TIGHTENING THE SCREWS ON AUSSIE HOUSEHOLDS WITH MARTIN NORTH

Nucleus Wealth

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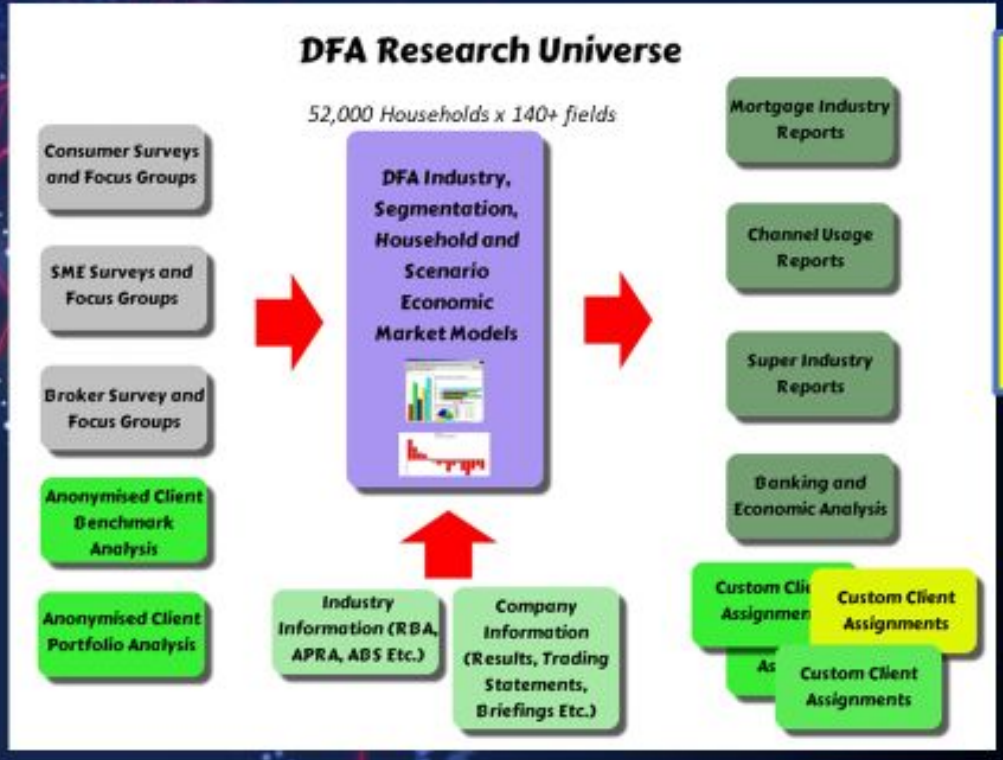
The Digital Finance Analytics Core Market Model



- We run rolling weekly household phone surveys as part of an omnibus.
- We get data back each Tuesday and incorporate findings into our core market model.

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Definition Of Stress

- There are many different definitions out there (from 30% of income, or taxable income; through to underwriting metrics) but we define stress in CASH FLOW terms.
- If households have more outgoings (excluding one off discretionary items) than income, we define them as stressed. If they have a mortgage, they are in mortgage stress; if renting then rental stress.
- Investors with cash flow pressures are identified as stressed investors.
- We also aggregate the data to estimate total financial stress.
- Each expressed as a % of households, and count. The latter is best measure in our view.

