brisbane's might've hit 2.7 million, up 2.7 per cent.

"The reversal in price growth has been most significant in markets where population growth has picked up the most and rental markets have tightened most," PropTrack senior economist Eleanor Creagh said.

PEOPLE NEED SOMEWHERE TO LIVE

Whether new arrivals or those who were already here, a large number of people are looking for somewhere to live right now.

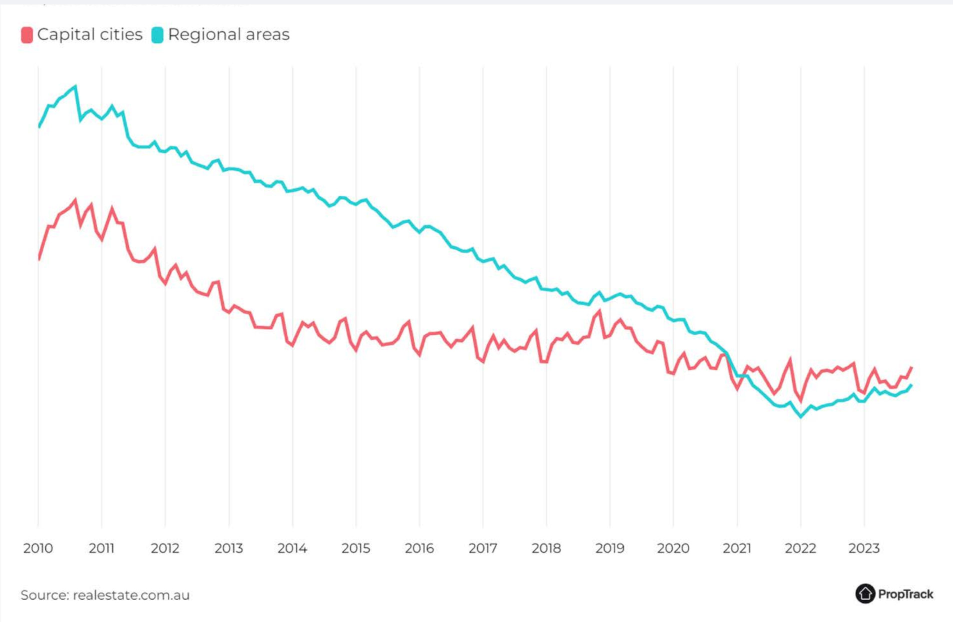
If they're buying, regardless of the city and the price bracket, they're likely to meet a pretty competitive market over the coming year. With demand remaining high, and likely growing due to that population boom, there are plenty of would-be buyers out and about. At the same time, would-be vendors are still sitting on their hands and the number of new homes coming to the market is stubbornly low.

As a result, the classic supply versus demand equation comes

> **AS A RESULT, THE CLASSIC SUPPLY VERSUS DEMAND EQUATION COMES INTO PLAY, AND UPWARD PRESSURE ON PRICES IS PERSISTENT.**

MONTHLY TOTAL FOR SALE LISTING TRENDS

CAPITAL CITIES VS REST OF STATE



> GIVEN THE SUPPLY AND DEMAND FORCES AT PLAY, THERE'S LITTLE DOUBT IT'S GOING TO BE A BUMPER YEAR FOR REAL ESTATE IN 2024.

into play, and upward pressure on prices is persistent.

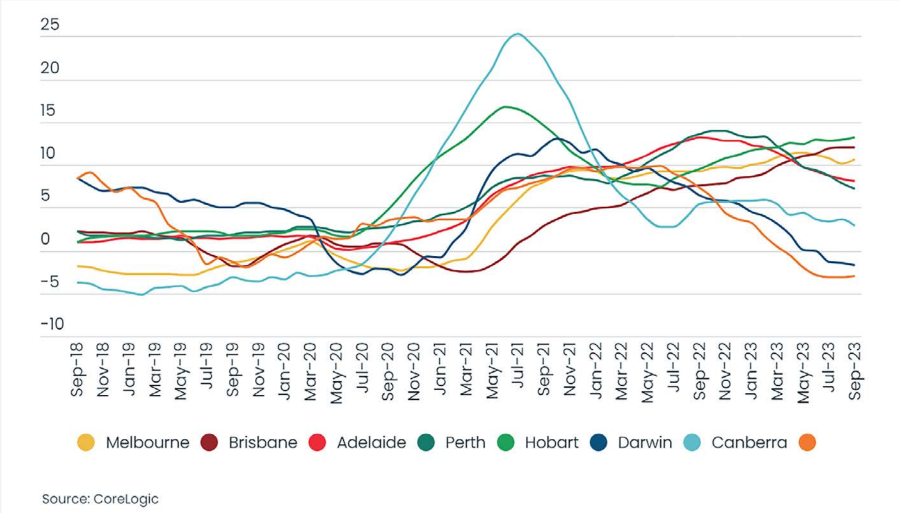
Data from realestate.com.au for the month of September showed the number of homes hitting the market lifted 4.5 per cent year-on-year at a national level. Things were particularly busy in Sydney (up 21 per cent), Melbourne (up 10 per cent), and Canberra (up four per cent) in spring.

However, listings volumes remain historically low and well below the decade trend at both a capital city and regional level. Those in the market for a home will likely find constrained supply and a great deal of demand.

We're not building anywhere near enough new homes either. The hangover from Covid is still impacting the

ANNUAL CHANGE IN RENTS

CAPITAL CITIES, DWELLINGS



construction sector, while long-term structural challenges like ineffective planning systems and unfair taxation policies are restricting activity.

PropTrack estimates that an additional 226,000 households would've needed dwellings in the 12 months to March 2023. In that period, about 170,000 new homes were built across the year, so that's a pretty hefty shortfall of 56,000.

"Using the growth estimates for the 6 months following March 2023, indicate that unless the pace of building activity steps up a further 41,000 shortfall would be incurred," Ms Creagh said.

That's based on population growth alone and doesn't consider other factors like household make-up and the ageing population.

"Obviously, not all of our growing population would be housed in new homes, with the rental market, and existing dwellings also being housing options and recent arrivals to Australia historically being most likely to rent," Ms Creagh said.

"But this does serve to illustrate a point that with the current housing shortage and immediate supply issues, challenged rental market conditions and the worst affordability in at least three decades – these issues aren't likely to be improving."

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MORTGAGE COSTS WILL EASE

The Reserve Bank's latest interest rate hike was an unpleasant hit to household budgets, but a number of experts believe it'll be the last. Each of the major banks expects rates will now remain on hold for a period before beginning to fall again – sooner rather than later.

CBA expects cuts to begin earlier in the second part of next year while NAB, ANZ and Westpac are looking towards the final months of 2024 for the first reduction to take place.

PropTrack expects rates will begin coming down in 2024 too.

INVESTORS ARE RETURNING

CoreLogic's Quarterly Rental Review released in September shows rental prices rose 1.6% over the three months. This took the annual pace of growth to 8.4 per cent in the year to September.

Vacancy rates fell to new record lows across both the combined capitals (one per cent) and combined regional markets (1.2 per cent), CoreLogic reported.

FIRST HOME BUYER OPPORTUNITIES (MORTGAGE SERVICEABILITY < = 30%)

Property type	Greater capital city or region	SA4 Region	Portion of income to service a new mortgage	Years to save a 20% deposit	Portion of income to service rent	Median value
Units	Brisbane	Brisbane Inner City	29.2%	6.3	27.1%	$573,192
Units	Perth	Perth - Inner	22.1%	4.8	24.9%	$450,570
Units	Adelaide	Adelaide - Central and Hills	29.0%	6.3	25.2%	$480,143
Units	Canberra	Canberra	27.6%	6.0	22.8%	$597,580
Units	Brisbane	Brisbane - West	27.0%	5.9	23.1%	$570,562
Units	Brisbane	Brisbane - South	28.8%	6.3	25.3%	$530,502
Units	Brisbane	Brisbane - North	27.6%	6.0	24.3%	$490,711
Units	Darwin	Darwin	18.5%	4.0	21.8%	$367,651
Houses	Darwin	Darwin	29.5%	6.4	28.2%	$585,782
Units	Perth	Perth - South East	24.5%	5.3	27.0%	$400,976
Units	Perth	Perth - North East	20.4%	4.4	23.3%	$337,266
Units	Adelaide	Adelaide - North	29.5%	6.4	26.5%	$384,248
Units	Perth	Perth - North West	24.9%	5.4	25.6%	$436,684
Units	Melbourne	Melbourne - West	29.6%	6.4	21.4%	$504,368
Units	Brisbane	Moreton Bay - South	23.9%	5.2	22.0%	$440,372
Units	Perth	Perth - South West	25.0%	5.5	25.4%	$432,462
Units	Brisbane	Logan - Beaudesert	24.4%	5.3	24.5%	$353,848
Units	Brisbane	Ipswich	27.4%	6.0	24.3%	$402,670
Units	Sydney	Sydney - South West	29.0%	6.3	23.7%	$452,738
Units	Perth	Mandurah	29.7%	6.5	32.5%	$348,201
Units	Regional Vic.	Ballarat	29.8%	6.5	23.4%	$373,762
Units	Regional Qld	Toowoomba	26.7%	5.8	23.3%	$365,113
Units	Regional SA	Barossa - Yorke - Mid North	22.7%	4.9	20.7%	$245,890

Analysis of rental listings on realestate.com.au for the month of September shows a huge number of people remain active in the leasing market.

Perth had the highest average number of enquiries per listing (50) followed by Adelaide (40), Melbourne (31), and Brisbane (29), the data shows.

WHERE TO LOOK

Given the supply and demand forces at play, there's little doubt it's going to be a bumper year for real estate in 2024.

But there are some areas that present particularly interesting prospects.

Firstly, the latest ANZ Housing Affordability Report identifies several opportunities for first-home buyers, showing that the dire headlines often hide little nuggets of hope.

It produced a list of suburbs that remain serviceable by first-timers – that is, they require less than 30 per cent of an average income to meet mortgage repayments.

"These markets include units in Brisbane's inner city, Canberra units, Mandurah units in Perth, and houses across Darwin," the report said.

"Each of these areas have relatively short deposit savings times of 6.5 years or less, based on a 15 per cent savings rate. Of these more affordable markets, there were 26 where servicing a new mortgage represented less of the median household income than servicing current weekly rent valuations."

Other markets identified are in major cities, but on the periphery of metropolitan centres, like Sydney's southwest, Adelaide's north and Mandurah in Perth.

"There were many locations identified across Perth and Brisbane where 30 per cent or less of median household income was required to service a mortgage, though these were all unit markets," the report added.

Elsewhere, despite Covid becoming a distant memory, it seems the desire it gave many of us to get away from the rat race and find a quieter pace of life persists. There's still a yearning for many people to feel like they're off the beaten track without actually being too far

Suburbs that offer the best of both worlds – an attractive lifestyle, big homes on big blocks and a pleasant community vibe, while still being well-connected to essential services and amenities – will be popular. Suburbs like Glenorie, 44 kilometres from the Sydney CBD, fit the bill. It's close to major hubs like Castle Hill, a reasonable commute from the city, offers a family friendly lifestyle, and has an excellent choice of rural-style homes.

