ACCRUE

REAL ESTATE

NEW FINANCIAL YEAR,
NEW YOU
NEW OPPORTUNITIES

contents

ACCRUE
REAL ESTATE

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 CEO

We've just entered the new financial year and I'm proud to say our positive predictions from back in January have become reality.

At the start of 2024, it seemed we'd reached the end of the rising interest rates cycle and there was a sense of calm returning to the real estate landscape. Despite this, some commentators had an overly pessimistic outlook for the sector. They felt that stubbornly high inflation and economic uncertainty would adversely impact property values this year.

We at Accrue, however, prefer to base our forecasts on evidence. Our analysts rely on the numbers, the application of experience and an understanding of well-established fundamentals. On that front, the data couldn't have been clearer. A sustained period of overwhelming demand, fuelled by immigration and rental unaffordability, was up against tight supply across most population centres. We said at the time capital gains and rental growth seemed inevitable.

And that's exactly what came to pass in most markets this year.

The challenge, however, is also understanding the nuances of location and property. Suburb and asset selection are the keys to success. We want to find those investments that will outperform the rest of the market. In that respect, we remain one of the most successful advisories in Australian real estate.

Our winter issue of Accrue Magazine marks the start of the new financial year with a feature article every property investor must read. We not only reflect on markets to date, but also look at what's to come and identify the windows of opportunity opening right now.

As you'll read, we're in a precious moment where those who buy now for long-term gain will be among the nation's most successful investors.

The journey to achieving your dreams begins with a single step, an adage vividly illustrated by this issue's investor couple, Adam and Jess. Their first investment is one of the most incredible growth stories our advisors have come across. Read how they've enjoyed exceptional returns in just two years, and the foundation for wealth they've now established.

We also detail another four property hotspots from across the nation with outstanding metrics for investment success. These suburbs look set to be among our best choices yet.

Our regular property clock, market cycle and data deck are here as well. The data pages contain just a small portion of the information we rely on as property experts. Knowing how to source, assess and interpret the evidence is key – and it's something our teams do successfully time after time.

So, don't let today's golden opportunities pass you by! A well-chosen investment will yield exceptional results, but it won't happen unless you take advantage of today's prime conditions and act.

JASON NEVINS
CEO

Feature Story

New year, new you, new opportunities

JASON NEVINS
CEO

The clock has just ticked over into a new financial year. So, how has the market been tracking and what should savvy investors be doing to boost their chances of exceptional returns over the coming 12 months and beyond?

Let's kick off with some retrospective analysis, because understanding the past allows for smarter decisions about the future.

Six months ago, we detailed our property market outlook for the first half of 2024, projecting strong growth in prices. Here at the midway point of the year, it's clear we were right.

Demand for housing remains at incredible highs while supply of new dwellings isn't shifting much, putting pressure on price growth. Rental markets are constrained, prices are rising ever higher, and the number of people looking for a home to rent is skyrocketing.

With the new financial year here, what kind of scenario are we looking at throughout the next six months and beyond?

We think the outlook is equally rosy for investors, with a range of factors – from demand and supply to interest rates – making now the perfect time to act.

DEMAND REMAINS HIGH

If you head along to an open-for-inspection on any given Saturday in most parts of the country, you'll notice a persistent trend at play.

Those looking to buy remain in high numbers, flocking to properties that are on the market in hopes of making one of them their own.

Supply levels have increased steadily over recent months, with the number of homes being listed finally increasing after a near two-year lull.

But demand is still far outweighing supply, putting upward pressure on prices.

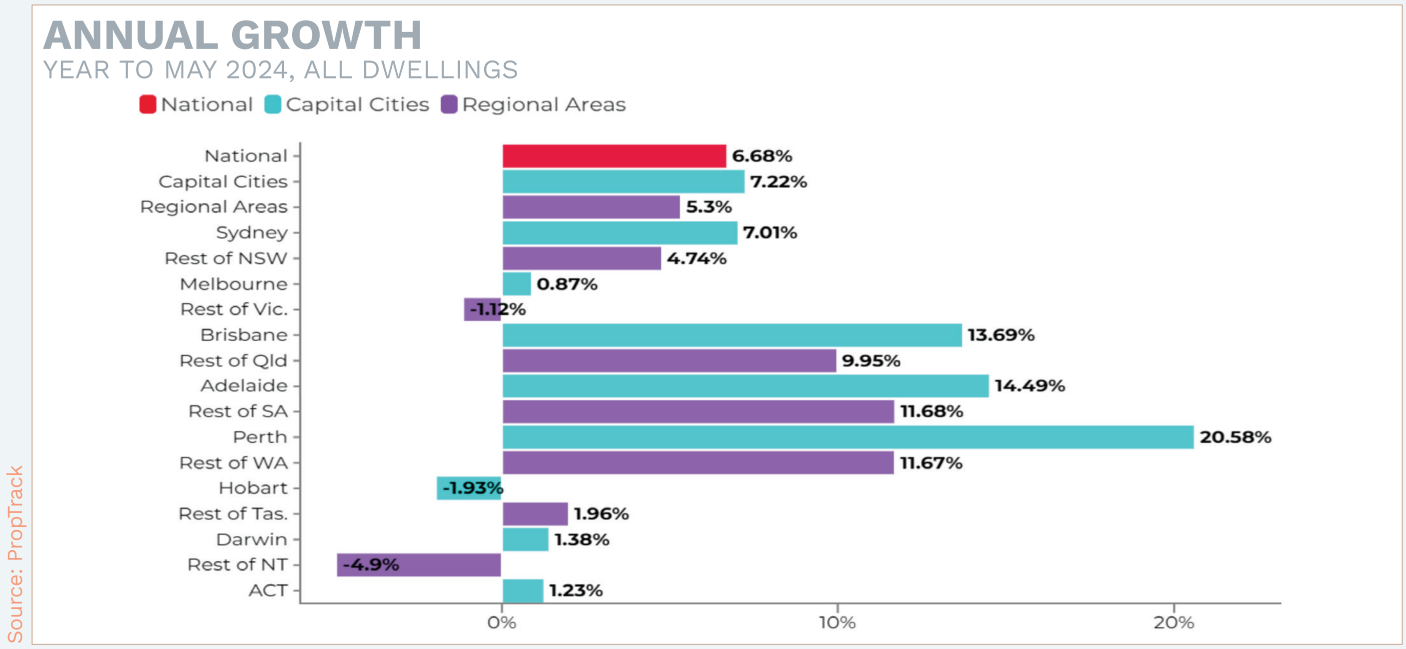
"With housing supply unable to meet demand, national home prices have cycled through 17 consecutive months of growth to hit a fresh peak in May," PropTrack senior economist Eleanor Creagh said.

"Prices are now 6.68 per cent above May 2023 levels and up 9.58 per cent from their December 2022 low.

"Despite a rise in the number of homes for sale this year, strong population growth, tight rental markets, and home equity gains continue to bolster strong demand."

Cost-of-living pressures and high interest rates aren't deterring many buyers, who are "determined to get their foot in the door of home ownership", CoreLogic research director Tim Lawless noted.

"Demand for housing in Australia remains extremely high in many areas, particularly with the added pressure of record high migration levels, persistently tight rental conditions and an undersupply in dwellings," Mr Lawless said.



A POPULATION BOOM

Australia is growing rapidly, with a mammoth population increase of 624,000 in 2023, bringing the total resident base to 27 million in January.

That's the equivalent of adding the whole of Tasmania in a single year and marks the largest increase on record.

Back in 2022, the federal government released its very first Intergenerational Report, looking at what the coming decades would hold for the country.

But its forecast for population growth was wildly off the mark. Twenty-two years back, it wasn't thought the population would hit more than 25 million until 2042.

The bulk of last year's increase was thanks to immigration.

Each year for the decade before Covid, the average net migration rate – that is, the number of foreigners arriving minus those leaving – was about 215,000 annually.

In 2023, net migration sat at a whopping 518,100, which is about double the trend and was well beyond any modelling. Throughout this year, expectations are that net migration will be lower, but still high, at about 300,000.

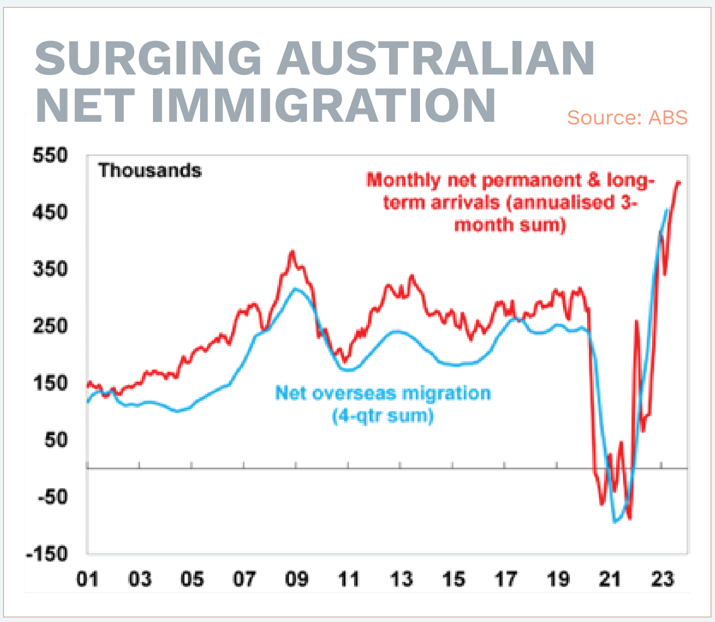
"There are many benefits of population growth in the forms of economic growth, lowering the age profile, increase in consumer demand, innovation and increase in highly skilled workers," demographer Mark McCrindle, founder of McCrindle Research, explained.

"However, this growth does pose challenges as well... on housing affordability, rental shortages and infrastructure bottlenecks."

Based on current population trends, an estimated 220,000 new homes are needed each year just to keep pace, Diana Mousina, deputy chief economist at AMP, said.

"But dwelling completions, which are indicative of housing supply, [were about] 175,000 in 2023," Ms Mousina said.

"Current building approvals, which are a sign of future completions, are running close to an



annualised figure of 160,000, which means the outlook for housing supply remains very challenging, despite the government targets to lift it."

BILLIONS BEING SPENT

The federal government has made housing its main policy focus, committing a staggering $32 billion to a range of initiatives to boost supply.

Put simply, the government recognises that a supply crisis needs serious investment and is prepared to do whatever it takes to support the construction of new homes.

"We have a housing shortage in this country, but there's no shortage of investment or commitment or enthusiasm from the Albanese Government or from the private sector," Treasurer Jim Chalmers said in late May.

"Big investments in housing, big investments in infrastructure. All of these billions of dollars are a vote of confidence in the future of one of the most important parts of our national economy."

Among the major measures is the goal to build 1.2 million new homes across the country over the coming five years, with the federal government offering incentives to get activity going.

As part of a national agreement, states and territories will overhaul planning laws to allow homes to be built quicker and in places where people want to live and work.

The federal government is offering up billions for programs to help Australians buy their first home, including the Home Guarantee Scheme.

And it's shown a keen willingness to work with the private sector by backing the build-to-rent sector.

In all, it's clear the government is committed to housing, which is good news for those considering investing their money in bricks and mortar.

BUT PROGRESS WILL BE SLOW

Those would-be investors fearing a sudden influx of hundreds of thousands of new homes into the supply pipeline might derail their ambitions need not worry.