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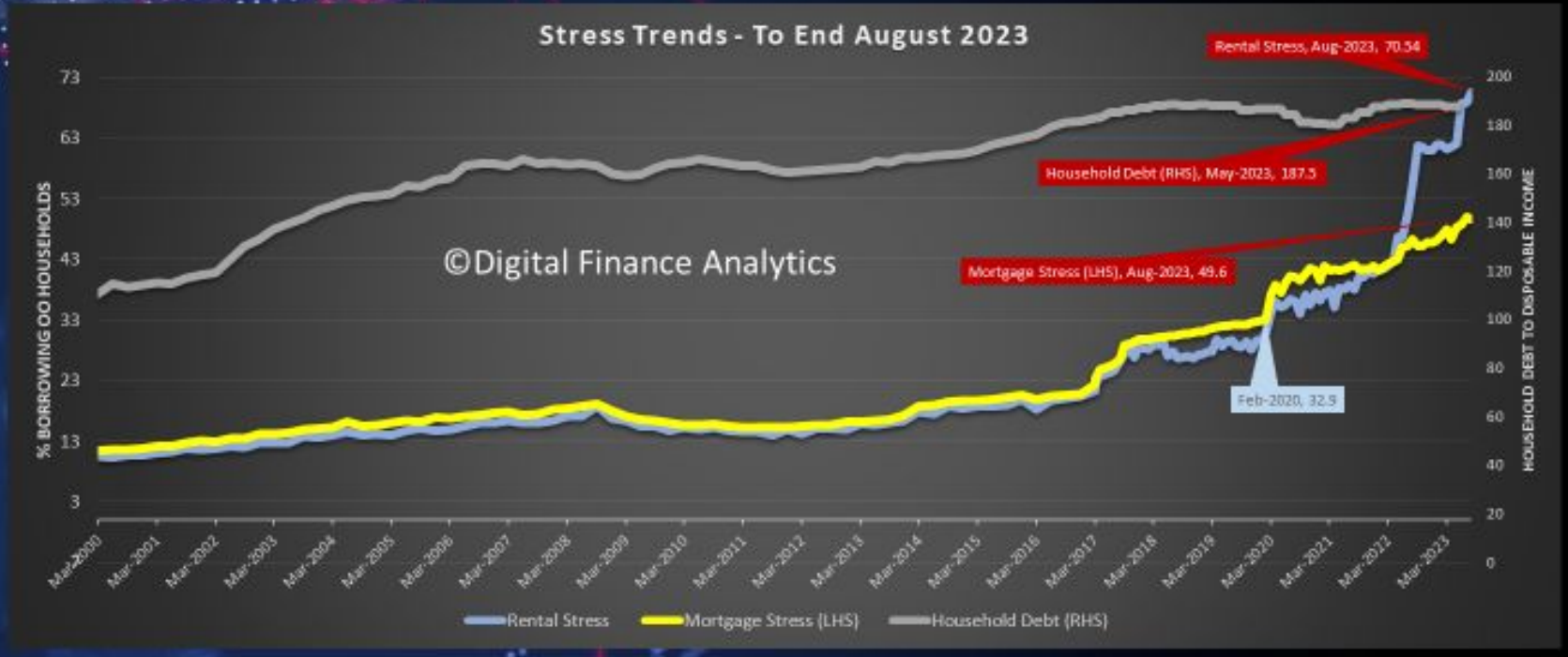
Mortgage Stress August 2023



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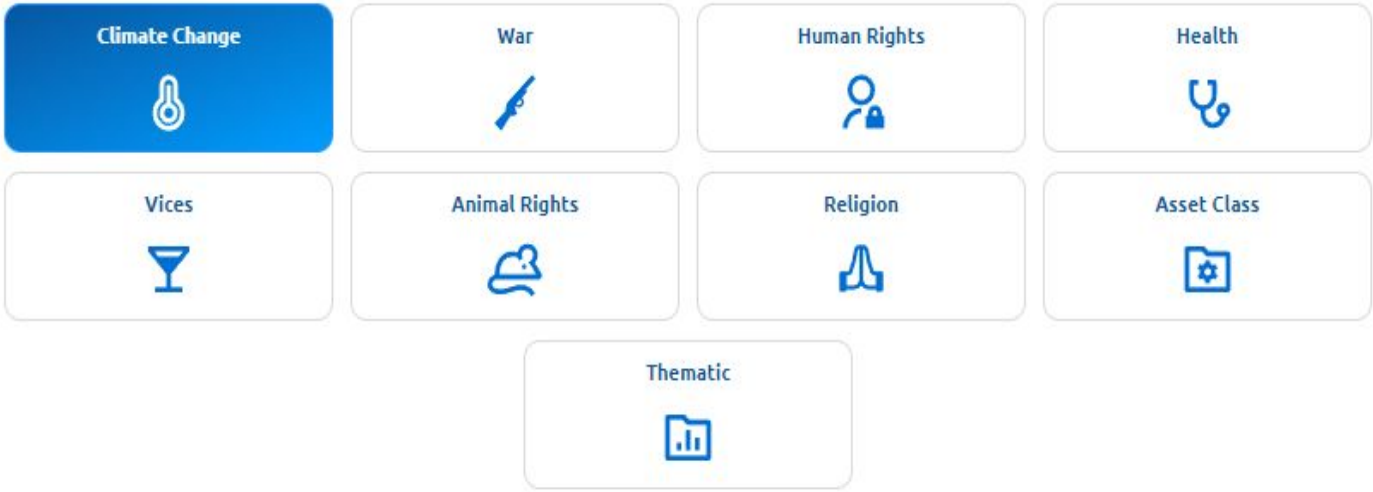
Choose themes to screen from your portfolio away from (i.e. remove stocks)