There's also Clontarf in southeast Queensland, on the southern stretch of the Redcliffe Peninsula. It has beachy small-town vibes without a hefty price tag.

And young professionals keen to ditch costly rentals but not the lifestyle they offer will search out suburbs on the rise, which show signs of gentrification but not the purchase price. They're pockets that have character but plenty of potential to evolve.

Take Flemington in inner-city Melbourne. It's near uber popular North Melbourne and Kensington but has a cheaper price point. Already vibrant, there's still plenty of vibrancy to be unearthed – and a heap of renovator's delights up for grabs.

The key is that savvy investors follow owner-occupier demand in markets. They tend to be areas with excellent capital growth potential so buying the right kind of asset with solid rental returns in these locations makes for a promising addition to any portfolio.

PERTH IS THE PLACE TO BE

The sun looks set to shine particularly brightly on one state next year.

The West Australian capital has shown itself to be Australia's top-performing housing market over the course of the year, with home prices surging 10.9 per cent in 2023. That performance is five times larger than the historic annual growth rate seen in Perth and values are now at a record high.

Even with those hefty gains, housing in the west remains relatively affordable compared to eastern capitals. That's something local, interstate and international buyers find appealing – the latter two especially, with WA's population growing fastest in the country, up 2.8 per cent in the year to March.

The state's booming economy is another key lure for new arrivals. Thanks to strong export demand, its economic growth has notched almost three per cent on the latest indicators. It also has the country's lowest unemployment rate.

Finding a place to purchase is tough. Total listings in Greater Perth are at their lowest level since 2004. The number of new listings hitting the market was 25 per cent lower in September this year compared to last.

As a result, competition between buyers is fierce. Data from realestate.com.au shows the number of enquiries per listing has skyrocketed by 93 per cent year-on-year.

HOW TO SEIZE THE MOMENT

As a property investor, there will be plenty of attractive prospects to explore in 2024. But buying well will hinge on making an informed and strategic choice that aligns with your long-term goals and your personal circumstances.

Devise a solid plan that takes into account all of your variables and sets a path towards success.

Surround yourself with qualified, capable and unbiased professionals who can help you navigate the market to find the right asset that delivers what you need it to.

> "AS A PROPERTY INVESTOR, THERE WILL BE PLENTY OF ATTRACTIVE PROSPECTS TO EXPLORE IN 2024"

Market Spotlight

Investors back in droves

The level of investor activity in housing markets around the country was subdued following the onset of the pandemic, but that's changing rapidly – and for good reason.

The level of investor activity in housing markets around the country was subdued following the onset of the pandemic, but that's changing rapidly – and for good reason.

The latest Australian Bureau of Statistics figures show a two per cent increase in investor lending in September compared to August, and a 2.6 per cent lift year-on-year.

That equates to a total of $8.95 billion worth of loans written to new landlords across the month.

Potential investors are in a prime position to act. Across the country, high demand and very low levels of supply are putting sustained upward pressure on prices.

The rental vacancy rate – that is, the proportion of all leased dwellings currently available – is sitting at just one per cent nationally, according to the latest SQM Research figures.

It's just 1.2 per cent in Sydney and Melbourne, while the situation is particularly dire in Brisbane (0.9 per cent), Perth (0.4 per cent), and Adelaide (0.4 per cent).

To put that all into perspective, economists generally view a vacancy rate of less than three per cent as a sign of a market in distress.

Asking rents across the combined capital cities have surged by 15.5 per cent over the past year, with minimal difference between the annual increase for houses (15 per cent) and units (15.9 per cent).

Sydney now has the most expensive rental dwellings in the country, with a median weekly house price of $1012 and a weekly unit price of $679.

In Melbourne, SQM Research figures put the median house rent at $702 per week and the median unit rent at $520. In Brisbane, the median house rent is $706 per week and the median unit rent is $547. In Adelaide, the median house rent is $602 per week and the median unit rent is $437 per week.

Since July 2020 when falls in rent prices ceased, rents have surged by a staggering 30.4

per cent at a national level, CoreLogic data shows.

In early October, the total count of listings nationally slumped to its lowest level since 2012, with just 90,150 homes available for lease. That equates to a shortfall of 47,500 dwellings, CoreLogic estimates.

> **INTENSE DEMAND IS LIKELY TO PERSIST – AND EVEN INCREASE, GIVEN THE RECORD LEVELS OF IMMIGRATION THAT HAVE SPARKED A POPULATION BOOM.**

Intense demand is likely to persist – and even increase, given the record levels of immigration that have sparked a population boom. The vast majority of new arrivals to Australia rent a home when they get here, meaning the volume of people looking for a place to lease will remain elevated.

Those extremely low vacancy rates coupled with continued high demand, very few prospects of a dramatic shift in supply, and a projected decline in the number of new dwellings due to be completed next year all point to further price pressures.

In fact, SQM Research is predicting further rent price increases of between 10 and 15 per cent over the course of 2024.

It's not just local investors who are busy right now, with signs that foreign activity is ramping up, with realestate.com.au seeing a lift in overseas-based searches and firms here on the ground anecdotally reporting a jump in interest. The Australian dollar is also at a decade low, giving those from abroad more bang for their buck. There have also been hikes to stamp duty in hotspots like Singapore and Hong Kong, forcing those locals there to look further afield.

Potential investors are clearly looking at the landscape and liking what they see, with a strong sense of certainty that has been lacking in the past.

Darwin currently offers a healthy gross yield of 6.55 per cent, followed by Perth on 4.72 per cent, Hobart on 4.11 per cent, Brisbane on 4.02 per cent, and Canberra on 3.99 per cent.

As you'd expect with their higher prices, gross yields in Sydney (2.99 per cent) and Melbourne (3.4 per cent) are more modest.

But with many believing rate rises are over – and could drop next year – and home prices tipped to continue rising, there's a sense of a growing willingness among investors to act now.

Even if there's a continued lift in activity, bringing more rental properties into the market, there is little relief in sight for tenants. This could see some hit an affordability ceiling and seek out suburbs with lower prices, even if it means locating a little further from where they are.

CoreLogic released a list of the cheapest areas to rent within 20km of a CBD, identifying potential pockets that could be in demand with tenants.

In Sydney, Auburn came out on top for houses with a median weekly rent of $648, while Berala was cheapest for units with a median weekly rent of $486. In Melbourne, houses in Albanvale are cheapest with a median weekly rent of $441 while units in Albion are most affordable with a median $366 per week. Brisbane's cheapest place to rent is Woodridge with a median weekly house rent of $501 while units in the suburb have a median of $352 per week. Salisbury in Adelaide has the cheapest median house rent at $473 while units in Salisbury East have a median weekly rent of $361.

As is evidenced by the data, market activity, property prices and rents are primed to move in one direction as we head into 2024 – and that is upward. Those who hesitate could miss out on a historic opportunity to be ahead of the wave – and history shows that's exactly where the biggest gains are made.

Australian Property Cycle

We believe that the market is in the eight to nine o'clock range where it's currently experiencing growing confidence, price rises and under supply.

At Accrue, we recognise the importance of understanding the current stage of the property market cycle to provide our clients with the most relevant and accurate advice. The property cycle, which comprises 12 segments representing different cycle stages, is a valuable tool for assessing market conditions.

Based on our analysis, we believe that the market is in the eight to nine o'clock range where it's currently experiencing increased confidence, rising prices and an undersupply of stock.

This signifies a prime time to invest in property as it suggests we are entering a growth period. Predictions are that mortgage rates will drop this year, if this is the case, then we are set to see a rise in property prices. If you are considering investing, now is the time before the surge.

As a trusted partner, Accrue is committed to helping our clients find the perfect investment property to suit their needs and goals. Our team of experts has a deep understanding of the property market and can provide tailored advice and solutions to meet our clients' unique requirements.

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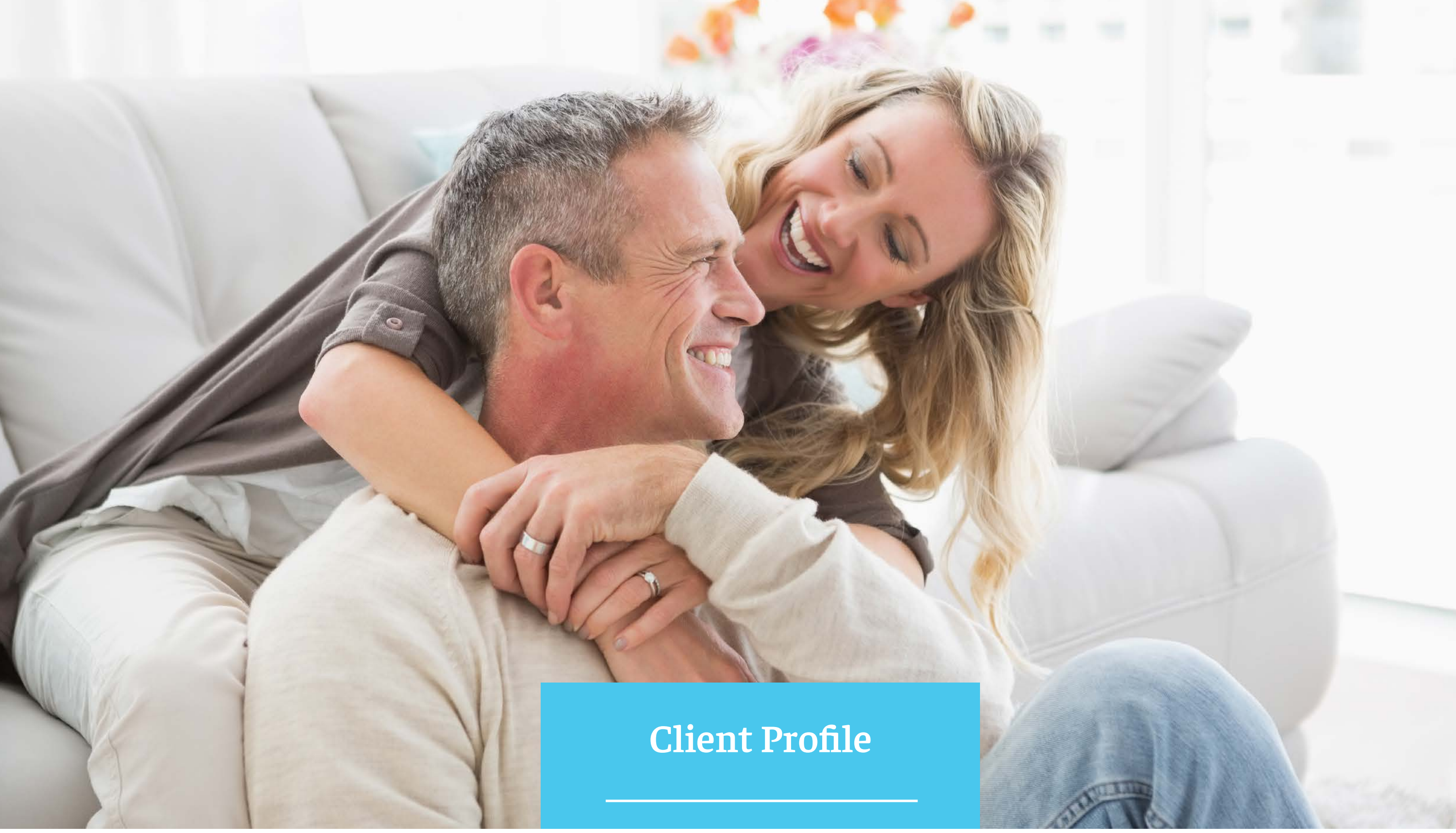
REAL ESTATE
SUMMER 2023



Client Profile

How we built a $1.65m portfolio in five years

Not too long ago, married couple Ben and Hayley were in their early 40s and staring down the barrel of a very meagre retirement, convinced investing in property wasn't something for "people like us".

