# Market Megatrends

2024 | Navigating the Future

CoreLogic

# Contents

# Foreword

In today's fast-changing world, there are certain megatrends that shift our environment in a gradual yet powerful way. These megatrends are both influential and transformative. Being felt over a longer, more sustained duration, their impact is amplified and extended.

In 2022, NAB launched its first market megatrends report, providing insights into the most significant influences at work at that time, and their implications for banking, property, and broker businesses. While it's always challenging to predict the future, understanding today's market megatrends helps us better understand opportunities and position our businesses for the long term.

While some factors identified in our first report continue to pervade our work in the broking sector, others have reached their peak and are less prominent.

## The current environment

Australia's property market continues to change rapidly. We have moved further beyond the effects of the COVID period and while interest rates remain elevated and housing accessibility is a concern for many, the market is shifting to favour buyers and activity levels are increasing. Australian Bureau of Statistics figures show that while refinance volumes have fallen from their peak in mid-2023, new loan commitments have been trending higher since early in 2023.

Consumer sentiment is improving but cost of living pressures remain front of mind for many Australians, particularly for people starting out in the property market and still living in rental homes. Against this backdrop, we are witnessing the beginnings of the largest ever transfer of wealth across generations – an estimated $5.4 trillion will change hands in the next 20 years across Australia. The effects of this transfer will flow on to the property market and potentially to the way brokers approach their relationships with customers.

The housing market is now worth $11 trillion, eclipsing the combined value of Australian superannuation, listed stocks and commercial real estate. Rising capital values continue to attract investors to residential real estate. Brokers, as trusted advisers, are in a prime position to support this buyer group.

Business lending is another area where customers often turn to brokers for support, and this is gaining prevalence as brokers look to diversify their business offerings and broaden their customer base - most notably by targeting small to medium sized businesses (SMEs). NAB research shows almost six in 10 SMEs are planning to invest and expand in the next 12 months, despite uncertainty in the near-time economic outlook.

Ongoing innovation and investment in technology is also supporting broker businesses. Our 2022 market megatrends report discussed the digital revolution. We have now reached a new turning point for technology and from here, the pace of innovation and change will only continue to accelerate.

NAB is focused on providing simpler, more digital banking experiences to drive quicker, better outcomes for customers. Throughout 2024, we continued to make significant investments to become a more customer-centric, simpler and fast paced organisation. Digital, data and analytics are critical elements of this process, delivering faster, safer and more personalised customer outcomes.

This has real-life impacts. One in three broker-originated loans are now processed through our Simple Home Loans platform with more customers being unconditionally approved in less than one day.

While technology and automation bring many benefits, the threat of cyber attack, scams and fraud are on the rise around the world. It is imperative for us to protect and educate our customers, business partners and our own businesses against cyber security risks. In the face of increasingly sophisticated scams and attacks we continue to invest in robust processes and cutting-edge technology to enhance our prevention and detection capabilities.

## Customers at the heart of everything

With 73.7% of all mortgages coming through a broker according to Mortgage Financial Association of Australia figures, the vital role of the broker-customer relationship is clear. Brokers are always there to help customers take advantage of opportunities and support them through all market conditions.

Like brokers, NAB is obsessed with our customers – from first home buyers to empty nesters, refinancers to investors, and to those who are self-employed or running a business. At a group level, we've renewed our focus on customers, and it is our strategic ambition to be the most customer centric company in Australia and New Zealand.

NAB also continues to be the bank behind brokers, and now more than ever brokers are at the heart of everything we do. More than three in every five home loan drawdowns come to NAB through our broker channels and we value our long-term partnerships.

This report reinforces our commitment to supporting you with insights that will help you, in your business and with your customers. Today's economic environment brings many opportunities and challenges, but the outlook remains positive.

**Market Megatrends 2024: Navigating the Future** features bespoke insights from NAB and analysis from CoreLogic. Importantly, it highlights the resilience and real-life experiences of brokers who share their stories of how the market megatrends are impacting their businesses and their customers and how they are navigating this changing environment.

As we look to the future, brokers are in a prime position to support customers in what will continue to be a dynamic and growing market. I hope you find these insights useful.

**Adam Brown**
Executive, Broker Distribution,
NAB and Advantedge

## About NAB

NAB is committed to helping brokers deliver the best customer outcomes, backed by a national network of experienced BDMs and Relationship Managers, plus dedicated support through every stage of a customer's home and business lending experience. As the bank behind brokers, we will continue to invest in the broker channel to provide brokers with the tools and support they need to help their customers, empowering them to build success on their own terms.

## About CoreLogic

CoreLogic is a leading, independent provider of property data and analytics. We help people build better lives by providing rich, up-to-the-minute property insights that inform the very best property decisions. With an extensive breadth and depth of knowledge gathered over the last 30 years, we provide services across a wide range of industries, including Banking & Finance, Real Estate, Government, Insurance and Construction. Our diverse, innovative solutions help our clients identify and manage growth opportunities, improve performance and mitigate risk. We also operate consumer-facing portals – onthehouse.com.au and propertyvalue.com.au – providing important insights for people looking to buy or sell their home or investment property. We are a wholly owned subsidiary of CoreLogic, Inc – one of the largest data and analytics companies in the world with offices in Australia, New Zealand, the United States and United Kingdom. For more information visit corelogic.com.au.

Section 1:

# Update on the economy

## NAB Group Economics

**Key points**

- Growth has slowed to a 30-year low at just 1% year-on-year, though it remains positive and overall GDP growth has only been outpaced by the US since 2019 when compared to our peer economies.
- Employment growth has been strong and the labour market has been resilient. NAB expects the unemployment rate to stabilise at around 4.5% in 2025.
- Inflation has continued to moderate, though progress has been more gradual through 2025 and it remains above target in underlying terms. Services inflation remains high.
- NAB expects the first rate cut of the cycle to come in May (25 basis points) followed by a gradual continued easing towards 3% by mid-2026. NAB's view is that Reserve Bank of Australia (RBA) cuts will be later and shallower than many central bank peers.
- The RBA's focus will be on household consumption growth and the extent to which tax cuts flow through to household balance sheets. This dynamic, combined with a gradual easing of inflationary pressures, will determine the pace and timing of rate cuts.
- Overall, we continue to see a soft landing for the economy, with growth returning to trend in 2025, employment growth remaining positive, and the unemployment rate settling below pre-COVID levels.

## Australia: Treading carefully towards a soft landing

Australia's economy has remained resilient, with the labour market remaining healthy and growth remaining positive. While inflation has eased, it remains above target – with services inflation and the housing components still high. That said, the inflation backdrop continues to cool as cost pressures fade and there are early signs of an improvement in household spending growth. These factors contribute to NAB's view that the RBA will proceed cautiously.

After a first expected rate cut in May 2025, we foresee a steady profile of one cut per quarter to follow, returning the cash rate to 3.1% in mid-2026. Despite slow GDP growth, the Australian labour market has been resilient. Although we expect the labour market to continue to loosen, we expect unemployment to stabilise around 4.5% by mid-2025. Wage growth has eased from its peak and we expect it to settle around 3-3.5% over time.

## Global context: Geopolitical and economic uncertainties remain

The growth outlook globally is mixed with several downside risks due to ongoing geopolitical tensions, and with the threat of disruptions to global trade as the US welcomes in a new US President early next year. At the same time, there are signs that fiscal headwinds may be receding, with the UK and Japanese governments easing back on fiscal restraint, and it is possible the new US administration may put in place stimulatory fiscal settings.

For now, the US economy continues to motor along while the Euro-zone economy, while it has lifted this year, still faces structural headwinds, particularly affecting the German manufacturing sector. The Chinese economy also continues to struggle, including an ongoing downturn in its property market.

NAB Group Economics forecasts the global economy to expand by 3.2% in both 2024 and 2025, and then 3.0% in 2026 – a subdued pace by historical standards. The slowdown in 2026 reflects an allowance for the possible impact of US tariff increases, although when these might occur, and to what extent, is highly uncertain.

Although substantial progress has been made to reduce inflation in advanced economies, uncertainty remains around the timing and scale of rate cuts.

Headline major advanced economy inflation dropped to 2.1% year-on-year in September (compared with 2.4% year-on-year in August.) However, core inflation was 2.6% year-on-year in September and progress in getting it down has been slow this year.

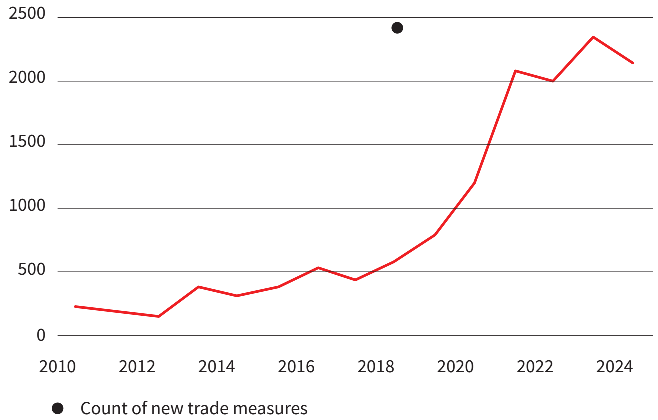
We expect central banks to proceed cautiously with policy settings as long as inflation remains above target in advanced economies.

US Federal Reserve Chairman Jerome Powell indicated in November that the Fed "isn't in a hurry to lower rates". Although further rate cuts in the US are anticipated, the ongoing strength in consumer spending, some recent higher than expected inflation data, and receding concerns of a rapid rise in the unemployment rate, have raised the possibility of a pause by the Fed in the near term (or a slower pace of rate cuts.) Significant import tariff increases next year in the US will also add to inflation and if the Fed does not look through this, then it would also act to slow down the Fed's easing cycle.

Beyond the uncertainty over the pace of rate cuts, there are several downside risks to our global growth outlook. Geopolitical tensions, including an expanding conflict in the Middle East, and the ongoing conflict between Ukraine and Russia, as well as growing trade protectionism (not just in the US) particularly with respect to China. Combined with uncertainty over the future of trade and fiscal policies under a new US president and ambiguity around the outlook is greater than normal.

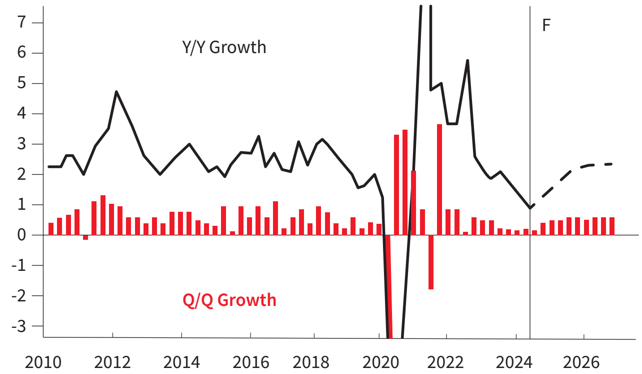
**Gareth Spence**
Head of Australian Economics, NAB

**Global trade protectionism has risen in recent years**[1]




Sources: Macrobond, Refinitiv, NAB Group Economics

**Real GDP Growth Forecasts (%)**[2]




Source: Macrobond, NAB Economics

## A shifting balance of risks

Australia has seen inflationary pressures subside in Q3 but with underlying inflation still well above target and much slower progress on inflation we don't expect a rate cut this year. The labour market has remained stronger than expected and wage pressures are still elevated. The NAB Business survey continues to show above average capacity utilisation and only gradual improvement in input cost growth and output price inflation. Inflationary pressure is cooling but it will take a little longer for the RBA to become comfortable that demand and supply in the economy is in better balance and that inflation will settle around 2.5%.

We have pushed out our rate call to May (25bps) and expect only a gradual easing phase – with the cash rate likely to settle around 3.1% from mid-2026.

## Outside of inflation, all eyes on household consumption and the labour market

Our view is the worst of the real income squeeze has passed but all eyes are on household consumption and how consumers respond to easing real income pressures and tax cuts as they flow through.

The underlying pulse of household consumption growth has been soft. Retail and consumer spending continues to be supported by resilient employment and steady wage growth, which should feed through to a gradual strengthening in the pace of household consumption growth. Income tax cuts and energy subsidies, as well as a fading drag from inflation and likely rate cuts in H1 2025, should also support this improving picture.

Australia's labour market has seen employment growth continue at a robust pace despite a broader economic slowdown. While job vacancies have declined, they remain above pre-COVID levels at 330,000 (or 2.2% of the labour force), which points to ongoing resilience in the near term. On this trajectory, the labour market is unlikely to pressure the RBA into rapid rate cuts.

## Property market shaped by supply constraints and limited new builds

Australia's housing market continues to be shaped by dynamics including strong population growth amidst supply constraints, with elevated construction costs and affordability challenges a big issue.

Building approvals rose by 4.4% month-on-month in September. Since February, approvals have increased by 12% on a trend basis with gains in both houses and 'other dwellings' (such as apartments).

That said, approvals are still low (particularly for 'other dwellings'), both by historical standards and relative to population growth. Around 45,000 dwellings were completed in Q2, whereas, in Q1, the population grew by 164,000.

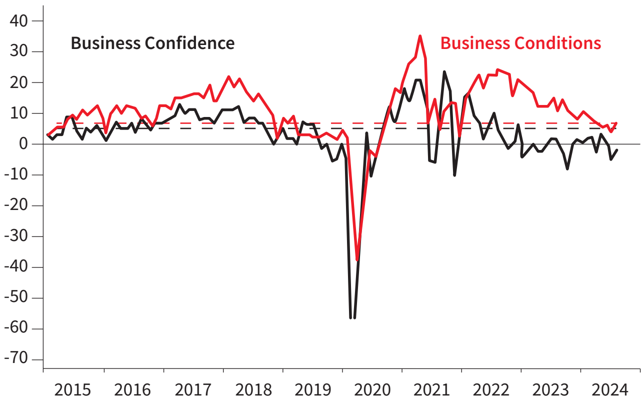
Building approvals will need to see further gains even to sustain this level of new housing supply. For now, activity is being supported by a still large pipeline of work. While the pipeline remains elevated, it has been falling and this is likely to continue as approvals are still below what is needed to sustain completions at their current level.

Housing completions have broadly tracked sideways since late 2021, despite the backlog of work. This likely reflects construction capacity constraints (and possibly other factors such as project viability given the large increase in construction costs that has occurred).

Though price growth has slowed a little recently, we expect capital city dwelling prices to rise by 5% over 2025 following the large increases over recent years.

1 NAB: The Forward View Global, October 2024. p. 5 of 8.
2 NAB: The Forward View, Australia, October 2024, p. 1 of 8.

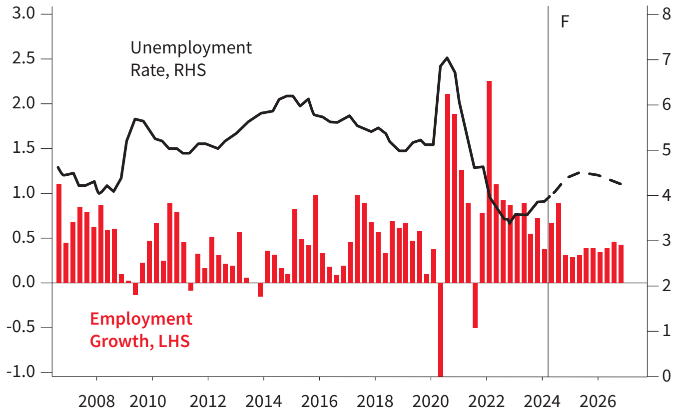
**Business conditions remain around their long-run average despite lingering low confidence**[3]




Dotted lines = LR Ave

Source: Macrobond, NAB Economics

**Employment and unemployment forecasts (quarter average)**[4]



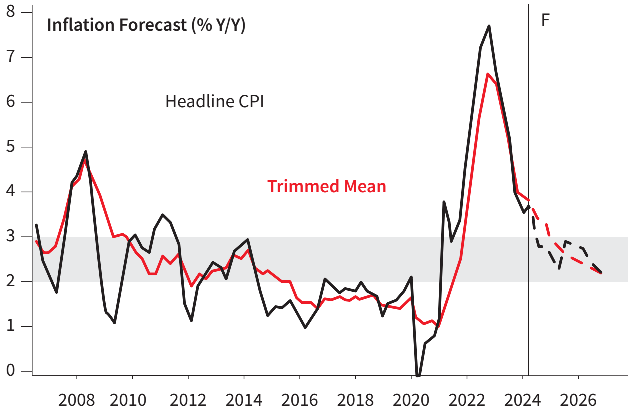

Source: ABS, NAB Economics

## Outlook for 2025: slow but steady return to neutral rates

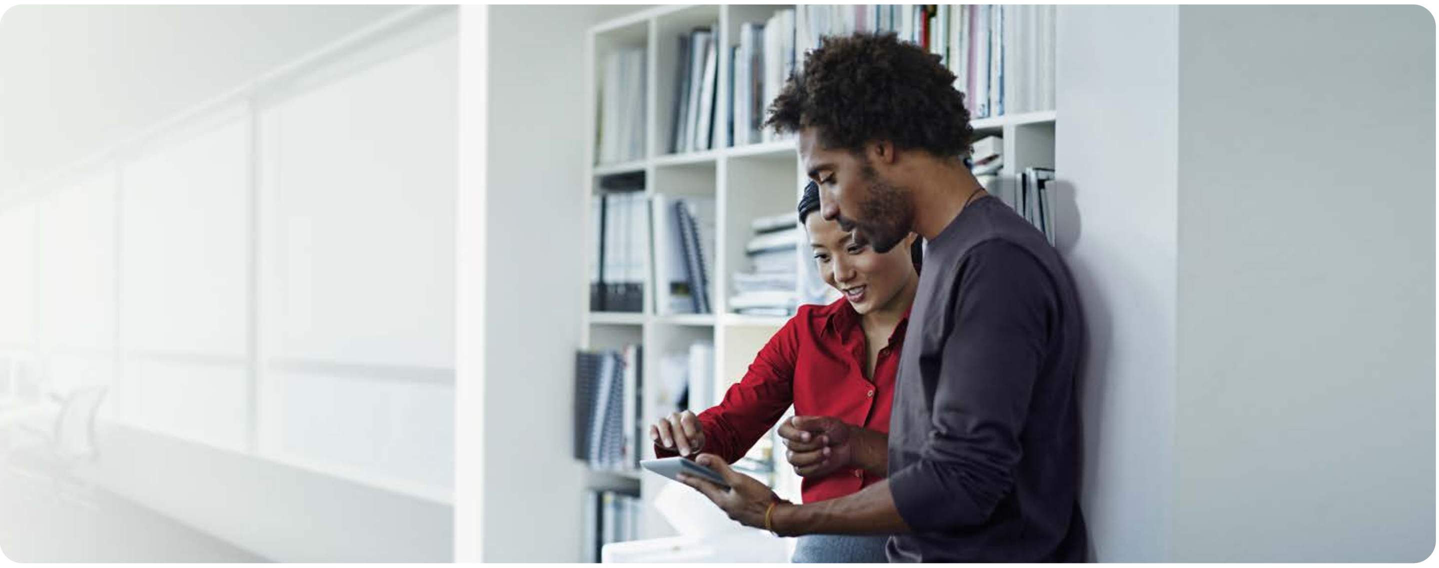
Looking ahead into 2025, we expect the domestic economy to benefit from a recovery in household consumption supported by easing inflation pressures, tax cuts and eventually, rate cuts. That will see growth return to trend and the rise in unemployment limited to 4.5% (around 0.5ppts lower than pre-COVID). With inflation pressure moderating back into the top half of the RBA's target band there will be scope for rates to be gradually eased.

Overall, our view is the RBA will ultimately be successful at navigating the challenge of returning inflation sustainably back to the middle of the target band, while retaining most of the gains in the labour market over recent years. For the Australian economy that would mark a very soft landing with economic and employment growth remaining positive.

**Trimmed mean inflation is expected to return to the target band in 2025**[5]




Source: ABS, NAB Economics.



3 NAB: The Forward View Australia, October 2024, p. 4 of 8.
4 NAB: The Forward View, Australia, October, 2024, p. 2 of 8.
5 NAB: The Forward View, Australia, October 2024, p. 5 of 8.

# Section 2:

# Identifying the megatrends

Together with leading market experts and commentators, NAB has identified the long-term drivers that are shaping the state of play for mortgage brokers and their customers in an ever-changing market. These are the market megatrends for 2024.

- Housing demand in focus
- The wealth transfer wave
- Property investors eye opportunities
- Businesses investing for growth
- The tech turning point
- Cyber security becomes critical

# Megatrend 1: **Housing demand in focus**

**Tim Lawless**
Executive Research Director, CoreLogic

**Key points**

- Rates of home ownership have fallen over several decades to around 66%.
- Limited new supply coupled with demand-boosting policies have created challenges for home ownership.
- Dwelling approvals and commencements are well below decade averages, creating housing supply shortages.
- Housing shortages are also being felt by renters, with national vacancy rates at 1.6% in September.
- The housing shortage, combined with above-average population growth and smaller household size, is leading to strong value and rental growth.

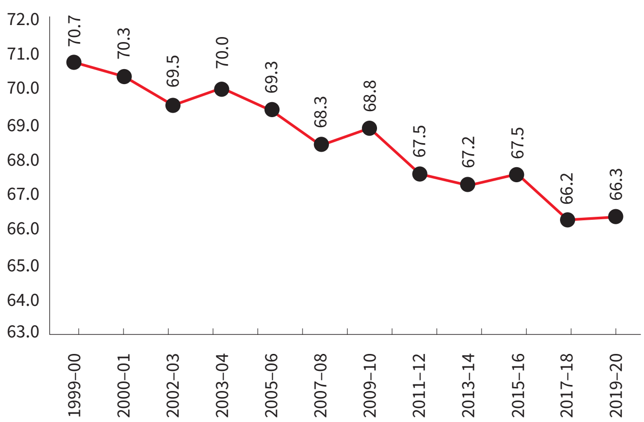
Home ownership has been trending lower across Australia for several decades, down from 70.7% in 1999-2000 to reach the mid 60% range in 2017 and holding there based on the latest data to 2019-20.

Given the surge in the cost of housing over the past five years – where housing values are up 46.5%, rents have risen 39.9% and wages growth has been less than half that amount at 15.3% – it's likely the rate of home ownership hasn't improved since that time amid worsening housing affordability.

## A supply-demand squeeze

Access to home ownership has become more challenging despite an array of support mechanisms from federal and state governments like the Home Guarantee Scheme, the First Home Super Saver Scheme, First Homeowner Grants and stamp duty discounts. In fact, in the absence of new supply, such demand-side policies risk the adverse consequences of putting more upward pressure on housing values, reducing more equitable access to home ownership long term.

**Home ownership rate, Australia**



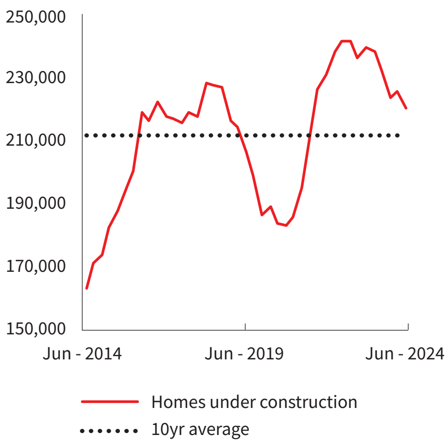

Source: CoreLogic, ABS

A key hurdle for increased levels of home ownership remains an insufficient supply of new housing across Australia. Although the number of homes currently under construction is elevated, tracking 4.2% above the decade average in the June quarter, the number of homes moving through the early stages of the construction cycle is well below what is required to meet housing targets set out in the Federal Housing Accord.