Climate Change

- [ ] No Fossil Fuels (Worst Offenders)
- [ ] No Fossil Fuels (Any)
- [ ] No Coal Seam Gas or Fracking
- [ ] No Nuclear Power
- [ ] No Old Growth Forest Logging

Aug 2023

State	Households	Mortgage Stress	Rental Stress	Stressed Investors	Financial Stress	% Mortgage Stress	% Rental Stress	% Investors Stressed	% Financial Stress
ACT	178,186	30,326	42,251	15,448	88,025	37.76%	75.24%	25.50%	49.40%
NSW	3,063,516	529,874	813,083	247,150	1,589,931	47.13%	78.42%	26.54%	51.90%
NT	69,683	11,521	7,202	1,627	20,350	45.37%	21.10%	10.60%	29.20%
QLD	1,958,520	348,213	449,006	121,156	918,214	45.59%	67.06%	20.68%	46.88%
SA	725,954	155,632	123,005	33,756	312,393	52.86%	59.12%	15.96%	43.03%
TAS	220,441	52,826	38,688	10,446	101,960	64.61%	64.03%	17.55%	46.25%
VIC	2,521,332	533,950	521,522	148,262	1,203,558	52.01%	70.17%	20.27%	47.74%
WA	1,014,242	250,717	190,141	66,281	503,794	54.65%	65.81%	20.36%	49.67%
Grand Total	9,751,874	1,913,059	2,184,898	644,126	4,738,225	49.62%	70.54%	22.05%	48.59%

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Segment	Households	Mortgage Stress	Rental Stress	Stressed Investors	Financial Stress	Avg. % Mortgage Stress	Avg. % Rental Stress	Avg. % Investors Stressed	Avg. % Financial Stress
Battling Urban	421,791	142,917	98,753	11,329	252,999	82.75%	71.43%	12.39%	59.98%
Disadvantaged Fringe	1,687,579	498,874	336,861	47,319	882,950	73.25%	67.16%	13.41%	52.32%
Exclusive Professionals	732,666	99,044	176,083	100,140	371,917	39.17%	68.97%	36.00%	50.76%
Mature Stable Families	1,250,522	210,308	292,147	105,824	608,149	41.33%	77.78%	24.99%	48.63%
Multicultural Establishment	570,533	91,856	191,122	35,297	318,275	42.27%	81.43%	22.20%	55.79%
Rural Family	872,019	133,893	105,394	21,552	260,598	40.11%	38.17%	9.86%	29.88%
Stressed Seniors	385,837	33,641	81,153	28,342	143,136	22.36%	74.17%	22.99%	37.10%
Suburban Mainstream	1,706,728	296,107	360,248	110,879	767,209	42.17%	73.26%	19.71%	44.95%
Wealthy Seniors	791,411	64,857	167,066	51,008	282,931	20.75%	74.87%	18.79%	35.75%
Young Affluent	607,432	37,122	214,561	85,308	336,991	19.88%	76.86%	42.66%	55.48%
Young Growing Families	719,946	302,544	161,510	47,076	511,122	90.98%	76.10%	19.72%	70.99%