"I think like most people, we were a little bit ignorant about how we'd find the kind of lives we wanted for ourselves," Ben admitted.

"We assumed our superannuation would get us through, but when we realised how much we'd have at retirement and just how little it was, we knew we had to do something. We had to be proactive."

Hayley recalls largely living month-to-month and not being in much of a position to save money, so the idea of being able to invest in property wasn't something they imagined.

In mid-2017, the couple met Mark Gilbert from Accrue and say their minds were blown wide open to the possibilities.

They owned a family home, which was worth about $700,000 and had a mortgage of $460,000. It was that property and its modest equity, as well as their small kitty of super, that they were counting on to fund their later years.

But through Accrue, they've dramatically changed their situation in the short time since – and by a staggering amount.

Since then, they've amassed a portfolio worth $1.65 million and counting, with an enviable equity position, and all with minimal fuss and maximum future potential.

"Time goes quickly when you're having fun," Hayley said.

'WE DON'T NEED FILLET MIGNON'

Ben admitted he was sceptical when the couple first started discussing their options with Accrue.

He and Hayley were in their early 40s at the time and were protective of what little money they'd manage to build up in their superannuation funds.

"We'd never consulted anyone about our finances, and we'd never had a conversation about investing, so I was a bit dubious and nervous," he said.

"But Mark sat us down and explained where we were at, where we needed to be to have a comfortable retirement, and what was going to be possible. He presented the pros and cons – all of it. It made a lot of sense."

Ben and Hayley aren't greedy. They don't need a yacht, champagne and "a fillet mignon lifestyle" in their later years, he said.

"It's probably more a good chicken parmigiana that we're after, but it looked like we were going to wind up with two-minute noodles," he said.

"That's where we were, and I really didn't want us to be on the breadline when we retire."

THE WHY AND THE HOW

The end-to-end management offered by Accrue really appealed to the busy couple, who didn't want to get bogged down in the nitty gritty of investing.

"Mark does all of the groundwork for us," Hayley explained.

> "WHEN YOU'RE BUSY PEOPLE LIKE US, WITH TWO CHILDREN AS WELL, JUGGLING WORK AND ALL OF THE KIDS' SPORTS COMMITMENTS AND THE LIKE, ACCRUE MAKES IT REALLY EASY."

"When you're busy people like us, with two children as well, juggling work and all of the kids' sports commitments and the like, Accrue makes it really easy."

If they have questions or want more information about the progress of a build or the performance of one of their assets, Mark is always a reassuring phone call away, she said.

"The thing I find so good is how Mark provides us with an understanding of different investments," Ben said.

"He explains the why and the how. It's not just going in and spending $1.2 million on a three-bedroom house somewhere. It's identifying and understanding what the return of an investment is. It's understanding why something stacks up, the benefits of a particular deal, the peace of mind.

"He talks about everything – infrastructure investment, population growth, what makes an area tick, the type of house people might want there."

WHAT BEN AND HAYLEY BOUGHT

Their first investment was a brand-new townhouse in Werribee in Melbourne's south-west suburbs that was purchased for $359,000 back in 2017.

"It's in an area we're familiar with, so we could pretty easily understand what Mark was saying about the kind of things happening on the ground," Ben recalled.

"One of the things he said was to look for areas that haven't been saturated with supply and where there's still enough room for growth.

"The western suburbs of Melbourne were booming, lots of new people, so there was a lot of potential in Werribee, a new build came with a 10-year guarantee, the quality was going to be what people expected – all of that. It was perfect."

On current estimates, the townhouse is now worth about $495,000 and has delivered a strong rental yield over the years.

Their second investment came that same year in nearby Tarneit, where they bought a brand-new house for $467,000 that's now worth about $630,000.

Again, they're pleased with the ongoing income it's generating and the strong level of capital growth that's already been achieved.

In coming months, construction will be complete on the third investment in their portfolio – a house in Munno Para in the northern suburbs of Adelaide in South Australia.

Ben said he was initially a little nervous by the prospect of investing outside of a place they knew well when Mark first presented them with the opportunity.

"With our first two, we could understand the area they're in," Ben recalled. "This one was different. We didn't know much about Munno Para.

"But Mark was very thorough with all of the information about the opportunity – the demographics, the infrastructure, the growth. He and the crew held our hands through the whole process."

They purchased the house for $429,000 in 2021 and when complete shortly, it's estimated value will be about $530,000.

Being in a different state and in a market with its own unique dynamics means Ben and Hayley have also introduced diversity into their portfolio.

FROM A LITTLE TO A LOT – AND THAT'S JUST THE START

The couple's growing portfolio speaks for itself.

Add on top of that their existing family home, which in 2017 was worth $700,000 and mortgaged for $460,000 but is now worth $900,000 and mortgaged for $400,000. That leaves equity in

PORTFOLIO SNAPSHOT

Property	Purchase Price	Date	Current Value	Debt	Equity
Werribee – townhouse	$359,000	2017	$495,000	$190,000	$305,000
Tarneit – house	$467,000	2017	$630,000	$504,000	$126,000
Munno Para – house	$429,000	2021	$530,000	$460,000	$70,000
TOTAL			**$1,655,000**		**$501,000**

their owner-occupied dwelling of $500,000.

All up, that's an incredible jump in equity to about $1 million.

Speaking about the couple's position, Mark Gilbert described the change from 2017 to now as "incredible".

"When we first met Ben and Hayley, they had an equity position of $240,000 based on their family home's value and their mortgage. So, taking everything into account, they're today sitting on an equity position of about $1 million.

"That's a difference in five-and-a-half years of $760,000, which works out to be about $138,000 per year. They've done really well.

"But I'm not overly surprised. I have hundreds of clients just like Ben and Hayley who are all in a similar boat."

The couple are thrilled and can't wait to continue building their portfolio, adding that it's not at the expense of the type of life they were living before their journey began.

"Really, it hasn't impacted our quality of life in the present" Hayley said. "We're not struggling to be able to do all this. It hasn't really changed at all."

'A marathon, not a sprint'

With three investments now under their belt, Ben and Hayley aim to have five properties when it's all said and done, ensuring a happy and comfortable retirement.

"It's a marathon, not a sprint," Ben said.

Mark helped the couple identify the goals they want to achieve through investing in property and the type of strategy that can get them there, sustainably and securely.

They also identified ways of being able to continue growing their portfolio with minimal risk, like paying down the principal on their investments via rental income as much as possible.

"That way we can continue to invest," he said.

As well as research on individual opportunities, Accrue helped the couple with every step of their investment journey from the start, including establishing a trust, securing finance and monitoring the build process.

"It's been so good," Ben said. "Mark isn't only pleasant to deal with but he's also very knowledgeable and he's always there if any little issue arises."

He described the process for all three project as "seamless".

"It means we don't have to stress about it. I don't know how we could've done this all on our own."

Hayley said they're also thinking about the future of their children when it comes to the hopes of their portfolio.

"We'd love to hand over a property each to our two kids, so in that way they're a bit of a trust fund.

The rest is what we'll retire on. It feels good to be able to help our children like that – it'll make life so much easier for them down the track."

'GO FOR IT!'

Speaking about their journey so far, Hayley said she can't help but reflect on how far they've come and the uncertain position they found themselves in just five years ago.

"I wish we could go back in time and start this all sooner," she said.

"Don't get to our point. Don't get to your 40s or 50s and wish you could get in a DeLorean. At the end of the day, make strong decisions about your financial future that are based on sound advice to make sure you're not retiring with next to nothing.

"Just go for it!"

Ben recalled being about 19 and having the opportunity to buy a house-and-land package in the seaside hotspot of Torquay for just $190,000.

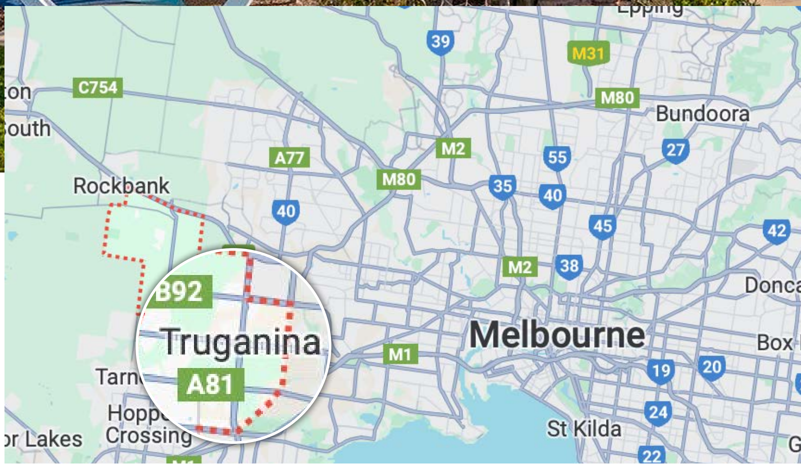
"These days, it'd be worth anywhere between $2 million and $3 million," he laughed.

"You don't want to regret to decisions you didn't make. If we hadn't decided to go on this journey five years ago, we'd still be sitting with nothing, worried about what retirement would look like.

"If you get the chance to do this, and you can, just go for it."

Property Hotspot

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



Truganina

Despite being one of the fastest-growing suburbs in Melbourne, life in Truganina doesn't feel rushed by any measure. This is a family friendly, welcoming and safe enclave that's increasingly on the radar of buyers who want to live the best of both worlds.

Truganina is just 28 kilometres from Melbourne's CBD, offering an easy commute to the city for work and play.

Once you're home, it feels like the hustle and bustle of the rat race is a million miles away in this perfect slice of suburbia.

When brand-new communities are built from scratch, there can be a tendency for developers to pump out teeny tiny blocks with huge homes on them, stretching right to the road, leaving little – if any – greenspace behind.

But not here, because Truganina has been expertly planned. It feels leafy and fresh, and there is an abundance of parks, sports ovals, open green spaces and cycling paths.

