



RENTAL CRISIS: EFFECT ON THE AUSTRALIAN ECONOMY

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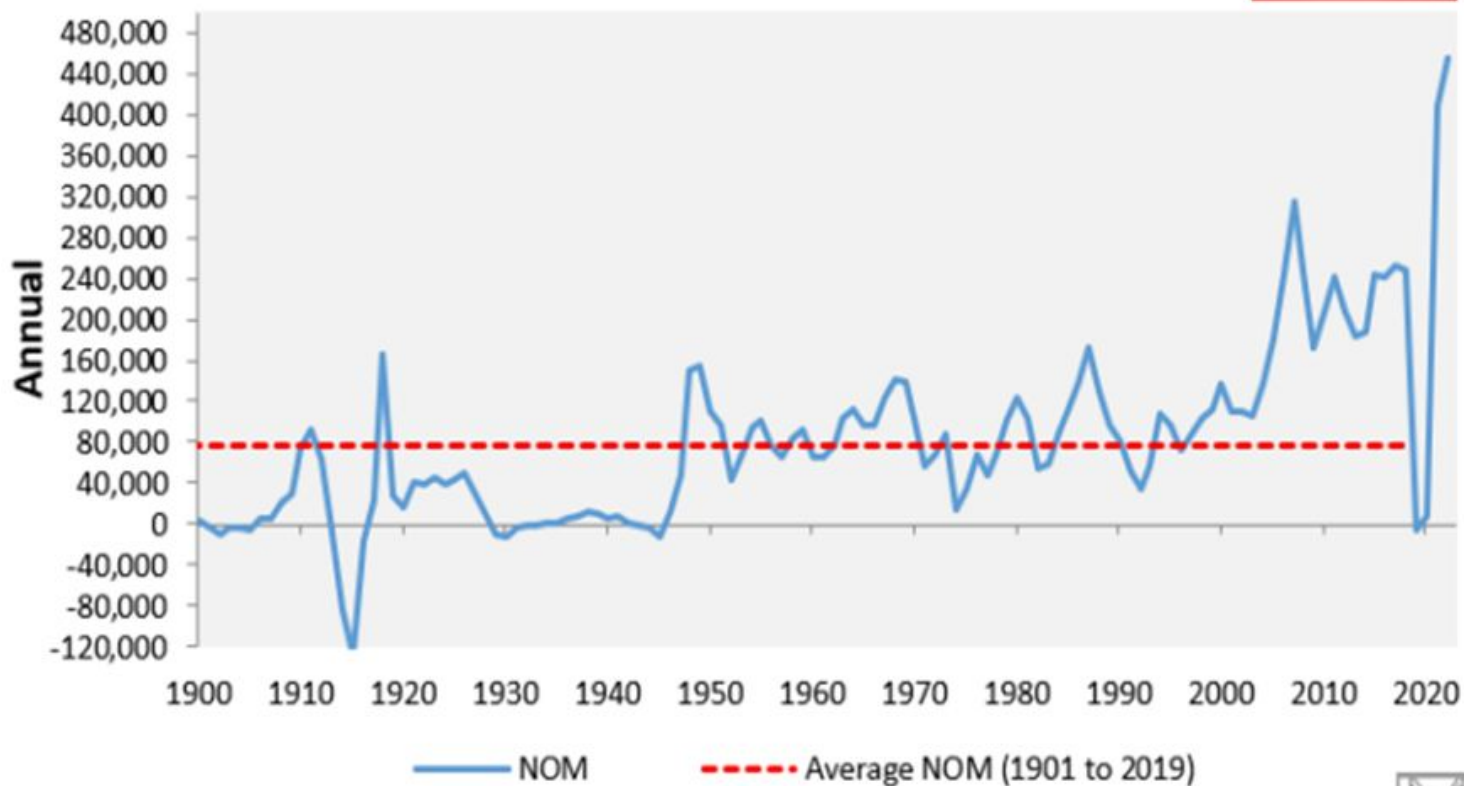
Record Immigration

- Population grew by an all-time high of 563,200 in the year to March, driven by record Net Overseas Migration of 454,300.
- Already smashed May Federal Budget's projection of 524,000 population increase off 400,000 NOM in FY2023