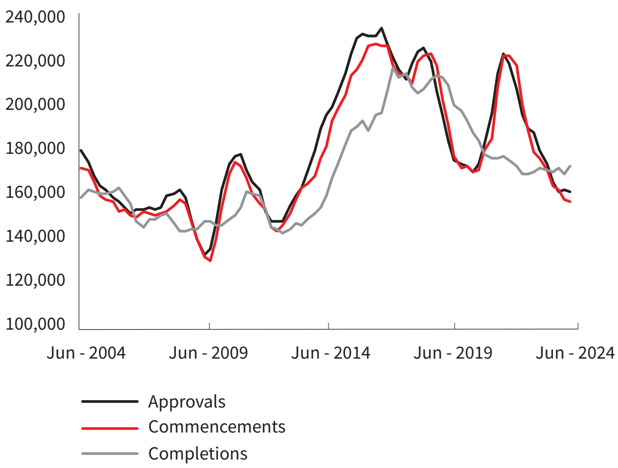
Dwelling approvals have averaged just 13,900 per month over the six months to August. That's 18.4% below the decade average and around 30% under the 20,000 monthly approvals needed to meet the target of 1.2 million well-located homes in the five years to June 2029. Similarly, dwelling commencements are 20.3% below the decade average.

The elevated level of construction underway is a legacy of the surge in approvals and commencements associated with the HomeBuilder program in 2020-21. The jump in early-stage building activity ran into supply chain disruptions through the pandemic. Skilled labour shortages as well as liquidity pressures continue to create challenges for builders and developers in delivering a timely supply response to the market.

**Number of homes under construction**

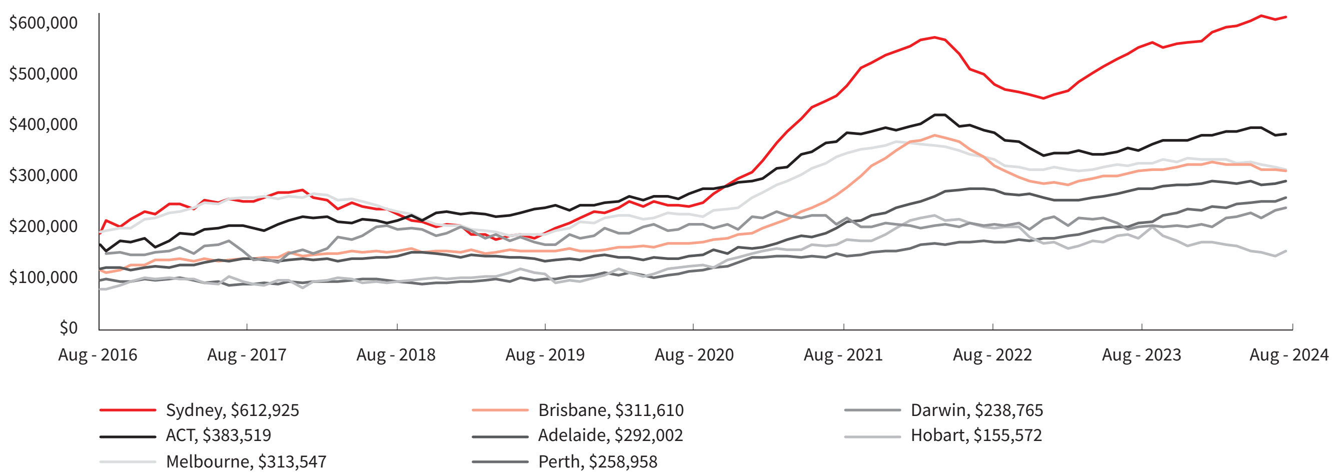



**Annual number of dwelling approvals, commencements and completions**




Source: CoreLogic, ABS

**Dollar value difference between median house and unit value**




Source: CoreLogic

Inadequate levels of newly built housing are occurring alongside tight rental conditions. CoreLogic reported a national vacancy rate of just 1.6% in September; a little more than half the average vacancy rate in the five years leading into the pandemic (3.3%). With a shortage of housing for both renters and homeowners at a time of above average population growth and diminished household size, the recent history of strong value and rental growth is unsurprising.

## Consider lower priced housing options

Those looking to purchase a home in the face of budget constraints may consider some of the lower priced options in the market.

For example, medium to high density markets typically provide substantially lower price points relative to detached homes in the same city. The difference between the median house and unit value ranges from as small as $155,600 in Hobart to a $612,900 difference in Sydney.

Similarly, the lower quartile of housing markets will provide a more affordable entry point. The 25th percentile value marks the cut off for the lower quartile, or most affordable quarter of the market. Most capitals see more than a $100,000 difference between the 25th percentile and median value, with more expensive cities like Sydney recording a difference of almost $400,000 for houses and $200,000 for units.

The downside is that lower quartile markets are often located further from key amenities or in less desirable locations. In the current climate of high interest rates and reduced credit availability, competition is also generally stronger in this segment of the market. CoreLogic's Home Value Index revealed the bottom 25% of home values across the combined capital cities rose 2.4% in the September quarter, compared to a modest 0.2% rise in the top value quartile.

**Lower quartile value vs median value, Australian capitals, September 2024**

| Houses | | | |
|---|---|---|---|
| **Suburb** | **25th percentile value** | **Median value** | **Difference** |
| **Sydney** | $1,079,772 | $1,473,775 | -$394,003 |
| **Melbourne** | $730,295 | $925,762 | -$195,468 |
| **Brisbane** | $760,775 | $973,534 | -$212,759 |
| **Adelaide** | $714,922 | $856,856 | -$141,934 |
| **Perth** | $700,705 | $830,965 | -$130,260 |
| **Hobart** | $559,773 | $692,504 | -$132,731 |
| **Darwin** | $495,709 | $592,507 | -$96,798 |
| **ACT** | $818,321 | $966,684 | -$148,363 |

| Units | | | |
|---|---|---|---|
| **Suburb** | **25th percentile value** | **Median value** | **Difference** |
| **Sydney** | $664,347 | $860,849 | -$196,502 |
| **Melbourne** | $484,673 | $612,215 | -$127,542 |
| **Brisbane** | $554,038 | $661,925 | -$107,887 |
| **Adelaide** | $482,191 | $564,854 | -$82,663 |
| **Perth** | $461,496 | $572,007 | -$110,511 |
| **Hobart** | $463,565 | $536,932 | -$73,367 |
| **Darwin** | $293,629 | $353,742 | -$60,113 |
| **ACT** | $478,125 | $583,164 | -$105,039 |

Source: CoreLogic

## Find value in leaving the city

Despite the surge in regional home values through the pandemic, most regional markets still show median values that are lower than their capital city counterparts. While this may not be the case for popular coastal or hinterland lifestyle properties, regional markets within commuting distance to a capital city are generally still more affordable to buy in.
For example, the median value for a dwelling in Wollongong ($982,000) or Newcastle ($921,000) is more than $200,000 lower than the median for Greater Sydney. The gap between the median dwelling value in Geelong and Melbourne is $76,000, and Ballarat's median is $249,000 lower than Melbourne's.

## Build wealth by rentvesting

Based on ABS lending indicators, in the 12 months to August 2024, 8,524 first home buyers took out finance to purchase as an investor rather than buying a home to live in, up 24% from the same period a year prior.

First home buyers purchasing as an investor don't have access to the same benefits as owner occupier first home buyers such as government grants or incentives, which are typically reserved for those buying as an owner occupier. However, purchasing an investment property may provide first home buyers with an opportunity to build equity if housing values rise, and also provides more flexibility in the location of the property, pricing and type of dwelling.

## Broker perspective

**Nathan Smith**
Director, Birdie Wealth

For nearly two decades, broker Nathan Smith has worked with first-home buyers to help them achieve their dream of getting a foothold in the Sydney property market. However, in the past two years, he's witnessed how difficult the dream of home ownership is for many people.

Nathan says he's had conversations with some first-home buyers about the challenges of buying in their preferred suburbs. In some cases, this means advising them to consider their options, which might include buying homes further out, with commutes of over an hour to work. Based in Sydney's Sutherland Shire, Nathan has seen firsthand how the pressures of rising interest rates and shrinking borrowing capacity are affecting would-be homebuyers. National property prices are up 31.6% since pre-COVID, according to NAB's study of Australia's housing accessibility challenge, making the situation even more daunting for Nathan's aspiring homeowner-clients.

"Even with government grants and incentives, the gap between what people can afford and what's available continues to widen," he says. "Property prices keep climbing. Borrowing capacities are shrinking. Many buyers are simply priced out of the market."

Despite this more challenging outlook, brokers are vital in assisting customers to navigate the dynamic market and optimise their housing choices. As accessibility becomes a greater hurdle for many, it requires brokers to not just focus on finding the best interest rate but also to think laterally for customers, offering more tailored strategies to help them make the most of their financial situation, Nathan says.

"We're focusing more on long-term financial planning, helping customers to build sustainable strategies that go beyond just securing a home loan," he says.

These are some approaches that Nathan, who runs a team of 35 at Birdie Wealth, uses to better equip customers for success.

### Pro tip 1: Focus on the solution, not the rate.

"We've moved away from simply chasing the lowest interest rates to focusing on who offers the best overall solution for the client," Nathan explains. "This includes looking at borrowing capacity, how banks assess serviceability, and which lenders have more flexible policies that suit individual circumstances." For example, Nathan highlights that different lenders may assess a client's borrowing power with a significant variation, which can make a major difference in whether a buyer can secure a property. "We had a first-home buyer recently, and the difference between borrowing capacity across banks was $40,000 – that amount can make or break a deal in Sydney."

### Pro tip 2: Budget, budget, budget.

Rising interest rates have hit Australians' borrowing capacity hard. Faced with financial hurdles to get into the property market and a disciplined approach to budgeting is a necessity, Nathan says, especially when options for additional income are limited.

"For the last two years, a lot of my work has been around supporting clients to budget well – while also making sure they're on competitive rates. As rates have moved up people are certainly much more conscious of what they're spending and looking for ways to either earn more or reduce expenses where they can."

### Pro tip 3: Coach customers to think outside the box (and their dream location).

In addition to helping clients to reframe their budgets, brokers are supporting customers by reframing expectations of what they can and can't afford. "It's not always about finding the dream home right away," Nathan says. "Sometimes, it's about helping buyers make compromises – whether it's considering smaller properties, further locations, or even different loan structures."

Brokers can also provide the expertise to keep buyers informed and prepared for market shifts. "The market is evolving rapidly, and for many buyers, the process can feel overwhelming. As brokers, we're here to coach them through, helping them understand their financial position and find solutions that work for their specific situation," Nathan says.

This can include educating buyers about government grants and incentives, though Nathan is quick to point out these programs don't always meet the needs of every customer. "We see many first-home buyers who don't fit the typical profile," Nathan says. "They might be in their 30's, have families, or need a larger home, which often puts them outside the price thresholds for most grants."

Looking ahead, Nathan believes that brokers will become even more integral with affordability challenges expected to continue. "There's no one-size-fits-all solution, and that's where brokers can add real value," he says. "We're able to provide options and guidance, especially in a market where every advantage counts."

# Megatrend 2: **The wealth transfer wave**

| NAB Broker

**Key points**

- An estimated $5.4 trillion will transfer between generations in Australia over the next two decades.
- Australia's 2.7 million small businesses will need support during the wealth transfer wave. With 22% of small business owners aged 60 and over, many SMEs will change hands in the coming decades.
- Brokers are well placed to guide customers through lending solutions and collaborate with other financial professionals to support their wealth transfer needs.

Over the next 20 years, huge amounts of wealth will transfer between generations as Australia's population ages and wealth levels increase.

Australian household wealth was almost $16.5 trillion in June 2024, up from just under $10.5 trillion five years ago, Australian Bureau of Statistics figures show. Land and dwellings accounted for $11.2 trillion of total household wealth in the most recent ABS data, compared with $6.7 trillion in June 2019.

The Productivity Commission's research paper, *Wealth transfers and their economic effects* reported that $1.5 trillion was transferred between generations from 2002 to 2018. The report, released in 2021, projected Australians aged over 60 would transfer $3.5 trillion over the next two decades.

More recent estimates, put forward in this year's JBWere[6] Bequest Report, suggest $5.4 trillion will pass from older generations in Australia to younger people between now and 2044.

## A collective trend, an individual experience

While these totals are massive, at an individual level the value of inheritances and gifts transferred varies from modest sums to significant amounts. The Productivity Commission's research found that the average in the 2018-19 financial year was $125,000, while the median was much lower, at $45,000. While a few reported inheritances were very large, the majority were much smaller than average. Most recipients were aged in their 50s.

Regardless of the size of any inheritance or gift, the recipients often need guidance on how they can put the money to the best use. This creates opportunities for brokers to rethink their service strategies for individuals and families to support these requirements.

NAB's Australian Wellbeing Survey for Q2, 2024 found 32% of Australians have a home loan, and a further 7% have an investment loan.

The Productivity Commission report estimated property accounted for 72% of net assets at death for people aged 65 and over and projected that more than $100 billion worth of existing homes (in 2019 dollars) would be bequeathed in the year 2035. Brokers have the skills and expertise to guide families through the financing options that could facilitate the transfer of these properties as the estate is distributed.

On the home lending front, this might include explaining the different property investment options, or ways to reduce or restructure their existing home lending arrangements. In other instances, recipients of inheritances might seek support from brokers on ways to assist younger generations getting into the housing market – potentially enabling wealth to be transferred during the parents' lifetimes.

Brokers are well placed to support customers with appropriate lending solutions and by collaborating with other financial professionals such as accountants and financial advisers.

6 JBWere is part of the National Australia Bank Limited (NAB Group)

## Spotlight on women's wealth

JBWere's research suggests women are likely to be the most significant beneficiaries of the wealth transfer set to occur over the coming decades. Data from 2023 shows female millionaires are growing at a rate of 5.7% a year, compared with 3.6% a year for male millionaires.

In addition to receiving inheritances, more women are participating in the workforce in higher paid positions in traditionally male-dominated industries and becoming entrepreneurs, building wealth in their own rights. Women are also taking charge of their finances with NAB's Australian Wellbeing Survey for Q1 2024 finding 30% of women compared with 19% of men surveyed were saving to buy a home to live in.

With higher levels of wealth, many women will have a growing need for advice on lending solutions.

## Business succession support

The coming wealth transfer wave will also have significant ramifications for the 2.7 million small businesses actively trading in Australia.

Figures from the Australian Small Business and Family Enterprise Ombudsman (ASBFEO) show 22% of small business owners are aged 60 and over. In a wide range of sectors including manufacturing, retail, finance and insurance, real estate, wholesale trade, utilities and waste services, more than half of small business owners are aged 50 or over.

As business owners age, succession planning becomes a more important consideration, often requiring financing solutions to support business transfer plans. In the coming years as these owners retire, new generations taking over will continue to need assistance with both personal and business lending needs, giving brokers an opportunity to build relationships with business customers that endure across generations.

In some family-owned businesses, the founder will stay on in the business after passing ownership or control to their child. ASBFEO figures show about 13% of workers aged over 70 and 25% of workers aged over 80 are working in a family business.

Brokers are well positioned to help bridge the generational divide in the wealth transfer process by guiding and educating clients on lending solutions that will meet their requirements and keep their businesses growing.

**Broker perspective**

**David McCleery**

Co-founder, MCP Financial Services

## "Consumers and business owners now expect us to solve more complex problems, and that's a positive sign of maturity in the industry."

As intergenerational wealth transfer gains momentum in Australia, brokers are increasingly recognising the role they can play in supporting customers to navigate the complexities of passing wealth from one generation to the next.

Senior brokers like David McCleery of MCP Financial Services are at the forefront of this shift, particularly when it comes to helping families with more complex financial affairs such as owners of small-to-medium sized businesses.

"Consumers and business owners now expect us to solve more complex problems, and that's a positive sign of maturity in the industry," David says.

"We're seeing a lot of business owners trying to find ways to either take the next step in their own business journey or help the next generation, whether that's getting them into property, other investments, or even bringing them into the business."

## Multi-generational supports

David is adapting his finance broking business to take advantage of what he sees as a growing sector, having aligned the experiences from property finance, agribusiness, asset finance, and commercial finance to meet the succession planning needs of customers and their families.

A typical scenario that David's business encounters involves families with multiple children, where only some of the children are interested in participating in the family business. "One child might be keen on taking over the business, while another is looking for financial support to buy a property," he explains.

The challenge, he says, lies in maintaining a balance – ensuring any financial arrangements remain fair and commercially sound while navigating tax and legal ramifications.

Brokers are becoming even more relevant by offering detailed insights into what's possible in finance, which is often a key ingredient in any plans for business succession or wealth transfer within families.

David highlights the importance of collaboration with accountants and financial planners in such situations. "We often bring in outside support, like accountants, to ensure we're considering all tax implications and providing the right guidance for succession planning and property acquisitions," he says.

Looking ahead, David believes brokers will increasingly be called on by customers – both parents and their children – to assist in managing key aspects of the intergenerational wealth transfer process. "The 'Bank of Mum and Dad' is already one of the largest lenders in Australia. We expect more awareness around asset transfers and greater support from banks in facilitating this process," David says.

Education on the best practices for transferring wealth in a structured manner will be essential to supporting customers who are going through this process. David says brokers who can position themselves to provide families with guidance in these complex areas have an opportunity to build long-term relationships with families that span generations.

# Megatrend 3: **Property investors eye opportunities**

**Tim Lawless**
Executive Research Director, CoreLogic

**Key points**

- The value of lending to investors increased by 34.2% over the past year, compared with a 16.8% increase for owner-occupier lending.
- Capital gain is often the primary objective for Australian investors with rental yields a minor consideration.
- Units generally provide a stronger gross rental return and gross yield than houses.
- The median gross dwelling yield across the state capitals ranged from 2.7% in Sydney to 4.3% in Hobart, well below mortgage rates for investors.
- Only a few suburbs achieved both high growth and high yield. These suburbs were located in regional areas.

Investor activity has been on the rise across Australia's housing market, with the value of lending to this sector increasing by more than double the rate of owner occupier lending over the past year (up 34.2% compared with a 16.8% rise in the value of lending for owner occupiers). Investors comprised 38.6% of lending by value and 38.1% of lending by volume in August 2024.

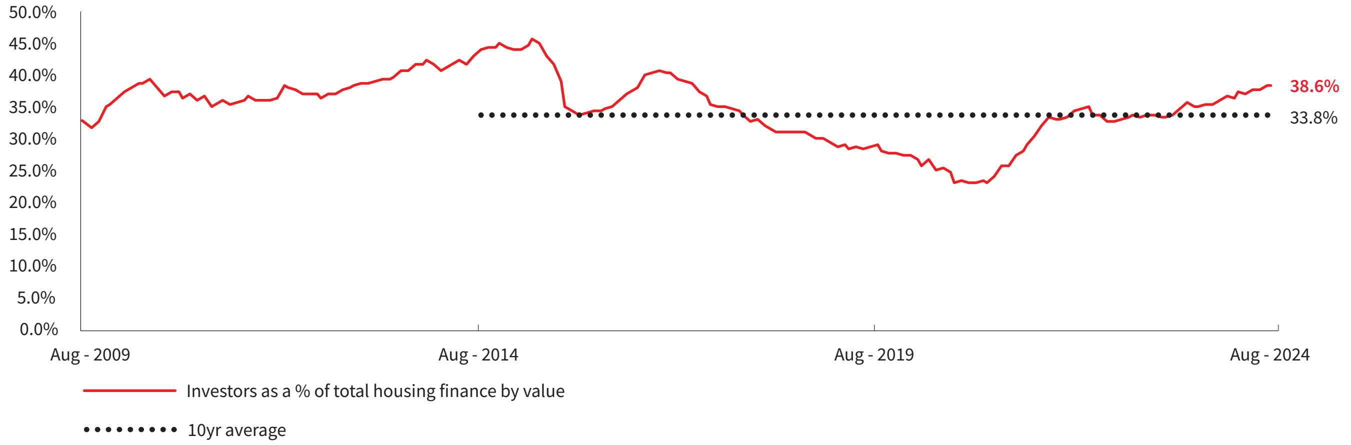
## Investors tend to chase capital gains rather than rental returns

Investor activity shows a reasonably strong relationship with growth in housing values and less of a relationship with growth in rents, highlighting that opportunities for capital gain are often the primary objective for Australian investors.

In fact, the correlation between investment credit growth and gross rental yields is inverse, meaning as investor activity rises, gross rental yields tend to trend lower. Lower yields are a symptom of housing values rising at a faster pace than rental rates.

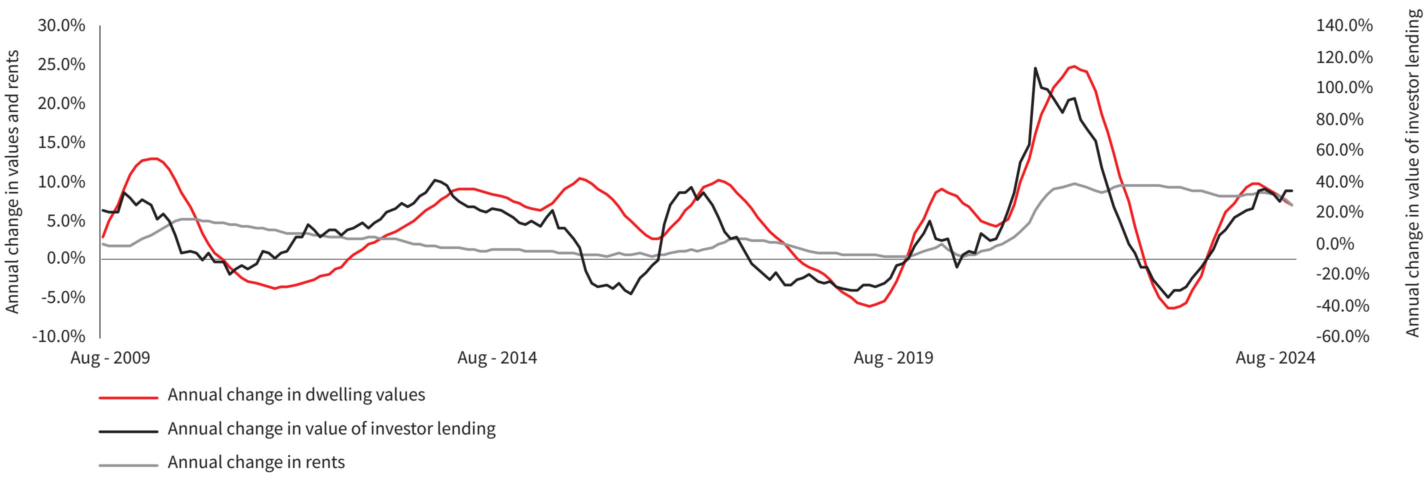
Given the capital gain trends across Australia are favouring the mid-sized capitals, with Perth (24.1%), Adelaide (14.8%) and Brisbane (14.5%) all showing annual growth in dwelling values that is well into the double digits, it's unsurprising to see investor activity has grown the most in these states as well. The number of investor loans increased by 36% in Queensland between August 2023 and August 2024, followed by a 32.4% jump in investment lending across Western Australia and a 26.6% rise in South Australia, all well above the change in investment lending in other states and territories.

### Investor share of housing finance commitments




Source: CoreLogic, ABS

### Annual change in value of investor lending v growth in dwelling values and rents




Source: ABS, NAB Economics

## Opportunities for positive cash flow are scarce for leveraged investors

Gross rental yields tend to be quite low in Australian housing markets. Based on data to September 2024, the median gross dwelling yield across the state capitals ranged from just 2.7% in Sydney to 4.3% in Hobart, well below mortgage rates for investor lending which are currently averaging around the 6.5% mark for new variable rate investor loans. Darwin, where the gross rental yield is 6.8%, has consistently recorded the highest gross rental yield by some margin, reflecting a relatively low median value of housing relative to rental income.