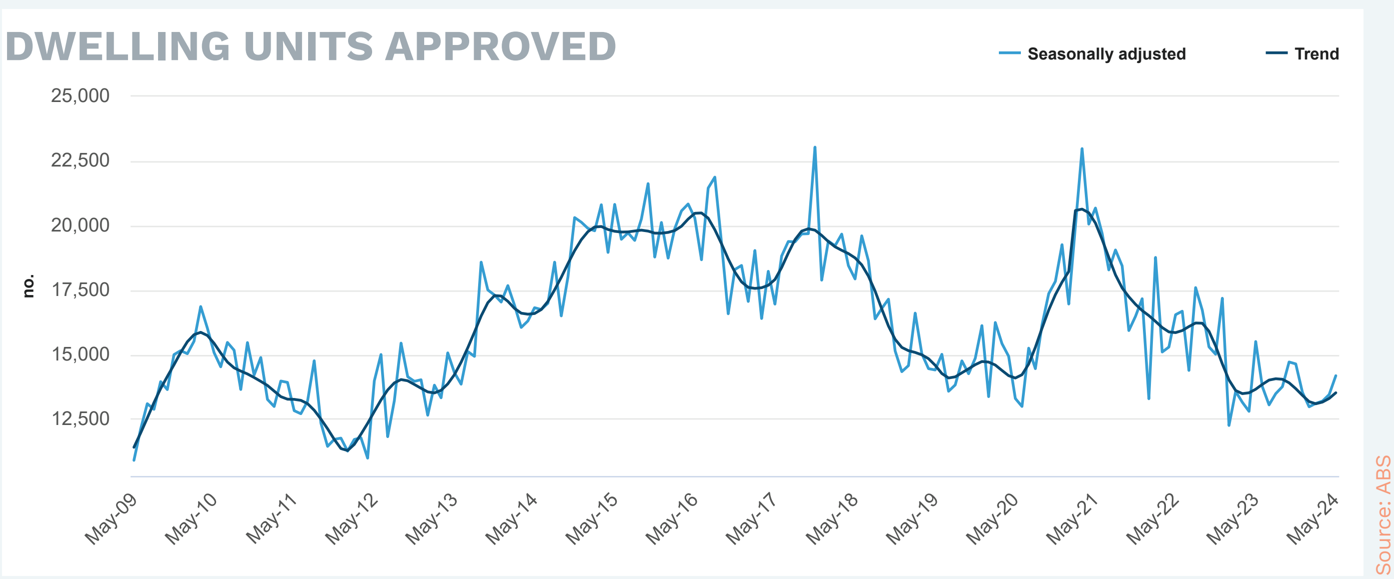
While tens of billions of dollars are indeed being spent, Rome – or Australia – wasn't built in a day.

"Commitments by the federal and state governments to deliver more housing have been welcomed," PropTrack senior economist Paul Ryan said.

"But there remain doubts that enough homes can be built to ease conditions for renters in the near term."

Australian Bureau of Statistics data shows just 170,000 new homes were built across the country last year.

That's well below the 240,000 new dwellings each year needed for the government to hit its target of 1.2 million new homes in five years' time.



STILL GROWTH TO COME

There is sometimes a perception that a period of strong property price growth must surely precede a sharp decline in values.

Some believe that there's only so high prices can go before they must come down again.

But even if that was true – and there's no evidence to suggest it is – analysis of the past few years of market movements indicates there's still plenty of fuel in the tank.

CoreLogic looked at real estate prices two years before the Reserve Bank began hiking interest rates as well as the two-year period after.

Across the country, values have only risen by 2.8 per cent since April 2022, compared to an astronomical 31.7 per cent surge in the two years prior.

How can that be?

In the early phase of the rising rates cycle, there was a 7.5 per cent fall in home prices at a national level between May 2022 and January 2023, CoreLogic research director Tim Lawless explained.

Since the start of last year when the market bottomed out, prices have risen again every month to be 11.1 per cent higher.

"The perception might be that property values are continually increasing but we can't forget the short and very sharp downturn that occurred in the immediate aftermath of the first rate increases," Mr Lawless said.

"Since the market bottomed, there's been 15 consecutive monthly increases in values nationally, but that performance is not indicative of the entire market.

"Underneath the headline figure there's significant diversity in the housing market's performance."

For example, while home prices have skyrocketed by 25.7 per cent in Perth, they've fallen by 11.2 per cent in Hobart.

"Such a discrepancy in growth rates highlights the diversity of market conditions over the past two years," Mr Lawless said.

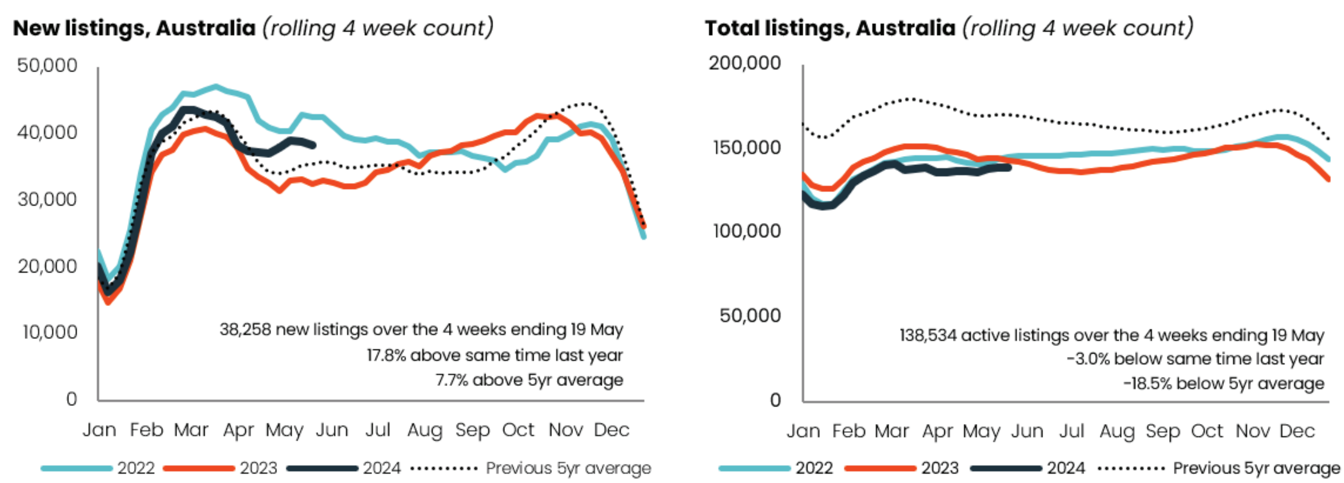
"This reflects the complexity within local markets. While some cities have exhibited resilience driven by robust economic fundamentals and housing demand, others have grappled with factors such as higher supply, affordability constraints and weaker demographic trends."

There are a few important lessons to be gleaned from these observations, the first being that the "exploding growth" narrative isn't reflective of the entire situation.

The second is that there is no single property market in Australia, but multiple markets – and often times, markets within markets.

And the third is that in many cases, there's plenty of growth that's still to be realised.

LISTING VOLUMES



Source: CoreLogic

A STEADY RATES OUTLOOK

It increasingly seems the period of interest rate hikes by the Reserve Bank is behind us, as inflation moderates and the economy cools to sustainable levels.

"The stable interest rate environment has also been a driver of confidence among buyers and sellers," PropTrack senior economist Eleanor Creagh said.

The current official cash rate of 4.35 per cent has stayed on hold throughout 2024, after a number of increases that took it from an historic low of just 0.1 per cent.

Economists at Australia's big four banks believe we've hit a peak and won't see any further hikes.

Instead, they agree we're likely to see the first of several interest rate declines by the end of the calendar year, or early in 2025.

ANZ expects the first rate cut in November, before several more bring the official cash rate to 3.6 per cent by mid-2025.

The Commonwealth Bank also tips November as the beginning of the rate cut cycle, with a figure of 3.1 per cent likely by the end of next year. NAB and Westpac both have the exact same forecast.

In its Statement on Monetary Policy released in May, the Reserve Bank noted that inflation continues to fall, albeit more slowly than it would like.

This indicates a preference to keep rates on hold, stay the course, and be patient while inflation returns to its target range of two per cent to three per cent.

It forecasts inflation to be about 3.8 per cent by the end of 2024.

TIPPING THE NEXT BOOM

When interest rates begin to fall, it's likely we'll see a confidence-induced frenzy when it comes to homebuying.

For one, buying a home will become more affordable – not because prices have dropped, but because the cost of mortgage repayments will ease.

Consider it this way. According to the Reserve Bank, the average owner-occupier with a mortgage is on a standard variable home loan rate of 6.38 per cent. If the big four banks' forecasts are correct, that will fall to as low as 5.1 per cent by the end of next year.

Based on the average mortgage size in Australia right now of $624,000, that would slash about $550 per month off the cost of repayments.

That's a whopping $6600 per year more in a typical borrower's pocket.

On top of that, an average person's borrowing capacity will increase, meaning they can comfortably take out a bigger mortgage.

In addition, confidence will only improve further as it's made clear that the latest era of higher interest rates is over.

AVERAGE INTEREST RATES BASED ON BIG FOUR BANKS' PREDICTIONS

Month	CBA Forecast	Westpac Forecast	NAB Forecast	ANZ Forecast
NOV 24	6.13%	6.13%	6.13%	6.38%
DEC 24	6.13%	6.13%	6.13%	6.38%
JAN 25	6.13%	6.13%	6.13%	6.38%
FEB 25	5.88%	5.88%	5.88%	6.13%
MAR 25	5.88%	5.88%	5.88%	6.13%
APR 25	5.88%	5.88%	5.88%	5.88%
MAY 25	5.63%	5.63%	5.63%	5.88%
JUN 25	5.63%	5.63%	5.63%	5.88%
JUL 25	5.38%	5.63%	5.63%	5.88%
AUG 25	5.38%	5.63%	5.38%	5.38%
SEP 25	5.38%	5.38%	5.38%	5.88%
OCT 25	5.38%	5.38%	5.38%	5.88%
NOV 25	5.13%	5.38%	5.13%	5.63%
DEC 25	5.13%	5.13%	5.13%	5.63%

Source: RateCity, CBA, Westpac, NAB, ANZ

RENT PRESSURES TO PERSIST

Finding a rental property at the moment is a tough task, with vacancy rates – that is, the proportion of all leased dwellings currently on the market – sitting at one per cent in most parts of the country.

As a result, prices continue to rise sharply in most areas, PropTrack senior economist Paul Ryan said.

"After a long period of modest rental increases before the pandemic, pressures from changing preferences, smaller household sizes and volatile population growth have increased the demand for housing over the past two years," Mr Ryan said.

"At the same time, the pandemic disrupted supply chains and made building more homes difficult.

"This resulted in rapid rent growth, with capital city rents growing more than 10 per cent per year for most of the time since early 2022, peaking at an annual pace of more than 20 per cent in early 2023."

The pace of rent price increases has slowed somewhat since early last year, but even so, typical rents across the capital cities are still up 9.6 per cent over the past year, he said.

Another factor adding to rental demand is that first-time buyers who want to buy are being caught in the leasing cycle for longer.

Saving a deposit is taking longer because they're paying more in rent, all while property prices continue to rise.