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Post Code	State	Location	Long location	All Households	Mortgage Stress	% Mortgage Stress
2170	NSW	Chipping Norton	Casula, Chipping Norton, Hammondville, Liverpool, Liverpool South, Lurnea, Moorebank, Mount Pritchard, Prestons, Warwick Farm	38,254	13,303	92.59%
2560	NSW	Leumeah	Airds, Ambarvale, Appin, Bradbury, Blair Athol, Bradbury, Campbelltown, Englorie Park, Gilead, Glen Alpine, Kentlyn, Leumeah, Rosemeadow, Ruse, St Helens Park, Wedderburn, Woodbine	29,533	12,277	100.00%
4350	QLD	Harristown	Athol, Centenary Heights, Cranley, Darling Heights, Drayton, East Toowoomba, Finnie, Glenvale, Harlaxton, Harristown, Kearneys Spring, Middle Ridge, Mount Kynoch, Mount Lofty, Mount Rascal, Newtown, North Toowoomba, Northlands, Prince Henry Heights, Rangeville, Redwood, Rockville, South Toowoomba, Southtown, Toowoomba, Toowoomba East, Toowoomba South, Toowoomba West, Top Camp, Wellcamp, Westbrook, Wilsonton, Wilsonton Heights, Wyalla Plaza	47,191	12,255	78.45%
6065	WA	Tapping	Ashby, Darch, Gnangara, Hocking, Jandabup, Landsdale, Lexia, Madeley, Mariginiup, Melaleuca, Pearsall, Pinjar, Sinagra, Tapping, Wangara, Wanneroo	24,261	11,767	76.13%
3064	VIC	Roxburgh Park	Craigieburn, Donnybrook, Kalkallo, Mickleham, Roxburgh Park	34,481	11,504	52.08%
3805	VIC	Narre Warren South	Fountain Gate, Narre Warren, Narre Warren South	19,005	10,326	96.59%
2570	NSW	Camden South	Camden, Camden Park, Cawdor, Cobbitty, Elderslie, Ellis Lane, Grasmere, Mount Hunter, Nattai, Oakdale, Orangeville, The Oaks, Werombi	21,460	9,876	80.77%
3810	VIC	Pakenham	Pakenham, Pakenham Upper	20,049	9,506	89.76%
3806	VIC	Berwick	Berwick, Harkaway	17,965	9,469	100.00%
3977	VIC	Cranbourne	Cannons Creek, Cranbourne, Cranbourne East, Cranbourne North, Cranbourne South, Cranbourne West, Devon Meadows, Five Ways, Junction Village, Skye	38,658	9,271	38.95%
3350	VIC	Ballarat East	Alfredton, Ballarat, Ballarat North, Ballarat West, Black Hill, Brown Hill, Canadian, Eureka, Golden Point, Lake Wendouree, Mount Clear, Mount Helen, Mount Pleasant, Nerrina, Redan, Sovereign Hill	27,697	9,223	91.97%
2765	NSW	Riverstone	Berkshire Park, Box Hill, Maraylya, Marsden Park, Nelson, Oakville, Riverstone, Vineyard	14,189	8,994	100.00%
4306	QLD	Pine Mountain (Qld)	Amberley, Amberley Raaf, Avoca Vale, Banks Creek, Barellan Point, Benarkin, Benarkin North, Blackbutt, Blackbutt North, Blackbutt South, Blacksoil, Borallon, Cherry Creek, Chuwar, Colinton, Deebing Heights, Fairney View, Fernvale, Googa Creek, Goolman, Haigslea, Harlin, Ironbark, Karalee, Karana Downs, Kholo, Lake Manchester, Linville, Moore, Mount Binga, Mount Crosby, Mount Stanley, Muirlea, Nukku, Peak	15,136	8,439	100.00%