**Annual change in dwelling values and gross rental yields as at September 2024**

| | Annual change in value | | | Gross rental yield | | |
|---|---|---|---|---|---|---|
| Suburb | All dwellings | Houses | Units | All dwellings | Houses | Units |
| Sydney | 4.5% | 4.9% | 3.5% | 3.0% | 2.7% | 4.0% |
| Melbourne | -1.4% | -1.3% | -1.6% | 3.7% | 3.2% | 4.8% |
| Brisbane | 14.5% | 13.5% | 19.4% | 3.7% | 3.5% | 4.6% |
| Adelaide | 14.8% | 14.4% | 17.2% | 3.7% | 3.5% | 4.7% |
| Perth | 24.1% | 24.0% | 25.2% | 4.2% | 4.0% | 5.6% |
| Hobart | -1.1% | -1.6% | 1.2% | 4.3% | 4.2% | 4.5% |
| Darwin | 2.0% | 3.4% | -0.8% | 6.8% | 6.1% | 7.9% |
| Canberra | 0.7% | 1.7% | -2.6% | 4.1% | 3.7% | 5.1% |
| Regional NSW | 3.6% | 3.5% | 3.9% | 4.1% | 4.0% | 4.4% |
| Regional Vic. | -1.5% | -1.4% | -2.2% | 4.2% | 4.1% | 4.9% |
| Regional Qld | 11.9% | 12.1% | 11.2% | 4.5% | 4.4% | 4.7% |
| Regional SA | 10.6% | 10.8% | 7.1% | 4.8% | 4.7% | 5.8% |
| Regional WA | 19.3% | 19.4% | 15.5% | 6.0% | 5.9% | 8.5% |
| Regional Tas. | 1.6% | 1.4% | 3.3% | 4.4% | 4.4% | 5.1% |
| Combined capitals | 6.7% | 7.4% | 4.5% | 3.5% | 3.2% | 4.4% |
| Combined regional | 6.7% | 6.6% | 7.3% | 4.4% | 4.3% | 4.7% |
| National | 6.7% | 7.2% | 5.0% | 3.7% | 3.5% | 4.5% |

Source: CoreLogic

The unit sector generally provides a stronger gross rental return, with the gross yield one percentage point higher nationally for units over houses at 4.5% and 3.5%, respectively. Geographically, the strongest rental returns tend to be located in regional markets with a gross yield of 4.4% for dwellings located outside of the capital cities compared with a 3.5% gross yield for capital city dwellings.

There are instances of suburbs achieving a blend of high growth and high yield around the country, but they tend to be scarce, and more often than not, located in regional areas.

There were 104 suburbs around the country, or 2.2% of all suburbs nationally, where either house or unit values rose by at least 10% over the past 12 months and where gross rental yields were at least 6%. The large majority of these suburbs were in regional Queensland, comprising 43% of the list, with particular concentrations in Mackay and Townsville (9 suburbs each).

Regional Western Australia also comprised a large share of high growth and high yielding suburbs at 24% of the list, with the Kalgoorlie-Boulder local government area (LGA) (6 suburbs) as well as Bunbury and Geraldton council regions all recording five suburbs fitting the high growth and high yield criteria. Perth was the only capital city region to record a reasonably large number of suburbs with both a high capital gain and yield, with suburbs of Perth taking a 22% share of the national list.

**Suburbs where values have risen by at least 10% in the past 12 months and where gross rental yields are at least 6.0%**

| Houses | | | | | | Units | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Suburb | Region | LGA | Median value | Change in values 12 months | Gross rental yield | Suburb | Region | LGA | Median value | Change in values 12 months | Gross rental yield |
| Ayr | Rest of Qld | Burdekin | $266,377 | 19.2% | 7.7% | Ayr | Rest of Qld | Burdekin | $240,256 | 12.2% | 6.8% |
| Barney Point | Rest of Qld | Gladstone | $372,940 | 30.1% | 6.3% | Balga | Greater Perth | Stirling | $560,306 | 35.2% | 6.2% |
| Beresford | Rest of WA | Greater Geraldton | $401,821 | 29.9% | 6.2% | Barney Point | Rest of Qld | Gladstone | $257,588 | 20.1% | 7.6% |
| Berserker | Rest of Qld | Rockhampton | $373,575 | 22.7% | 6.7% | Belmont | Greater Perth | Belmont | $560,731 | 28.6% | 6.1% |
| Blackwater | Rest of Qld | Central Highlands | $220,655 | 15.1% | 10.2% | Boulder | Rest of WA | Kalgoorlie-Boulder | $243,553 | 23.5% | 10.8% |
| Boulder | Rest of WA | Kalgoorlie-Boulder | $291,503 | 11.4% | 10.1% | Bowen | Rest of Qld | Whitsunday | $331,217 | 19.7% | 7.3% |
| Bowen | Rest of Qld | Whitsunday | $411,691 | 13.1% | 6.2% | Carey Park | Rest of WA | Bunbury | $453,052 | 36.2% | 7.2% |
| Broome | Rest of WA | Broome | $555,232 | 11.0% | 8.6% | Clarkson | Greater Perth | Wanneroo | $458,385 | 21.2% | 6.4% |
| Bundaberg South | Rest of Qld | Bundaberg | $433,572 | 12.6% | 6.0% | Cloverdale | Greater Perth | Belmont | $497,017 | 28.1% | 6.5% |
| Bundaberg West | Rest of Qld | Bundaberg | $428,441 | 13.3% | 6.1% | Cockburn Central | Greater Perth | Cockburn | $483,882 | 32.6% | 6.1% |
| Cable Beach | Rest of WA | Broome | $653,744 | 10.8% | 8.2% | Currambine | Greater Perth | Joondalup | $464,342 | 30.0% | 6.6% |
| Carey Park | Rest of WA | Bunbury | $470,882 | 32.2% | 6.2% | Douglas | Rest of Qld | Townsville | $337,841 | 18.3% | 7.5% |
| Chinchilla | Rest of Qld | Western Downs | $369,729 | 11.1% | 6.1% | Earlville | Rest of Qld | Cairns | $309,929 | 15.4% | 7.6% |
| Collie | Rest of WA | Collie | $363,483 | 19.9% | 7.1% | East Bunbury | Rest of WA | Bunbury | $460,983 | 35.4% | 6.7% |
| Dampier | Rest of WA | Karratha | $735,780 | 13.9% | 7.1% | East Cannington | Greater Perth | Canning | $550,477 | 38.9% | 6.4% |
| Depot Hill | Rest of Qld | Rockhampton | $296,359 | 29.4% | 7.6% | East Mackay | Rest of Qld | Mackay | $312,329 | 40.8% | 8.3% |
| Dysart | Rest of Qld | Isaac | $206,893 | 10.2% | 10.6% | East Perth | Greater Perth | Perth | $585,248 | 17.8% | 6.6% |
| East Lismore | Rest of NSW | Lismore | $481,008 | 16.3% | 6.1% | East Victoria Park | Greater Perth | Victoria Park | $568,796 | 21.5% | 6.0% |
| East Mackay | Rest of Qld | Mackay | $513,297 | 17.0% | 6.2% | Freshwater | Rest of Qld | Cairns | $403,478 | 15.2% | 6.2% |
| Emerald | Rest of Qld | Central Highlands | $393,083 | 12.9% | 7.4% | Geraldton | Rest of WA | Greater Geraldton | $294,312 | 28.5% | 7.3% |
| Geraldton | Rest of WA | Greater Geraldton | $391,648 | 34.5% | 6.3% | Gladstone Central | Rest of Qld | Gladstone | $293,887 | 27.4% | 6.9% |
| Gladstone Central | Rest of Qld | Gladstone | $367,283 | 25.1% | 6.6% | Goodna | Greater Brisbane | Ipswich | $374,698 | 33.6% | 6.1% |
| Hannans | Rest of WA | Kalgoorlie-Boulder | $490,420 | 10.1% | 8.1% | Gosnells | Greater Perth | Gosnells | $466,612 | 30.6% | 6.5% |
| Johnston | Greater Darwin | Palmerston | $620,986 | 10.7% | 6.3% | Hamilton Hill | Greater Perth | Cockburn | $482,776 | 30.8% | 6.0% |
| Kambalda West | Rest of WA | Coolgardie | $180,224 | 15.7% | 11.9% | Hermit Park | Rest of Qld | Townsville | $303,725 | 24.5% | 6.6% |
| Lismore | Rest of NSW | Lismore | $430,986 | 21.9% | 6.7% | Highgate | Greater Perth | Vincent | $525,064 | 26.6% | 6.2% |
| Lismore Heights | Rest of NSW | Lismore | $454,442 | 23.3% | 6.4% | Idalia | Rest of Qld | Townsville | $356,411 | 16.5% | 7.5% |

| Houses | | | | | | Units | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Suburb | Region | LGA | Median value | Change in values 12 months | Gross rental yield | Suburb | Region | LGA | Median value | Change in values 12 months | Gross rental yield |
| Mackay | Rest of Qld | Mackay | $411,348 | 13.8% | 6.7% | Kelmscott | Greater Perth | Armadale | $416,706 | 40.2% | 6.6% |
| Manoora | Rest of Qld | Cairns | $500,707 | 20.8% | 6.0% | Kewdale | Greater Perth | Belmont | $517,956 | 30.6% | 6.1% |
| Merredin | Rest of WA | Merredin | $222,425 | 27.8% | 9.4% | Kirwan | Rest of Qld | Townsville | $367,419 | 24.8% | 6.0% |
| Millars Well | Rest of WA | Karratha | $553,414 | 11.0% | 10.4% | Mackay | Rest of Qld | Mackay | $358,356 | 23.3% | 7.1% |
| Moranbah | Rest of Qld | Isaac | $341,407 | 12.1% | 9.9% | Maddington | Greater Perth | Gosnells | $474,710 | 27.5% | 6.1% |
| Mount Morgan | Rest of Qld | Rockhampton | $246,106 | 25.1% | 8.9% | Manunda | Rest of Qld | Cairns | $274,772 | 19.2% | 8.0% |
| Newman | Rest of WA | East Pilbara | $297,456 | 12.7% | 11.9% | Mirrabooka | Greater Perth | Stirling | $374,710 | 29.3% | 8.2% |
| North Mackay | Rest of Qld | Mackay | $451,360 | 20.0% | 6.4% | Moranbah | Rest of Qld | Isaac | $359,536 | 23.4% | 9.5% |
| Northam | Rest of WA | Northam | $363,533 | 24.5% | 6.7% | Mundingburra | Rest of Qld | Townsville | $306,900 | 17.2% | 6.9% |
| Park Avenue | Rest of Qld | Rockhampton | $402,847 | 19.6% | 6.4% | North Ward | Rest of Qld | Townsville | $394,159 | 12.6% | 6.0% |
| Port Pirie South | Rest of SA | Port Pirie | $277,050 | 10.2% | 6.6% | Perth | Greater Perth | Perth | $548,199 | 18.4% | 6.6% |
| Quirindi | Rest of NSW | Liverpool Plains | $334,905 | 11.0% | 6.3% | Redcliffe | Greater Perth | Belmont | $529,360 | 32.4% | 6.3% |
| Rangeway | Rest of WA | Greater Geraldton | $302,404 | 35.9% | 7.5% | Rivervale | Greater Perth | Belmont | $540,192 | 23.3% | 6.3% |
| Ravenswood | Rest of Tas. | Launceston | $355,496 | 12.1% | 6.4% | Rosslea | Rest of Qld | Townsville | $303,186 | 27.7% | 7.0% |
| Risdon Park | Rest of SA | Port Pirie | $268,441 | 10.9% | 7.0% | Somerville | Rest of WA | Kalgoorlie-Boulder | $308,734 | 20.8% | 9.6% |
| Rockhampton City | Rest of Qld | Rockhampton | $305,616 | 27.7% | 7.6% | South Bunbury | Rest of WA | Bunbury | $503,367 | 37.2% | 6.2% |
| Slade Point | Rest of Qld | Mackay | $478,492 | 18.1% | 6.1% | South Gladstone | Rest of Qld | Gladstone | $228,314 | 23.8% | 7.3% |
| South Boulder | Rest of WA | Kalgoorlie-Boulder | $276,861 | 13.2% | 10.2% | South Mackay | Rest of Qld | Mackay | $309,403 | 29.5% | 8.0% |
| South Kalgoorlie | Rest of WA | Kalgoorlie-Boulder | $340,494 | 12.2% | 9.2% | South Townsville | Rest of Qld | Townsville | $396,002 | 16.4% | 6.3% |
| South Mackay | Rest of Qld | Mackay | $442,328 | 14.4% | 6.7% | Spearwood | Greater Perth | Cockburn | $459,718 | 28.7% | 6.3% |
| Spalding | Rest of WA | Greater Geraldton | $388,270 | 29.1% | 6.3% | Spring Hill | Greater Brisbane | Brisbane | $541,572 | 22.7% | 6.1% |
| West Mackay | Rest of Qld | Mackay | $494,436 | 17.1% | 6.1% | Thornlie | Greater Perth | Gosnells | $427,778 | 32.3% | 6.8% |
| Withers | Rest of WA | Bunbury | $458,172 | 34.4% | 6.1% | Travancore | Greater Melbourne | Moonee Valley | $419,552 | 11.6% | 6.5% |
| | | | | | | Wembley | Greater Perth | Cambridge | $416,386 | 26.7% | 6.5% |
| | | | | | | West End | Rest of Qld | Townsville | $314,971 | 31.3% | 6.7% |
| | | | | | | West Gladstone | Rest of Qld | Gladstone | $238,858 | 29.8% | 6.9% |
| | | | | | | West Perth | Greater Perth | Perth | $567,211 | 17.9% | 6.4% |

Source: CoreLogic

## Broker perspective

**Elouise Dooley**
Director and Finance Broker, Two Birds One Loan

TWO BIRDS ONE LOAN

> "You can see from the CoreLogic data the growth in those areas has been super strong and people are building equity very quickly."

In an environment where consumers are feeling the pinch, many people are waiting for interest rates to drop before jumping into property investment but waiting for that 'perfect moment' isn't always the right way to go. As Two Birds One Loan director and finance broker Elouise Dooley explains, the best time to get into the investment property market is always – now.

"If clients can get into the market now, we are absolutely urging them to do so. When interest rates do drop, it's going to open the market to a lot more buyers and become increasingly competitive," says Elouise, who has a growing client book of investors.

For property investors and the brokers who support them, a competitive property market means getting creative with the approach to building property portfolios and the loan structures that support them.

While Elouise's business is based in Sydney's Hills District, she has seen strong interest from customers in residential markets in Western Australia and Queensland. "You can see from the CoreLogic data the growth in those areas has been super strong and people are building equity very quickly," she says.

"In times like these where interest rates are high, we're finding people are looking for investment opportunities because they can't buy where they want to live. Lots of people are active in the market, some are first-time investors, some are more sophisticated – their needs and wants vary."

Like any type of investing, when it comes to market opportunities, it all comes down to personal goals, life stage, time frames and what deposit the customer has available. Some people may be looking for tax benefits through negative gearing, while others are looking for passive income through positive cashflow investments, for example.

"We're seeing an increasing number of investors seeking commercial properties – for some, these can be more cashflow positive and the tenants more stable, and can cost less to maintain, depending on the security," Elouise says.

"Given the current interest rates, many people have capped out their personal borrowing capacities and are looking for alternative strategies to invest, whether that's residentially or commercially but could be via SMSF, company or trust."

One of the main questions clients ask Elouise is: should I buy now, or should I buy next year? The answer is always 'buy now!'

"If you can afford to purchase now and your interest rates do drop, your cashflow position is only going to look more favourable as time progresses," she explains. "Rental prices have been on the rise due to population growth and limited housing supply and that's putting pressure on the rental market."

Looking ahead, Elouise sees plenty of opportunities for investors, and in an increasingly competitive market, there will always be a role for brokers to support customers with advice on strategy and getting the best outcomes to meet their lending needs.

# Megatrend 4: **Businesses investing for growth**

**Chris Thomas**
Executive, Commercial Broker and Equipment Finance Sales, NAB

**Key points**

- Almost six in 10 small to medium sized businesses (SMEs) plan to invest and expand in the next 12 months, creating opportunities for brokers to support with financing options.
- Businesses in some sectors are thriving, but others are finding conditions more challenging to navigate.
- Demand has increased for finance options to support investment in sustainable business products and practices. The value of NAB's Green Finance for Vehicles and Equipment loan book in the six months to March 2024 was up by 80% compared with a year earlier.

There are early signs that the challenging conditions that have hampered businesses over recent quarters are reaching an end point with interest rate cuts now expected sooner than previously forecast and GDP growth on the rise again.

These and other short-to-medium term factors signal a brighter outlook for business investment, which will fuel Australia's longer term trend towards growth.

As a nation, Australia is growing. Our population has increased to over 27.1 million in March 2024, from under 23.5 million a decade ago. Annual GDP growth has averaged 2.31% over the past 10 financial years. Growth brings opportunities for businesses – and broker businesses are no exception.

According to NAB's SME Business Insights Survey for Q2, 2024, almost six in 10 SMEs are planning to invest and expand in the next 12 months, despite uncertainty in the near-term economic outlook.

Several forces are driving these investment plans. Around four in 10 intend to grow organically by investing in new products or services, but many more are seeking innovative ways to navigate complexity and benefit from emerging trends. Brokers with the appropriate skills to advise business customers can play a key role in helping SMEs with their financing needs.

Around one in three SMEs plan to invest in new technologies or systems to improve efficiency and automation over the coming year and beyond. These investments will support businesses in areas such as building more resilient supply chains and moving towards decarbonsation.

They could also help to alleviate workforce pressures that many industries are feeling – with Jobs and Skills Australia reporting skills shortages in a third of all occupations. NAB's SME Business Insights survey found six in 10 SMEs are taking steps to proactively manage their workforces through investments in hiring, retaining and training staff.

## Support for all

Current economic conditions are having a mixed effect on the 2.7 million SMEs that call Australia home. While businesses in some sectors are thriving, others are finding conditions more challenging to navigate, but across all industries and sectors there will be winners and losers.

For brokers working with businesses in this environment, the key is to deeply understand SME customers and their businesses. This will help brokers support those businesses to identify opportunities and secure funding to facilitate growth.

For example, a broker might help a customer with a manufacturing operation to improve business efficiency by modelling the cost and benefit of replacing aging factory equipment compared with running the existing machinery for a longer period. A valuable assessment like this from a broker as a trusted adviser would then lead to conversations around financing options and the strategic direction of the business.

Strong broker-client relationships are built on trust and SMEs are eager for this type of support. NAB's SME Insights survey asked 700 businesses who they use for business advice. An overwhelming majority – eight in 10 – used an accountant or bookkeeper. Around one in four work with a banker.

## Holistic business lending services

Brokers are in a unique position to provide SMEs with advice. They can offer comprehensive financing solutions – from home lending to trade and working capital, from small business loans to loans for self-employed people. As Australia's biggest business lender, NAB is there to support.

Providing broking services to business customers requires a specialist skill set and diversification into this area is one way mortgage brokers can use to grow their own businesses.

Brokers who are considering branching into business lending need to invest in their strategy to ensure their firm has the capability to offer customers the most professional service possible. This could range from personally upskilling through to hiring in the services of an experienced commercial broker or former business banker. NAB is empowering more mortgage brokers to upskill and expand their services to write more commercial loans.

## Solutions to national issues

In helping businesses to unlock access to finance, brokers have an opportunity not just to help their customers, but also to help solve some of Australia's larger national issues.

For instance, challenges such as housing accessibility (see more in Megatrend 1) can only be solved by the combined efforts of the community, governments and Australian businesses. While home mortgages come into play after a person can afford to buy a property, a commercial broker working with a property developer may be able to help identify economically viable financing solutions that would allow a developer to build more homes.

Similarly, as the world moves towards decarbonisation, businesses will need to invest in sustainable solutions and products. This will also require investment, and brokers can support with financing options.

This might include traditional business loans and lending products such as trade finance and working capital, equipment finance and foreign exchange solutions, or lending solutions specifically targeting environmentally sustainable investments.

NAB's Green Finance for Commercial Real Estate, for example, supports investments in – or the development or retrofit of – eligible commercial buildings with high National Australian Built Environment Rating System (NABERS) or Green Star ratings.

Other lending products are designed to cater to businesses investing in electric vehicles and equipment such as solar panels. The value of NAB's Green Finance for Vehicles and Equipment loan book in the six months to March 2024 grew by 80% compared to the same period a year earlier, with strong demand from SMEs for electric vehicles, solar panels and electric buses.

Brokers who work closely with Australian businesses are finding that there opportunities everywhere. The key is that brokers need to know their customers – whether business owners or consumers – and help them to identify areas for growth, where business challenges lie, and ways to build for the future.

## Broker perspective

### Karlie Scharfenberg

Director and Senior Finance Broker, The Loans Suite

> "For me, it's about educating clients and helping them make the best financial decisions."

As a seasoned broker with 17 years experience working mostly with commercial clients, Karlie Scharfenberg, is well-placed to observe how Australia's small and medium sized businesses (SMEs) are positioning themselves for growth.

Despite lingering uncertainty around the economic outlook, businesses are moving forward with their plans whether these include adding new products, upgrading technology, or investing in staff. Brokers like Karlie, with the ability to advise on strategic financial decisions and funding needs, are playing a key part in shaping that expansion.

Brisbane-based Karlie frequently supports ambitious business owners in navigating new growth opportunities, including working closely with clients to step out cash flow projections and business planning before securing their financing needs.

Advice she provided to a young client recently helped him to expand his business to take advantage of new growth opportunities in the country's dynamic construction sector.

The 26-year-old plumber was keen to take his career in a new direction and secure work servicing Western Sydney's busy infrastructure projects. His plan was to invest in a cement truck, a move which would allow him to take on substantial jobs with secure contracts in Western Sydney where demand for cement truck drivers is steadily rising thanks to the airport and roads under construction.

Having recently sold an investment property, Karlie's client paid cash to secure his contract, which came with a guaranteed work clause. Karlie worked with her young entrepreneurial client to find a solution to secure the financing he needed to purchase the truck.

This involved helping him set up a comprehensive business plan by leveraging NAB resources, including templates for cash flow projections and business planning, which contributed to a structured roadmap for his business growth. She even assisted him in signing up for NAB's Qantas Business Rewards program, enabling him to earn points on business purchases to help fund his upcoming wedding.

"I sat down with him, reviewed his initial plan, and helped him expand on it," Karlie explains. "At 26, he's got a lot of potential but needed guidance on how to structure his goals and build the business sustainably."

By taking the time to understand her clients' complete personal and business financing needs – beyond the basics – Karlie has built a successful broker business founded in long-term relationships and client referrals.

As businesses embrace new investments, brokers like Karlie play an important role in navigating complex financing needs, enabling clients to seize new opportunities and unlock their growth potential.

"For me, it's about educating clients and helping them make the best financial decisions," Karlie says.

Brokers like Karlie are in a unique position to provide SMEs with advice and comprehensive financing solutions – from home lending to trade and working capital, from small business loans to loans for self-employed people.

By helping her clients like this young business owner make strategic financial choices, Karlie exemplifies the significant impact brokers can have on Australia's SMEs.

Her work underscores the value of tailored financial guidance and long-term client relationships, ensuring that businesses have both the tools and knowledge they need to thrive.

# Megatrend 5: **The tech turning point**

**Adam Brown**
Executive, Broker Distribution, NAB

**Key points**

- Open Banking, Consumer Data Right and AI-led technologies are reshaping how brokers operate, enabling more personalised and data-driven services.
- AI adoption is helping brokers and other businesses across the financial services sector to reduce their administrative workload and improve customer service.
- 34.3% of broker-originated loan applications are processed through NAB's Simple Home Loans platform, with most achieving time-to-unconditional approval in less than a day.

Advancing technology is revolutionising every aspect of our daily lives. From online shopping to self-driving cars, the way we interact with the world around us is fundamentally changing.

In recent years, industry initiatives including Open Banking and Consumer Data Right, coupled with the rise of automation, digitisation and artificial intelligence (AI) have positioned the broking sector in a new phase of evolution.

This "tech turning point" is changing the way brokers do business and shifting the broker-customer relationship. Technologies are not just streamlining operations but enabling brokers to deliver more personalised guidance to their customers.

## Open Banking for financial transparency

Open Banking continues to advance the ways that financial data is shared and used. By enabling customers to securely share their financial information with accredited third parties such as mortgage brokers or financial advisers, Open Banking fosters transparency and enhances competition across the financial services sector. This shift reflects the increasingly dynamic and competitive financial ecosystem in which we operate.