A TIME TO REFLECT

The start of a new financial year provides the perfect opportunity for wise investors to pause and take stock.

How are you tracking on your goals? What hurdles did you face in the past 12 months and how did you face them?

How does the year ahead look for you?

It's also a great time to review your real estate investment portfolio to examine its performance during a unique period in property markets.

But that's just the beginning of your portfolio check-up.

Reviewing your portfolio isn't just about the raw numbers of individual properties, but also about reflecting on your current and future goals.

Here are some basic questions you should seek to answer.

- ▶ 1. What's your cash flow position look like?
- ▶ 2. Are your current rent prices reflective of market expectations?
- ▶ 3. What's your capital growth position look like, and what's its future potential?
- ▶ 4. Are there opportunities to add value?
- ▶ 5. Are there opportunities to reduce costs or streamline?
- ▶ 6. Are you sitting on any untapped equity?

Where are you in your investment journey? Is your portfolio helping to get you there or are you stuck in neutral?

And most importantly, have your goals shifted and do you need to adjust your investment focus accordingly?

TACKLE THIS TO-DO LIST

It's surprising how many investors settle on a property and then move on, barely giving it a second thought even as things shift swiftly around them.

Take finance arrangements. Even though interest rates are high right now, intense competition among the banks means there are some enticing deals on offer.

For those who haven't reviewed their borrowing arrangements recently, the new financial year is the perfect time to take their temperature.

Lenders are pulling out all the stops to nab new business, including discounted interest rates, introductory offers and even cash back bonuses.

The new financial year is also a great time to examine your taxation structures to ensure you're making the most out of investor benefits.

This includes getting depreciation schedules done for your properties, which essentially allow you to claim the gradually declining value of fixtures, fittings and equipment within them. Talking with an expert about your negative gearing structure is also worthwhile.

Some investors choose to conduct a pest inspection each year to ensure they're on top of any potential nasties that can prove costly in the long run.

Some also opt to conduct a full building inspection, similar to what you would undertake when purchasing, every three to five years. These can identify any maintenance issues that are often cheaper to nip in the bud early.

The idea of set and forget investments is nice but they're rarely realistic. It's important to keep a close eye on your assets to ensure they're working for you and helping you to get where you want to be.

IS IT TIME TO ACT?

Right now, there are some exceptional opportunities to start your investment or add to your portfolio.

High demand, constrained supply, incredibly tight rental markets and few signs any of those things will change anytime soon mean it could be a great time to act.

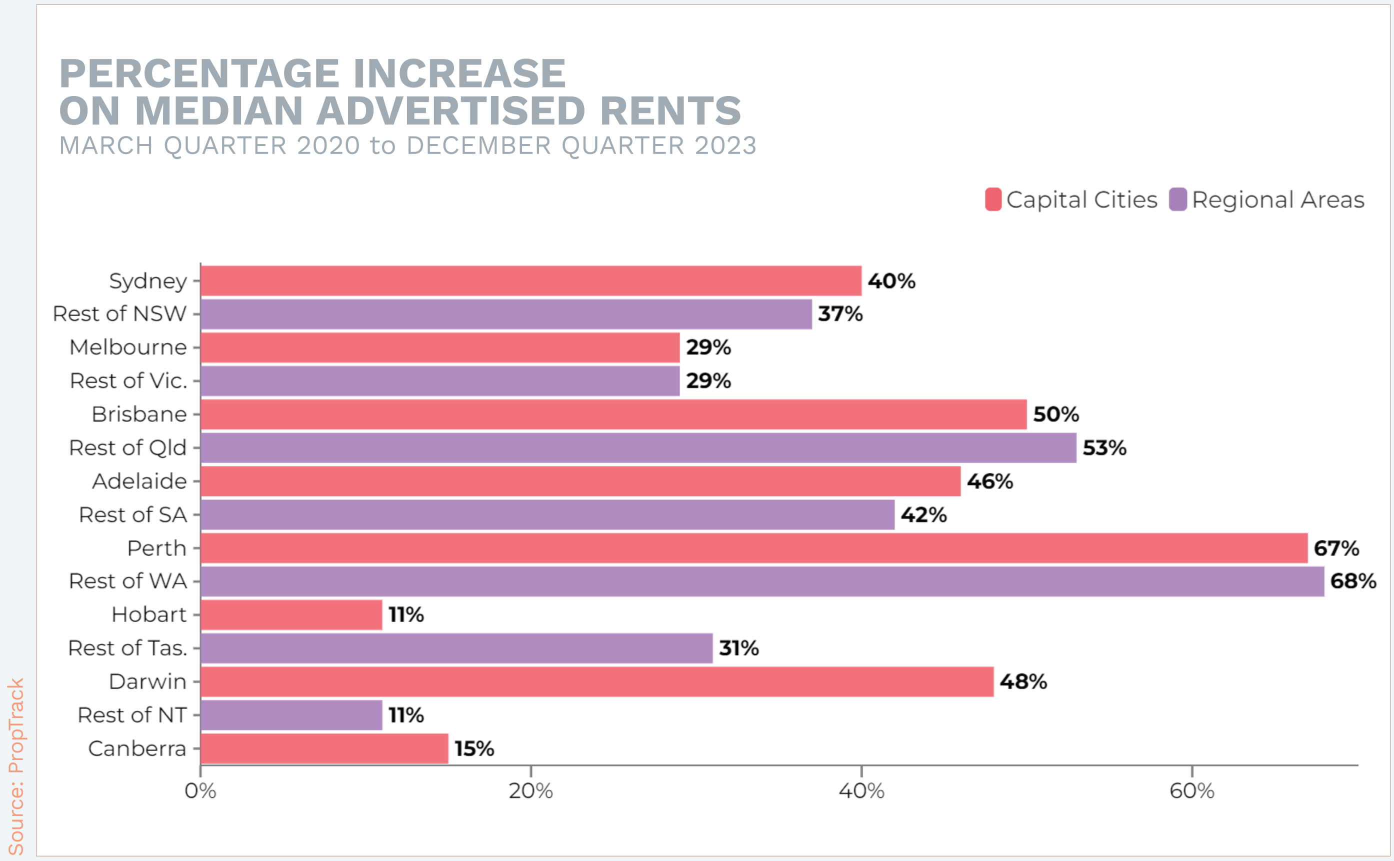
But where should you buy? What areas offer the best opportunities in the next year ahead? And what type of dwelling should you put your money behind?

It's important to be clear about your goals and what you hope to achieve by investing in bricks and mortar, and then choose assets that meet your needs.

Doing your homework is no easy feat. To start with, you need to be across the current and past performance, demographic changes, infrastructure investment, rental market, gentrification, planned supply, zoning and planning overlays of an area.

Multiply that huge amount of research by several suburbs you're looking at and it equals plenty of your valuable time. But that's what making an informed investment decision requires.

That's why enlisting the help of experts to guide you along your investment journey is worth considering. You can lean on their knowledge and experience to maximise your asset's potential and help achieve your goals faster.



Australian Property Cycle

We believe that the market is in the seven to eleven o'clock range where it's currently experiencing growing confidence, price rises, undersupply and rising valuations.

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 seven to eleven o'clock range where it's currently experiencing increased confidence, rising prices, undersupply of stock and rising valuations.

This signifies a prime time to invest in property as it suggests we are in a growth period. Predictions are that mortgage rates will drop in the near future.

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.

Client Profile

It's just the beginning

Ballarat locals Adam and Jess have kicked off their investment journey with an asset that's exceeded all expectations while establishing a foundation for a very comfortable future.

There are people who seem to be a great fit in this world and Adam and Jess fall into that category. Adam said since their eyes met across the room at a friend's wedding back in 2008 they've been inseparable.

Adam, a 43-year-old bus driver and part-time panel beater, said the lights of his life are Jess and their two gorgeous kids.

Jess, 41, works as a teacher aide. Together they're hard-working Australian folk simply looking to create a happy life for their family.

"Jess is an absolute goer. She travelled before I met her and worked all around the place, like Ayers Rock where she was a housekeeper. Any type of work she could get when she travelled she'd take on."

Adam's initial step in property ownership began the year before he and Jess met. He'd bought a block of land in Ballarat in 2007 and utilised a first homebuyer's grant of $30,000 to build a home which was completed in 2009.

"We still live in it.

"My father is a builder and me being a panel beater – I know how to weld – so we did all the exterior stuff with driveways, landscaping, fencing and other bits of labour. It's slower but cheaper to DIY. It cost $80,000 to buy the land and the build was $180,000."

He said the house is worth close to $700,000 today.

"It's a huge asset compared to where we started from."

Despite their easy-going natures, it's obvious the couple knows how to knuckle down and focus on their ambitions.

"We always said goal number one was to squash the home mortgage. We decided not to worry about superannuation or planning for the future until we got rid of that. We work pretty hard at it too – I did the old trick of working at one place then driving to another for a couple of hours night work before I got home.

"It took about ten years to crack but we got the loan to zero owing."

There they were with plenty of equity, a growing family and their whole lives ahead of them. Some people might rest on their laurels at this point, but Adam and Jess wanted to ensure they were comfortable come retirement years, so they got busy getting educated on investing and the market.

"We got interested in a few things like The Barefoot Investor book. That gave a good grounding in personal finances. We started thinking that we'd built a good nest egg up with our home and we could always borrow money on the back of that.

"We did some online research too – there was a lot of Googling!"

Adam said they thought hard about what life might be like if they could comfortably retire between 60 and 65.

"We know people retire at that age on a pension, but we didn't want to rely on the pension because they keep pushing back the age for that."

He said that while there would be travel in their future, they also wanted to enjoy life now so finding a way to build wealth while not totally compromising on their current needs was a challenge too.

Adam said their chance to invest really came to the fore when they were referred to Accrue and decided to see what was on offer.

"We arranged to have a meeting with Curtis at Accrue who did a presentation – it was a pre-COVID, face-to-face meeting in Melbourne. We drove down for the day and listened to what he had to say."

Curtis showed them how they could invest in property to grow wealth while factoring in all the things that could impact their plans.

After the meeting, Adam and Jess spent two weeks considering what they'd heard from Curtis before deciding to take the plunge and engage Accrue more formally.

"Curtis prepared three investment property options that would fit our budget and presented them to us. He had one option which was in Werribee, Victoria and two in Queensland. We were looking to invest around $500,000."

> "WE KNOW PEOPLE RETIRE AT THAT AGE ON A PENSION, BUT WE DIDN'T WANT TO RELY ON THE PENSION BECAUSE THEY KEEP PUSHING BACK THE AGE FOR THAT."

Adam said the information was comprehensive, and they could see the detailed, data-based analysis behind the chosen properties.

"With all three options, they showed the estimated rent return and all the important numbers with insurance and everything along with what the end profit would be from each.

Naturally we picked the one with the highest return.

Adam and Jess chose a new four-bedroom, two-bathroom, two-car home in a developing part of Greenbank in Queensland. He said it was a logical choice particularly given all the growth drivers in southeast Queensland.

"The Olympics had been announced for 2032, so workers would be needed in Brisbane. The weather is also great, and everyone seemed to be moving that way.

"There were a lot of facilities in the area too. Accrue gave us information about the big primary school being built, new supermarket and other services all positioned just around the corner from the house.

"The detailed statistics from Accrue showed it was a growth area-they provided numbers around market values, rental returns, vacancy rates and so on.