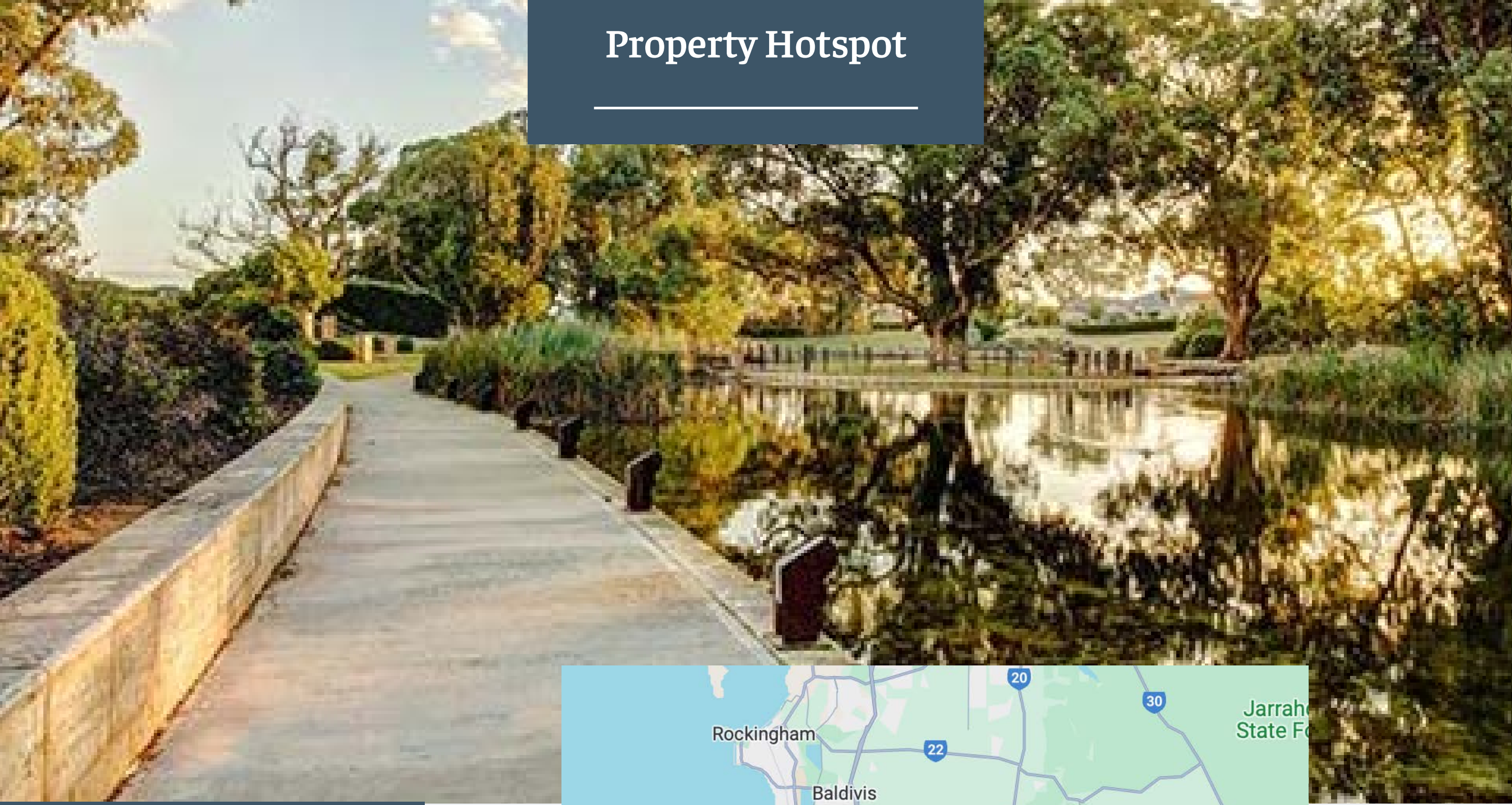
There's an excellent selection of schools, a host of convenient local amenities from shopping to restaurants, and good access to public transport.

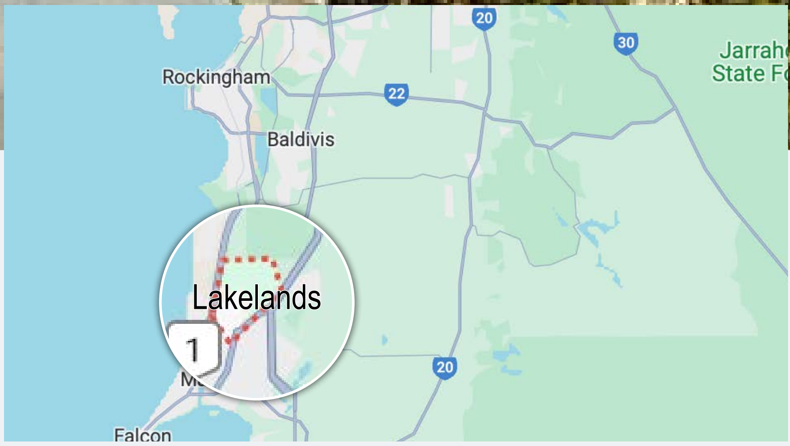
But it's also an ideal spot for the young at heart, with the popular Palm Lake Resort retirement community offering everything from a bar and library to an indoor heated pool and bowling green.

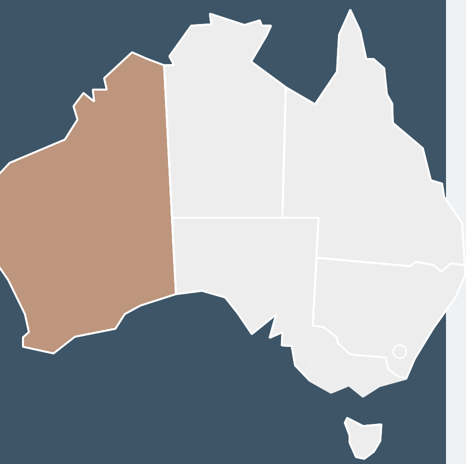
Young professionals just getting started, growing families looking for comfort and safety, and retirees looking for a quieter pace can get good bang for their rental buck here, so those who invest now can look forward to excellent upsides.

The median house price is currently sitting at $650,000 and the median house rent is $470 per week, while the median unit price is $478,500 and the median unit rent is $410 per week.

For that price, you could comfortably snap up a modern four-bedroom family house or a generously proportioned two-bedroom unit.







Lakelands

The gem of a community has been flying under the radar for a while, but it seems the secret is now out, and savvy homebuyers are heading to Lakelands.

It's the northernmost suburb in the thriving West Australian city of Mandurah, about 70 kilometres south of Perth, and is the epitome of family friendly.

The streets here are wide, peaceful and safe.

There are more parks than you can poke a stick at, and a few – as the name suggests – have picturesque lakes within them. Landina Lake needs to be seen to be believed and is the perfect solitude-packed spot to find your Zen.

Development really began in Lakelands almost two decades ago, so the homes on offer are modern, spacious and perfectly suited to growing households.

Families have some great schools to choose from, including the state-of-the-art Mandurah Baptist College. Lakelands Shopping Centre offers everything locals could need or want, from big-name supermarkets to department stores and specialty stores.

A brand-new train station has boosted the appeal, making this an extremely accessible location, and the freeway is nearby too. And best of all, the beach at picturesque Madora Bay is just a short drive away, offering the perfect spot to relax on weekends.

But those looking to settle into their golden years are catered for too, with the Lattitude Lakelands community resembling more of a high-end country club than a retirement home.

The median house price is $485,000 and the median house rent is $532 per week.

This area is overwhelmingly dominated by detached dwellings, so there's no reliable unit price data available as a result – but this is unsurprising given it's an attractive suburb for families.

For median house price, you can get a designer home with four bedrooms, big living areas, a nice backyard and a host of mod cons sure to achieve maximum return.

Fernvale

Aussies often dream of throwing in their city life and moving to a town in the country where the locals are friendly and the pace is slow, but can't stomach the idea of being in the middle of nowhere?

Wivenhoe Dam is close by, offering the ideal spot to spend weekends on the water whether you're into fishing, kayaking, boating or swimming.

Fernvale is the perfect place to discover all those qualities without having to sacrifice access to shopping, entertainment and even the big smoke if you so desire – and its bringing in new residents keen to find an ideal home.

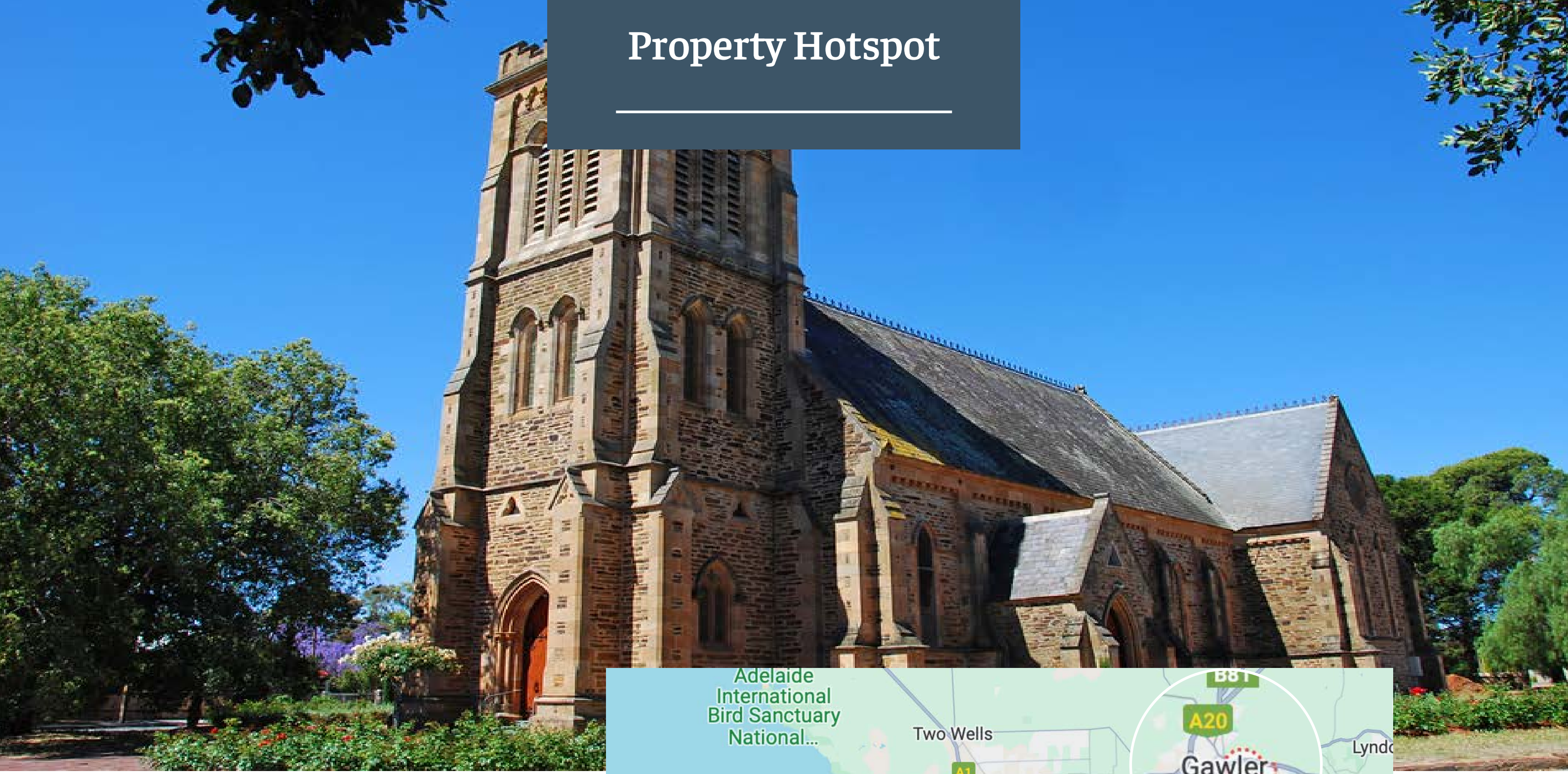
This slice of rural paradise is in the Somerset region and has developed rapidly in recent years. So much so, it's almost more of an outer suburb of the booming city of Ipswich, which is about 25km southeast.