The Consumer Data Right (CDR), implemented in the banking sector in 2020, is empowering consumers with control over their data, enabling access to tailored products and services and making it easier for customers to compare options or switch providers.

While the rollout of CDR has been progressing at pace, it has not been without its challenges. Issues such as data quality concerns, limited customer awareness, and the complexities of regulatory compliance have hindered its full potential. Still, the Mortgage and Finance Association of Australia (MFAA) has reported a growing adoption of CDR by brokers, aggregators and lenders, with many noting its benefits for streamlining client onboarding and delivering more personalised services.

## Efficiency and personalisation

Along with Open Banking and CDR, automation and AI are supporting brokers to operate more efficiently and to improve customer experiences.

The MFAA in July released a discussion paper which found brokers who had adopted AI in their businesses were able to reduce their administrative load by recording client meetings, automating marketing collateral, and streamlining client communications. The paper, *Embracing the future: Towards the safe and ethical use of AI for the mortgage and finance broking industry*, canvassed the views of 75 brokers, and concluded that with the right guidelines and regulations in place, AI had the potential to enhance brokers' value propositions as trusted advisers to customers – but not replace them.

Businesses of all sizes are investing in AI and automation. NAB's *SME Business Insights: Artificial Intelligence report*, release in March, found almost one quarter of SMEs have already invested in AI, while a further one in five have not yet done so but plan to. Businesses identified the benefits of AI technology solutions as centring on productivity increases (58%) and reducing administrative tasks (57%), with four in 10 (39%) saying they expected AI to make businesses more profitable.

NAB has been investing in ways to use generative AI (Gen AI) to improve productivity and reduce repetitive tasks, giving people more time to spend with customers. For example, NAB is trialling using AI to help categorise and verify documents to cut review times, and is exploring ways to use AI in recording and summarising conversations with customers who phone in to call centres.

Already across the bank, AI is used extensively in areas including cyber security, fraud prevention, and financial crime detection.

As the technology develops, NAB continues to take a considered and balanced approach to Gen AI – innovating, with a long-term view, and ensuring there is a data, risk, and ethics lens over all AI development.

More broadly, process simplification, digitisation and general advances in technology are making life easier for brokers.

NAB has invested in functionality in the NAB App to give customers more options to self-service such as allowing them to complete instant loan modifications via the NAB App, including home loan redraw, offset amendments and additions and view equity and obtain property reports.

Having successfully transitioned 84% of NAB's on-premises infrastructure to a multi-cloud environment, NAB continues to foster a more adaptable and scalable digital ecosystem. This transformation is central to NAB's broader digitisation strategy, which prioritises the use of data and automation to eliminate manual processes and reduce turnaround times.

Already, 34.3% of broker-originated loan applications are processed through NAB's Simple Home Loans platform, with most achieving time-to-unconditional approval in less than a day.

## The future of broking

Over time, AI and other emerging technologies, along with initiatives such as Open Banking and CDR will continue to transform the broker and customer experience. As the industry continues to evolve, the integration of these technologies will undoubtedly play a crucial role in shaping the future of broker-client relationships and the broader financial landscape. NAB will continue to invest to achieve great outcomes for customers.

## Broker perspective

**Damien Roylance**
Managing Director and Principal Finance Broker, Entourage

ENTOURAGE

> "For us to keep track of our clients' rates and always offer the best possible deal, this technology is essential."

Harnessing cutting-edge technologies to build an efficient practice can help brokers to enhance their services and streamline operations.

But as broker Damien Roylance points out: technology-driven advancements are more than just efficiency boosters in the short-term – in time, they have the potential to reshape the broker-customer relationship.

For instance, open banking and AI-led technologies are providing brokers with the tools to more efficiently deliver personalised advice.

Open banking, in particular, has been a transformative development for Damien's business. With a $2 billion loan book, the ability to instantly access accurate client data, including current interest rates, has been extremely useful to the business.

"We don't always know our clients' rates or balances without calling the bank, which can be time-consuming, but with open banking, we can instantly access this information. That enables us to better understand our clients and provide more personalised advice," Damien says.

Damien acknowledges that while younger clients are typically open to sharing their financial data through open banking, older clients can be more cautious. However, he believes that the benefits of open banking – such as more accurate advice and better financial outcomes – will eventually outweigh any reservations. "For us to keep track of our clients' rates and always offer the best possible deal, this technology is essential," he says.

Other areas in which Damien is actively integrating new technologies into his practice include using smart data to automate previously time-consuming processes. "With smart data, we can now get all the client information – ID checks, living expenses, bank accounts – filled in without the client having to manually enter anything," he says.

Damien has found automation has improved accuracy and sped up the application process, saving about two hours of manual work per client.

This leap in efficiency is vital when dealing with high volumes of customers. For brokers like Damien, who manage large portfolios, automation reduces the strain of manually processing bank statements and other client data.

"It's pretty amazing. We've got a lot of clients and automation has been a game-changer," Damien says.

Looking ahead, Damien believes that AI will play an even greater role in transforming the broking business. He anticipates AI tools will further enhance client insights and automate processes that are still manual today. "In the future, I think AI will help us not only analyse client data faster but also predict market trends, allowing us to proactively offer advice before clients even know they need it," he says.

Damien sees AI and other emerging technologies as key to making brokers more responsive and valuable in a rapidly changing financial landscape.

# Megatrend 6: **Cyber security becomes critical**

**Laura Hartley-Quinn**
Head of Security Culture and Advisory, NAB

**Key points**

- Almost two-thirds of Australians have fallen victim to a cyber attack or data breach, with half of those impacted hit on multiple occasions.
- Australians lost $2.74 billion to scams and cyber crime in 2023 alone. The number of cyber crimes reported in 2022-23 was 23% higher than the year before, and the average value of losses in these attacks was 14% higher.
- The key for brokers to protect their businesses and their customers is to stick to the basics, learn to spot "red flags" that can indicate a scam or security threat, and educate themselves and their staff.

Cyber crime and scams have featured as pervasive threats to Australian individuals and businesses for more than a quarter of a century and, while strides are being made in improving security, many of the same issues are still being discussed, with reports and losses still rising.

NAB's most recent Consumer Insights survey on cyber security – released in October 2024 – found 63% of Australians have fallen victim to a cyber-attack or data breach, with 44% of those impacted having been hit on multiple occasions.

The National Anti-Scam Centre reports Australians lost $2.74 billion to scams and cyber crime in 2023 alone. Australian businesses lost $29.5 million in that year, with small and micro businesses accounting for $17.3 million of the total lost.

In the 2022-23 financial year, the Australian Signals Directorate (ASD) received one cyber crime report every six minutes, with an average cost of $71,600 for SMEs. The number of cyber crime reports was up 23% compared with the previous year, and the average value of losses in these attacks was 14% higher, the ASD reports.

NAB Group Economics research from April last year shows around three in 10 Australian SMEs have experienced a cyber attack or data breach during the life of their business. Common threats included malware, ransomware, phishing, and business email compromise, including invoice scams.

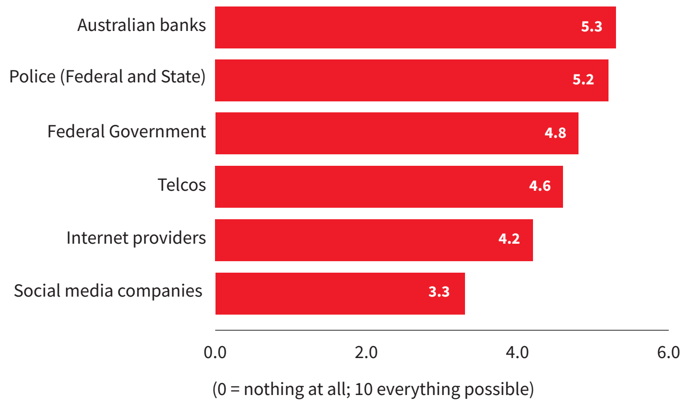
## Recognising the red flags

The ability to identify suspicious activities is one of the first lines of defence against cyber threats and scams. Brokers – and indeed all Australians – need to be alert to suspicious emails, unexpected attachments or links, unusual requests, and unrecognised phone calls.

The good news is that most Australians are conscious of cyber security. NAB's Consumer Insights report, released this October, found 28% of people are very familiar with basic cyber security practices and a further 57% are quite familiar. Additionally, most people are at least somewhat confident in identifying phishing emails and scam messages, the research found. But cyber criminals are becoming more sophisticated in the tactics they use so businesses and consumers need to remain vigilant.

The key for brokers is to stick to the basics. Just like going to the gym regularly can help people have a longer, healthier lifestyle, maintaining good security practices can go a long way towards safeguarding businesses and customers over the long term.

**How much action is being taken to reduce scams: All Australians**




Source: NAB Consumer Insights Scams (August 2024)

Education is an important starting point. Australians scored banks the highest of all organisation types for taking the lead on reducing scams and educating people on how to protect themselves in NAB's August 2024 Consumer Insights research into scams.

NAB has developed a suite of free training and materials for small businesses like mortgage broking practices to help enhance their cyber security and protect themselves and their customers. Educational materials available via the NAB Business Security Hub at nab.com.au/securityforbusiness include free regular webinars, videos and how-to guides for employees, while NAB small business customers can access offers for a free Microsoft Cyber Security Assessment tool and a free 12-month subscription to CrowdStrike cyber security software.

## Spotlight on payment redirection scams / business email compromise

Australian businesses lost $91.6 million to payment redirection scams (also known as business email compromise or BEC) in 2023, according to figures from the Australian Competition and Consumer Commission's (ACCC) *Targeting Scams* report. The report calls out the real estate, legal and construction sectors as the most common industries targeted by this scam as they regularly deal with large transfers of money. NAB's August 2024 Consumer Insights research found 63% of Australians frequently receive scams via email.

A payment redirection scam involves criminals taking control of a business's legitimate email account or systems and watching payment-related emails being sent. The criminals will sometimes send a follow up email – often within minutes – that appears very similar to the original one the victim was expecting, but with a reference to changed account details. Their goal is for the victim to make the payment without realising the change in bank details to an account controlled by the criminal.

### Tips for combatting payment redirection scams

- Protect your email account with multi-factor authentication (MFA). This adds an extra authentication layer to your email account in addition to your password. Learn more at nab.com.au/mfa.
- If you receive an email or an invoice that highlights changed bank account details, always contact the business or person directly to confirm their details have changed. Contact them through their official channels and not using the number listed on the invoice/email as this could have been altered. A quick phone call can save thousands.
- Consider using a PayID and ask the person you are paying if they have one. A PayID can help by showing you the legal name of the person or organisation you're about to pay. Find out more at nab.com.au/payid.

## Spotting the red flags of cyber crime

- **You're asked to click on a link, scan a QR code or download an attachment**. This is how criminals take over business email accounts, so be alert to these requests. It's a way for them to infect your device with a virus or direct you to a website that steals your username and passwords.
- **Changes to payment details**. If a person or business tells you they have new account details for payments, it could be a sign that criminals have taken over or impersonated their email account.
- **You're asked for your usernames and passwords**. Never share these details with anyone. Remember, NAB will never ask for your log in details or to log in to your banking via a link or QR code.
- **Requests to transfer money for a colleague**. If you work for a company or business, criminals may impersonate a colleague, usually someone more senior, asking for a funds transfer to be made on their behalf. Contact the colleague directly on details you have found yourself to confirm the request. It can be hard to get the money back once it's been sent due to the speed and sophistication of these criminals.

## Four easy steps to protect yourself or your business

### 1 Recognise and report phishing

Phishing emails are designed to trick you into providing personal information including:

- a mobile phone number
- usernames and passwords
- credit card details or bank details.

Phishing emails often pretend to be from legitimate companies such as banks, courier companies, or government departments, and can contain links to fake websites. These fake sites look very similar to the real ones and are designed to trick people into entering their bank details.

NAB's Security team monitors the internet for fake NAB websites and requests to have them removed from the Internet to protect our customers.

Sometimes the emails will have an attachment that appears to be an invoice, or document. When you try to open the attachment, it installs malware on to your computer without your knowledge.

If you suspect an email or text message, don't respond to requests for information and don't click on any links or open attachments, even if there's a sense of urgency. For more information on how to recognise and report phishing, visit nab.com.au/phishing.

### 2 Use strong passwords

Passwords are the keys to our online identity. That's why protecting them is so important. Creating unique, strong passwords is the first step to protecting yourself online. This helps reduce the risk of unauthorised access.

One of the most important takeaways is: don't share your password, ever! Not even with someone you trust. For more password tips nab.com.au/passwordsecurity.

### 3 Turn on multi-factor authentication

Online accounts such as banking, social media and email can contain a lot of valuable information about you. Using multi-factor authentication (MFA) makes it harder for cyber criminals to break into your account than if you only use a password.

With MFA turned on, if your account is compromised and the criminal has your password, they will need to enter additional information that only you can provide. Visit nab.com.au/mfa for more guidance on setting up MFA on your device.

### 4 Update software and turn on automatic updates

Malware is short for malicious software. Malware describes viruses, worms, trojans, spyware, ransomware and other malicious programs. The cyber criminal's goal is to cause your computer to malfunction, cause damage, disruption or gain unauthorised access to your information for financial gain.

Malware is always changing as criminals get smarter and smarter. Keeping your operating system, software, browsers and applications up to date is essential to help protect your computer and other devices. Ensure system updates are set to automatically update.

## Broker perspective

### Paul Boykos

Finance Manager,
Five Dock Finance

> "We're literally custodians of all of our customers' most valuable personal information – bank details, account numbers, IDs."

Mortgage broker and former bank manager, Paul Boykos, has long been familiar with the threat of scammers and cyber crime. However, a sharp increase in the frequency and sophistication of phishing emails over the past six months prompted him to take more decisive action in his broker business, based in Sydney's Inner West.

With nearly two-thirds of Australians affected by cyber-attacks or data breaches, some multiple times, brokers are finding that sticking to security basics such as anti-virus software or trained vigilance, is no longer sufficient when it comes to protecting valuable customer and business information.

"We're literally custodians of all of our customers' most valuable personal information – bank details, account numbers, IDs," explains Paul, who was driven to implement a full security upgrade, bringing his broking business into alignment with industry best practices.

"All our major partners have shifted to two-factor authentication in the last 12 months and that's what really prompted us to do it as well," he says.

Paul's broker business now discusses cyber security as a standing item at their monthly meetings where the team also routinely change all their passwords at once. He also stays up to date on security best practices by working with partners like NAB, which regularly shares information to help brokers on how to stay ahead of emerging threats and maintain effective security measures.

"It's a bit painful to do two-factor authentication with everything but, then again, it's really important," he says. "Our business partners introducing two-factor authentication has really been the fuse that lit this for us too. While it can be difficult and annoying, it really does help to improve security."

Cyber attacks and data breaches are an increasingly common experience for small-to-medium firms like Paul's broking business, Five Dock Finance. Commonplace threats like malware, phishing, and invoice scams require extra vigilance and additional measures to enhance cyber security and protect clients.

Combined with precautions such as setting devices so passwords aren't retained, keeping Bluetooth hidden when not in use, regularly updating software, frequently changing passwords or upgrading to stronger passwords, are all security-strengthening measures.

For Paul, his security initiatives are about more than just preventing data breaches; they're also about instilling confidence and peace of mind for the small-business clients he serves.

In his previous career as a bank manager, Paul often counselled customers who had lost large sums of money to cyber theft.

"It's a real thing and it's horrible," he recalls. These situations left a lasting impression, making him extra vigilant when it comes to his own clients.

Paul approaches cyber security as a critical factor in client service, ensuring clients of Five Dock Finance have peace of mind when it comes to keeping their personal and financial information safe.

# Section 3:

# From megatrends to market impacts

The effects of the six megatrends identified in this report will be felt by brokers and their customers all over Australia, but each housing market around the country has its own unique characteristics.

Here's a detailed look at what's happening across each city and regional area.

# Sydney

# Home values have risen by nearly 16% since the start of the 2023 upswing in Sydney.

# Sydney

Home values have risen by nearly 16% since the start of the 2023 upswing in Sydney but dwelling values edged lower in October, falling 0.1% over the month. This was the first month-on-month decline in dwelling values since January 2023. The growth trend has been losing steam since moving through a peak rate of growth in May last year when values were rising at the monthly pace of 2.1%.

Houses rather than units were the main drag on the market, with house values down 0.1% over the month and 0.1% lower over the rolling quarter. Unit values posted a mild 0.1% rise over the month and a 0.7% lift over the past three months.

Similarly, the upper quartile of Sydney housing has shown a weaker trend, with dwelling values down 0.9% over the past three months compared with a 1.2% rise in lower quartile values, pointing to a deflection of demand towards lower price points due to less borrowing capacity and affordability constraints.

The easing in housing values has been accompanied by a rise in advertised stock on market. At the end of October, Sydney listings were 13.2% above the previous five-year average, providing buyers with more choice and less urgency.

We've also seen Sydney rental trends level out, with some weakness emerging across the unit sector where rents have trended lower over the past five months. Overall, Sydney rents were up 4.6% over the 12 months ending October, well down from the recent peak rate of annual rental growth at 11.4% recorded over the 12 months ending May 2023.

## **Sydney market key statistics** as at end of October 2024

| Property type | Median value | 25th percentile value | 75th percentile value | Change in values | Median rental value | Change in rents 12m | Gross rental yield |
|---|---|---|---|---|---|---|---|
| **Dwellings** | \$1,193,240 | \$867,784 | \$1,794,307 | 3.7% | \$775 | 4.6% | 3.0% |
| **Houses** | \$1,478,925 | \$1,088,216 | \$2,211,151 | 3.9% | \$816 | 5.1% | 2.7% |
| **Units** | \$864,018 | \$668,108 | \$1,185,054 | 3.1% | \$713 | 3.9% | 4.0% |

Source: CoreLogic

# Top Suburbs

## Largest change in house values over the 12 months to October 2024

Excludes areas with a low number of observations

| Sydney Houses | | | Annual change in dwelling values | | |
|---|---|---|---|---|---|
| Suburb | LGA Name | Median value | 12m | 5y | 10y |
| Wiley Park | Canterbury-Bankstown | $1,347,870 | 20.1% | 10.2% | 7.8% |
| Mount Pritchard | Fairfield | $1,105,372 | 20.1% | 11.2% | 8.9% |
| Lansvale | Fairfield | $1,157,051 | 19.5% | 8.9% | 7.9% |
| Emerton | Blacktown | $809,877 | 19.3% | 10.6% | 7.4% |
| Bonnyrigg Heights | Fairfield | $1,168,930 | 19.0% | 10.4% | 7.8% |
| Bonnyrigg | Fairfield | $1,073,350 | 18.3% | 10.5% | 8.5% |
| St Johns Park | Fairfield | $1,216,048 | 17.0% | 8.8% | 7.7% |
| Tregear | Blacktown | $771,882 | 16.9% | 11.4% | 8.0% |
| Bidwill | Blacktown | $808,401 | 16.3% | 10.1% | 6.8% |
| Wakeley | Fairfield | $1,205,428 | 15.9% | 9.3% | 8.2% |

| Sydney Units | | | Annual change in dwelling values | | |
|---|---|---|---|---|---|
| Suburb | LGA Name | Median value | 12m | 5y | 10y |
| Monterey | Bayside | $872,579 | 15.9% | 5.4% | 3.6% |
| Bass Hill | Canterbury-Bankstown | $908,300 | 15.3% | 7.0% | 4.9% |
| South Windsor | Hawkesbury | $754,670 | 14.3% | 7.4% | 4.6% |
| Bradbury | Campbelltown | $553,492 | 13.3% | 6.4% | 5.2% |
| Wyoming | Central Coast | $615,286 | 13.2% | 7.8% | 5.8% |
| Camperdown | Sydney | $970,342 | 12.3% | 4.7% | 4.2% |
| Queenscliff | Northern Beaches | $1,384,987 | 11.6% | 6.2% | 5.0% |
| Kingswood | Penrith | $565,294 | 11.4% | 5.3% | 3.7% |
| The Rocks | Sydney | $1,969,285 | 10.9% | 2.1% | 4.9% |
| Springwood | Blue Mountains | $659,199 | 10.9% | 5.8% | 5.1% |

## Highest gross rental yield for houses in October 2024

Excludes areas with a low number of observations

| Sydney Houses | | | | |
|---|---|---|---|---|
| Suburb | LGA Name | Median value | Gross rental yield | Median rental rate |
| Blue Haven | Central Coast | $742,158 | 4.5% | $654 |
| San Remo | Central Coast | $687,598 | 4.4% | $595 |
| Gorokan | Central Coast | $688,716 | 4.3% | $585 |
| Mannering Park | Central Coast | $717,884 | 4.3% | $611 |
| Lake Haven | Central Coast | $719,688 | 4.3% | $623 |
| Charmhaven | Central Coast | $709,509 | 4.2% | $598 |
| Gwandalan | Central Coast | $772,782 | 4.2% | $639 |
| Budgewoi | Central Coast | $718,547 | 4.2% | $596 |
| Halekulani | Central Coast | $732,750 | 4.2% | $621 |
| Wadalba | Central Coast | $905,886 | 4.2% | $733 |

| Sydney Units | | | | |
|---|---|---|---|---|
| Suburb | LGA Name | Median value | Gross rental yield | Median rental rate |
| Rosehill | Parramatta | $486,474 | 6.4% | $571 |
| Warwick Farm | Liverpool | $408,199 | 6.4% | $487 |
| Harris Park | Parramatta | $482,884 | 6.1% | $556 |
| Granville | Cumberland | $529,358 | 6.0% | $572 |
| Liverpool | Liverpool | $449,013 | 6.0% | $503 |
| Auburn | Cumberland | $553,690 | 5.9% | $628 |
| Lakemba | Canterbury-Bankstown | $486,743 | 5.9% | $538 |
| Fairfield | Fairfield | $444,611 | 5.8% | $489 |
| Merrylands | Cumberland | $521,065 | 5.8% | $552 |
| Merrylands West | Cumberland | $480,027 | 5.8% | $521 |

# Regional New South Wales

Housing values across Regional NSW were up 3.2% over the 12 months to October, up from the 0.3% rise recorded over same period a year ago but well below the pandemic highs when the annual rate of growth peaked at 32.5% over the 12 months ending January 2022.

Across the sub-markets of regional NSW, almost every region has recorded an annual rise in home values. The exception was the Southern Highlands and Shoalhaven region, where values were down 1.1% to be 12.9% below the record highs seen in March 2022.

The highest annual change was recorded across the Richmond Tweed region with a 7.5% rise in values. The strong conditions come after a short but sharp decline of 15.9% through the early phase of rate hikes.

Rental markets have been stronger, with a 6.2% increase in rent values over the 12 months ending October. The annual pace of rental growth has lifted from 1.2% a year ago but remains well below the pandemic highs where annual rental growth peaked at 14.3% in the year to October 2021.

Rents are up across every sub-market over the past 12 months, with the highest annual change recorded across the Riverina region, up 9.3%. The smallest rise in regional rents over the 12 months ending October was in the Far West and Orana at 1.8%.

With rents rising more than values over the past year, gross yields have shown a subtle improvement, rising to 4.10% from 3.95% the same time a year ago.