"Another big factor we liked is how the area had so many owners as opposed to renters. A higher density of owners compared to renters is a great indicator of a suburb because if you plonk your asset in an area amongst a heap of other rentals, then only investors want to buy there, whereas owners want to live around other owners.

"We signed up to buy the property in July 2021 for $480,000 and handover was in October 2022. The process was very good. We didn't know if the handbrake was going to get pulled because of COVID, but the construction period was smooth.

"We were tempted to come up to Queensland and have a look when they were building but COVID restrictions stopped us. It was hard though because this was our big investment."

Then a trip to Queensland for their daughter's cheerleading nationals in November 2022 proved the ideal excuse for them to look at their asset.

"We got to see the home and meet our property manager before tenants moved in and it was a great feeling. The property manager gave us a lot of confidence we'd find a tenant and it wasn't long before we had someone move in at $520 per week."

Of course, we all know how Queensland's rental market has performed since. The couple's property currently rents for $600 per week which is below what they could achieve according to their property manager.

"We're really happy with the tenant so were happy to keep them in there for a bit less. We've had the same tenant the whole time – no vacancies – so it's worth it to us."

The other thing they're pleased about is the property's growth in value since they purchased.

"We recently did a review with Accrue and the home's now worth about $675,000, which they said was a conservative value. We're stoked. We haven't even had the tenant in there two years and already it's grown by around $100,000 per year from when we bought it."

"ACCRUE HAS BEEN GREAT. WE'VE LOVED THEIR APPROACH TO ANALYSIS WHICH HAS GIVEN US THE CONFIDENCE TO GO DOWN THIS PATH.

Adam said Accrue's recent review, which updated their financial position and set out future plans, was comprehensive and positive. They discussed everything about the family's needs both now and into the future and it's motivating the pair to look toward their next investment.

"We're thinking about what to buy next – maybe using our self-managed super or something. If the next property achieved even half of what Greenbank did, we'd be happy."

Adam said they're booked in to see what else Accrue recommends and if all goes to plan, they'll be on their way to another investment.

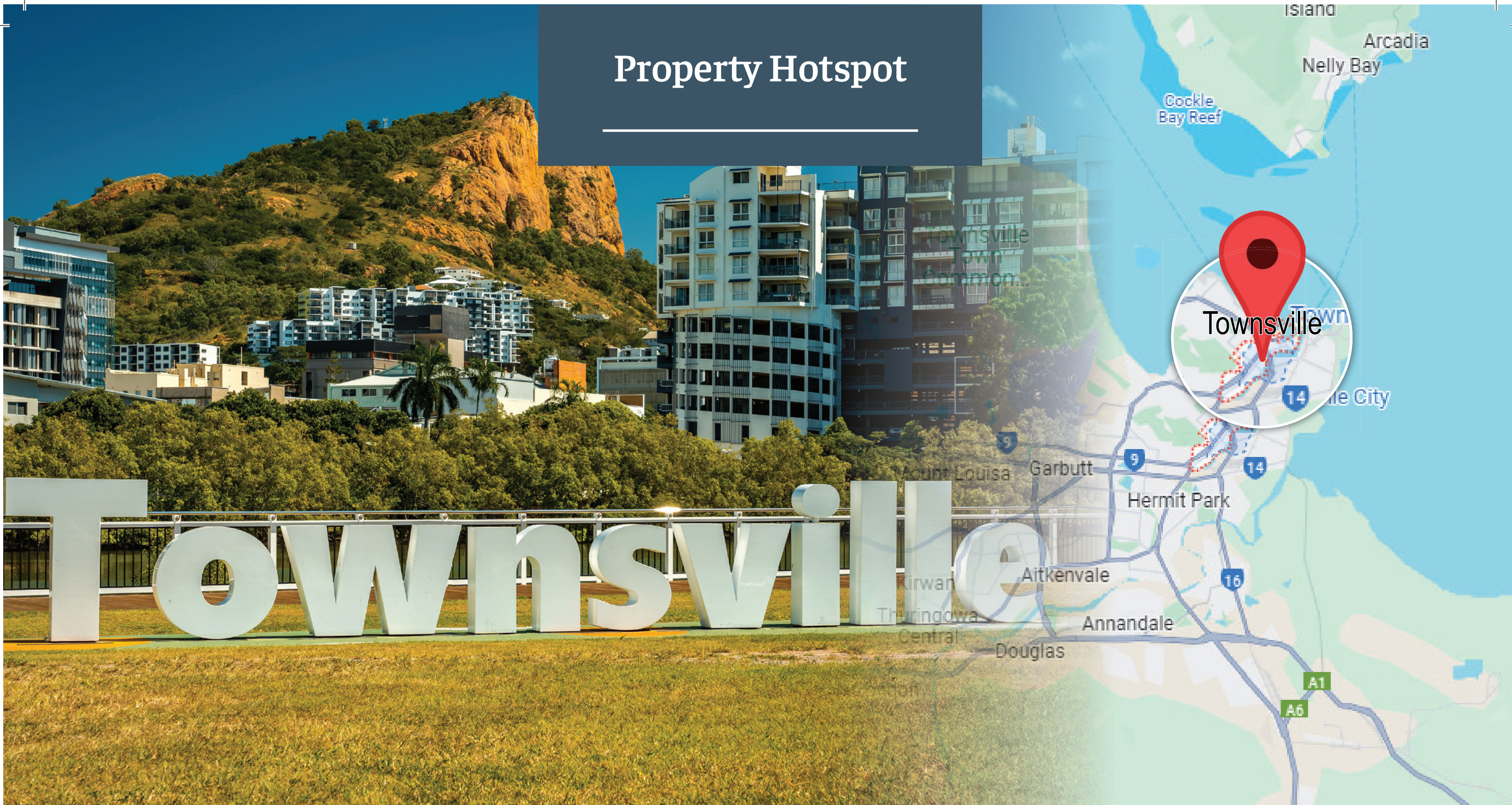
He said while they know what they want to achieve financially in the long term, they're not concerning themselves with getting a certain number of properties in the portfolio or anything like that. They just want to accumulate and build their asset base for now in a safe, manageable way.

"Accrue has been great. We've loved their approach to analysis which has given us the confidence to go down this path. Everything is set out – costs, inflation, interest rates, what you'll be out-of-pocket. It's really comprehensive. We would never have even considered buying an investment, but the confidence we've gained with Accrue's support put us over the line.

"They were well researched. When we saw the information on Greenbank with the schools, capital growth potential and level of surrounding development, it became clear. Then there was the data on other infrastructure in the area along with all the demographics – just really good information.

"We've also found Accrue very accessible. It's harder to call me than to call them," Adam joked.

"We definitely recommend their services. They've delivered everything and more."



Townsville

With about 300 days of sunshine each year and an enviable geographic location that combines sea, city and rainforest, it's no wonder people are flocking to Townsville.

This bustling regional centre in Queensland's north has seen its population climb steadily in recent years, with an average of 4000 people putting down roots each year.

Formal projections indicate an extra 23,000 residents will arrive between now and 2031, requiring more than 1100 homes to be built each year just to keep up with demand. That has some experts forecasting strong price growth – with real estate agent Knight Frank tipping double-digit increases in the next year or so.

At a city level, the median dwelling value of $420,000 has leapt upwards by about seven per cent per annum for the past two years. On top of that, rent prices have risen by about 10 per cent annually over the past few years and the vacancy rate is sitting at just one per cent.

Townsville is a hub for a range of industries, including mining, health and education, transportation and logistics, manufacturing, professional services and government.

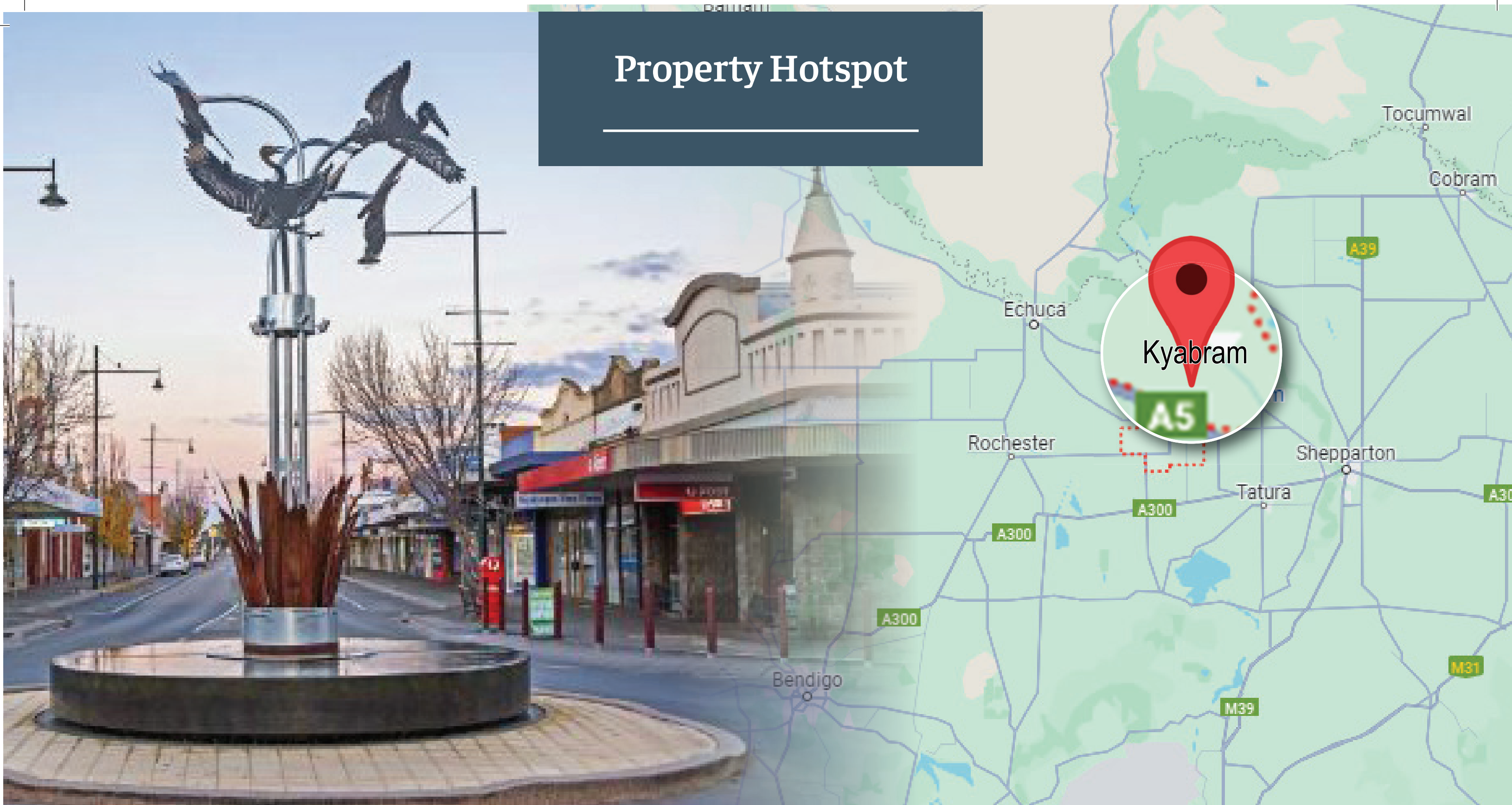
A big one is the Defence Force, with Townsville home to both an army and an air force base, making it the country's largest garrison city. It's only set to get bigger too, with Defence positioning Townsville as the new army capital and redeploying hundreds of soldiers there over coming years.