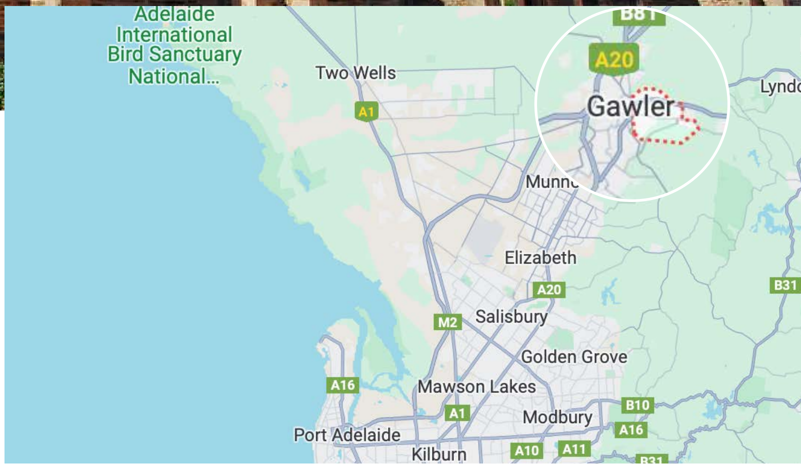
From Fernvale, you're on the Warrego Highway in about 10 minutes, so whether you're heading to Ipswich or further east to Brisbane, it's a reasonable commute. The recent upgrade of the Ipswich Motorway further along means you can be in capital in less than an hour.

Despite its growth, Fernvale is still a charming country town with rolling greenery and friendly locals who greet you with a smile. You'll find markets on the weekend, quaint shops and corner stores, a quintessential bakery with all kinds of treats, and character-filled pubs. There's plenty of modern amenities too, including a great school, a Woolworths and excellent cafes.

The median house price in Fernvale is $555,000 and the median house rent is $500 per week. You'll only find houses here, so there's no price data for units as a result.

For that price, expect to be able to nab an ideal four-bedroom family home on a generous block of about 600 square metres





Gawler East

Less than an hour north of Adelaide, you'll find a peaceful and family friendly oasis with historic charm, an infectious small-town vibe, and environmental beauty for as far as the eye can see.

Gawler East has existed for almost as long as Adelaide has, with pockets that date back to the original settlement of Gawler, which is Australia's oldest mainland country town.

Mixed in are more modern neighbourhoods, including recently built master planned communities that are beloved by families and young professionals.

Gawler East is situated on the rising Adelaide Hills, so parts of it boast some stunning views of the expansive natural surrounds.

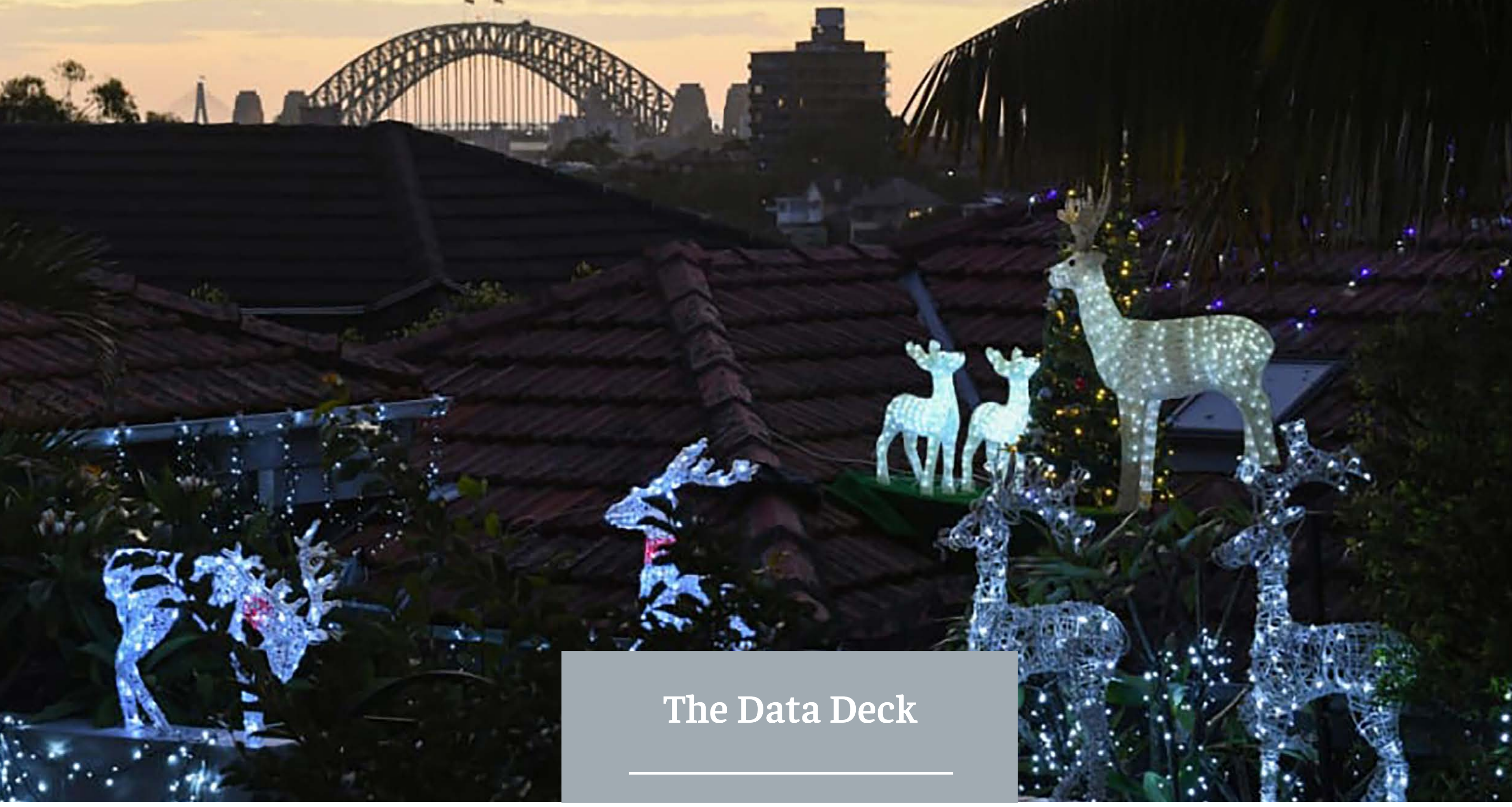
The nearby Gawler township itself is a place brimming with history and the charming main street is adorned with heritage-listed buildings that have been lovingly retained. There's also plenty of shopping, three supermarkets, a host of restaurants and cafes, and a cinema.

Munno Parra and its mammoth shopping centre is only 10 minutes or so down the road, so you'll be spoilt for choice.

Families have a range of schools to choose from and this family friendly region has a safe and very community focused reputation.

The median house price is $567,000 and the median house rent is $450 per week, while the median unit price is $340,000 and the median unit rent is $345 per week.

For that price, you can easily find a modern brick family home with three bedrooms. Units don't come up too often, and when they do they tend to be dated but affordable with plenty of potential to add personality and value.



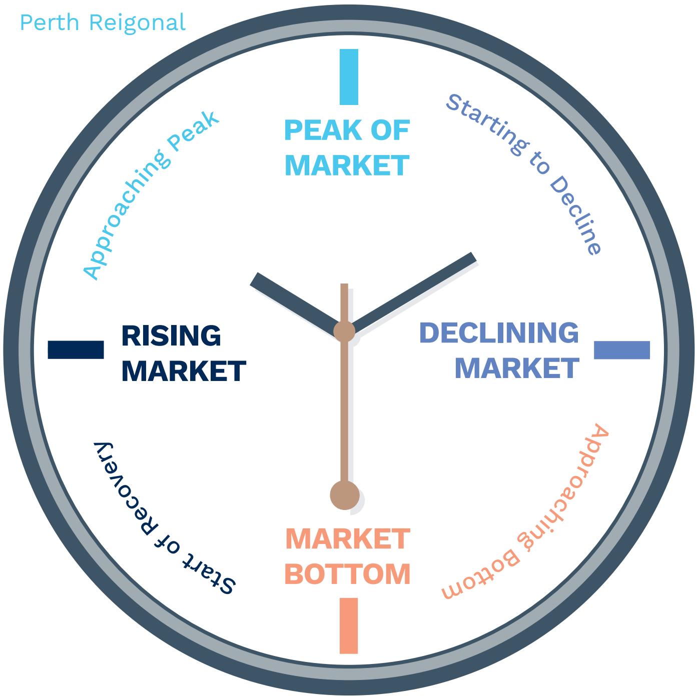
Australian Property Clock

SUMMER 2023

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

Adelaide - South West
Adelaide - North West
Albury
Cairns
Darwin
Melbourne CBD
Melbourne Southbank
Melbourne - Outer South East
Sydney CBD & Northern Sydney CBD
Sydney - Outer West

Townsville
Perth CBD
Perth Reigonal



South Brisbane
Gold Coast
Toowoomba
Gladstone
Perth - South West
Gippsland
Shepparton
Outer West Melbourne
Hobart & Launceston
Geelong
Ballarat
Bendigo

Canberra
Sunshine Coast
Brisbane CBD
Outer West Brisbane

Sydney - South West
Newcastle
Coffs Harbour

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 thousands of property options across Australia each year.

Based on our extensive selection criteria, we narrow this pool down to less than 30 per cent which we consider worthy of presentation to our members.

We love statistics and data! Our acquisitions team utilises a wide range of available information to help unearth those locations most likely to outpace the market.

Our borderless approach to property investment sees us study the numbers across the country to identify data-based trends, with a particular emphasis on capital growth and rental yield.

Property is a long game and adopting an information-based approach coupled with years of experience ensure we keep ahead of the curve to deliver the best possible outcomes for our members.