Post Code	State	Location	Long location	All Households	Rental Stress	% Rental Stress
3000	VIC	Melbourne	Melbourne	23,055	15,458	85.25%
2170	NSW	Liverpool	Casula, Chipping Norton, Hammondville, Liverpool, Liverpool South, Lurnea, Moorebank, Mount Pritchard, Prestons, Warwick Farm	38,254	14,028	87.50%
4350	QLD	Toowoomba	Athol, Centenary Heights, Cranley, Darling Heights, Drayton, East Toowoomba, Finnie, Glenvale, Harlaxton, Harristown, Kearneys Spring, Middle Ridge, Mount Kynoch, Mount Lofty, Mount Rascal, Newtown, North Toowoomba, Northlands, Prince Henry Heights, Rangeville, Redwood, Rockville, South Toowoomba, Southtown, Toowoomba, Toowoomba East, Toowoomba South, Toowoomba West, Top Camp, Wellcamp, Westbrook, Wilsonton, Wilsonton Heights, Wyalla Plaza	47,191	12,439	68.55%
2145	NSW	Westmead	Constitution Hill, Girraween, Greystanes, Mays Hill, Pemulwuy, Pendle Hill, Wentworthville, South Wentworthville, Westmead	30,232	10,867	84.13%
2017	NSW	Zetland	Waterloo, Zetland	14,949	10,211	91.80%
3029	VIC	Tarneit	Hoppers Crossing, Tarneit, Truganina	40,249	10,012	83.34%
2560	NSW	Campbelltown	Airds, Ambarvale, Appin, Bradbury, Blair Athol, Bradbury, Campbelltown, Englorie Park, Gilead, Glen Alpine, Kentlyn, Leumeah, Rosemeadow, Ruse, St Helens Park, Wedderburn, Woodbine	29,533	9,715	88.57%
4209	QLD	Coomera	Coomera, Pimpama, Upper Coomera, Willow Vale	24,313	9,567	81.70%
4215	QLD	Southport	Chirn Park, Labrador, Southport	25,012	9,504	67.68%
3977	VIC	Cranbourne	Cannons Creek, Cranbourne, Cranbourne East, Cranbourne North, Cranbourne South, Cranbourne West, Devon Meadows, Five Ways, Junction Village, Skye	38,658	9,503	100.00%
2770	NSW	Mount Druitt	Bidwill, Blackett, Dharruk, Emerton, Hebersham, Lethbridge Park, Minchinbury, Mount Druitt, Shalvey, Tregear, Whalan, Willmot	19,864	9,188	90.62%
3064	VIC	Roxburgh Park	Craigieburn, Donnybrook, Kalkallo, Mickleham, Roxburgh Park	34,481	9,183	100.00%
2150	NSW	Parramatta	Harris Park, Parramatta	14,441	8,680	83.44%
3030	VIC	Derrimut	Derrimut, Point Cook, Werribee	41,029	8,349	60.14%
4305	QLD	Ipswich	Basin Pocket, Brassall, Bremer, Churchill, Coalfalls, East Ipswich, Eastern Heights, Flinders View, Ipswich, Leichhardt, Limestone Ridges, Moores Pocket, Newtown, North Ipswich, North Tivoli, One Mile, Raceview, Sadliers Crossing, Tivoli, West Ipswich, Woodend, Wulkuraka, Yamanto	25,421	8,277	80.53%
4207	QLD	Yatala	Alberton, Bahrs Scrub, Bannockburn, Beenleigh, Belivah, Buccan, Cedar Creek, Eagleby, Edens Landing, Holmview, Logan Village, Luscombe, Mount Warren Park, Stapylton, Steiglitz, Windaroo, Wolffdene, Woongoolba, Yatala	25,063	8,270	81.82%
2148	NSW	Blacktown	Arndell Park, Blacktown, Kings Park, Marayong, Prospect	23,362	8,215	85.09%
4006	QLD	Fortitude Valley	Bowen Hills, Fortitude Valley, Herston, Newstead	13,416	7,948	75.15%