And the government just announced $35 million worth of upgrades at both facilities.

There are other big projects in the pipeline that have locals excited, especially the mooted North Rail Yards urban renewal initiative.

The historic industrial site to the south of the CBD is set to be transformed into a glittering hotspot comprising high-density residential, boutique commercial, public spaces, and multiple cultural and lifestyle amenities.

Council has just gifted developers the land for their vision, bringing it one giant step closer to fruition.



Kyabram

Drive a few hours north of Melbourne to the Goulburn Valley and you'll stumble upon the charming settlement of Kyabram.

The town's position on the Goulburn River has provided unparalleled irrigation to local dairy and fruit farmers for generations now and those strong agriculture roots still run deep.

As a result, Kyabram is a major services hub, making it an economic powerhouse of regional Victoria.

About six thousand people live within the immediate township, but strong population growth over the past decade has seen its surrounding resident base swell to more than 11,000.

Plenty of people have moved here from the city in search of a slice of the good life – and they've found it. Kyabram has an incredibly strong community spirit. It's a warm and welcoming place for newcomers, particularly the number of families who've arrived in recent times.

ABS statistics show some positive indicators for Kyabram. According to data from the most recent census, over 70 per cent of residents own their home. This exceeds the same measure for both the state of Victoria, and nationally.

They get plenty of bang for their buck here, with a median house price of $460,000 and a median unit price of $357,000.

At around that median, you can secure good quality, lowset housing on decent size blocks – far more affordably priced than in some capital cities and with exceptionally better capital growth potential.

Reflecting the growing popularity of this locale among tree-changers, the median house price has shot up 11 per cent in the past year alone. Rent demand has also risen and the median weekly house rent of $380 per week continues to tick upwards.

On top of its community spirit, Kyabram has a high level of services and amenity, including three public schools and one private, a hospital, and a good selection of coffee shops, restaurants, specialty stores and pubs.

An annual country music festival is a real drawcard for tourists, as is the Kyabram Fauna Farm – a 55-hectare reserve that's home to 500 species of plants and free-roaming wildlife.

Property Hotspot

Hervey Bay

Before you visit this picturesque part of the world, be sure to pack your sunnies because the sea is a vivid shade of turquoise that's almost blinding.

Hervey Bay, the whale-watching capital of the world, has long had a reputation for being a bit of a sleepy backwater favoured by retirees.

But that's no longer the case, with young families inundating the town – about 280 kilometres north of Brisbane – in recent years.

It's hardly surprising, given this is a fantastic place to raise children. It's safe, friendly and warm, with a vibrant local community and more regional charm than you can poke a stick at.

The median house price is $650,000, which has risen 7.4 per cent year-on-year, while the median unit price of $435,000 has nudged upwards by 3.6 per cent year-on-year.

That healthy growth for a non-metropolitan area is due to a critical undersupply of available dwellings and strong buyer demand.

Median house rents have increased by almost 10 per cent in the past year, showing how tight the market is.

ABS demographics show that Hervey Bay's homeowner to renter ratio of 67.9 per cent tracks above state and national percentages, which bodes well for capital growth prospects.

There are plenty of other highlights to be excited about.

A boom in the domestic tourism sector has put Hervey Bay on the map more than ever. The local airport, which underwent a two-stage redevelopment, provides a direct route for visitors, with daily services from Brisbane and Sydney.

The federal and local governments are investing in a major revitalisation project, the centrepiece of which will be the $100 million library, lifestyle, entertainment and council administration complex.

Part of the works will see a major masterplan developed for the whole city, crafting a blueprint for a new cultural heart for the entire Fraser Coast.

And not far down the road, construction has commenced on a major new train manufacturing facility, which will add another string to the region's economic bow.

Property Hotspot

Donnybrook

The word is out, and Donnybrook – located north of Melbourne – is firming as the region's new family-favourite destination.

Young growing households in search of an escape from the rat race, while not being too far from everything they need or want in the CBD, are setting their sights on this rapidly evolving enclave.

Since it was declared a priority growth area 15 years back, it has totally transformed into a picture of perfect suburbia with new homes, peaceful streets and thriving neighbourhoods.

But there's plenty more to come, with the government's precinct plan giving a taste of Donnybrook's future, including bustling town centres, retail strips, commercial employment hubs, a community centre with library, and more schools, both private and public.

The median house price is $652,500 and the current going rent for a detached dwelling is $500 per week, which has leapt more than 11 per cent this year.

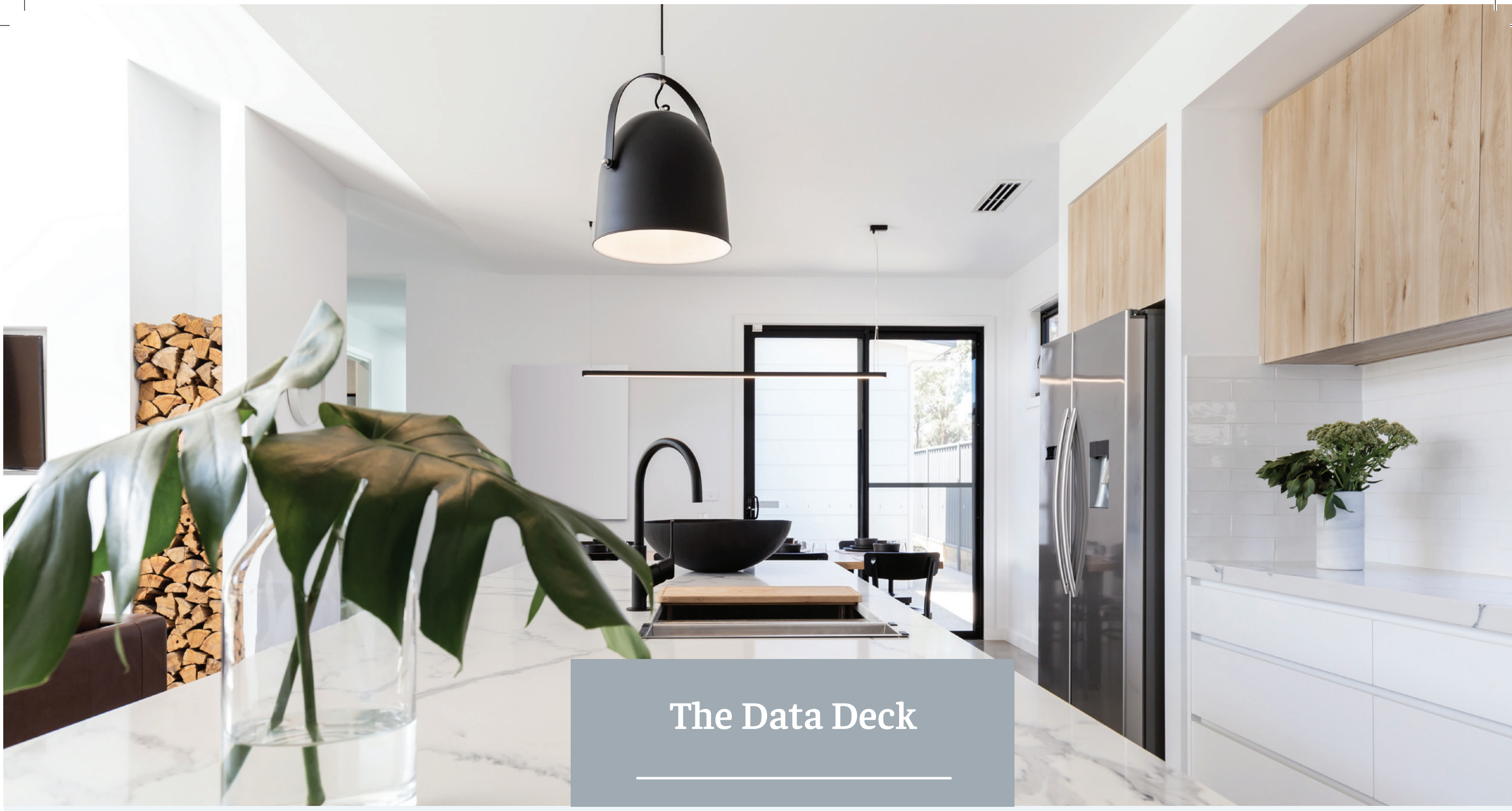
That appealing value proposition is part of why so many young professionals and families are choosing to put down roots here, whether buying or renting.

Proving its commitment to current and future families, the local council just celebrated the completion of stage one of the Olivine Recreation Reserve. It features a sparkling $4.5 million pavilion, cricket nets, netball and futsal courts, a playground and a dog park.

Donnybrook has fantastic walking trails, a growing number of neighbourhood parks and playgrounds, and it's not far from the spectacular 23,000-hectare Kinglake National Park.

Getting to the city is a breeze thanks to the suburb's proximity to the freeway, plus there's a train station locally.

And the fantastic Craigieburn Central Shopping Centre is close by, providing easy access to just about everything residents could need or want.



The Data Deck

Australian Property Clock

WINTER 2024

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
Albury
Cairns
Darwin
Sydney CBD
& Northern Sydney CBD
Sydney - Outer West
Perth CBD
Perth Regional

Adelaide - North West
Melbourne CBD
Melbourne Southbank
Melbourne - Outer South East
Canberra

Sydney - South West
Newcastle
Coffs Harbour
Sunshine Coast
Brisbane CBD
Outer West Brisbane
South Brisbane
Gladstone
Outer West Melbourne

Hobart & Launceston
Townsville

Geelong
Ballarat
Bendigo
Gippsland
Shepparton

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. It's this facts-based analysis that ensures we are choosing locations and assets that will maximise the benefits to our members.

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. Our quantitative approach coupled with years of experience ensures we keep ahead of the curve and deliver the best possible outcomes from the selected investments.

CORELOGIC HEDONIC HOME VALUE INDEX

CoreLogic's analysis to 30th June shows both total returns and annual capital growth are maintaining a strong positive position. The annual total return on dwellings across the combined capitals was a staggering 12.3 per cent, reflecting strong growth in both property values and rentals. Perth was the standout location once more with an incredible capital gain of 23.6 per cent for the year. Brisbane and Adelaide have come in second and third with their impressive double-digit results. Quarterly growth rates remain solid as well across both regionals and capitals and there are no signs that gains will slow in the near future.

Index results as at 30 June, 2024

	Change in dwelling values				
	Month	Quarter	Annual	Total return	Median value
Sydney	0.5%	1.1%	6.3%	9.6%	$1,170,152
Melbourne	-0.2%	-0.6%	1.3%	4.9%	$783,205
Brisbane	1.2%	3.7%	15.8%	20.5%	$859,240
Adelaide	1.7%	4.7%	15.4%	20.0%	$767,974
Perth	2.0%	6.4%	23.6%	29.5%	$757,399
Hobart	0.1%	-0.3%	-0.1%	4.0%	$645,850
Darwin	0.0%	1.0%	2.4%	9.0%	$504,687
Canberra	0.3%	0.8%	2.2%	6.4%	$870,071
Combined capitals	**0.7%**	**1.8%**	**8.3%**	**12.3%**	**$878,414**
Combined regional	**0.6%**	**1.9%**	**7.0%**	**11.8%**	**$627,872**
National	**0.7%**	**1.8%**	**8.0%**	**12.2%**	**$793,883**

Source: CoreLogic

ACCRUE REAL ESTATE

VALUE CHANGE BY HOUSING TYPE – CAPITAL CITIES

A more detailed breakdown of monthly values by CoreLogic for June reveals that the mid-size capitals continue to lead the race. Perth saw similar increases in both houses and units, while Brisbane's and Adelaide's results showed attached housing is outperforming detached housing in both markets – no doubt driven by affordability and first homebuyer activity. The only negative results over the year were for housing in Hobart and units in the ACT. These numbers should bolster investor sentiment across the board, but particularly in locations where buyer demand is clearly outstripping the available supply of housing.