## **Regional NSW market key statistics** as at end of October 2024

| Property type | Median value | 25th percentile value | 75th percentile value | Change in values | Median rental value | Change in rents 12m | Gross rental yield |
|---|---|---|---|---|---|---|---|
| **Dwellings** | $737,670 | $530,517 | $964,140 | 3.2% | $583 | 6.2% | 4.1% |
| **Houses** | $766,744 | $551,729 | $996,265 | 3.1% | $597 | 6.3% | 4.1% |
| **Units** | $606,453 | $456,036 | $776,052 | 3.6% | $512 | 6.1% | 4.4% |

Source: CoreLogic

# Top suburbs

## **Largest change in house values over the** 12 months to October 2024

Excludes areas with a low number of observations

| Rest of NSW Houses | | | Annual change in dwelling values | | |
|---|---|---|---|---|---|
| **Suburb** | **LGA Name** | **Median value** | **12m** | **5y** | **10y** |
| **Coraki** | Richmond Valley | $446,870 | 26.6% | 8.6% | 7.3% |
| **Lismore Heights** | Lismore | $474,186 | 25.0% | 6.5% | 6.1% |
| **Lismore** | Lismore | $447,077 | 24.5% | 7.0% | 6.5% |
| **South Lismore** | Lismore | $384,955 | 24.3% | 6.0% | 5.8% |
| **Boorowa** | Hilltops | $478,321 | 24.3% | 14.6% | 9.8% |
| **Girards Hill** | Lismore | $457,520 | 22.7% | 7.7% | 6.8% |
| **North Lismore** | Lismore | $385,409 | 21.2% | 5.0% | 5.4% |
| **East Lismore** | Lismore | $498,483 | 20.1% | 8.2% | 7.1% |
| **Kyogle** | Kyogle | $530,418 | 16.7% | 12.7% | 9.7% |
| **Bermagui** | Bega Valley | $986,604 | 16.5% | 11.0% | 9.6% |

| Rest of NSW Units | | | Annual change in dwelling values | | |
|---|---|---|---|---|---|
| **Suburb** | **LGA Name** | **Median value** | **12m** | **5y** | **10y** |
| **Ocean Shores** | Byron | $824,073 | 18.2% | 9.1% | 8.7% |
| **Banora Point** | Tweed | $751,018 | 17.1% | 10.3% | 8.0% |
| **Tweed Heads West** | Tweed | $602,091 | 16.4% | 12.8% | 9.1% |
| **Figtree** | Wollongong | $743,100 | 15.7% | 5.8% | 6.1% |
| **Tweed Heads South** | Tweed | $765,650 | 15.7% | 12.3% | 8.6% |
| **West Albury** | Albury | $405,541 | 14.3% | 8.8% | 4.7% |
| **Tweed Heads** | Tweed | $808,447 | 13.1% | 9.6% | 7.5% |
| **Lavington** | Albury | $323,686 | 12.0% | 12.0% | 6.9% |
| **Lambton** | Newcastle | $675,565 | 11.9% | 6.6% | 5.9% |
| **New Lambton** | Newcastle | $651,830 | 11.2% | 6.7% | 4.9% |

## **Highest gross rental yield for houses** in October 2024

Excludes areas with a low number of observations

| Rest of NSW Houses | | | | |
|---|---|---|---|---|
| **Suburb** | **LGA Name** | **Median value** | **Gross rental yield** | **Median rental rate** |
| **Boggabri** | Narrabri | $254,092 | 8.3% | $419 |
| **Deniliquin** | Edward River | $310,130 | 7.4% | $438 |
| **Quirindi** | Liverpool Plains | $340,618 | 6.4% | $431 |
| **Forbes** | Forbes | $351,632 | 6.3% | $410 |
| **Leeton** | Leeton | $371,664 | 6.2% | $431 |
| **West Tamworth** | Tamworth | $367,773 | 6.1% | $439 |
| **North Albury** | Albury | $415,378 | 6.0% | $513 |
| **Gunnedah** | Gunnedah | $415,413 | 5.9% | $484 |
| **Gulgong** | Mid-Western | $530,929 | 5.9% | $585 |
| **Junee** | Junee | $370,932 | 5.8% | $431 |

| Rest of NSW Units | | | | |
|---|---|---|---|---|
| **Suburb** | **LGA Name** | **Median value** | **Gross rental yield** | **Median rental rate** |
| **Muswellbrook** | Muswellbrook | $326,332 | 6.0% | $375 |
| **Grafton** | Clarence Valley | $343,334 | 6.0% | $389 |
| **Crestwood** | Queanbeyan-Palerang | $382,202 | 6.0% | $449 |
| **Lavington** | Albury | $323,686 | 5.9% | $356 |
| **Queanbeyan** | Queanbeyan-Palerang | $420,630 | 5.9% | $462 |
| **Taree** | Mid-Coast | $343,254 | 5.8% | $359 |
| **Wagga Wagga** | Wagga Wagga | $372,916 | 5.8% | $401 |
| **Orange** | Orange | $405,248 | 5.7% | $429 |
| **Queanbeyan East** | Queanbeyan-Palerang | $416,555 | 5.6% | $449 |
| **Mudgee** | Mid-Western | $451,754 | 5.4% | $440 |

# Melbourne

# The housing market in Melbourne has recorded a relatively subdued performance, with values consistently trending lower over the past seven months.

# Melbourne

The housing market in Melbourne has recorded a relatively subdued performance, with values consistently trending lower over the past seven months to be down 1.9% over the 12 months ending October. The relatively soft housing conditions can be attributed to a range of factors, including higher property taxes, less investment demand, and a higher level of dwelling completions than other states and territories over the long term.

The unit sector has been more resilient to the downturn, but not immune. Values across Melbourne's unit sector have fallen by 0.6% over the past three months while house values are down by a larger 1.0%.

We have also seen weaker conditions across the more expensive sector of the market, with the upper quartile down 1.2% over the past three months, while lower quartile values have fallen by a smaller 0.3%.

Softer home values have occurred alongside a rise in advertised stock levels. At the end of October total advertised listings were tracking 5.3% higher than a year ago and 13.0% above the five-year average. The rise in advertised stock levels has seen homes taking longer to sell, and auction clearance rates have reduced to below average levels.

Rental trends have levelled out, with house rents nudging only 0.1% higher over the three months ending October, while unit rents have slipped 0.4%. Annual rental growth has reduced from 11.8% a year ago to 5.6% over the 12 months ending October 2024.

## **Melbourne market key statistics** as at end of October 2024

| Property type | Median value | 25th percentile value | 75th percentile value | Change in values | Median rental value | Change in rents 12m | Gross rental yield |
|---|---|---|---|---|---|---|---|
| **Dwellings** | $778,926 | $610,944 | $1,107,496 | -1.9% | $606 | 5.6% | 3.7% |
| **Houses** | $928,808 | $730,344 | $1,337,100 | -1.8% | $632 | 5.4% | 3.2% |
| **Units** | $613,638 | $485,306 | $785,574 | -2.2% | $571 | 5.9% | 4.7% |

Source: CoreLogic

# Top suburbs

## Largest change in house values over the 12 months to October 2024

Excludes areas with a low number of observations

| Greater Melbourne Houses | | | Annual change in dwelling values | | |
|---|---|---|---|---|---|
| **Suburb** | **LGA Name** | **Median value** | **12m** | **5y** | **10y** |
| **Princes Hill** | Yarra | $1,831,163 | 6.8% | 2.7% | 4.5% |
| **Beaconsfield** | Cardinia | $1,035,734 | 6.0% | 6.0% | 7.5% |
| **Coolaroo** | Hume | $546,114 | 5.4% | 3.7% | 5.9% |
| **Fitzroy** | Yarra | $1,637,909 | 5.1% | 3.5% | 5.0% |
| **Coburg North** | Moreland | $1,039,572 | 5.1% | 3.2% | 4.7% |
| **Noble Park** | Greater Dandenong | $800,630 | 4.9% | 4.4% | 5.3% |
| **Jacana** | Hume | $578,703 | 4.5% | 1.8% | 4.4% |
| **Carlton North** | Yarra | $1,645,652 | 4.4% | 1.5% | 4.9% |
| **Collingwood** | Yarra | $1,203,550 | 4.1% | 4.1% | 5.9% |
| **Gembrook** | Cardinia | $996,763 | 4.1% | 5.5% | 7.1% |

| Greater Melbourne Units | | | Annual change in dwelling values | | |
|---|---|---|---|---|---|
| **Suburb** | **LGA Name** | **Median value** | **12m** | **5y** | **10y** |
| **Parkville** | Melbourne | $578,987 | 7.9% | 0.6% | -0.1% |
| **Thomastown** | Whittlesea | $501,963 | 6.5% | 4.2% | 3.9% |
| **Sydenham** | Brimbank | $498,652 | 5.9% | 3.7% | 4.7% |
| **Wollert** | Whittlesea | $504,345 | 5.8% | 2.3% | 2.4% |
| **Ringwood East** | Maroondah | $708,965 | 5.4% | 2.3% | 3.8% |
| **Carlton North** | Yarra | $763,800 | 5.3% | 2.6% | 2.6% |
| **Eumemmerring** | Casey | $528,356 | 5.1% | 5.0% | 4.7% |
| **Greenvale** | Hume | $587,381 | 4.8% | 2.2% | 3.8% |
| **Carrum** | Kingston | $798,552 | 4.7% | 2.8% | 5.4% |
| **Lilydale** | Yarra Ranges | $602,626 | 4.6% | 2.5% | 4.0% |

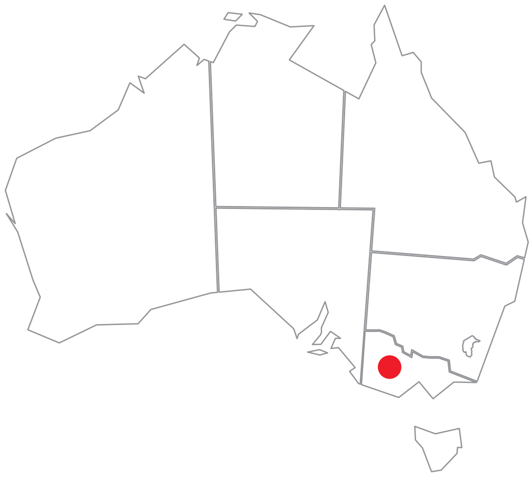
## Highest gross rental yield for houses in October 2024

Excludes areas with a low number of observations

| Greater Melbourne Houses | | | | |
|---|---|---|---|---|
| **Suburb** | **LGA Name** | **Median value** | **Gross rental yield** | **Median rental rate** |
| **Dallas** | Hume | $555,685 | 5.0% | $520 |
| **Meadow Heights** | Hume | $584,764 | 4.8% | $518 |
| **Broadmeadows** | Hume | $573,794 | 4.8% | $510 |
| **Melton** | Melton | $473,058 | 4.7% | $427 |
| **Melton South** | Melton | $495,813 | 4.6% | $435 |
| **Hastings** | Mornington Peninsula | $644,675 | 4.6% | $608 |
| **Roxburgh Park** | Hume | $675,561 | 4.6% | $561 |
| **Craigieburn** | Hume | $687,871 | 4.6% | $572 |
| **Doveton** | Casey | $603,273 | 4.6% | $531 |
| **Wollert** | Whittlesea | $735,320 | 4.5% | $623 |

| Greater Melbourne Units | | | | |
|---|---|---|---|---|
| **Suburb** | **LGA Name** | **Median value** | **Gross rental yield** | **Median rental rate** |
| **Carlton** | Melbourne | $365,940 | 7.7% | $542 |
| **Travancore** | Moonee Valley | $393,093 | 7.0% | $535 |
| **Melbourne** | Melbourne | $472,405 | 6.9% | $662 |
| **Notting Hill** | Monash | $376,467 | 6.7% | $546 |
| **West Melbourne** | Melbourne | $498,499 | 6.5% | $632 |
| **Southbank** | Melbourne | $576,502 | 6.3% | $698 |
| **Box Hill** | Whitehorse | $502,386 | 5.9% | $582 |
| **Docklands** | Melbourne | $590,337 | 5.9% | $705 |
| **Abbotsford** | Yarra | $544,602 | 5.9% | $632 |
| **Maribyrnong** | Maribyrnong | $482,857 | 5.8% | $557 |

# Regional Victoria



Across regional Victoria, housing markets lost 2.1% in value over the year ending October, a slightly softer outcome relative to Greater Melbourne (-1.9%). Values have been declining across the broad regional area of the state on an annual basis since December 2022, following a 43.2% surge in value from the pandemic low to a record high in May 2022.

Most of regional Victoria's sub-markets recorded a decline in values over the past year, with the largest falls recorded in Ballarat (-6.6%), Latrobe-Gippsland (-4.0%) and Geelong (-2.8%). However, several sub-markets recorded a rise in value over the 12 months to October, with the North West up 4.1%, Hume values rising 2.6% and Shepparton holding virtually flat with a 0.2% rise.

At just 1.3% in October, regional rental vacancy rates are holding well below average. With rental conditions remaining tight, annual rental growth has remained positive. House rents rose 5.2% over the 12 months to October 2024 and unit rents were up a stronger 6.6%. Across the sub-markets of regional Victoria, annual rental growth has ranged from a 7.9% rise across the North West to a 2.6% rise in Ballarat.

With rents continuing to rise as dwelling values fall, gross rental yields have been trending higher, up from 3.89% a year ago to 4.25% in October 2024, the highest gross yield since September 2020.

## **Regional Vic. market key statistics** as at end of October 2024

| Property type | Median value | 25th percentile value | 75th percentile value | Change in values | Median rental value | Change in rents 12m | Gross rental yield |
|---|---|---|---|---|---|---|---|
| **Dwellings** | $562,302 | $420,487 | $717,800 | -2.1% | $478 | 5.4% | 4.3% |
| **Houses** | $594,649 | $455,093 | $744,165 | -2.2% | $490 | 5.2% | 4.2% |
| **Units** | $399,579 | $331,864 | $496,516 | -1.4% | $395 | 6.6% | 5.0% |

Source: CoreLogic

# Top suburbs

## Largest change in house values over the 12 months to October 2024

Excludes areas with a low number of observations

| Rest of Vic. Houses | | | Annual change in dwelling values | | |
|---|---|---|---|---|---|
| **Suburb** | **LGA Name** | **Median value** | **12m** | **5y** | **10y** |
| **Ouyen** | Mildura | $211,129 | 9.9% | 13.2% | 3.9% |
| **Red Cliffs** | Mildura | $363,877 | 9.3% | 8.9% | 5.8% |
| **Merbein** | Mildura | $330,388 | 8.9% | 9.1% | 5.7% |
| **Rochester** | Campaspe | $330,249 | 8.5% | 7.8% | 5.6% |
| **Mansfield** | Mansfield | $812,332 | 7.3% | 11.7% | 7.3% |
| **Marong** | Greater Bendigo | $677,079 | 6.8% | 7.7% | 6.3% |
| **Rutherglen** | Indigo | $509,317 | 6.5% | 11.0% | 7.3% |
| **Mildura** | Mildura | $467,104 | 6.0% | 8.1% | 5.8% |
| **Tatura** | Greater Shepparton | $496,024 | 6.0% | 8.3% | 5.2% |
| **Mortlake** | Moyne | $330,872 | 5.8% | 13.3% | 7.1% |

| Rest of Vic. Units | | | Annual change in dwelling values | | |
|---|---|---|---|---|---|
| **Suburb** | **LGA Name** | **Median value** | **12m** | **5y** | **10y** |
| **Echuca** | Campaspe | $419,594 | 9.2% | 13.0% | 5.6% |
| **Golden Square** | Greater Bendigo | $376,921 | 7.1% | 8.8% | 5.2% |
| **Benalla** | Benalla | $321,076 | 6.6% | 7.5% | 6.0% |
| **Cobram** | Moira | $315,172 | 5.3% | 11.0% | 7.3% |
| **Drouin** | Baw Baw | $425,847 | 5.0% | 6.3% | 6.8% |
| **Wodonga** | Wodonga | $352,063 | 4.7% | 9.6% | 5.3% |
| **Warragul** | Baw Baw | $420,824 | 4.5% | 6.5% | 6.4% |
| **Mildura** | Mildura | $285,001 | 4.1% | 7.4% | 6.1% |
| **West Wodonga** | Wodonga | $352,443 | 4.0% | 9.6% | 5.5% |
| **Horsham** | Horsham | $306,869 | 4.0% | 7.0% | 5.9% |

## Highest gross rental yield for houses in October 2024

Excludes areas with a low number of observations

| Rest of Vic. Houses | | | | |
|---|---|---|---|---|
| **Suburb** | **LGA Name** | **Median value** | **Gross rental yield** | **Median rental rate** |
| **Echuca** | Campaspe | $587,690 | 7.0% | $797 |
| **Morwell** | Latrobe | $319,787 | 6.5% | $411 |
| **Red Cliffs** | Mildura | $363,877 | 6.1% | $430 |
| **Portland** | Glenelg | $384,523 | 6.1% | $472 |
| **Moe** | Latrobe | $347,988 | 6.0% | $414 |
| **Ararat** | Ararat | $341,066 | 6.0% | $405 |
| **Mooroopna** | Greater Shepparton | $388,508 | 6.0% | $468 |
| **Horsham** | Horsham | $364,865 | 5.7% | $410 |
| **Mildura** | Mildura | $467,104 | 5.6% | $497 |
| **Sale** | Wellington | $470,227 | 5.5% | $492 |

| Rest of Vic. Units | | | | |
|---|---|---|---|---|
| **Suburb** | **LGA Name** | **Median value** | **Gross rental yield** | **Median rental rate** |
| **Echuca** | Campaspe | $419,594 | 7.3% | $606 |
| **Traralgon** | Latrobe | $317,053 | 6.3% | $361 |
| **Morwell** | Latrobe | $272,928 | 6.2% | $311 |
| **Sebastopol** | Ballarat | $309,791 | 6.1% | $360 |
| **Mildura** | Mildura | $285,001 | 6.0% | $349 |
| **Sale** | Wellington | $326,571 | 5.9% | $372 |
| **Wodonga** | Wodonga | $352,063 | 5.8% | $398 |
| **Wendouree** | Ballarat | $327,786 | 5.5% | $345 |
| **Shepparton** | Greater Shepparton | $340,438 | 5.5% | $367 |
| **Cobram** | Moira | $315,172 | 5.5% | $345 |

# Brisbane

# Momentum is leaving the housing market upswing in Brisbane, although it remains one of the strongest around the country.

# Brisbane

Momentum is leaving the housing market upswing in Brisbane, although it remains one of the strongest around the country. Dwelling values rose a further 0.7% in October to be 13.0% higher over the year. Only Perth (22.6%) and Adelaide (15.0%) have recorded higher annual rates of growth. Although annual capital gains remain high, the rate of growth has eased from a recent peak of 17.1% over the 12 months ending April 2024.

The unit market is driving stronger capital gains with values up 18.8% over the 12 months ending October compared with an 11.9% rise in house values. Similarly, the lower quartile of the market has recorded stronger growth, with values up 20.4% over the past 12 months while upper quartile values have increased at less than half that rate, up 9.5%.

The slower growth conditions come as advertised stock levels rise, albeit from a very low base. Brisbane listings were 4.5% higher than at the end of October 2023 but are still holding 23% below the previous five-year average.

Rental conditions have levelled out over recent months, with Brisbane rents down 0.1% over the three months ending October. This dragged the annual change in Brisbane rents to 4.1% which is roughly half the pace annual rental growth a year ago (8.1%). The unit sector has recorded a sharper slowdown in rents, with the annual rate of growth falling to 3.2%, the lowest since the year ending April 2021.

## **Brisbane market key statistics** as at end of October 2024

| Property type | Median value | 25th percentile value | 75th percentile value | Change in values | Median rental value | Change in rents 12m | Gross rental yield |
|---|---|---|---|---|---|---|---|
| **Dwellings** | $883,357 | $699,094 | $1,163,375 | 13.0% | $657 | 4.1% | 3.7% |
| **Houses** | $974,025 | $765,088 | $1,251,076 | 11.9% | $681 | 4.4% | 3.5% |
| **Units** | $669,254 | $558,779 | $807,523 | 18.8% | $587 | 3.2% | 4.5% |

Source: CoreLogic

# Top suburbs

## Largest change in house values over the 12 months to October 2024

Excludes areas with a low number of observations

| Greater Brisbane Houses | | | Annual change in dwelling values | | |
|---|---|---|---|---|---|
| Suburb | LGA Name | Median value | 12m | 5y | 10y |
| Tivoli | Ipswich | $614,550 | 27.0% | 14.0% | 8.2% |
| Leichhardt | Ipswich | $573,188 | 25.2% | 15.9% | 8.6% |
| Kingston | Logan | $655,293 | 24.7% | 15.8% | 8.8% |
| One Mile | Ipswich | $558,839 | 24.4% | 16.0% | 8.9% |
| North Ipswich | Ipswich | $620,635 | 23.8% | 14.1% | 8.0% |
| Fernvale | Somerset | $714,445 | 23.1% | 15.3% | 8.1% |
| Riverview | Ipswich | $556,065 | 22.0% | 15.9% | 8.5% |
| Gailes | Ipswich | $610,667 | 22.0% | 15.1% | 8.0% |
| Lowood | Somerset | $590,708 | 21.7% | 15.7% | 7.8% |
| Gaythorne | Brisbane | $1,228,247 | 21.6% | 12.1% | 7.0% |

| Greater Brisbane Units | | | Annual change in dwelling values | | |
|---|---|---|---|---|---|
| Suburb | LGA Name | Median value | 12m | 5y | 10y |
| Bethania | Logan | $524,799 | 48.0% | 12.8% | 4.2% |
| Waterford West | Logan | $455,291 | 45.4% | 18.6% | 7.7% |
| Loganlea | Logan | $582,664 | 44.7% | 15.4% | 6.9% |
| Logan Central | Logan | $392,742 | 41.0% | 15.2% | 7.1% |
| Beenleigh | Logan | $450,777 | 34.9% | 17.5% | 7.8% |
| Slacks Creek | Logan | $471,924 | 34.3% | 16.6% | 7.7% |
| Kingston | Logan | $475,257 | 34.2% | 15.0% | 6.0% |
| Woodridge | Logan | $393,717 | 33.5% | 16.5% | 7.3% |
| Edens Landing | Logan | $548,574 | 33.5% | 18.8% | 7.2% |
| Goodna | Ipswich | $383,578 | 32.1% | 13.4% | 5.5% |

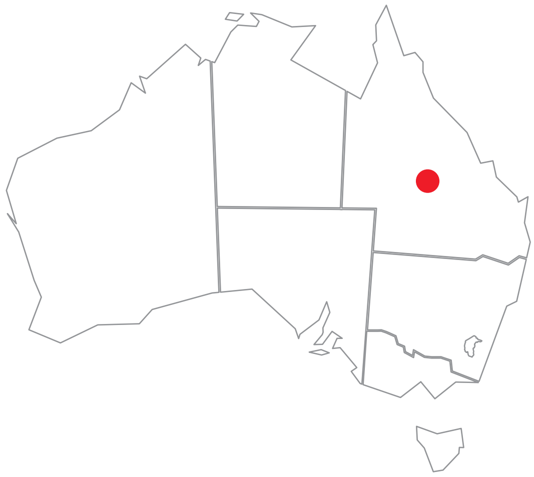
## Highest gross rental yield for houses in October 2024

Excludes areas with a low number of observations

| Greater Brisbane Houses | | | | |
|---|---|---|---|---|
| Suburb | LGA Name | Median value | Gross rental yield | Median rental rate |
| Macleay Island | Redland | $446,846 | 5.5% | $465 |
| Russell Island | Redland | $413,400 | 5.5% | $435 |
| North Booval | Ipswich | $571,530 | 4.8% | $538 |
| Lowood | Somerset | $590,708 | 4.8% | $536 |
| Yarrabilba | Logan | $696,284 | 4.6% | $588 |
| Logan Central | Logan | $632,785 | 4.6% | $564 |
| Bundamba | Ipswich | $577,253 | 4.6% | $519 |
| Goodna | Ipswich | $593,210 | 4.6% | $529 |
| Waterford | Logan | $745,178 | 4.5% | $632 |
| Caboolture South | Moreton Bay | $649,812 | 4.5% | $554 |

| Greater Brisbane Units | | | | |
|---|---|---|---|---|
| Suburb | LGA Name | Median value | Gross rental yield | Median rental rate |
| Spring Hill | Brisbane | $548,399 | 6.0% | $615 |
| Caboolture | Moreton Bay | $419,542 | 5.9% | $416 |
| Fortitude Valley | Brisbane | $564,483 | 5.7% | $630 |
| Brisbane City | Brisbane | $695,895 | 5.6% | $770 |
| Bowen Hills | Brisbane | $561,870 | 5.6% | $627 |
| Woodridge | Logan | $393,717 | 5.5% | $394 |
| South Brisbane | Brisbane | $717,721 | 5.4% | $718 |
| Upper Mount Gravatt | Brisbane | $617,495 | 5.4% | $635 |
| Milton | Brisbane | $629,439 | 5.3% | $614 |
| Kelvin Grove | Brisbane | $624,989 | 5.1% | $584 |

# Region Queensland



Strong housing outcomes continue to characterise regional Queensland's markets, with home values up 11.4% over the 12 months to October. This was the second highest rate of annual value growth across Australia's non-capital city markets after regional Western Australia, up 18.1%. Apart from a short but sharp 5.5% drop in values through the first five months of the rate hiking cycle in 2022, regional Queensland dwelling values have been trending higher since July 2017.