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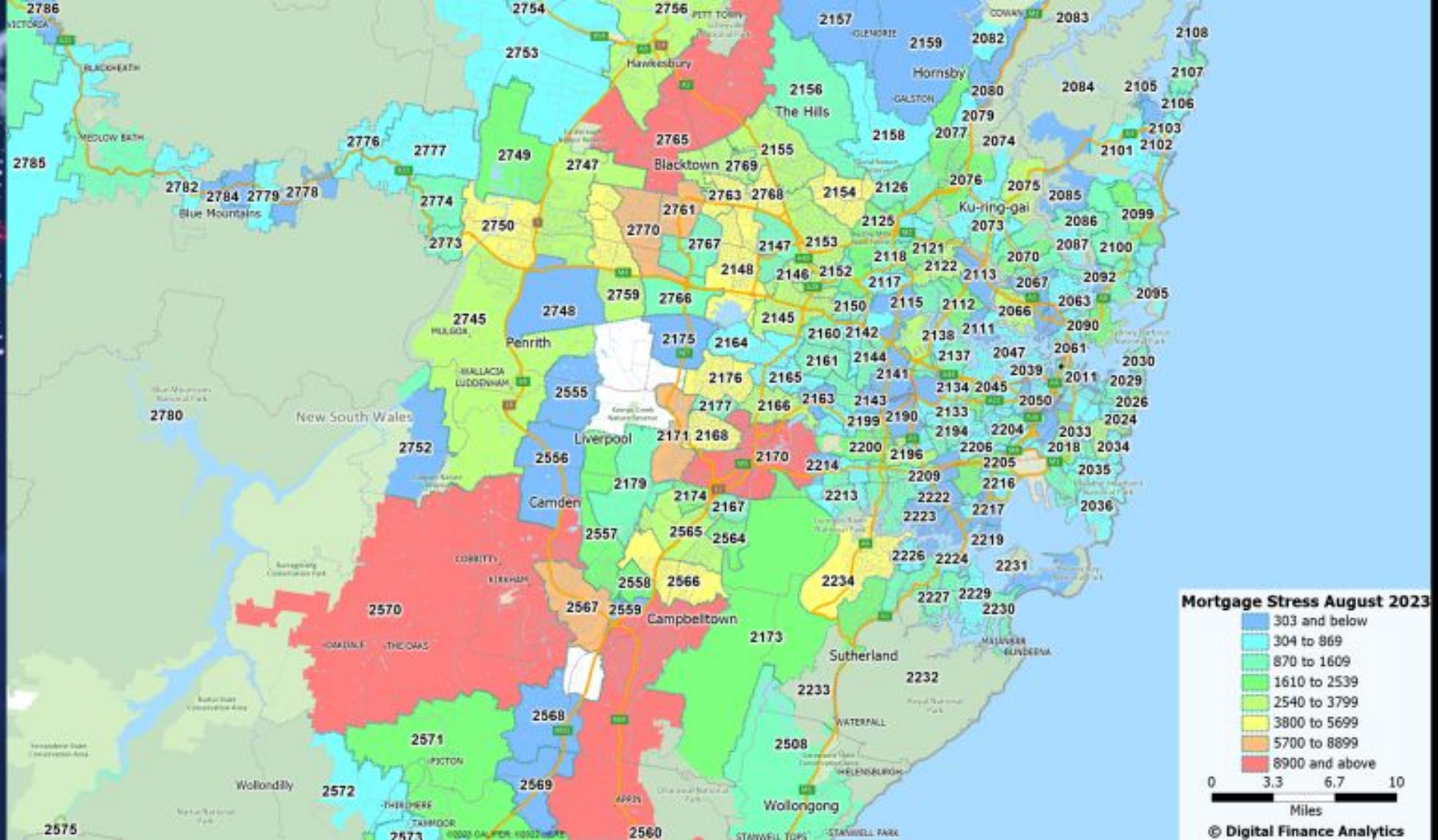
Mortgage Stress August 2023
303 and below
304 to 869
870 to 1609
1610 to 2539
2540 to 3799
3800 to 5699
5700 to 8899
8900 and above
0 3.3 6.7 10
Miles
© Digital Finance Analytics
Hawkesbury
Blacktown
The Hills
Hornsby
Ku-ring-gai
Blue Mountains
Penrith
New South Wales
Liverpool
Camden
Campbelltown
Sutherland
Wollongong
Wollondilly