		Home value index change in value (year-on-year)	Median value (property)	Median rental value (per week)
Dwellings	Sydney	6.3%	$1,170,152	$720
	Melbourne	1.3%	$783,205	$570
	Brisbane	15.8%	$859,240	$620
	Perth	23.6%	$757,399	$650
	Adelaide	15.4%	$767,974	$560
	Hobart	-0.1%	$645,850	$510
	ACT	2.2%	$870,071	$600
	Darwin	2.4%	$504,687	$590
Houses	Sydney	6.8%	$1,466,475	$760
	Melbourne	1.2%	$948,879	$575
	Brisbane	15.2%	$953,028	$630
	Perth	23.7%	$791,926	$650
	Adelaide	15.1%	$824,669	$590
	Hobart	-0.3%	$691,339	$540
	ACT	3.2%	$986,414	$700
	Darwin	3.1%	$589,166	$650
Units	Sydney	5.0%	$855,468	$700
	Melbourne	1.5%	$610,102	$550
	Brisbane	18.8%	$622,567	$590
	Perth	23.0%	$530,744	$620
	Adelaide	18.0%	$530,514	$500
	Hobart	0.8%	$532,172	$470
	ACT	-1.1%	$587,051	$570
	Darwin	1.3%	$363,748	$530

Source: CoreLogic

VALUE CHANGE BY HOUSING TYPE – REST OF STATE

State-wide figures illustrate the diversity of results across the multiple market options encompassed by the term "regional Australia". Comparing the negative results in Victoria to the positives in Western Australia vividly demonstrates the need for professional advice when choosing where to invest.

		Home value index change in value (year-on-year)	Median value (property)	Median rental value (per week)
Dwellings	Rest of NSW	4.1%	$732,864	$530
	Rest of Vic	-0.5%	$564,816	$450
	Rest of Qld	12.2%	$643,202	$600
	Rest of WA	16.6%	$514,642	$600
	Rest of SA	11.3%	$425,934	$380
	Rest of Tas	0.7%	$515,652	$425
	Rest of NT	-1.8%	$407,800	$480
Houses	Rest of NSW	4.0%	$763,364	$560
	Rest of Vic	-0.4%	$596,580	$470
	Rest of Qld	12.3%	$644,987	$620
	Rest of WA	16.9%	$532,116	$620
	Rest of SA	11.3%	$437,854	$400
	Rest of Tas	0.2%	$537,285	$450
	Rest of NT	-2.9%	$442,837	$550
Units	Rest of NSW	4.7%	$590,376	$460
	Rest of Vic	-1.2%	$402,974	$395
	Rest of Qld	11.8%	$638,006	$580
	Rest of WA	10.2%	$330,616	$580
	Rest of SA	9.4%	$299,479	$300
	Rest of Tas	5.5%	$390,734	$380
	Rest of NT	2.1%	$287,250	$400

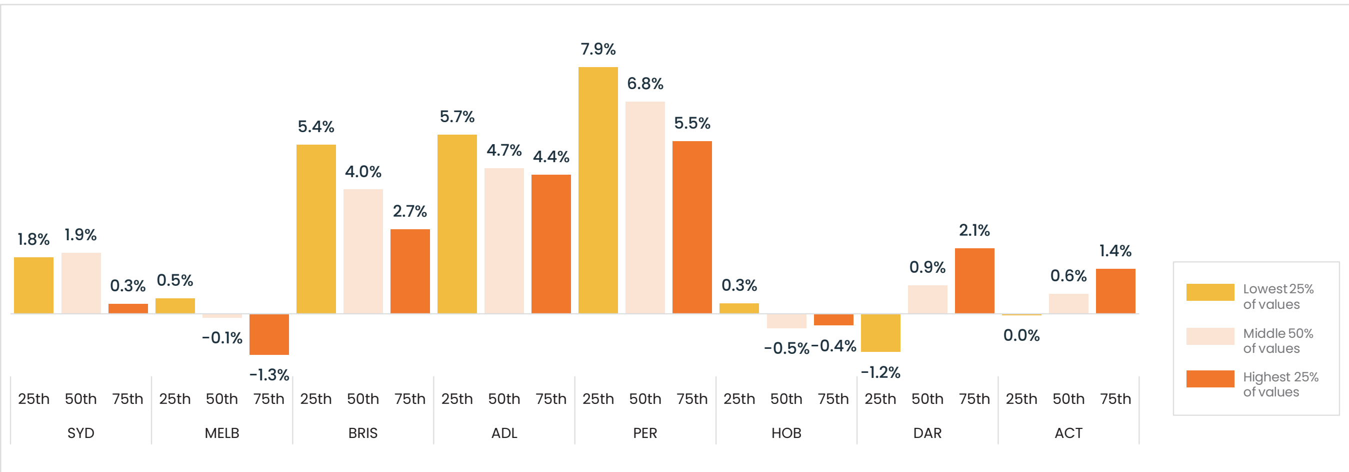
Source: CoreLogic

STRATIFIED VALUE CHANGE

An essential element of market analysis is understanding not only how property prices are performing overall, but also which price points offer the best potential. This stratified analysis by CoreLogic shows that in Perth, Adelaide and Brisbane, property priced in the lower quartile delivered greater value gains over the three months to the end of June 2024. Portfolios heavily invested in these price points would have significantly outperformed portfolios comprising fewer assets with high buy-in prices.

Quarterly change in stratified hedonic dwellings index (3 months to June)

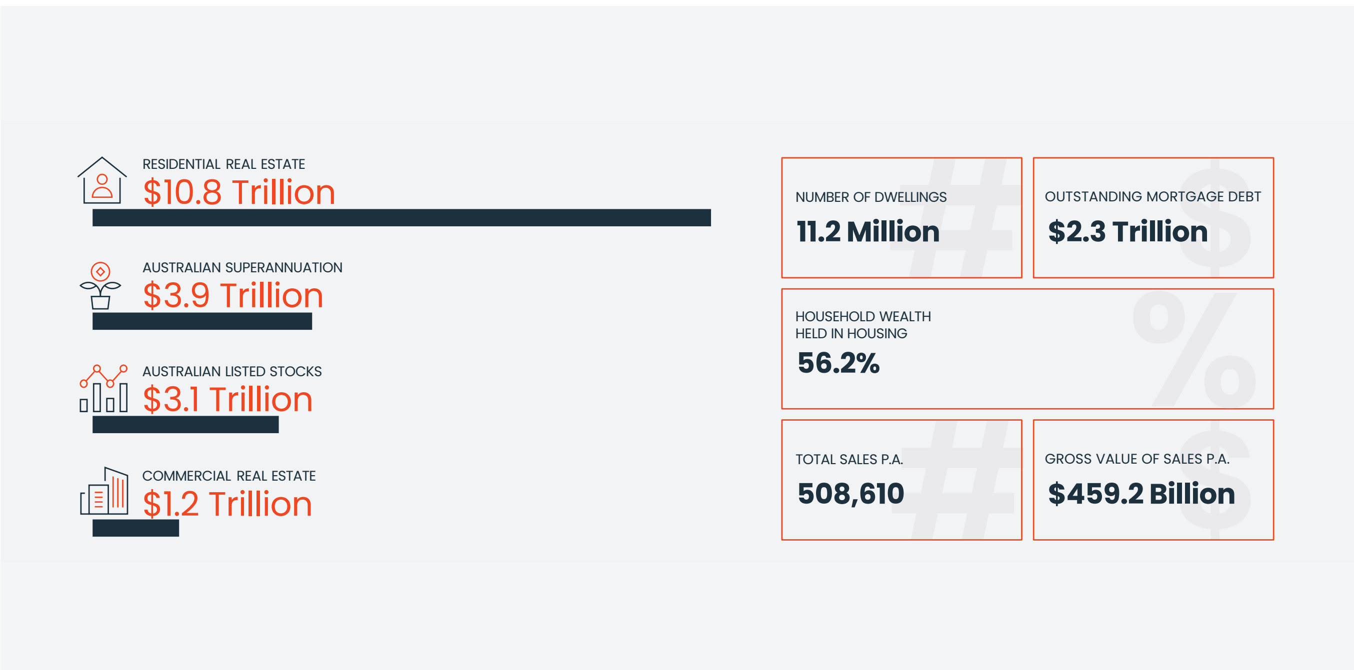
Source: CoreLogic



RESIDENTIAL REAL ESTATE VALUE

The value of Australian residential property is tracked by CoreLogic monthly. This data confirms residential real estate is the largest asset class in the nation, being almost three times the size of superannuation, and more than three and a half times greater than listed stocks. According to the analysis, Australian residential real estate gained $600,000 million in total value over the three months to July 2024.

Source: CoreLogic



SHARE MARKET VOLATILITY AND UNDERPERFORMANCE

The two charts below track ASX 200 price movements over a one-year and a five-year period. Both reveal share market investors have done well over these timeframes, but a deep dive demonstrates the risk investors take with this asset class.

There is extreme volatility to contend with when investing in equities. For example, in the one-year chart, if you had invested $100,000 into the ASX 200 in July 2023 and sold out in October that year because the market appeared to be tanking, you'd have lost approximately $9000 – or nine per cent – of your initial investment. While those who held shares throughout the five-year period might have been pleased with their 19.5 per cent gain, well selected property assets in prime locations would have easily outperformed this result. Many real estate assets have in fact seen greater than double that growth rate since 2019.