Every sub-market has recorded a rise in value over the past 12 months, led by Townsville (25.9%) and Central Queensland (20.8%) and ranging down to a 7.7% rise in Sunshine Coast values.

Rental markets have also remained tight with the vacancy rate in October holding well below average levels at 1.6%. Regional rents increased by 6.5% for houses and 5.7% for units over the 12 months to October.

Every regional sub-market of Queensland has recorded a rise in rents over the 12 months to October. Rents have risen the most across the Mackay-Issac-Whitsunday's sub-market (8.9%), Townsville (8.5%) and Sunshine Coast (8.2%). Softer growth conditions were evident in Toowoomba (4.6%) and Gold Coast (4.9%).

With values rising at a faster pace than rents, gross rental yields have been under some downwards pressure across regional Queensland, reducing from 4.62% a year ago to 4.41% in October, the lowest gross yield since June 2022.

## **Regional Qld market key statistics** as at end of October 2024

| Property type | Median value | 25th percentile value | 75th percentile value | Change in values | Median rental value | Change in rents 12m | Gross rental yield |
|---|---|---|---|---|---|---|---|
| **Dwellings** | $677,869 | $488,926 | $978,612 | 11.4% | $625 | 6.3% | 4.4% |
| **Houses** | $678,491 | $497,319 | $1,007,834 | 11.3% | $629 | 6.5% | 4.3% |
| **Units** | $676,249 | $453,583 | $909,091 | 11.5% | $615 | 5.7% | 4.7% |

Source: CoreLogic

# Top suburbs

## Largest change in house values over the 12 months to October 2024

Excludes areas with a low number of observations

| Rest of Qld Houses | | | Annual change in dwelling values | | |
|---|---|---|---|---|---|
| Suburb | LGA Name | Median value | 12m | 5y | 10y |
| Rasmussen | Townsville | $449,717 | 37.1% | 13.6% | 4.6% |
| Rockhampton City | Rockhampton | $323,451 | 36.2% | 15.5% | 5.3% |
| Wulguru | Townsville | $460,564 | 36.0% | 12.6% | 4.5% |
| Vincent | Townsville | $430,099 | 33.7% | 10.9% | 3.6% |
| Toolooa | Gladstone | $418,998 | 33.6% | 14.9% | 5.0% |
| Cranbrook | Townsville | $457,160 | 33.5% | 11.7% | 4.9% |
| Currajong | Townsville | $444,890 | 32.9% | 12.1% | 4.3% |
| Deeragun | Townsville | $511,358 | 32.2% | 12.6% | 4.7% |
| Barney Point | Gladstone | $375,629 | 31.9% | 13.2% | 3.3% |
| Condon | Townsville | $457,798 | 31.8% | 13.4% | 4.6% |

| Rest of Qld Units | | | Annual change in dwelling values | | |
|---|---|---|---|---|---|
| Suburb | LGA Name | Median value | 12m | 5y | 10y |
| Dolphin Heads | Mackay | $208,381 | 49.0% | 15.2% | 9.7% |
| East Mackay | Mackay | $317,397 | 43.9% | 14.6% | 1.7% |
| West End | Townsville | $336,900 | 39.8% | 9.0% | 3.0% |
| Laguna Quays | Mackay | $131,989 | 38.6% | 18.6% | 1.1% |
| Kirwan | Townsville | $401,782 | 32.3% | 9.9% | 3.4% |
| West Gladstone | Gladstone | $263,236 | 32.1% | 20.3% | 0.9% |
| Rosslea | Townsville | $318,381 | 32.1% | 14.2% | 3.4% |
| Toowoomba City | Toowoomba | $461,135 | 32.0% | 12.0% | 4.8% |
| Southside | Gympie | $394,379 | 31.6% | 9.4% | 3.5% |
| Blacks Beach | Mackay | $394,680 | 31.5% | 11.7% | 7.1% |

## Highest gross rental yield for houses in October 2024

Excludes areas with a low number of observations

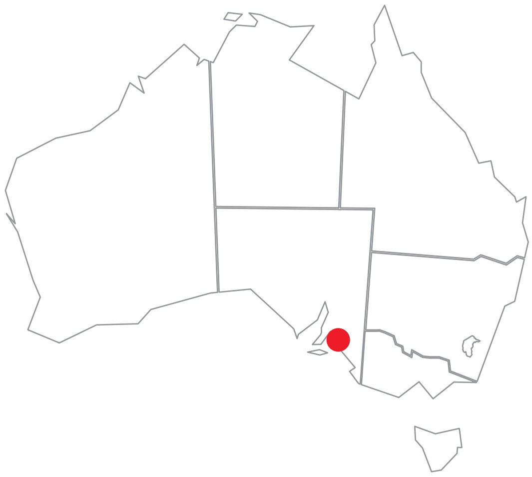
| Rest of Qld Houses | | | | |
|---|---|---|---|---|
| Suburb | LGA Name | Median value | Gross rental yield | Median rental rate |
| Dysart | Isaac | $217,023 | 10.2% | $424 |
| Blackwater | Central Highlands | $229,603 | 10.0% | $442 |
| Moranbah | Isaac | $350,196 | 9.7% | $684 |
| Rockhampton City | Rockhampton | $323,451 | 7.2% | $443 |
| Emerald | Central Highlands | $413,805 | 6.9% | $561 |
| Ayr | Burdekin | $271,162 | 6.8% | $389 |
| Roma | Maranoa | $301,557 | 6.8% | $436 |
| Mackay | Mackay | $425,647 | 6.5% | $552 |
| South Mackay | Mackay | $457,940 | 6.5% | $599 |
| Berserker | Rockhampton | $384,998 | 6.3% | $460 |

| Rest of Qld Units | | | | |
|---|---|---|---|---|
| Suburb | LGA Name | Median value | Gross rental yield | Median rental rate |
| Emerald | Central Highlands | $264,665 | 7.6% | $383 |
| Manunda | Cairns | $285,177 | 7.5% | $424 |
| Manoora | Cairns | $311,853 | 7.2% | $430 |
| Bowen | Whitsunday | $346,559 | 6.8% | $427 |
| South Gladstone | Gladstone | $236,727 | 6.8% | $325 |
| Rosslea | Townsville | $318,381 | 6.7% | $396 |
| Cairns North | Cairns | $392,462 | 6.5% | $481 |
| Mackay | Mackay | $378,338 | 6.5% | $442 |
| Gladstone Central | Gladstone | $313,796 | 6.5% | $377 |
| Ayr | Burdekin | $248,289 | 6.5% | $305 |

# Adelaide

# Housing values in Adelaide rose a further 1.1% in October – the eighth month in a row where values have risen by more than 1%.

# Adelaide



Housing values in Adelaide rose a further 1.1% in October – the eighth month in a row where values have risen by more than 1% – and Adelaide is showing little sign of losing momentum. Annual value growth, at 15.0%, was at a cyclical high over the 12 months ending October. This marked the fourth period in the past 30 years when the annual pace of capital gains has been at 15% or higher.

The local unit market has been driving the most significant gains, with values up 18.5% over the past 12 months while house values have gained 14.5%. Similarly, the lower quartile of the market is driving the strongest value gains, up 21.2% over the past year, while upper quartile values have increased at almost half this rate, up 12.0%.

In some good news for buyers, Adelaide listings have gradually risen through spring, with 8.6% more listings at the end of October than at the end of winter. Although stock on market is rising, it is doing so from a low base, with total listing numbers remaining 8.9% lower than at the same time last year and 32.5% below the previous five-year average.

Rental markets are slowing down, but rents are still rising. The past three months saw Adelaide rents rise by 0.9%, the first sub 1% change in rents over a rolling three-month period since September 2020.

## **Adelaide market key statistics** as at end of October 2024

| Property type | Median value | 25th percentile value | 75th percentile value | Change in values | Median rental value | Change in rents 12m | Gross rental yield |
|---|---|---|---|---|---|---|---|
| **Dwellings** | $808,644 | $658,252 | $1,019,416 | 15.0% | $605 | 7.2% | 3.7% |
| **Houses** | $864,487 | $722,110 | $1,081,020 | 14.5% | $624 | 6.7% | 3.5% |
| **Units** | $574,362 | $491,377 | $686,914 | 18.5% | $513 | 9.4% | 4.7% |

Source: CoreLogic

# Top suburbs

## Largest change in house values over the 12 months to October 2024

Excludes areas with a low number of observations

| Greater Adelaide Houses | | | Annual change in dwelling values | | |
|---|---|---|---|---|---|
| Suburb | LGA Name | Median value | 12m | 5y | 10y |
| Elizabeth South | Playford | $500,043 | 30.2% | 18.2% | 9.1% |
| Elizabeth Grove | Playford | $517,180 | 29.9% | 17.9% | 9.3% |
| Davoren Park | Playford | $511,571 | 27.8% | 20.1% | 10.0% |
| Eyre | Playford | $629,678 | 27.7% | 16.5% | 8.4% |
| Elizabeth Park | Playford | $548,090 | 27.6% | 18.9% | 9.4% |
| Elizabeth East | Playford | $569,470 | 26.9% | 17.8% | 8.6% |
| Munno Para | Playford | $596,117 | 25.4% | 15.2% | 7.6% |
| Elizabeth North | Playford | $469,738 | 25.1% | 18.5% | 8.8% |
| Munno Para West | Playford | $648,217 | 24.9% | 16.1% | 8.1% |
| Elizabeth Vale | Playford | $557,178 | 23.7% | 15.7% | 8.0% |

| Greater Adelaide Units | | | Annual change in dwelling values | | |
|---|---|---|---|---|---|
| Suburb | LGA Name | Median value | 12m | 5y | 10y |
| Edwardstown | Marion | $573,103 | 39.5% | 11.7% | 6.8% |
| South Plympton | Marion | $553,074 | 32.5% | 10.5% | 5.9% |
| Brighton | Holdfast Bay | $748,294 | 32.2% | 12.5% | 6.1% |
| Ascot Park | Marion | $593,585 | 31.3% | 11.9% | 6.8% |
| Hove | Holdfast Bay | $685,099 | 30.4% | 12.5% | 7.0% |
| Paradise | Campbelltown | $597,542 | 29.2% | 13.9% | 6.8% |
| Blackwood | Mitcham | $562,742 | 28.6% | 14.2% | 6.7% |
| Salisbury East | Salisbury | $448,128 | 28.3% | 14.9% | 7.7% |
| Glengowrie | Marion | $641,343 | 26.4% | 13.5% | 6.5% |
| Pooraka | Salisbury | $525,292 | 25.8% | 13.5% | 6.6% |

## Highest gross rental yield for houses in October 2024

Excludes areas with a low number of observations

| Greater Adelaide Houses | | | | |
|---|---|---|---|---|
| Suburb | LGA Name | Median value | Gross rental yield | Median rental rate |
| Elizabeth Downs | Playford | $476,945 | 5.3% | $480 |
| Elizabeth North | Playford | $469,738 | 5.2% | $466 |
| Smithfield | Playford | $511,784 | 5.1% | $495 |
| Smithfield Plains | Playford | $525,682 | 5.0% | $499 |
| Davoren Park | Playford | $511,571 | 5.0% | $483 |
| Salisbury North | Salisbury | $574,316 | 4.8% | $526 |
| Elizabeth Park | Playford | $548,090 | 4.8% | $496 |
| Munno Para | Playford | $596,117 | 4.8% | $544 |
| Andrews Farm | Playford | $584,951 | 4.8% | $530 |
| Evanston Gardens | Gawler | $597,678 | 4.7% | $536 |

| Greater Adelaide Units | | | | |
|---|---|---|---|---|
| Suburb | LGA Name | Median value | Gross rental yield | Median rental rate |
| Adelaide | Adelaide | $517,505 | 6.0% | $613 |
| Bowden | Charles Sturt | $635,124 | 5.1% | $599 |
| West Beach | Charles Sturt | $524,889 | 5.1% | $519 |
| Mawson Lakes | Salisbury | $549,745 | 5.0% | $517 |
| Brooklyn Park | West Torrens | $474,714 | 5.0% | $459 |
| Lightsview | Port Adelaide Enfield | $615,599 | 5.0% | $560 |
| Hectorville | Campbelltown | $535,492 | 4.8% | $516 |
| Prospect | Prospect | $559,998 | 4.8% | $533 |
| Norwood | Norwood Payneham and St Peters | $690,842 | 4.3% | $590 |
| Unley | Unley | $718,281 | 4.2% | $541 |

# Regional South Australia

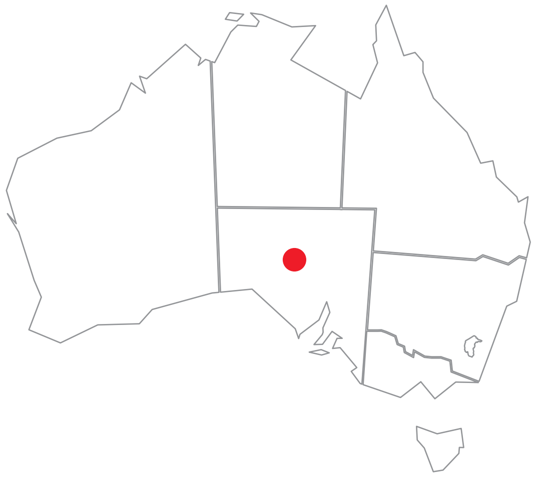
Dwelling values increased by 11.3% across regional South Australia over the 12 months ending October, continuing an extended period of annual growth which commenced in early 2020. Since March 2020, South Australian regional dwelling values have jumped 67.9%, the equivalent of a $178,000 increase to the median value.

Every sub-market across regional South Australia has recorded a rise in values over the past 12 months. The strongest conditions were recorded in Barossa, where dwelling values were up 14.3% over the 12 months to October, followed by Murray and Mallee at 14.0%. The Eyre Peninsula and South West region recorded the smallest annual gain in values, up 6.5%.

Rents have also trended higher across the combined regional areas of the state, up 6.1% over the 12 months ending October. Although rental markets remain tight, with a vacancy rate of 1.8%, the annual trend of rental growth is easing from a recent peak of 9.5% over the 12 months ending March 2024.

Every sub-market has recorded a rise in rents over the past 12 months, led by the Limestone Coast (10.3%) and Fleurieu-Kangaroo Island (9.7%).

With dwelling values rising at a faster rate than rents, gross rental yields have been under some downwards pressure over the past year, falling from 4.95% in October last year to 4.65% in October 2024.



## Regional SA market key statistics as at end of October 2024

| Property type | Median value | 25th percentile value | 75th percentile value | Change in values | Median rental value | Change in rents 12m | Gross rental yield |
|---|---|---|---|---|---|---|---|
| Dwellings | $440,599 | $328,262 | $614,147 | 11.3% | $430 | 6.1% | 4.7% |
| Houses | $451,887 | $340,301 | $623,855 | 11.5% | $437 | 5.9% | 4.6% |
| Units | $306,838 | $229,864 | $409,847 | 6.2% | $321 | 8.5% | 5.6% |

Source: CoreLogic

# Top suburbs

## **Largest change in house values over the** 12 months to October 2024

Excludes areas with a low number of observations

| Rest of SA Houses | | | Annual change in dwelling values | | |
|---|---|---|---|---|---|
| **Suburb** | **LGA Name** | **Median value** | **12m** | **5y** | **10y** |
| **Ardrossan** | Yorke Peninsula | $472,223 | 22.5% | 16.8% | 7.0% |
| **Maitland** | Yorke Peninsula | $411,783 | 21.7% | 17.7% | 5.5% |
| **Peterborough** | Peterborough | $192,446 | 20.2% | 16.8% | 6.8% |
| **Keith** | Tatiara | $289,708 | 19.8% | 14.7% | 6.0% |
| **Murray Bridge East** | Murray Bridge | $539,419 | 19.7% | 14.0% | 6.4% |
| **Mallala** | Adelaide Plains | $513,763 | 19.7% | 13.3% | 7.0% |
| **Clayton Bay** | Alexandrina | $551,924 | 19.5% | 14.0% | 7.9% |
| **Murray Bridge** | Murray Bridge | $449,721 | 19.2% | 14.9% | 7.2% |
| **Nuriootpa** | Barossa | $639,324 | 18.7% | 12.4% | 7.1% |
| **Kapunda** | Light | $514,411 | 18.1% | 13.2% | 6.5% |

| Rest of SA Units | | | Annual change in dwelling values | | |
|---|---|---|---|---|---|
| **Suburb** | **LGA Name** | **Median value** | **12m** | **5y** | **10y** |
| **Mount Gambier** | Mount Gambier | $332,955 | 7.6% | 10.3% | 4.3% |

## **Highest gross rental yield for houses** in October 2024

Excludes areas with a low number of observations

| Rest of SA Houses | | | | |
|---|---|---|---|---|
| **Suburb** | **LGA Name** | **Median value** | **Gross rental yield** | **Median rental rate** |
| **Port Augusta** | Port Augusta | $244,701 | 7.3% | $342 |
| **Whyalla Norrie** | Whyalla | $248,310 | 6.8% | $342 |
| **Whyalla Stuart** | Whyalla | $242,226 | 6.6% | $333 |
| **Whyalla Playford** | Whyalla | $283,951 | 6.5% | $362 |
| **Whyalla** | Whyalla | $298,658 | 6.5% | $384 |
| **Port Lincoln** | Port Lincoln | $451,245 | 5.1% | $473 |
| **Murray Bridge** | Murray Bridge | $449,721 | 5.0% | $461 |
| **Mount Gambier** | Mount Gambier | $456,534 | 4.9% | $459 |
| **Normanville** | Yankalilla | $724,728 | 3.9% | $544 |

| Rest of SA Units | | | | |
|---|---|---|---|---|
| **Suburb** | **LGA Name** | **Median value** | **Gross rental yield** | **Median rental rate** |
| **Mount Gambier** | Mount Gambier | $332,955 | 5.0% | $322 |

# Perth


# Home values in Perth rose 1.4% in October, the 22nd month in a row that values have increased.

# Perth

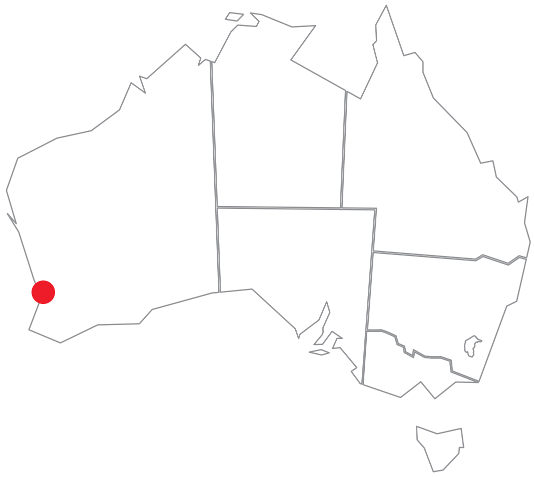
Home values in Perth rose 1.4% in October, the 22nd month in a row that values have increased and the 18th straight month where values have risen by more than 1%.

Although values are consistently rising, there is growing evidence that conditions are losing steam, with the rolling quarterly pace of gains, at 4.1%, the lowest since the three months ending July last year. Similarly, the annual rate of growth has tapered from a recent high of 24.1% in July to 22.6% in October.

Perth's more affordable housing stock is rising the fastest, with lower quartile home values up 29.9% over the past 12 months while upper quartile values have gained 18.4%.

The gradual slowdown in growth comes as advertised stock levels rise from winter lows. Based on listings data for the four weeks ending 27 October, total listings have risen by 21% across Perth, providing more choice and less urgency for buyers. Total advertised stock levels remain 8.7% lower than a year ago, but the lift in listings will provide more choice for buyers and help to slow price growth further if sustained.

Local rental conditions remain tight, but rental growth is easing. Over the 12 months to October, Perth rents increased by 9.6%, still well above average, but the first time annual rental growth has dropped below 10% since September 2022.



## **Perth market key statistics** as at end of October 2024

| Property type | Median value | 25th percentile value | 75th percentile value | Change in values | Median rental value | Change in rents 12m | Gross rental yield |
|---|---|---|---|---|---|---|---|
| **Dwellings** | $804,621 | $662,523 | $1,013,209 | 22.6% | $688 | 9.6% | 4.2% |
| **Houses** | $838,547 | $706,980 | $1,064,412 | 22.4% | $700 | 9.4% | 4.0% |
| **Units** | $581,482 | $470,957 | $722,678 | 24.3% | $625 | 10.6% | 5.5% |

Source: CoreLogic

# Top suburbs

## Largest change in house values over the 12 months to October 2024

Excludes areas with a low number of observations

| Greater Perth Houses | | | Annual change in dwelling values | | |
|---|---|---|---|---|---|
| Suburb | LGA Name | Median value | 12m | 5y | 10y |
| Armadale | Armadale | $578,291 | 38.5% | 20.5% | 5.7% |
| Bellevue | Swan | $665,797 | 36.4% | 13.5% | 4.0% |
| Koondoola | Wanneroo | $640,058 | 35.6% | 15.2% | 3.6% |
| Stratton | Swan | $655,273 | 35.6% | 15.3% | 4.7% |
| Camillo | Armadale | $593,311 | 35.5% | 19.2% | 5.3% |
| Midland | Swan | $599,686 | 33.9% | 12.3% | 3.7% |
| Balga | Stirling | $599,121 | 33.3% | 15.3% | 4.2% |
| Yangebup | Cockburn | $828,920 | 33.2% | 14.8% | 5.5% |
| Beechboro | Swan | $711,681 | 33.0% | 15.1% | 4.4% |
| Lockridge | Swan | $663,862 | 32.2% | 15.5% | 4.2% |

| Greater Perth Units | | | Annual change in dwelling values | | |
|---|---|---|---|---|---|
| Suburb | LGA Name | Median value | 12m | 5y | 10y |
| Dudley Park | Mandurah | $424,169 | 44.7% | 15.0% | 4.0% |
| Waikiki | Rockingham | $507,576 | 42.8% | 16.7% | 4.7% |
| Armadale | Armadale | $434,000 | 42.7% | 19.8% | 4.7% |
| Coolbellup | Cockburn | $531,015 | 38.9% | 12.6% | 3.7% |
| Atwell | Cockburn | $506,184 | 38.3% | 11.4% | 3.6% |
| Success | Cockburn | $487,385 | 38.1% | 14.2% | 4.0% |
| Bibra Lake | Cockburn | $428,674 | 37.4% | 10.0% | 0.5% |
| Lockridge | Swan | $457,502 | 37.3% | 15.0% | 3.8% |
| Baldivis | Rockingham | $532,386 | 36.5% | 16.6% | 3.4% |
| Rockingham | Rockingham | $486,218 | 36.2% | 13.7% | 2.9% |

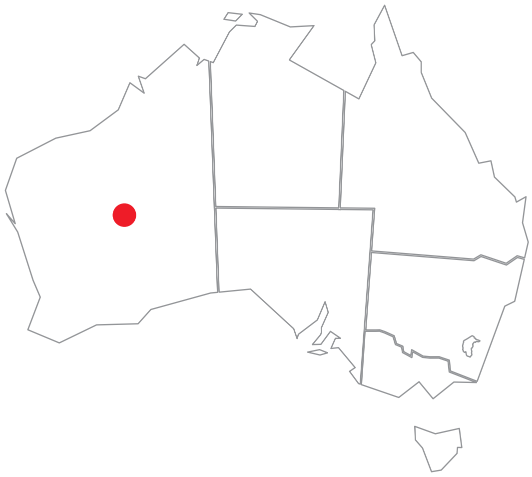
## Highest gross rental yield for houses in October 2024

Excludes areas with a low number of observations

| Greater Perth Houses | | | | |
|---|---|---|---|---|
| Suburb | LGA Name | Median value | Gross rental yield | Median rental rate |
| Medina | Kwinana | $522,532 | 5.6% | $540 |
| Balga | Stirling | $599,121 | 5.6% | $619 |
| Leda | Kwinana | $575,776 | 5.5% | $591 |
| Hilbert | Armadale | $607,202 | 5.4% | $634 |
| Orelia | Kwinana | $580,113 | 5.3% | $571 |
| Camillo | Armadale | $593,311 | 5.3% | $586 |
| Armadale | Armadale | $578,291 | 5.3% | $570 |
| Brookdale | Armadale | $601,286 | 5.3% | $597 |
| Parmelia | Kwinana | $582,347 | 5.3% | $566 |
| Dayton | Swan | $703,272 | 5.3% | $693 |

| Greater Perth Units | | | | |
|---|---|---|---|---|
| Suburb | LGA Name | Median value | Gross rental yield | Median rental rate |
| Orelia | Kwinana | $305,730 | 8.0% | $457 |
| Glendalough | Stirling | $409,667 | 7.0% | $567 |
| Ascot | Belmont | $488,222 | 6.8% | $677 |
| Northbridge | Perth | $551,792 | 6.6% | $683 |
| Perth | Perth | $548,878 | 6.6% | $688 |
| Kelmscott | Armadale | $426,473 | 6.6% | $534 |
| Cockburn Central | Cockburn | $486,923 | 6.6% | $583 |
| East Perth | Perth | $588,221 | 6.6% | $737 |
| Cloverdale | Belmont | $502,212 | 6.5% | $617 |
| Wembley | Cambridge | $417,238 | 6.5% | $546 |

# Regional Western Australia



Housing values across regional Western Australia have been consistently rising on an annual basis since mid-2020, adding 18.1% to the value of dwellings over the past 12 months alone. The strong upwards trend in housing values comes after a prolonged downturn, where housing values fell by 22.4% between 2014 and 2020. The market made a nominal recovery by November 2021 and has been pushing to new record highs since then.