CORELOGIC HEDONIC HOME VALUE INDEX

CoreLogic's analysis to 1 November confirms the market remains in a positive upswing. The annual 6.8 per cent gain for combined capitals, led by Perth, is a very impressive result. Quarterly growth has slowed somewhat compared to previous quarters yet remains very positive at 2.3 per cent nationally. We believe momentum will continue to build as interest rate pauses become entrenched.

Index results as at 31 October, 2023	Change in dwelling values				
	Month	Quarter	Annual	Total return	Median value
Sydney	0.8%	2.5%	9.0%	12.2%	$1,121,196
Melbourne	0.5%	1.2%	2.4%	5.7%	$778,541
Brisbane	1.4%	3.8%	7.8%	12.5%	$770,575
Adelaide	1.3%	4.2%	6.5%	10.7%	$700,024
Perth	1.6%	4.6%	10.8%	16.1%	$631,195
Hobart	0.8%	0.3%	-4.9%	-0.8%	$662,166
Darwin	-0.1%	0.3%	-1.7%	4.3%	$497,315
Canberra	0.1%	0.7%	-1.6%	2.4%	$842,722
Combined capitals	**0.9%**	**2.6%**	**6.8%**	**10.5%**	**$821,419**
Combined regional	**0.7%**	**1.5%**	**2.0%**	**6.5%**	**$595,940**
National	**0.9%**	**2.3%**	**5.6%**	**9.6%**	**$747,424**

Source: CoreLogic

ACCRUE REAL ESTATE

VALUE CHANGE BY HOUSING TYPE – CAPITAL CITIES

A further breakdown of values by CoreLogic for the 12-months ending October demonstrates the substantial rebound in values when compared to previous datasets. Home values across five capitals are solidly in positive territory, but even the negative results for Hobart, ACT and Darwin are vast improvements on what they were three months ago.

		Home value index change in value (year-on-year)	Median value (property)	Median rental value (per week)
Houses	Sydney	10.0%	$1,396,888	$750
	Melbourne	2.2%	$937,736	$550
	Brisbane	7.5%	$860,465	$600
	Perth	11.1%	$660,069	$600
	Adelaide	6.3%	$753,575	$550
	Hobart	-5.1%	$705,919	$530
	ACT	-1.7%	$961,329	$675
	Darwin	-1.3%	$578,704	$650
Units	Sydney	6.3%	$832,222	$660
	Melbourne	2.8%	$615,022	$520
	Brisbane	9.6%	$545,355	$550
	Perth	8.8%	$450,905	$550
	Adelaide	8.0%	$471,800	$470
	Hobart	-3.7%	$528,260	$450
	ACT	-0.9%	$589,348	$550
	Darwin	-2.5%	$376,497	$530
Dwellings	Sydney	9.0%	$1,121,196	$690
	Melbourne	2.4%	$778,541	$530
	Brisbane	7.8%	$770,575	$580
	Perth	10.8%	$631,195	$580
	Adelaide	6.5%	$700,024	$530
	Hobart	-4.9%	$662,166	$500
	ACT	-1.6%	$842,722	$600
	Darwin	-1.7%	$497,315	$580

Source: CoreLogic

VALUE CHANGE BY HOUSING TYPE – REST OF STATE

State-wide figures demonstrate the diversity of non-capital city markets and why specialist, location – specific advice is crucial. Substantial gains continue across Queensland, Western Australia and South Australia – a theme we've been observing across other metrics as well.

		Home value index change in value (year-on-year)	Median value (property)	Median rental value (per week)
Houses	Rest of NSW	0.0%	$733,715	$550
	Rest of Vic	-3.3%	$597,420	$450
	Rest of Qld	5.2%	$596,728	$580
	Rest of WA	5.7%	$459,704	$580
	Rest of SA	9.0%	$395,327	$400
	Rest of Tas	-1.5%	$526,771	$430
	Rest of NT	1.6%	$467,020	$550
Units	Rest of NSW	0.7%	$585,865	$450
	Rest of Vic	-2.6%	$405,747	$380
	Rest of Qld	6.8%	$591,344	$490
	Rest of WA	11.3%	$310,151	$520
	Rest of SA	17.7%	$299,768	$300
	Rest of Tas	-0.2%	$385,531	$380
	Rest of NT	-1.7%	$320,111	$420
Dwellings	Rest of NSW	0.1%	$707,297	$500
	Rest of Vic	-3.2%	$562,717	$430
	Rest of Qld	5.6%	$594,911	$550
	Rest of WA	6.0%	$446,016	$550
	Rest of SA	9.4%	$387,459	$380
	Rest of Tas	-1.4%	$505,376	$420
	Rest of NT	1.0%	$429,178	$490

Source: CoreLogic

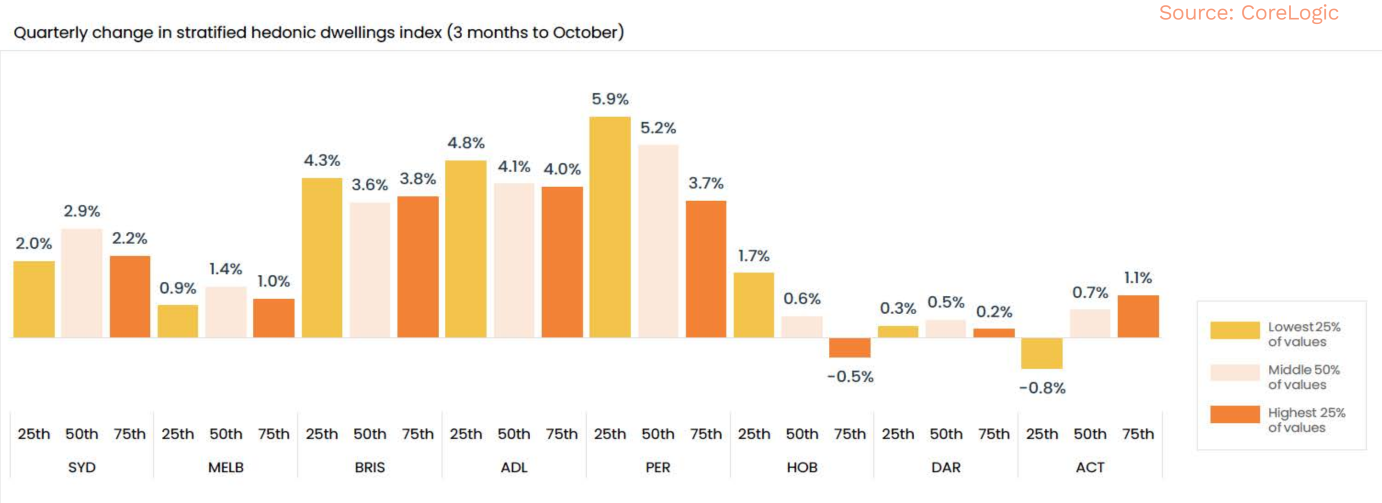
STRATIFIED VALUE CHANGE

An essential element of market analysis is understanding not only how property prices are performing overall, but also which price points present the best potential. This stratified analysis by CoreLogic shows that in Brisbane, Adelaide, Perth and Hobart, property priced in the lower quartile delivered the best gains in the three months to the end of October. Portfolios holding multiple properties at these price points would have outperformed those with fewer higher-priced assets.