Personalise Your Portfolio

Screens

You can exclude the below to customise your portfolio

Climate Change | War | Human Rights | Health | Vices

Animal Rights | Religion | Asset Class | Thematic

- No Fossil Fuels (Worst Offenders)
- No Fossil Fuels (Any)
- No Coal Seam Gas or Fracking
- No Nuclear Power
- No Old Growth Forest Logging

Tilts

You can add the below to customise your portfolio

Investment Style Factors | Climate Change | Technology

Consumption | Commodities | Military | GICS Sectors

- Quality Stocks
- Value Stocks
- Growth Stocks
- Defensives

Personalise your portfolio now ›

Build Your Portfolio

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Portfolio Tilts

Quality Stocks	Value Stocks	Growth Stocks
Oil & Gas Stocks	Gold Stocks	Agribusiness
Large Technology Stocks	Cloud Computing Stocks	Robotics/AI
Video Gaming	Cybersecurity	Clean Energy
Defensives	Battery Supply Chain	Nuclear Power
Defense Contractors	Travel	Luxury Goods
Logistics	Global Communication Services	Global Consumer Discretionary
Global Consumer Staples	Global Energy	Global Financials
Global Health Care	Global Industrials	Global Information Technology

Our Scenarios

- Scenarios are a way of exploring different futures, and to consider the consequences, not as a forecast, but to facilitate understanding and debate.
- None of these scenarios may turn out to be right…. Things change.
- We use a framework driven from our core market model and we are going to look at three potential outcomes, updated with the latest data and results.
- The scenarios running forward from today.

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August 2023

2500	<<Enter Post Code Here

Base Census 2021	Count		Disposable Monthly Income	
Households	18,908		$ 5,620	
Own Outright	5,051	26.7%		
Borrowing	4,733	25.0%	$ 2,467	43.9%
Renting	9,124	48.3%	$ 1,993	35.5%
Investing	5,959			

Geographic	
Location	Wollongong
District	Sydney
Suburbs Included	Coniston, Gwynneville, Mangerton, Keiraville, Mount Keira, Mount Saint Thomas, North Wollongong, Spring Hill, West Wollongong, Wollongong
State	NSW
SA3	Wollongong
SA4	Illawarra
Federal Seat	Cunningham
Currently Held By	ALP
LGA	Wollongong
Remote Rating	R2

Property Profiles		
Houses	6,346	35.6%
Units	9,398	52.7%
Other	2,090	11.7%
Total Occupied	17,834	
People	39,492	
Ratio	2.00	
Vacant	1,943	9.8%
Gross Investment Yield		3.4%
Net Investment Yield		-0.2%

Borrowers In Mortgage Stress	1,240	26.2%
Renters In Rental Stress	6,691	73.3%
Stressed Investors	1,716	33.8%
Households In Financial Stress	9,647	51.0%

Price Scenarios	Now	Cumulative + 12 Months	+24 Months	+36 Months
House				
Best	0	-5.0%	-8.0%	-5.4%
Base	0	-11.4%	-21.4%	-25.3%
Worst	0	-16.6%	-33.0%	-44.7%
Units				
Best	0	-4.4%	-7.0%	-4.8%
Base	0	-10.0%	-18.2%	-21.5%
Worst	0	-14.7%	-29.3%	-39.1%

20-21 Average Taxable Income	
$ 79,703	(Individual ATO)
$ 84,288	(Household Census)

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