The Mid-West sub-market recorded the highest annual change in values, up 27.1%, followed by Bunbury (22.8%) and August-Margaret River-Busselton (19.9%). At the other end of the spectrum values across East Pilbara were unchanged over the 12 months ending October and West Pilbara values were up 8.4%.

Rental conditions remain tight, but the vacancy rate across regional Western Australia has eased a little relative to last year, rising from 1.3% in October last year to 1.6% in October 2024. As vacancy rates gradually rise, the pace of rental growth has also started to ease. Annual rent growth eased slightly from 11.7% over the 12 months to May 2024 to 10.5% over the 12 months to October.

The annual change in rents has been the most substantial across the Wheat Belt-North sub-market, up 17.1%, followed by the Kimberley with a 15.4% rise.

Gross rental yields across the combined regional markets of Western Australia have been trending lower since moving through a cyclical high in August 2023 at 6.44%, reducing to 5.93% in October 2024.

## **Regional WA market key statistics** as at end of October 2024

| Property type | Median value | 25th percentile value | 75th percentile value | Change in values | Median rental value | Change in rents 12m | Gross rental yield |
|---|---|---|---|---|---|---|---|
| **Dwellings** | $538,652 | $376,512 | $710,152 | 18.1% | $586 | 10.5% | 5.9% |
| **Houses** | $555,973 | $394,106 | $722,968 | 18.2% | $586 | 10.2% | 5.8% |
| **Units** | $360,640 | $276,650 | $461,819 | 15.9% | $574 | 14.8% | 8.5% |

Source: CoreLogic

# Top 10 suburbs

## Largest change in house values over the 12 months to October 2024

Excludes areas with a low number of observations

| Rest of WA Houses | | | Annual change in dwelling values | | |
|---|---|---|---|---|---|
| **Suburb** | **LGA Name** | **Median value** | **12m** | **5y** | **10y** |
| **Beachlands** | Greater Geraldton | $380,588 | 38.9% | 15.3% | 3.9% |
| **Wonthella** | Greater Geraldton | $390,274 | 36.1% | 15.7% | 3.8% |
| **Sunset Beach** | Greater Geraldton | $543,597 | 36.0% | 15.7% | 4.7% |
| **Karloo** | Greater Geraldton | $305,757 | 35.6% | 19.6% | 5.1% |
| **Geraldton** | Greater Geraldton | $401,676 | 35.3% | 15.0% | 3.5% |
| **Cape Burney** | Greater Geraldton | $463,314 | 34.0% | 13.3% | 4.7% |
| **Rangeway** | Greater Geraldton | $303,848 | 34.0% | 19.8% | 4.7% |
| **Withers** | Bunbury | $469,946 | 31.5% | 17.7% | 5.6% |
| **Spalding** | Greater Geraldton | $394,946 | 31.1% | 16.5% | 3.7% |
| **Utakarra** | Greater Geraldton | $343,294 | 30.9% | 16.4% | 4.7% |

| Rest of WA Units | | | Annual change in dwelling values | | |
|---|---|---|---|---|---|
| **Suburb** | **LGA Name** | **Median value** | **12m** | **5y** | **10y** |
| **South Bunbury** | Bunbury | $505,534 | 33.6% | 12.5% | 3.9% |
| **Carey Park** | Bunbury | $474,762 | 32.2% | 14.0% | 4.5% |
| **Geraldton** | Greater Geraldton | $313,338 | 31.8% | 7.8% | -2.2% |
| **Boulder** | Kalgoorlie-Boulder | $256,437 | 29.7% | 9.9% | 0.9% |
| **South Kalgoorlie** | Kalgoorlie-Boulder | $317,254 | 26.1% | 11.8% | 1.5% |
| **Baynton** | Karratha | $488,603 | 23.4% | 15.8% | -1.6% |
| **Bunbury** | Bunbury | $513,017 | 21.0% | 6.5% | 2.5% |
| **Somerville** | Kalgoorlie-Boulder | $316,959 | 20.8% | 5.9% | -2.4% |
| **Kalgoorlie** | Kalgoorlie-Boulder | $276,904 | 18.8% | 8.3% | -0.4% |
| **Cable Beach** | Broome | $385,155 | 17.5% | 17.7% | 4.9% |

## Highest gross rental yield for houses in October 2024

Excludes areas with a low number of observations

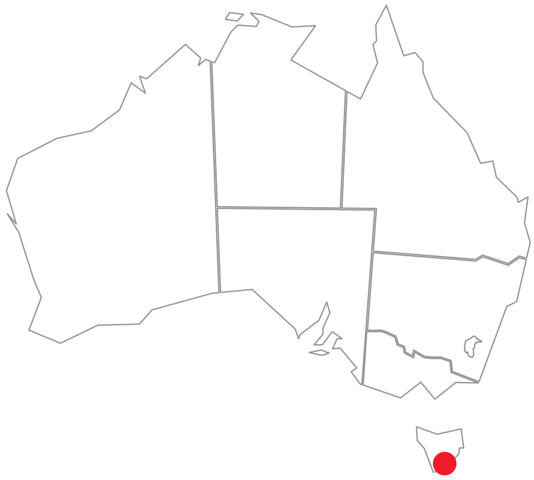
| Rest of WA Houses | | | | |
|---|---|---|---|---|
| **Suburb** | **LGA Name** | **Median value** | **Gross rental yield** | **Median rental rate** |
| **Newman** | East Pilbara | $300,976 | 12.1% | $664 |
| **South Hedland** | Port Hedland | $442,130 | 11.9% | $959 |
| **Nickol** | Karratha | $571,970 | 11.1% | $1,152 |
| **Baynton** | Karratha | $683,624 | 10.6% | $1,297 |
| **Boulder** | Kalgoorlie-Boulder | $302,554 | 9.7% | $553 |
| **South Kalgoorlie** | Kalgoorlie-Boulder | $348,906 | 9.0% | $590 |
| **Cable Beach** | Broome | $651,406 | 8.3% | $1,032 |
| **Utakarra** | Greater Geraldton | $343,294 | 6.9% | $454 |
| **Spalding** | Greater Geraldton | $394,946 | 6.2% | $474 |
| **Carey Park** | Bunbury | $476,475 | 6.1% | $556 |

| Rest of WA Units | | | | |
|---|---|---|---|---|
| **Suburb** | **LGA Name** | **Median value** | **Gross rental yield** | **Median rental rate** |
| **South Hedland** | Port Hedland | $303,903 | 14.1% | $793 |
| **Pegs Creek** | Karratha | $408,551 | 13.5% | $946 |
| **Newman** | East Pilbara | $227,692 | 13.4% | $569 |
| **Boulder** | Kalgoorlie-Boulder | $256,437 | 10.0% | $484 |
| **Bunbury** | Bunbury | $513,017 | 6.7% | $630 |

# Hobart

# Tasmania's capital posted a rare rise in home values in October – up 0.8% over the month – but the trend for Hobart remains soft.

# Hobart



Tasmania's capital posted a rare rise in home values in October – up 0.8% over the month – but the trend for Hobart remains soft. Values were 0.1% lower over the rolling quarter to be 1.2% lower over the past 12 months. Since the market moved through record highs in March 2022, Hobart home values have fallen by a cumulative 11.9%. That equates to an $88,000 fall in the median dwelling value.

The annual trend has favoured the unit market, where values rose 1.9% over the 12 months to October. House values were down 1.9%. In a similar trend, the lower quartile of Hobart home values has seen values rise a little over the past 12 months, up 2.0% while upper quartile values are down 3.1%.

The generally soft housing conditions have occurred alongside elevated levels of advertised stock, but this trend is evolving, with total listings trending lower since late 2023. At the end of October, Hobart listings were 11.6% lower than at the same time a year ago but holding nearly 30% above the previous five-year average. A material improvement in value trends is unlikely until advertised stock levels reduce further.

Rental growth has moved back into positive territory through most of 2024, with the annual change in dwelling rents reaching 5.4% in October, the highest annual change since the 2022 calendar year. Rents are still slightly lower relative to the record highs set in March 2023, but are only 0.4% off these levels.

## **Hobart market key statistics** as at end of October 2024

| Property type | Median value | 25th percentile value | 75th percentile value | Change in values | Median rental value | Change in rents 12m | Gross rental yield |
|---|---|---|---|---|---|---|---|
| **Dwellings** | $650,881 | $529,770 | $819,333 | -1.2% | $550 | 5.4% | 4.3% |
| **Houses** | $690,003 | $560,919 | $859,137 | -1.9% | $569 | 6.0% | 4.2% |
| **Units** | $530,517 | $459,218 | $634,687 | 1.9% | $468 | 2.9% | 4.5% |

Source: CoreLogic

# Top suburbs

## Largest change in house values over the 12 months to October 2024

Excludes areas with a low number of observations

| Greater Hobart Houses | | | Annual change in dwelling values | | |
|---|---|---|---|---|---|
| **Suburb** | **LGA Name** | **Median value** | **12m** | **5y** | **10y** |
| **Moonah** | Glenorchy | $630,208 | 7.9% | 7.4% | 7.7% |
| **Carlton** | Sorell | $621,445 | 6.5% | 10.9% | 7.9% |
| **Primrose Sands** | Sorell | $515,408 | 5.3% | 12.3% | 9.5% |
| **North Hobart** | Hobart | $929,173 | 4.6% | 5.6% | 7.7% |
| **Dodges Ferry** | Sorell | $609,291 | 3.8% | 9.8% | 7.3% |
| **Brighton** | Brighton | $591,058 | 1.9% | 10.9% | 8.8% |
| **Risdon Vale** | Clarence | $459,626 | 1.3% | 10.6% | 10.1% |
| **Taroona** | Kingborough | $927,721 | 1.3% | 4.7% | 4.5% |
| **Lindisfarne** | Clarence | $743,570 | 1.2% | 6.5% | 6.5% |
| **Midway Point** | Sorell | $614,737 | 0.9% | 8.2% | 7.3% |

| Greater Hobart Units | | | Annual change in dwelling values | | |
|---|---|---|---|---|---|
| **Suburb** | **LGA Name** | **Median value** | **12m** | **5y** | **10y** |
| **Bellerive** | Clarence | $574,858 | 9.7% | 6.2% | 6.2% |
| **Howrah** | Clarence | $585,308 | 5.5% | 5.9% | 6.4% |
| **Kingston** | Kingborough | $562,781 | 3.1% | 6.4% | 7.2% |
| **Blackmans Bay** | Kingborough | $559,577 | 2.4% | 5.5% | 6.0% |
| **Moonah** | Glenorchy | $463,531 | 2.4% | 4.2% | 5.3% |
| **Lenah Valley** | Hobart | $535,834 | 2.3% | 3.5% | 6.6% |
| **Glenorchy** | Glenorchy | $438,930 | 1.9% | 8.0% | 7.7% |
| **Claremont** | Glenorchy | $438,375 | 1.4% | 7.6% | 6.7% |
| **Oakdowns** | Clarence | $544,161 | 0.5% | 6.0% | 7.5% |
| **Sorell** | Sorell | $473,975 | 0.3% | 5.6% | 6.2% |

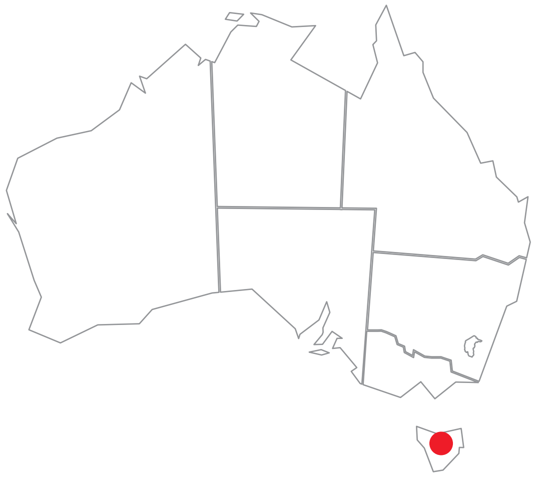
## Highest gross rental yield for houses in October 2024

Excludes areas with a low number of observations

| Greater Hobart Houses | | | | |
|---|---|---|---|---|
| **Suburb** | **LGA Name** | **Median value** | **Gross rental yield** | **Median rental rate** |
| **Bridgewater** | Brighton | $473,632 | 5.3% | $497 |
| **New Norfolk** | Derwent Valley | $468,363 | 5.3% | $481 |
| **Glenorchy** | Glenorchy | $547,372 | 5.2% | $539 |
| **Claremont** | Glenorchy | $528,483 | 5.2% | $518 |
| **Rokeby** | Clarence | $522,852 | 5.1% | $520 |
| **Lutana** | Glenorchy | $564,138 | 5.0% | $541 |
| **Moonah** | Glenorchy | $630,208 | 4.5% | $546 |
| **Lenah Valley** | Hobart | $750,899 | 4.3% | $608 |
| **Kingston** | Kingborough | $727,644 | 4.3% | $585 |
| **New Town** | Hobart | $808,284 | 4.1% | $634 |

| Greater Hobart Units | | | | |
|---|---|---|---|---|
| **Suburb** | **LGA Name** | **Median value** | **Gross rental yield** | **Median rental rate** |
| **Glenorchy** | Glenorchy | $438,930 | 5.2% | $424 |
| **Claremont** | Glenorchy | $438,375 | 5.2% | $429 |
| **Kingston** | Kingborough | $562,781 | 4.5% | $468 |
| **Sandy Bay** | Hobart | $647,563 | 3.9% | $496 |

# Regional Tasmania



Dwelling values across regional Tasmania have been holding reasonably steady over the past year, following a 5.9% drop from a record high in May 2022 to a recent trough in December 2023. The 12 months ending October 2024 saw values rise by 1.7% but remained 3.9% below the record highs from 2022.

Across the sub-markets of regional Tasmania, performance has been mixed, with four of the seven sub-markets recording a rise in values over the past 12 months while three recorded a decline. This ranged from an 8.6% rise in values across Burnie-Ulverstone to a 4.0% fall in values across the North East.

Rental trends have gathered some pace over the past 12 months as the vacancy rate tightened from 2.2% in October last year to 2.0% in October 2024, supporting a 4.2% rise in regional Tasmanian dwelling rents over the past 12 months. Rental growth remains well below the highs recorded through 2021 and 2022 when the annual change was holding above 10%.

The Huon-Bruny Island sub-market recorded the largest rise in rents over the 12 months to October, up 12.1%, while the West Coast rental market was the softest, recording a 0.7% rise in rents over the 12-month period.

Gross rental yields across the combined regional areas of Tasmania have risen from pandemic lows, rising from 4.01% in mid-2022 to 4.44% in October 2024.

## **Regional Tas. market key statistics** as at end of October 2024

| Property type | Median value | 25th percentile value | 75th percentile value | Change in values | Median rental value | Change in rents 12m | Gross rental yield |
|---|---|---|---|---|---|---|---|
| **Dwellings** | $514,519 | $421,462 | $653,278 | 1.7% | $445 | 4.2% | 4.4% |
| **Houses** | $535,921 | $441,079 | $674,521 | 1.4% | $454 | 3.8% | 4.4% |
| **Units** | $398,831 | $358,148 | $463,252 | 4.4% | $390 | 7.4% | 5.1% |

Source: CoreLogic

# Top suburbs

## Largest change in house values over the 12 months to October 2024

Excludes areas with a low number of observations

| Rest of Tas. Houses | | | Annual change in dwelling values | | |
|---|---|---|---|---|---|
| **Suburb** | **LGA Name** | **Median value** | **12m** | **5y** | **10y** |
| **Parklands** | Burnie | $504,433 | 13.7% | 10.4% | 7.8% |
| **Acton** | Burnie | $383,145 | 12.1% | 13.1% | 8.6% |
| **Ravenswood** | Launceston | $369,575 | 11.9% | 10.9% | 8.6% |
| **Montello** | Burnie | $425,738 | 11.9% | 11.9% | 8.1% |
| **Upper Burnie** | Burnie | $394,239 | 11.1% | 12.4% | 8.4% |
| **Park Grove** | Burnie | $540,679 | 10.2% | 9.6% | 7.0% |
| **Ulverstone** | Central Coast | $505,314 | 9.7% | 10.5% | 9.0% |
| **Newstead** | Launceston | $714,150 | 9.1% | 8.0% | 6.5% |
| **Norwood** | Launceston | $631,026 | 7.7% | 9.0% | 6.8% |
| **Penguin** | Central Coast | $581,866 | 7.7% | 9.6% | 7.9% |

| Rest of Tas. Units | | | Annual change in dwelling values | | |
|---|---|---|---|---|---|
| **Suburb** | **LGA Name** | **Median value** | **12m** | **5y** | **10y** |
| **Devonport** | Devonport | $401,087 | 15.7% | 10.6% | 6.6% |
| **Latrobe** | Latrobe | $432,096 | 14.9% | 10.9% | 7.9% |
| **Launceston** | Launceston | $497,766 | 5.4% | 7.0% | 5.1% |
| **Prospect Vale** | Meander Valley | $401,654 | -0.7% | 8.8% | 5.7% |
| **Newnham** | Launceston | $341,705 | -2.4% | 8.4% | 5.0% |
| **Riverside** | West Tamar | $383,504 | -4.8% | 5.7% | 5.9% |
| **Newstead** | Launceston | $397,468 | -5.8% | 7.8% | 5.2% |

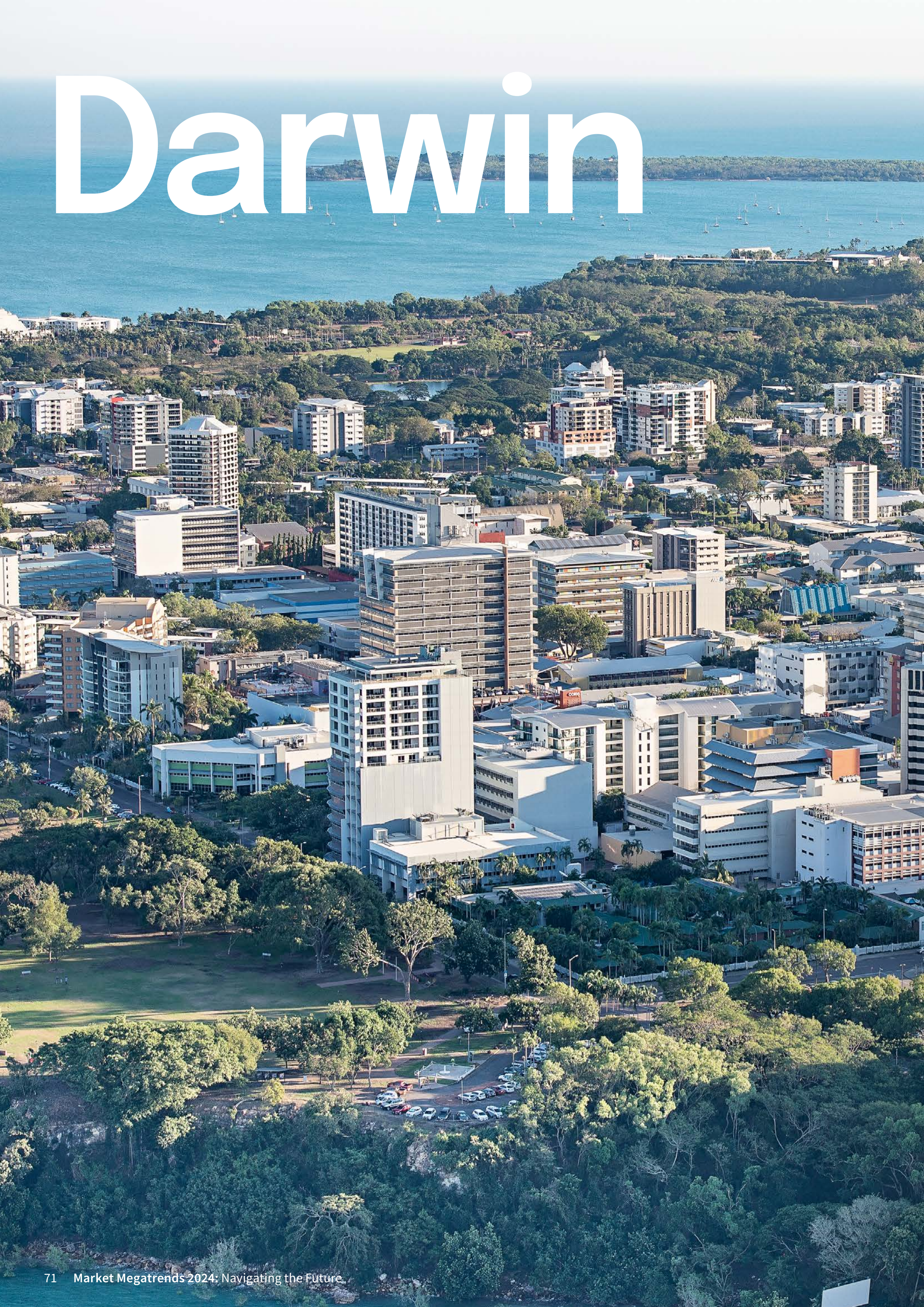
## Highest gross rental yield for houses in October 2024