Source: Google Finance

ACCRUE

AUCTION CLEARANCE RATES

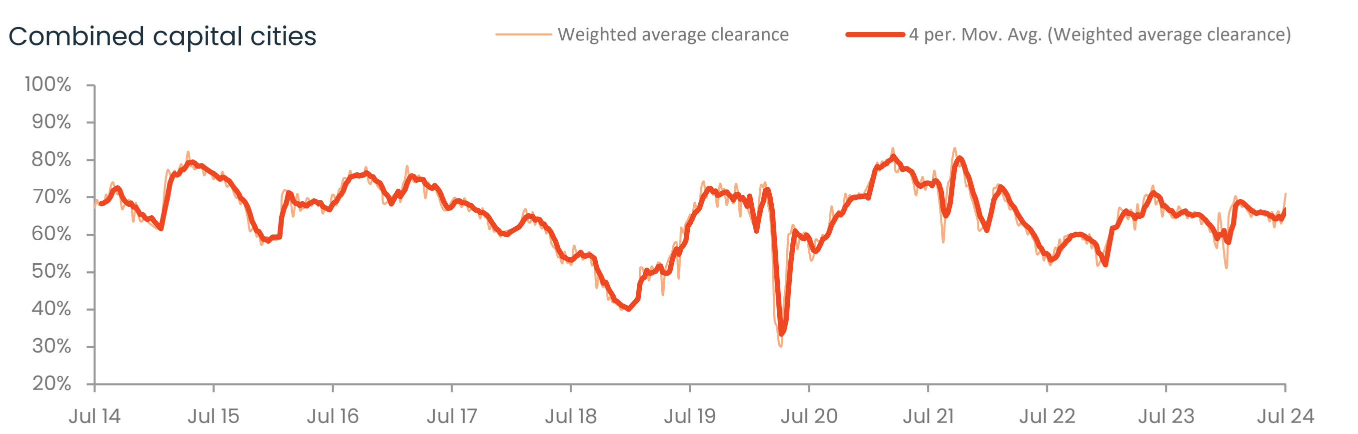
CoreLogic weekly data to 14th July reveals auction clearances tracked between 63.5 per cent and 84.9 per cent across Brisbane, Sydney, Melbourne, Adelaide and Canberra. These are strong outcomes, particularly when compared to the same metric just three months ago. This most recent data shows the weighted average of auction clearances is now 71 per cent, up from 67 per cent in April. It's interesting to note solid clearance rates in select major regional centres as well (Regional SA4).

The number of auction events has dropped compared to our April analysis. At that time there were 1985 total auctions across the selected cities compared to 1478 in the latest data. Auction volumes have been steadily falling for several months, reflecting caution among sellers which equates to less supply. This, of course, bolsters the chance of real estate price growth.

Capital City Auction Statistics (Preliminary)

City	Clearance rate	Total auctions	CoreLogic auction results	Cleared auctions	Uncleared auctions
Sydney	68.9%	547	386	266	120
Melbourne	73.0%	609	441	322	119
Brisbane	63.5%	149	96	61	35
Adelaide	84.9%	111	53	45	8
Perth	n.a.	11	9	5	4
Tasmania	n.a.	2	2	1	1
Canberra	64.5%	49	31	20	11
Weighted Average	**71.0%**	**1,478**	**1,018**	**720**	**298**

Weekly clearance rates



Regional SA4					
Newcastle and Lake Macquarie	68.4%	25	19	13	6
Illawarra	54.2%	26	24	13	11
Gold Coast	51.0%	77	51	26	25
Sunshine Coast	62.5%	48	24	15	9
Geelong	n.a.	17	9	7	2

Source: CoreLogic

POPULATION MOVEMENT

Total population change and net interstate migration figures are lead indicators of house price movements. Rising overseas migration to Australia continues to 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 to.

According to the latest ABS information, Australia's total population grew by 2.5 per cent to reach 26.97 million people in 2023. The beneficiaries of population movements continue to be Queensland and Western Australia, with most residents moving away from New South Wales. According to the ABS analysis, the net immigration figure was 547,300 people in the year ending 31 December 2023. This figure continues to track well above the long-term annual average of approximately 230,000 persons net per year.

	Population at 31 December 2023 ('000)	Change over previous year ('000)	Change over previous year (%)
New South Wales	8434.8	185.5	2.2
Victoria	6906.0	186.5	2.8
Queensland	5528.3	141.4	2.6
South Australia	1866.3	30.2	1.6
Western Australia	2927.9	93.8	3.3
Tasmania	574.7	2.4	0.4
Northern Territory	253.6	2.4	0.9
Australian Capital Territory	470.2	9.1	2.0
Australia (a)	26966.8	651.2	2.5

a. Includes Other Territories comprising Jervis Bay Territory, Christmas Island, the Cocos (Keeling) Islands and Norfolk Island.

	NSW	Vic.	Qld	SA	WA	Tas.	NT	ACT
Interstate arrivals	82,034	74,768	107,496	24,203	36,428	12,534	13,736	19,603
Interstate departures	113,712	75,043	75,901	25,492	25,719	15,805	17,693	21,437
Net interstate migration	-31,678	-275	31,595	-1,289	10,709	-3,271	-3,957	-1,834

	NSW	Vic.	Qld	SA	WA	Tas.	NT	ACT
Overseas arrivals	256,739	215,337	125,746	37,766	89,177	7,417	6,105	13,098
Overseas departures	72,120	55,162	37,808	9,265	20,674	2,316	1,833	4,979
Net overseas migration	184,619	160,175	87,938	28,501	68,503	5,101	4,272	8,119

Source: ABS

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 small portion of the available data as it relates to one of our hotspots, Donnybrook in Victoria.

The information shows Donnybrook's homeowner-to-renter ratio exceeds most other jurisdictions. Renters make up 20.6 per cent of residents in Donnybrook compared to the Victorian average of 28.5 per cent, and the national average of 30.6 per cent.

The proportion of family households in Donnybrook is also relatively strong and household income numbers look good for a regional centre.

All of these are positive metrics for Donnybrook supportive of property price growth but, as mentioned, this is just a selection of the enormous suburb-level data available for our analysis of various locations.

Household composition ***Occupied private dwellings (excl. visitor only and other non-classifiable households)***	**Donnybrook (Vic.)**	**%**	**Victoria**	**%**	**Australia**	**%**
Family households	538	87.6	1,676,129	70.1	6,542,648	70.5
Single (or lone) person households	65	10.6	619,542	25.9	2,370,742	25.6
Group households	11	1.8	94,559	4.0	361,822	3.9

More information on Household composition (HHCD)
Table based on place of enumeration

Tenure type ***Occupied private dwellings (excl. visitor only and other non-classifiable households)***	**Donnybrook (Vic.)**	**%**	**Victoria**	**%**	**Australia**	**%**
Owned outright	29	4.7	768,730	32.2	2,872,331	31.0
Owned with a mortgage (a)	451	72.6	862,658	36.1	3,242,449	35.0
Rented (b)	128	20.6	681,419	28.5	2,842,378	30.6
Other tenure type (c)	0	0.0	41,752	1.7	181,518	2.0
Tenure type not stated	10	1.6	35,676	1.5	136,538	1.5

(a) Includes dwellings purchased under a shared equity scheme.
(b) Excludes dwellings being occupied rent-free, this is not comparable to 2016 QuickStats data.
(c) Comprises dwellings occupied rent free, occupied under a life tenure scheme and other tenure type.

More information on Tenure type (TEND)
Table based on place of enumeration

Household income ***Occupied private dwellings (excl. visitor only and other non-classifiable households)***	**Donnybrook (Vic.)**	**%**	**Victoria**	**%**	**Australia**	**%**
Less than $650 total household weekly income (a)	N/A	5.6	N/A	16.4	N/A	16.5
More than $3,000 total household weekly income (a)	N/A	25.6	N/A	24.2	N/A	24.3

(a) Percentages (%) exclude dwellings with 'Partial income stated' or 'All incomes not stated.'

More information on Total household income (weekly) (HIND)
Table based on place of enumeration

Source: ABS

RENTAL 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 rental vacancy rate sits at just 1.3 per cent, continuing the theme of tenant demand vastly outstripping rental supply. Adelaide remains very tight at 0.7 per cent. We do note that in comparison to analysis from February this year, vacancy rates have eased moderately. That said, the numbers are at extreme lows compared to long-term averages.

Source: SQM Research

Vacancy Rates - June 2024

City	Jun 2023 Vacancies	Jun 2023 Vacancy Rate	May 2024 Vacancies	May 2024 Vacancy Rate	Jun 2024 Vacancies	Jun 2024 Vacancy Rate
Sydney	12,143	1.7%	10,309	1.4%	12,143	1.7%
Melbourne	6,811	1.3%	6,746	1.3%	7,864	1.5%
Brisbane	3,407	1.0%	3,620	1.0%	3,962	1.1%
Perth	1,138	0.6%	1,233	0.6%	1,510	0.8%
Adelaide	1,011	0.6%	986	0.6%	1,180	0.7%
Canberra	1,282	2.1%	1,098	1.8%	1,265	2.1%
Darwin	236	0.9%	244	0.9%	223	0.9%
Hobart	525	1.9%	377	1.4%	425	1.5%
National	**39,716**	**1.3%**	**35,641**	**1.2%**	**40,486**	**1.3%**

PROPERTY LISTINGS

SQM Research data shows total monthly residential property listings rose nationally by just 0.7 per cent this year. The results across all capital cities did vary wildly, however. Our three strongest markets, being Perth, Adelaide and Brisbane, all saw listing numbers fall by double-digit percentages. It seems that despite price rises, sellers remain cautious about going to market. Many will be nervous about buying back into the tight market or being forced to rent. The outcome is stronger property prices as limited supply butts up against high demand.

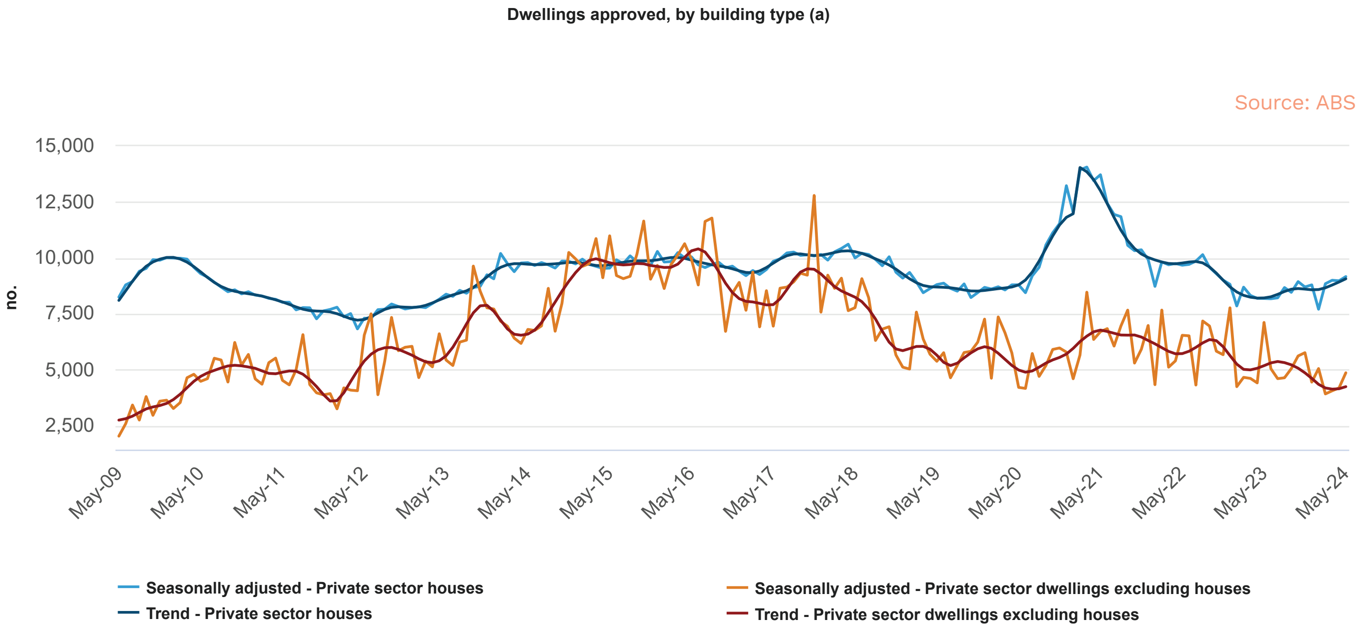
Source: SQM Research

Total Property Listings

City	June 2024 Total	May 2024 Total	June 2023 Total	Monthly change %	Yearly change %
Sydney	29,498	31,976	27,351	-7.7%	7.8%
Melbourne	37,123	42,119	33,017	-11.9%	12.4%
Brisbane	16,495	17,842	18,852	-7.5%	-12.5%
Perth	12,347	14,013	18,219	-11.9%	-32.2%
Adelaide	7,398	8,736	9,769	-15.3%	-24.3%
Canberra	3,873	4,282	3,171	-9.6%	22.1%
Darwin	1,565	1,585	1,691	-1.3%	-7.5%
Hobart	2,788	3,030	2,563	-8.0%	8.8%
National	**231,799**	**252,757**	**230,274**	**-8.3%**	**0.7%**