AUSTRALIAN DWELLING VALUES

Capital cities

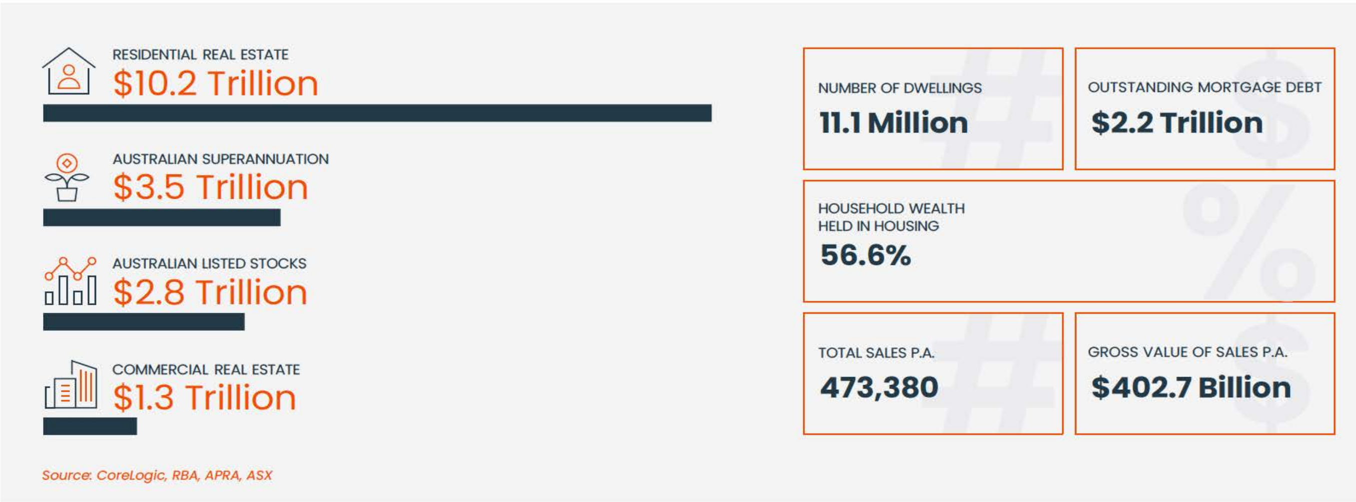
Source: CoreLogic



RESIDENTIAL REAL ESTATE VALUE

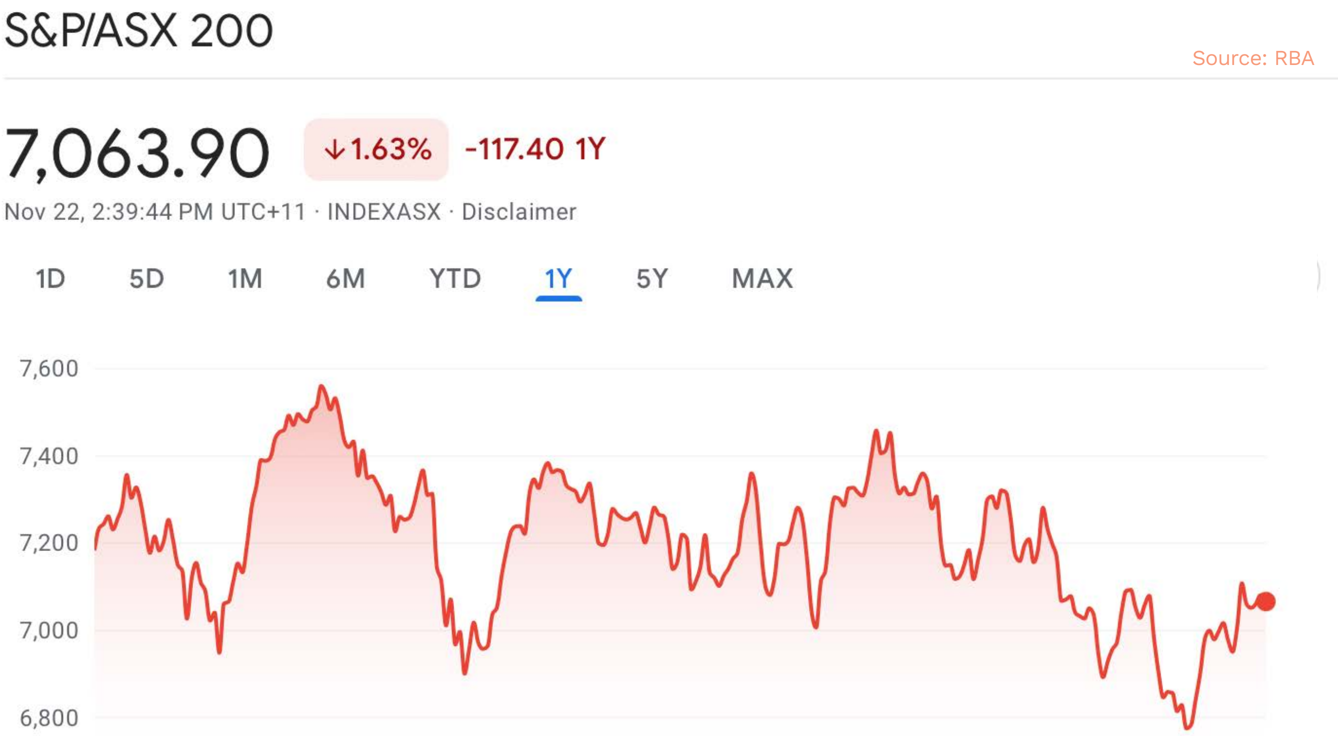
The value of Australian residential real estate is tracked by CoreLogic monthly. The data shows that residential real estate is the largest asset class in the nation, being almost three times larger than superannuation, and more than 3.5 times larger than listed stocks. This immense relative value should deliver confidence to property investors as the implications of not supporting them politically and socially are too great to ignore.

Residential Real Estate Underpins Australia's Wealth



SHARE MARKET VOLATILITY AND UNDERPERFORMANCE

The two charts below track ASX 200 price movements over a 12-month and a five-year period. Both demonstrate the extreme volatility and risk associated with share investment compared to the long-term potential of real estate. The one-year index shows a 1.63 per cent fall in value during the period – a time when a well-selected property asset would have easily seen well above five per cent in value gain. Similarly, the five-year chart looks impressive with a 23.5 per cent uptick, however many property assets will have seen close to double that level of growth since the start of 2019.



Source: RBA

Source: Google Finance

AUCTION CLEARANCE RATES

CoreLogic data to 19th November reveals rising auction activity across five of the seven capital cities. The number of events in this dataset was 36.3 per cent higher than at the same time last year.

While the weekly combined auction clearance rate of 63.1 per cent was down slightly on the previous period, it was 20 basis points above the week ending 29th October (62.9 per cent) and 5.5 percentage points above the 57.6 per cent clearance rate recorded at the same time in 2022.

Capital city auction statistics (Final)- w/e 12 November 2023

City	Clearance rate	Total auctions	CoreLogic auction results	Cleared auctions	Uncleared auctions
Sydney	64.2%	1,020	1,018	654	364
Melbourne	60.7%	1,181	1,175	713	462
Brisbane	67.8%	150	149	101	48
Adelaide	76.6%	158	158	121	37
Perth	62.5%	16	16	10	6
Tasmania	n.a.	3	3	0	3
Canberra	55.1%	128	127	70	57
Weighted Average	**63.1%**	**2,656**	**2,646**	**1,669**	**977**

Note: A minimum sample size of 10 results is required to report a clearance rate

Weekly clearance rate, combined capital cities

Source: CoreLogic

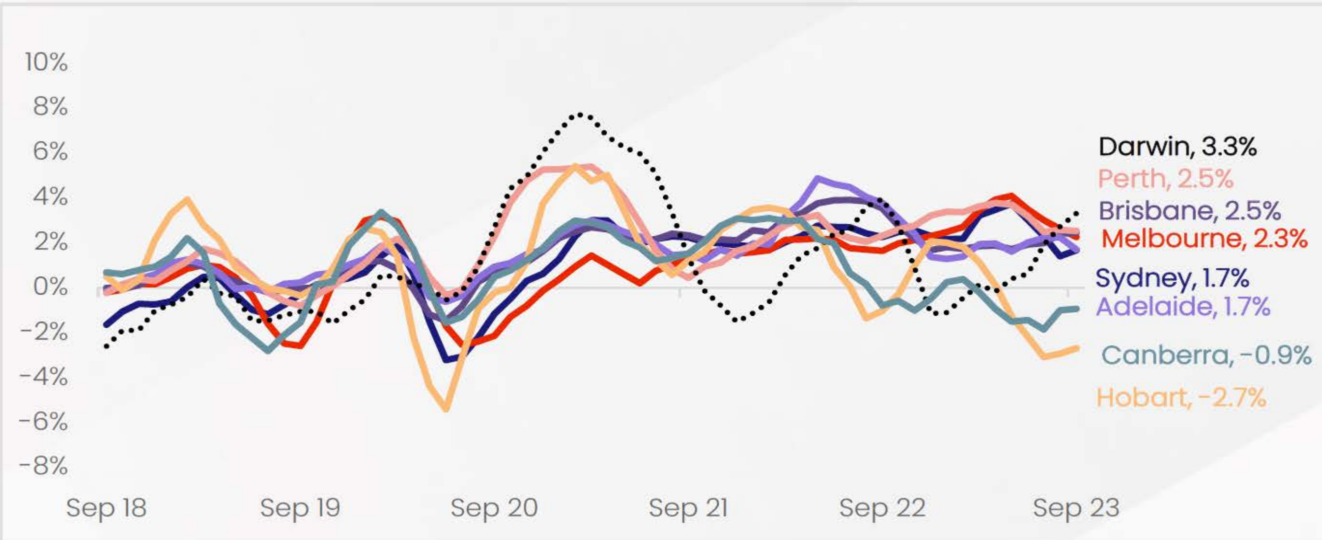
RENTAL MARKET PERFORMANCE

CoreLogic's numbers confirm that the tight rental market is only getting tighter. The house rental data for Quarter 3, 2023 showed rents across all major capital cities are trending upward apart from Canberra and Hobart. Quarterly rental growth was strongest in Darwin with a 3.3 per cent gain with Perth and Brisbane both recording a 2.5 per cent rise for the quarter.

The annual number reflected a similar trend but with more amplified gains. Perth led the way with a 13.2 per cent increase in rentals, while Melbourne was close behind at 12.0 per cent.

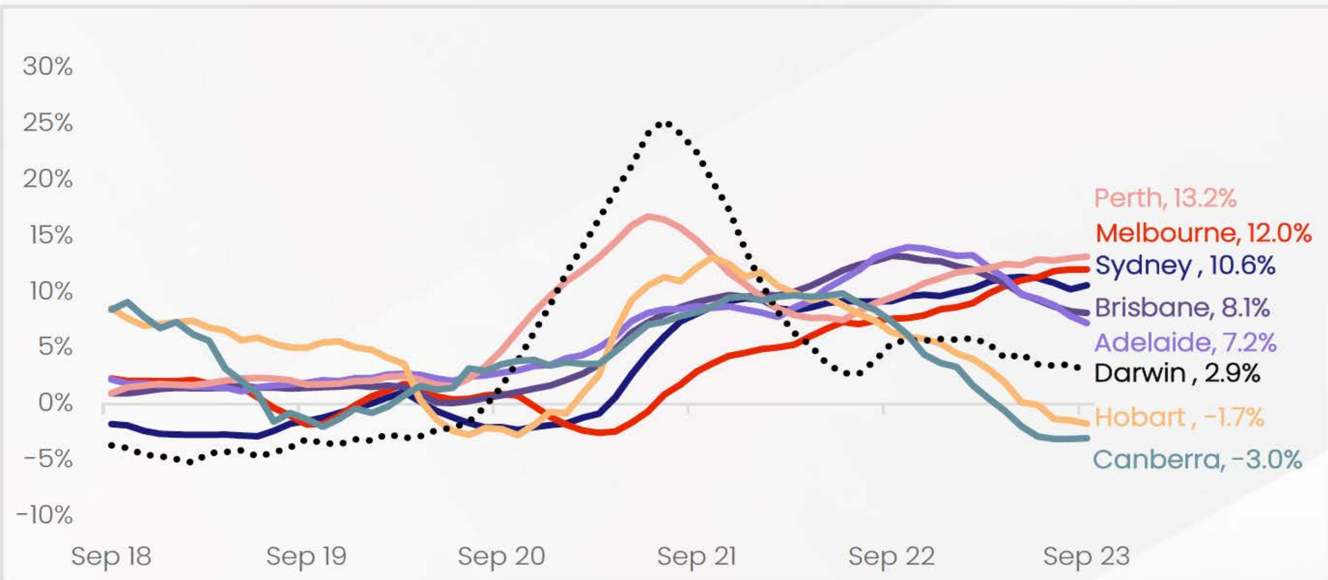
Quarterly rental growth rate – Capital City dwellings

Source: CoreLogic



Annual rental growth rate – Capital City dwellings

Source: CoreLogic



National gross rental yield compressed slightly to 3.7 per cent in October 2023. This is good news for investors. Given rents have increased during this period, tighter yields suggest property values are growing slightly faster than rising rents. If rental growth slows further while property values continue their upward trajectory, then expect these gross yields to continue tightening.

VACANCY RATES

Low vacancy rates indicate a market where demand for rentals outstrips the available supply of rental housing, with any figure below two per cent deemed a tight rental market. SQM Research data shows the national residential property rental vacancy rate sits at just one per cent, continuing the theme of tenant demand vastly outstripping rental supply. Perth and Adelaide are both at a staggeringly low 0.4 per cent.

Vacancy Rates - October 2023

City	Oct 2022 Vacancies	Oct 2022 Vacancy Rate	Sep 2023 Vacancies	Sep 2023 Vacancy Rate	Oct 2023 Vacancies	Oct 2023 Vacancy Rate
Sydney	9,449	1.3%	9,084	1.3%	8,368	1.2%
Melbourne	8,058	1.5%	6,449	1.2%	6,092	1.2%
Brisbane	2,568	0.8%	3,288	1.0%	3,132	0.9%
Perth	732	0.4%	783	0.4%	683	0.4%
Adelaide	683	0.4%	819	0.5%	722	0.4%
Canberra	684	1.1%	1,087	1.8%	1,027	1.7%
Darwin	270	1.0%	307	1.2%	368	1.4%
Hobart	127	0.5%	455	1.6%	373	1.3%
National	**30,929**	**1.0%**	**32,659**	**1.1%**	**30,307**	**1.0%**

Source: SQM Research

PROPERTY LISTINGS

SQM Research data reveals total monthly residential property listings decreased slightly by 0.9 per cent in October. Listings overall are up three per cent for the year. While this suggests increased supply, the growth in listing numbers is actually much lower than many commentators predicted. Anecdotal evidence also indicates we remain in a low-supply/high-demand environment.