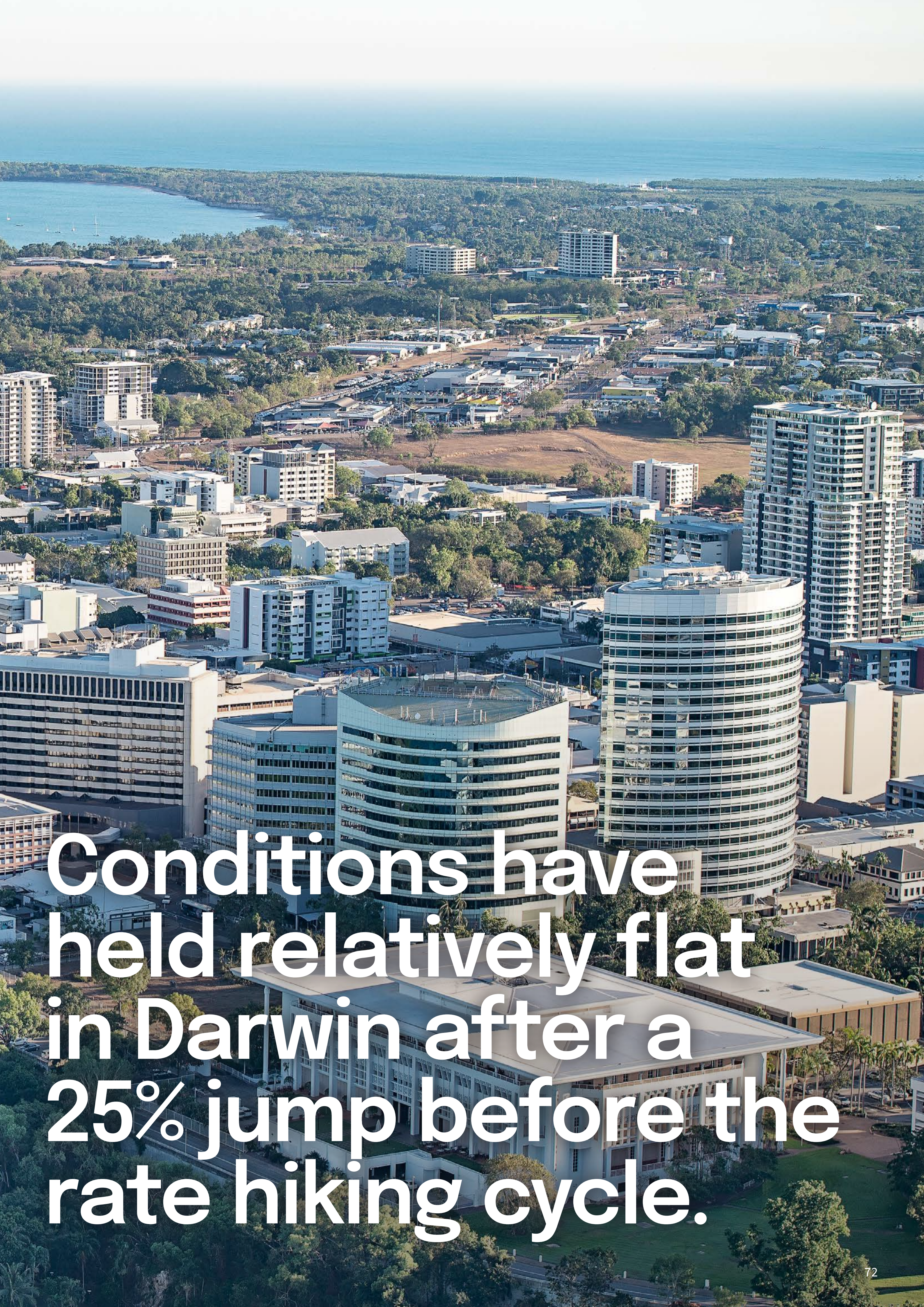
Excludes areas with a low number of observations

| Rest of Tas. Houses | | | | |
|---|---|---|---|---|
| **Suburb** | **LGA Name** | **Median value** | **Gross rental yield** | **Median rental rate** |
| **Mayfield** | Launceston | $397,461 | 6.0% | $467 |
| **Mowbray** | Launceston | $428,503 | 5.5% | $459 |
| **Newnham** | Launceston | $450,483 | 5.5% | $481 |
| **George Town** | George Town | $361,531 | 5.4% | $385 |
| **Invermay** | Launceston | $481,704 | 5.0% | $479 |
| **Devonport** | Devonport | $456,355 | 4.9% | $437 |
| **Scottsdale** | Dorset | $380,696 | 4.8% | $388 |
| **South Launceston** | Launceston | $530,947 | 4.7% | $495 |
| **Longford** | Northern Midlands | $509,721 | 4.7% | $467 |
| **Youngtown** | Launceston | $572,607 | 4.5% | $507 |

| Rest of Tas. Units | | | | |
|---|---|---|---|---|
| **Suburb** | **LGA Name** | **Median value** | **Gross rental yield** | **Median rental rate** |
| **Newnham** | Launceston | $341,705 | 5.9% | $388 |
| **Devonport** | Devonport | $401,087 | 4.9% | $370 |
| **Launceston** | Launceston | $497,766 | 4.5% | $437 |

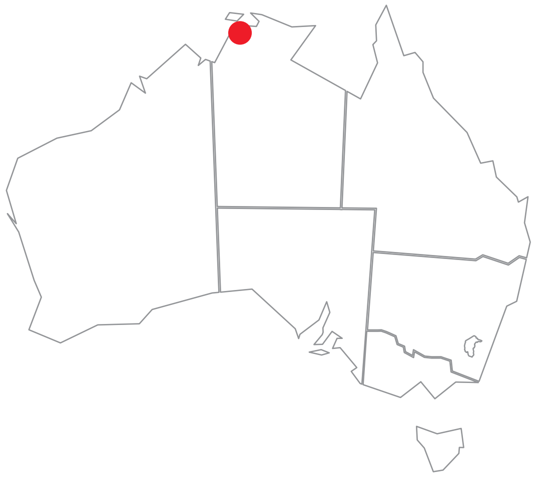
# Darwin





# Conditions have held relatively flat in Darwin after a 25% jump before the rate hiking cycle.

# Darwin



After Darwin home values jumped 25% between the onset of COVID and the commencement of the rate hiking cycle, conditions have held relatively flat, slipping 1.5% lower since May 2022. The past 12 months have been much of the same with Darwin dwelling values holding reasonably firm, down -0.1%.

With a median house value of $586,000 and a median unit value of $352,000, Darwin remains the most affordable capital city housing market by some margin.

The unit market has generally weighed on the headline numbers, with unit values down 2.4% over the past 12 months compared with a 1.0% rise in house values. This trend of underperformance across the unit sector is entrenched, with unit values 14.6% lower than levels 10 years ago. House values have also shown a weak long-term change, at -2.0% over the same period.

Darwin rental values surged through the pandemic with the annual pace of growth reaching 25.3% over the 12 months ending July 2021; the highest annual rise in rents of any capital city during the pandemic. Growth has remained positive since then, but substantially lower with rents up 2.3% over the past 12 months. Unit rents (2.8%) have risen at a faster rate than house rents (2.1%).

The positive movement in rents while values have held reasonably flat has pushed gross rental yields higher across Darwin. In October, the gross rental yield on a house had a median of 6.2% and a unit 8.0%, both well above any other capital city.

## **Darwin market key statistics** as at end of October 2024

| Property type | Median value | 25th percentile value | 75th percentile value | Change in values | Median rental value | Change in rents 12m | Gross rental yield |
|---|---|---|---|---|---|---|---|
| **Dwellings** | $492,692 | $366,800 | $620,512 | -0.1% | $643 | 2.3% | 6.8% |
| **Houses** | $585,912 | $490,103 | $696,800 | 1.0% | $706 | 2.1% | 6.2% |
| **Units** | $351,823 | $296,165 | $439,656 | -2.4% | $547 | 2.8% | 8.0% |

Source: CoreLogic

# Top suburbs

## Largest change in house values over the 12 months to October 2024

Excludes areas with a low number of observations

| Greater Darwin Houses | | | Annual change in dwelling values | | |
|---|---|---|---|---|---|
| **Suburb** | **LGA Name** | **Median value** | **12m** | **5y** | **10y** |
| **Johnston** | Palmerston | $630,819 | 9.6% | 6.1% | 3.4% |
| **Bellamack** | Palmerston | $606,643 | 7.0% | 2.2% | 0.5% |
| **Woodroffe** | Palmerston | $432,787 | 6.6% | 4.6% | -1.4% |
| **Moulden** | Palmerston | $386,494 | 6.3% | 4.7% | 0.4% |
| **Bakewell** | Palmerston | $481,893 | 5.3% | 3.7% | -0.8% |
| **Gray** | Palmerston | $384,055 | 5.1% | 3.1% | -0.8% |
| **Gunn** | Palmerston | $529,699 | 4.8% | 3.9% | -1.3% |
| **Howard Springs** | Litchfield | $684,473 | 4.3% | 4.4% | -1.3% |
| **Zuccoli** | Palmerston | $587,798 | 4.0% | 9.3% | 5.6% |
| **Rosebery** | Palmerston | $585,371 | 4.0% | 3.2% | -0.3% |

| Greater Darwin Units | | | Annual change in dwelling values | | |
|---|---|---|---|---|---|
| **Suburb** | **LGA Name** | **Median value** | **12m** | **5y** | **10y** |
| **Johnston** | Palmerston | $343,322 | 1.5% | 3.6% | -1.6% |
| **Coconut Grove** | Darwin | $329,764 | 1.0% | 6.3% | -0.4% |
| **Leanyer** | Darwin | $332,701 | 0.9% | 6.3% | -1.8% |
| **Stuart Park** | Darwin | $415,622 | -0.4% | 3.6% | -2.2% |
| **Millner** | Darwin | $302,625 | -0.7% | 8.4% | 0.1% |
| **Darwin City** | Darwin | $411,522 | -1.2% | 4.5% | -1.4% |
| **Rapid Creek** | Darwin | $353,999 | -1.8% | 5.2% | 0.1% |
| **Nightcliff** | Darwin | $332,799 | -1.8% | 6.4% | -1.3% |
| **Gray** | Palmerston | $280,368 | -2.2% | 5.0% | -1.7% |
| **Rosebery** | Palmerston | $313,725 | -2.8% | 6.5% | 0.1% |

## Highest gross rental yield for houses in October 2024

Excludes areas with a low number of observations

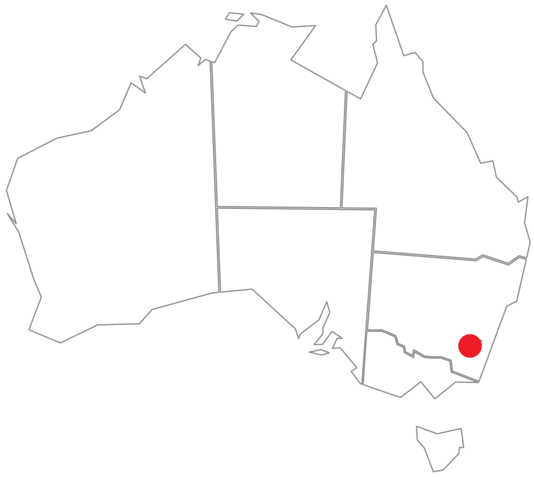
| Greater Darwin Houses | | | | |
|---|---|---|---|---|
| **Suburb** | **LGA Name** | **Median value** | **Gross rental yield** | **Median rental rate** |
| **Gray** | Palmerston | $384,055 | 7.7% | $567 |
| **Woodroffe** | Palmerston | $432,787 | 7.0% | $578 |
| **Bakewell** | Palmerston | $481,893 | 7.0% | $626 |
| **Gunn** | Palmerston | $529,699 | 6.8% | $668 |
| **Darwin City** | Darwin | $485,402 | 6.8% | $638 |
| **Zuccoli** | Palmerston | $587,798 | 6.8% | $740 |
| **Tiwi** | Darwin | $506,228 | 6.7% | $681 |
| **Rosebery** | Palmerston | $585,371 | 6.7% | $724 |
| **Durack** | Palmerston | $576,093 | 6.6% | $705 |
| **Bellamack** | Palmerston | $606,643 | 6.5% | $735 |

| Greater Darwin Units | | | | |
|---|---|---|---|---|
| **Suburb** | **LGA Name** | **Median value** | **Gross rental yield** | **Median rental rate** |
| **Parap** | Darwin | $324,470 | 8.8% | $572 |
| **Darwin City** | Darwin | $411,522 | 8.1% | $644 |
| **Coconut Grove** | Darwin | $329,764 | 8.1% | $492 |
| **Nightcliff** | Darwin | $332,799 | 7.9% | $498 |
| **Stuart Park** | Darwin | $415,622 | 7.8% | $621 |
| **Larrakeyah** | Darwin | $417,653 | 7.7% | $615 |
| **Rapid Creek** | Darwin | $353,999 | 7.3% | $503 |

# ACT

The nation's capital has seen home values trend consistently lower over the four months leading into October to end just 0.4% higher over the past 12 months.

# Australian Capital Territory



The nation's capital has seen home values trend consistently lower over the four months leading into October to end just 0.4% higher over the past 12 months. The weaker inflection in the value trend across ACT comes after a mild upswing between mid-2023 and mid-2024 where values rose 2.7%. Despite the gains, ACT dwelling values remained 6.5% below the record highs set in May 2022.

The unit market has weighed on housing trends with values down 3.2% over the past 12 months, while house values have posted a 1.5% rise over the same period.

Across the broad regions of the ACT, the strongest growth in values was for Molongolo houses, up 3.5% over the 12 months to October, while the largest fall in values was across the unit market of Woden Valley, with a drop of 5.7%.

ACT rents have fallen over the past six months, showing an ongoing imbalance between rental supply and demand, especially across the unit sector where rents have risen only 1.2% over the past 12 months compared with a 3.2% rise in house rents.

Although rental conditions have been subdued, gross rental yields across the ACT are above the combined capitals average, with the median gross yield on a house at 3.7% in October and the median gross yield on a unit recorded at 5.1%.

## **Australian Capital Territory market key statistics** as at end of October 2024

| Property type | Median value | 25th percentile value | 75th percentile value | Change in values | Median rental value | Change in rents 12m | Gross rental yield |
|---|---|---|---|---|---|---|---|
| **Dwellings** | $850,223 | $668,566 | $1,076,533 | 0.4% | $663 | 2.6% | 4.0% |
| **Houses** | $976,911 | $823,685 | $1,198,232 | 1.5% | $708 | 3.2% | 3.7% |
| **Units** | $584,294 | $475,629 | $713,985 | -3.2% | $578 | 1.2% | 5.1% |

Source: CoreLogic

# Top suburbs

## **Largest change in house values over the** 12 months to October 2024

Excludes areas with a low number of observations

| Australian Capital Territory Houses | | | Annual change in dwelling values | | |
|---|---|---|---|---|---|
| **Suburb** | **LGA Name** | **Median value** | **12m** | **5y** | **10y** |
| Gowrie | ACT | $998,430 | 7.6% | 7.5% | 5.7% |
| Giralang | ACT | $886,462 | 7.1% | 6.6% | 6.2% |
| Cook | ACT | $1,049,254 | 6.5% | 6.5% | 5.7% |
| Bonython | ACT | $951,179 | 5.9% | 5.8% | 5.5% |
| Charnwood | ACT | $689,062 | 5.8% | 7.1% | 5.4% |
| Farrer | ACT | $1,331,067 | 5.4% | 6.4% | 5.4% |
| Campbell | ACT | $1,992,526 | 5.3% | 7.2% | 5.8% |
| Gordon | ACT | $910,009 | 5.0% | 6.7% | 5.6% |
| Higgins | ACT | $804,929 | 5.0% | 6.1% | 5.2% |
| Yarralumla | ACT | $1,940,338 | 4.7% | 7.3% | 5.5% |

| Australian Capital Territory Units | | | Annual change in dwelling values | | |
|---|---|---|---|---|---|
| **Suburb** | **LGA Name** | **Median value** | **12m** | **5y** | **10y** |
| Braddon | ACT | $526,193 | 0.2% | 4.3% | 2.7% |
| Dickson | ACT | $619,083 | 0.2% | 5.9% | 3.4% |
| Ngunnawal | ACT | $624,131 | -1.0% | 6.7% | 4.4% |
| Nicholls | ACT | $802,586 | -1.3% | 4.1% | 3.3% |
| O'Connor | ACT | $557,188 | -1.3% | 5.3% | 3.0% |
| Casey | ACT | $639,212 | -1.5% | 5.9% | 3.7% |
| Gordon | ACT | $611,163 | -1.5% | 5.9% | 4.0% |
| Macquarie | ACT | $533,427 | -1.5% | 2.4% | 2.0% |
| Barton | ACT | $693,275 | -1.6% | 3.2% | 2.5% |
| Bruce | ACT | $569,785 | -1.8% | 5.1% | 2.4% |

## **Highest gross rental yield for houses** in October 2024

Excludes areas with a low number of observations

| Australian Capital Territory Houses | | | | |
|---|---|---|---|---|
| **Suburb** | **LGA Name** | **Median value** | **Gross rental yield** | **Median rental rate** |
| Belconnen | ACT | $473,026 | 6.0% | $570 |
| Greenway | ACT | $584,894 | 5.3% | $609 |
| Holt | ACT | $754,544 | 4.6% | $620 |
| Isabella Plains | ACT | $769,562 | 4.3% | $620 |
| Strathnairn | ACT | $900,927 | 4.3% | $800 |
| Gordon | ACT | $910,009 | 4.3% | $767 |
| Macgregor | ACT | $783,699 | 4.3% | $616 |
| Scullin | ACT | $782,419 | 4.2% | $619 |
| Ngunnawal | ACT | $808,847 | 4.2% | $659 |
| Wanniassa | ACT | $872,910 | 4.1% | $680 |

| Australian Capital Territory Units | | | | |
|---|---|---|---|---|
| **Suburb** | **LGA Name** | **Median value** | **Gross rental yield** | **Median rental rate** |
| Gungahlin | ACT | $457,266 | 6.2% | $533 |
| Belconnen | ACT | $491,726 | 5.9% | $541 |
| Franklin | ACT | $501,890 | 5.8% | $556 |
| Harrison | ACT | $508,169 | 5.8% | $563 |
| City | ACT | $574,647 | 5.7% | $638 |
| Wright | ACT | $518,628 | 5.6% | $568 |
| Greenway | ACT | $516,021 | 5.6% | $545 |
| Phillip | ACT | $505,138 | 5.6% | $546 |
| Braddon | ACT | $526,193 | 5.5% | $597 |
| Reid | ACT | $525,342 | 5.5% | $587 |

Section 4:

# Need to know

Analysing the megatrends helps to understand what drives the market. But we know you also need to feel confident about how NAB is supporting you, and how they apply in the prevailing environment.

Here is a snapshot of just some of the ways we are here for brokers and customers in the current lending landscape.

**Enhancing the broker and customer experience**

- Our strategic ambition is to be the most customer-centric company in Australia.
- More than one in three broker-originated home loans now come through NAB's Simple Home Loans for customers – in many instances same day approvals – when brokers submit all the required documents, and the customer meets all lending criteria.
- Brokers now also receive an automated email when drawdown occurs to assist customers with any queries.
- Customers submitting a vacant land home loan when the title is registered can now be processed via Simple Home Loans.
- Brokers can now unlock and edit their customers' approval in principle home loan application in Apply Online, providing a superior experience.
- Simple Home Loans can now support home loans with a change of ownership involving divorce settlements in Victoria and New South Wales.
- Home loan applications with a caveat on title can be removed prior to settlement and retained in simple home loans.
- Increased conditional approval eligibility for self-employed applicants.

## Self-employed customers

NAB's policies and processes offer flexible options when it comes to assessing income for the self-employed. We can tailor solutions to suit all self-employed entities at each stage of their journey, including cash flow-based lending which can support self-employed people who are early in their careers to buy a home sooner.

Our considerable experience supporting small businesses that means we understand the individual situations of self-employed people better than most. This enables us to consider a wider variety of options to support self-employed customers.

For example, our simplified policy allows customers to use the most recent year's financial information for assessment, where this best reflects future performance. The policy also cuts the paperwork needed for verifying directors' wages and for submitting applications for self-employed customers with less than two years' ABN registration.

## Investors

Whether they are first-time investors or long-term property wealth builders, property investors need options tailored to suit their individual circumstances. For example, they may need rental options for servicing that include short stay and holiday rentals. NAB's policies offer these servicing options.

Investors are often seeking flexible policies that suit non-standard employment and income. NAB's loan assessments consider a property investor's total financial picture. This means we may be able to lend more than our peers.

Extra allowances for medicos and essential services workers are also on offer, and lenders' mortgage insurance may be waived for medicos and some professionals.

## Protecting you and your customers

NAB is working relentlessly to protect our customers and our bank from criminals. In the past year, customers abandoned more than $170 million in potential scam payments and customer losses from scams fell 20% compared to 2023.

In the year ahead our teams will continue to work with government and other businesses (including telecommunications, social and digital media companies) to stop more frauds and scams.

NAB's security hub has some excellent resources for brokers on how to feel confident in knowing how to spot the red flags and proactively protect their businesses and customers.

## Segment spotlights

**Personal security hub** – includes free resources to help you and your family stay safe online and in real life – visit www.nab.com.au/about-us/security/online-safety-tips for more information

**Business security hub** – keep your business and customer information safe with security tips to prevent fraud – visit www.nab.com.au/about-us/security/online-safety-tips-business for more information.

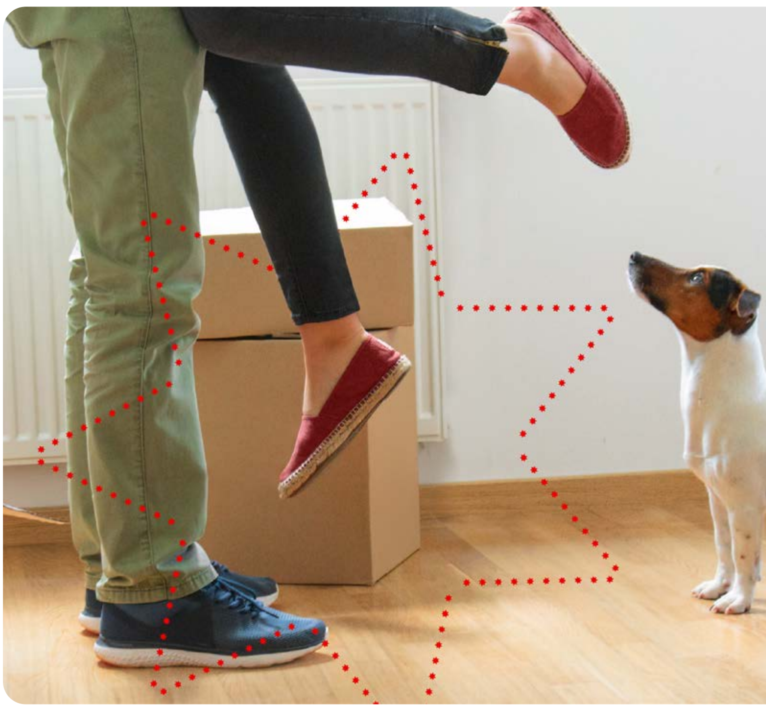
## NAB Assist – we're here to help

NAB continues to prioritise customers by supporting those experiencing financial difficulty.

We can offer support options for hardship customers including reduced repayments, payment breaks, loan reviews and restructures.

If your customers are finding themselves struggling, they should reach out early. Having a discussion with us and looking at options won't affect an individual's credit rating or credit score.

Contact: www.nab.com.au/help-support/financial-hardship



Section 5:

# Conclusion

As the bank behind the broker, we have identified the six megatrends driving long-term changes in the way brokers and their customers approach home buying and lending.

From improving housing accessibility to managing trillions of dollars of inheritances passing between generations, these trends affect Australians from all walks of life.

As we navigate a dynamic market, the value of brokers continues to shine through. Opportunities in the residential and commercial lending markets remain strong with customers turning to brokers in record numbers.

The pace of innovation in technology reinforces the importance of education and keeping current – both to capture opportunities and mitigate risks, especially surrounding data and cyber security.

At NAB, we are obsessed with our customers, and we know brokers are, too. We will continue to work in partnership with brokers, aggregators and the broader industry to deliver the best possible outcomes, now and in the years ahead.

As NAB Group Economics and CoreLogic analysis shows, while there may be headwinds to come, we can look to the future with confidence and optimism.

# Market Megatrends 2024

The wealth transfer wave

Housing demand in focus

Property investors eye opportunities

Businesses investing for growth

Cyber security becomes critical

The tech turning point


more than money
The bank behind the broker
behind a simpler experience
Your clients look to you for a great home loan. That's why we make it our business to be easier to deal with, from start to finish.
Get in touch with one of our BDMs or Relationship Managers today or visit nabbroker.com.au
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