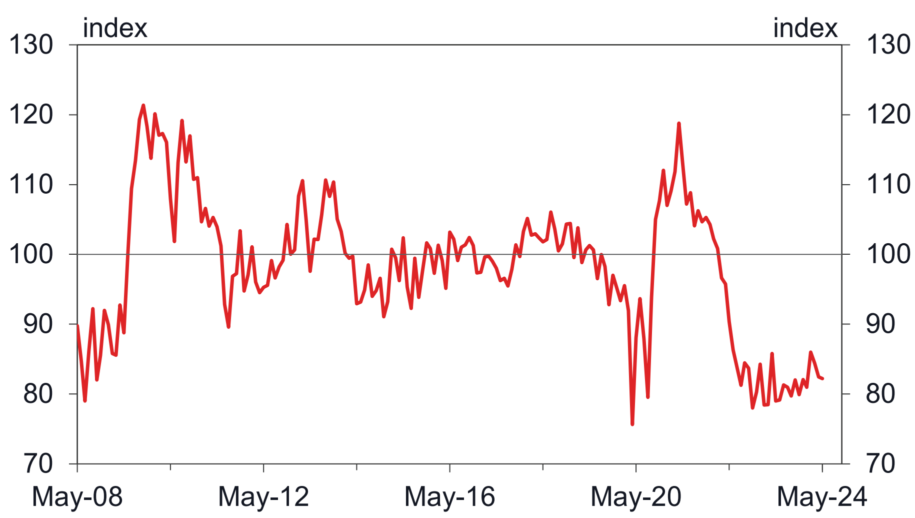
BUILDING APPROVALS

Building approvals help inform experts on the balance between supply and demand. The latest ABS data reveals there's been a slight bounce back in construction, however building remains well short of what's required to meet demand. According to the ABS analysis, total approvals rose 5.5 per cent in May 2024 seasonally adjusted. While private sector house approvals rose 12.1 per cent across the year, dwellings excluding houses (i.e. attached housing etc.) fell by 31.7 per cent.



CONSUMER SENTIMENT

Consumer sentiment delivers a temperature check on the perceived economic strength of the nation. Positive confidence bodes well for property markets overall, although lower sentiment can highlight a counter-cyclical opportunity depending on other metrics. The most recent Westpac-Melbourne Institute Consumer Sentiment Index reflected a 0.3 per cent fall in May. While this may be a negative for markets on the face of it, a drill down into the numbers reveals some positive news for property investors.



Source: Westpac

CONSUMER SENTIMENT BREAKDOWN

A breakdown of the sentiment analysis shows the time to buy a home remains relatively strong among the population. There's also an expectation that house prices will continue to rise. According to Westpac's release, "The 'time to buy a dwelling' index rose 1.6 per cent to 76.5 in May, reversing about half of April's dip... the Westpac Melbourne Institute Index of House Price Expectations was again essentially unchanged at just over 161, well above the long run average of 126.5."

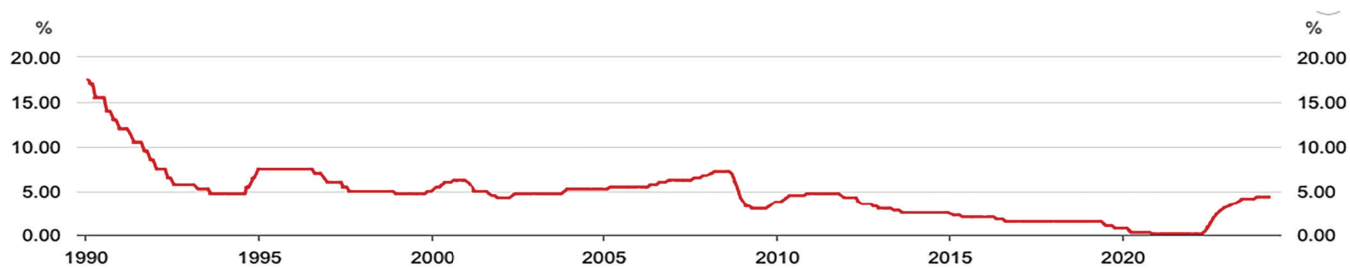
Source: Westpac

Consumer Sentiment – May 2024

Item	avg*	May 2022	May 2023	Apr 2024	May 2024	%mth	%yr
Consumer Sentiment Index	**100.6**	**90.4**	**79.0**	**82.4**	**82.2**	**-0.3**	**4.1**
Family finances vs a year ago	88.3	79.6	63.0	65.5	63.2	-3.6	0.2
Family finances next 12mths	106.8	93.3	85.8	95.5	96.1	0.7	12.0
Economic conditions next 12mths	90.7	90.4	77.3	82.7	83.2	0.7	7.7
Economic conditions next 5yrs	92.0	96.2	87.2	89.8	92.2	2.6	5.7
Time to buy a major household item	124.5	92.6	81.7	78.7	76.5	-2.8	-6.5
Time to buy a dwelling	120.7	77.5	76.3	75.3	76.5	1.6	0.2
Unemployment Expectations Index	129.0	109.6	123.2	124.6	129.8	4.1	5.4
House Price Expectations Index	126.5	121.4	144.3	161.2	161.1	-0.1	11.7
Interest Rate Expectations Index	152.5	187.2	176.2	122.8	133.0	8.3	-24.5

INTEREST RATES

This long-term chart shows cash rate movements since January 1990. While the cash rate rose over the 19 months to November 2023 to reach 4.35 per cent, it's remained unchanged since. Markets have become comfortable with rate stability, so property values increased. Recently, a surprise increase in the inflation rate fuelled speculation of a possible rate rise this year, however any move is expected to be small and likely a one-off. Most commentators believe we are at the peak of the rate rise cycle. Savvy investors who act in a timely manner and secure assets before any future rate reduction are likely to reap the rewards of property value increases accelerating.



Source: RBA

ACCRUE

RENTAL GROWTH

National rents continue to rise, although the rate of growth has eased somewhat. CoreLogic's numbers reveal an 8.6 per cent increase in rents Australia-wide which is down from its peak growth rate in mid-2022 and lower than the growth seen last year. That said, certain locations outperformed the market. Of note, Perth has again come storming out of the gates with a 14 per cent rise in rents.

Gross rental yields have maintained a steady footing since late 2022. What this tells us is that rental increases have remained stable relative to rising property prices. This is a positive result for those servicing a mortgage as the relative return on invested funds has remained solid.

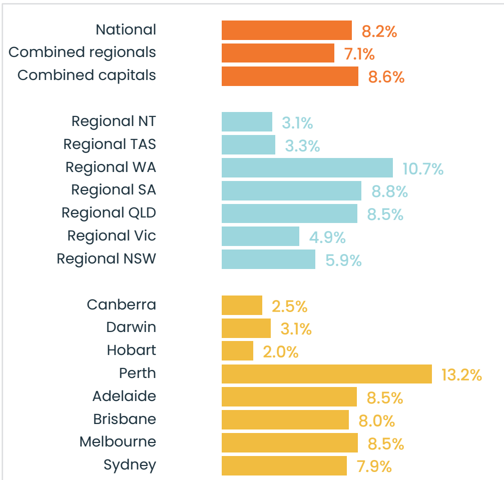
RENTAL RATES

Annual change in rental rates to June 2024

AUSTRALIA
8.2%

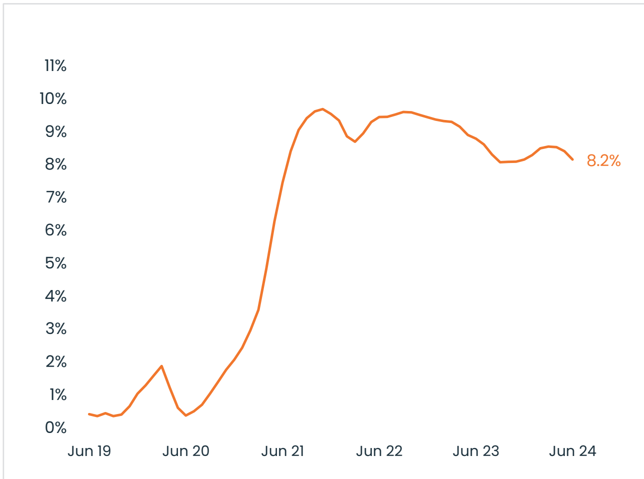
COMBINED REGIONALS
7.1%

COMBINED CAPITALS
8.6%



Annual change in rental rates - National

Source: CoreLogic



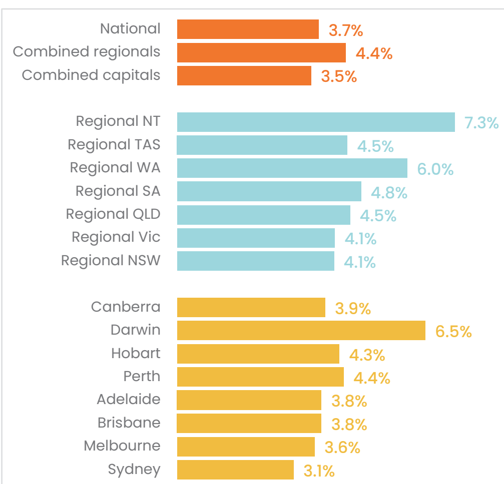
RENTAL YIELDS

Gross rental yields, June 2024

AUSTRALIA
3.7%

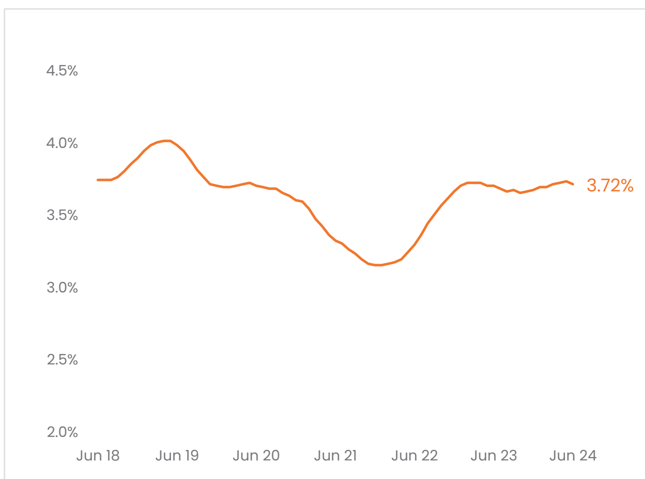
COMBINED REGIONALS
4.4%

COMBINED CAPITALS
3.5%



Gross rental yields

Source: CoreLogic



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