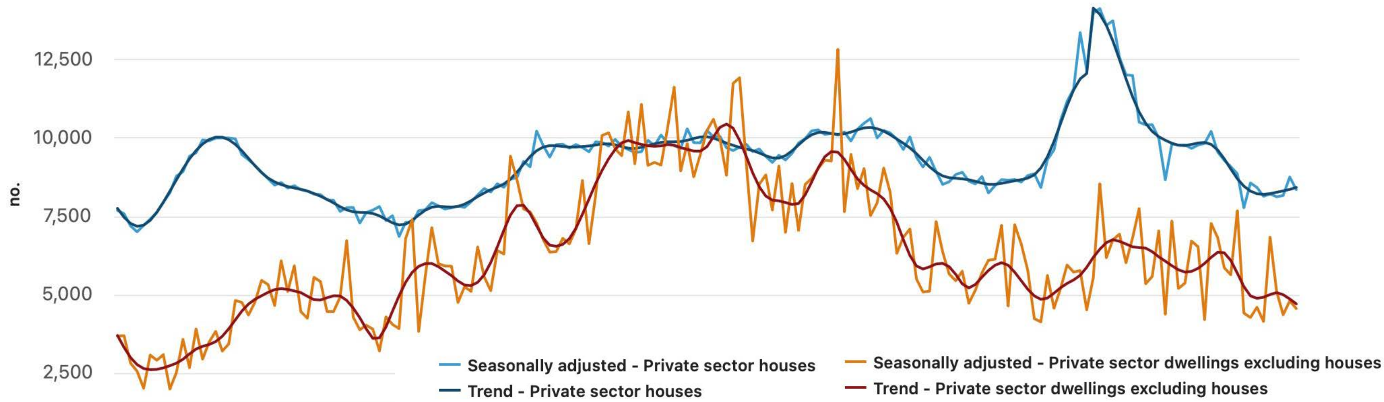
Total Property Listings

City	October 2023 Total	September 2023 Total	October 2022 Total	Monthly change %	Yearly change %
Sydney	31,305	31,542	30,228	-0.8%	3.6%
Melbourne	38,120	37,536	36,314	1.6%	5.0%
Brisbane	18,301	19,066	20,815	-4.0%	-12.1%
Perth	16,830	18,047	21,374	-6.7%	-21.3%
Adelaide	9,554	9,988	9,834	-4.3%	-2.8%
Canberra	3,912	3,735	3,169	4.7%	23.4%
Darwin	1,701	1,719	1,690	-1.0%	0.7%
Hobart	2,635	2,641	2,090	-0.2%	26.1%
National	**243,221**	**245,445**	**236,056**	**-0.9%**	**3.0%**

Source: SQM Research

BUILDING APPROVALS

Building approvals help inform experts on the supply versus demand balance. The ABS reports that national dwelling approvals fell 4.6 per cent in September, with a seasonally adjusted annual fall in total dwelling approvals of 20.6 per cent. This is a staggering outcome with the supply of new housing likely to remain very constrained in the medium term. This metric suggests values may rise as a result of tight supply.



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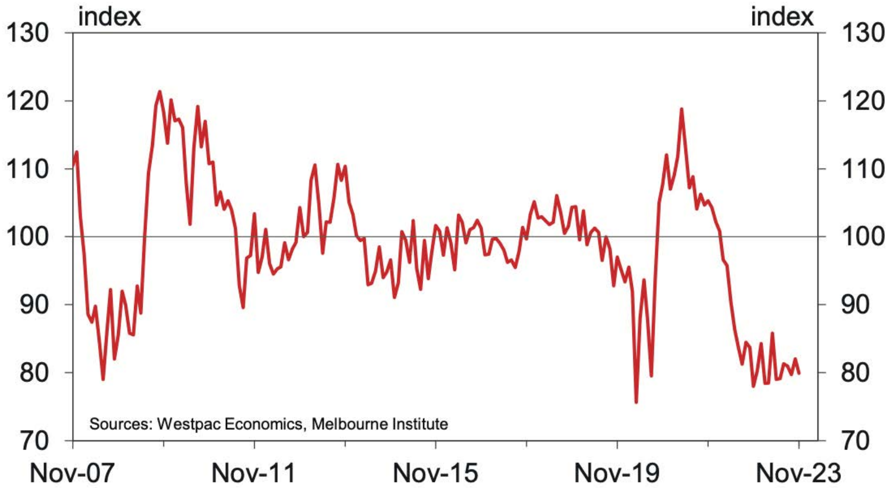
CONSUMER SENTIMENT

Consumer sentiment delivers a temperature check on the perceived economic strength of the nation. Positive confidence bodes well for property markets. The Westpac-Melbourne Institute Consumer Sentiment Index fell 2.6 per cent in November. This outcome was undoubtedly heavily influenced by the most recent interest rate increase.

Westpac's analysis however also concluded that housing price expectations remained very positive, stating that, "Price expectations are most upbeat in Victoria and South Australia with consumers in New South Wales, Queensland and Western Australia a touch less bullish."

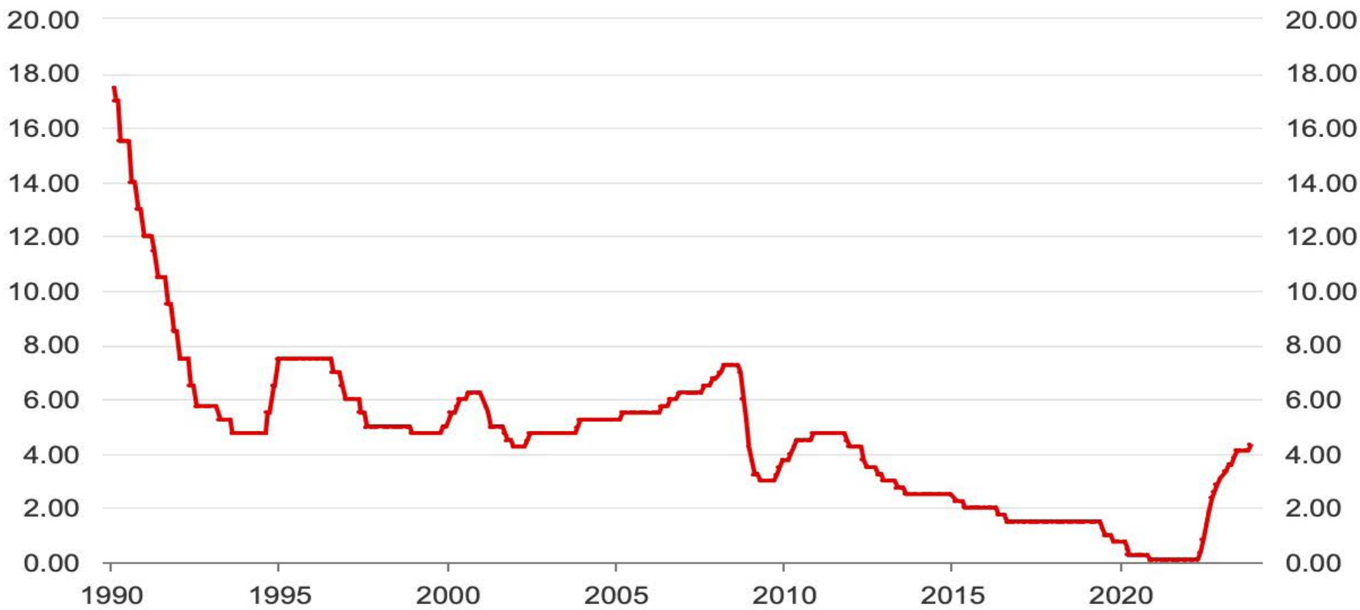
Source: ABS



INTEREST RATES

This long-term chart shows cash rate movements since January 1990. While the cash rate has risen over the past 19 months to reach 4.35 per cent, most commentators believe we are either at or extremely close to the peak of the rate rise cycle. As markets become more certain of rate stability, expect property value increases to ramp up. For those who get in beforehand, this is a golden opportunity. We also note that despite the increases, the cash rate remains historically low compared to the past three decades when it went as high as 17.5 per cent.

Source: RBA



POPULATION MOVEMENT

Total population change and net interstate migration figures are lead indicators of house price movements. Rising overseas migration to Australia will bolster housing demand. Jurisdictions with increasing populations often enjoy more buoyant property prices. Net interstate migration is an even more telling statistic. This helps identify where people are moving from and where they're going.

According to ABS information, the clear beneficiaries of population growth continue to be Queensland and Western Australia with residents moving from New South Wales and Victoria to these two states. That said, all states and territories saw an overall total rise in population which reflects an increase in post-pandemic immigration numbers and natural population growth. The net immigration result to 31 March 2023 was 454,300. That's a massive increase on the 386,895 recorded to the end of December 2022 and well above the pre-pandemic average of approximately 235,000.

	Population at 31 March 2023 ('000)	Change over previous year ('000)	Change over previous year (%)
New South Wales	8294.0	156.3	1.9
Victoria	6766.6	161.7	2.4
Queensland	5418.5	124.2	2.3
South Australia	1844.6	29.2	1.6
Western Australia	2855.6	78.3	2.8
Tasmania	572.7	2.4	0.4
Northern Territory	251.7	2.1	0.9
Australian Capital Territory	464.6	8.9	2.0
Australia (a)	26473.1	563.2	2.2

	NSW	Vic.	Qld	SA	WA	Tas.	NT	ACT
Interstate arrivals	87,279	74,094	108,664	25,324	36,784	12,880	14,342	19,932
Interstate departures	117,492	79,738	77,594	25,167	25,663	14,874	17,087	21,684
Net interstate migration	-30,213	-5,644	31,070	157	11,121	-1,994	-2,745	-1,752

	NSW	Vic.	Qld	SA	WA	Tas.	NT	ACT
Overseas arrivals	234,010	196,460	112,617	35,254	76,176	6,720	6,482	13,138
Overseas departures	80,591	58,815	42,414	9,597	23,512	2,839	3,733	5,049
Net overseas migration	153,419	137,645	70,203	25,657	52,664	3,881	2,749	8,089

ABS QUICKSTATS

ABS data helps pinpoint suburbs or regions with foundational price-growth potential based on a host of demographic data. To demonstrate, here is a very small portion for one of our hotspots, Gawler East in Victoria. The information shows the suburb's homeowner to renter ratio exceeds both the state and national averages, which is a positive data point for property price growth.

Tenure type ***Occupied private dwellings (excl. visitor only and other non-classifiable households)***	Gawler East	%	South Australia	%
Owned outright	747	34.3	226,902	32.8
Owned with a mortgage (a)	927	42.6	246,341	35.6
Rented (b)	395	18.2	190,462	27.6
Other tenure type (c)	78	3.6	18,214	2.6
Tenure type not stated	32	1.5	9,389	1.4

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