Australian Net Overseas Migration

Sources: Australian Bureau of Statistics; 2023 Federal Budget; 2023 IGR

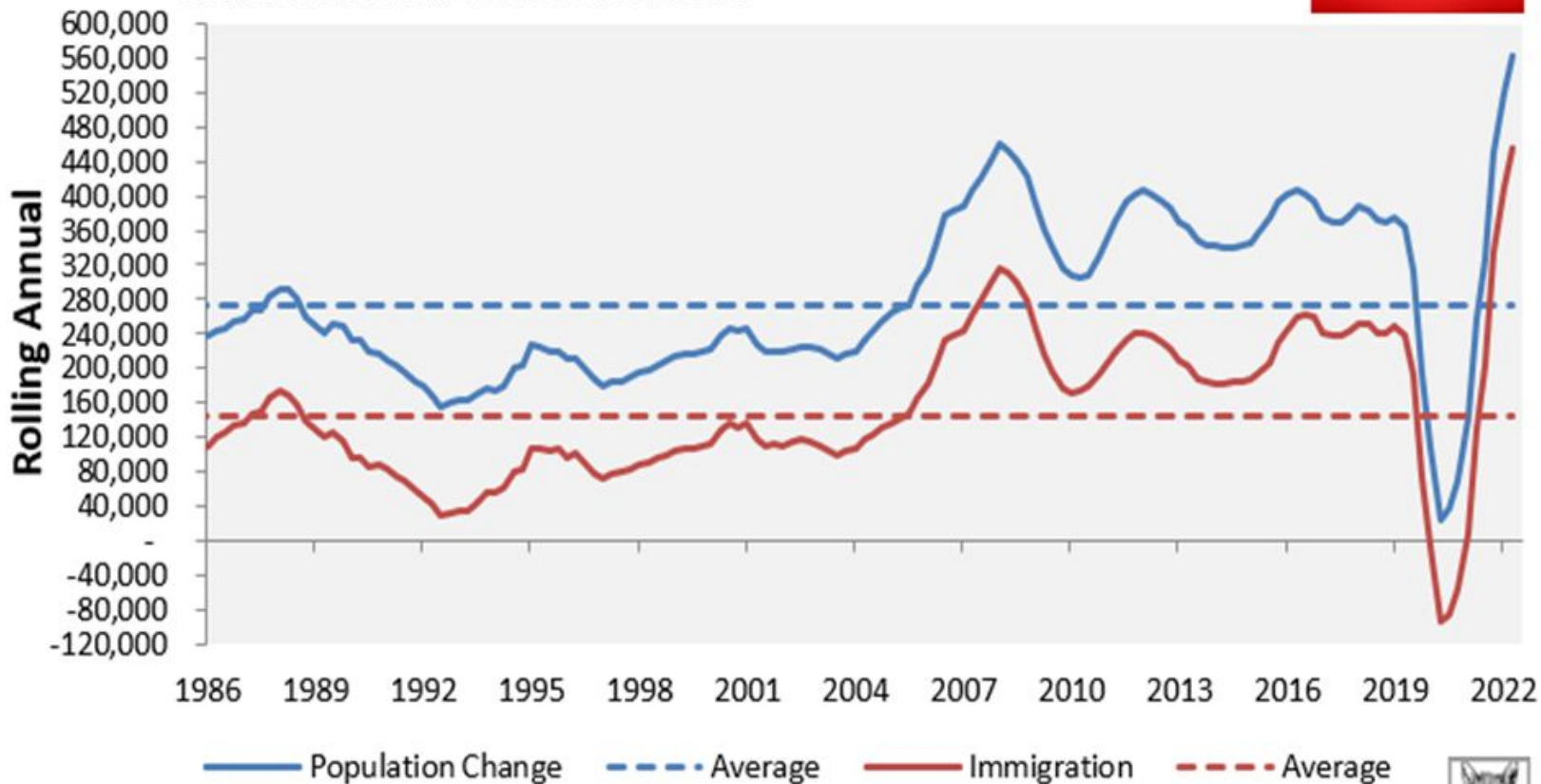
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Australian Population Change

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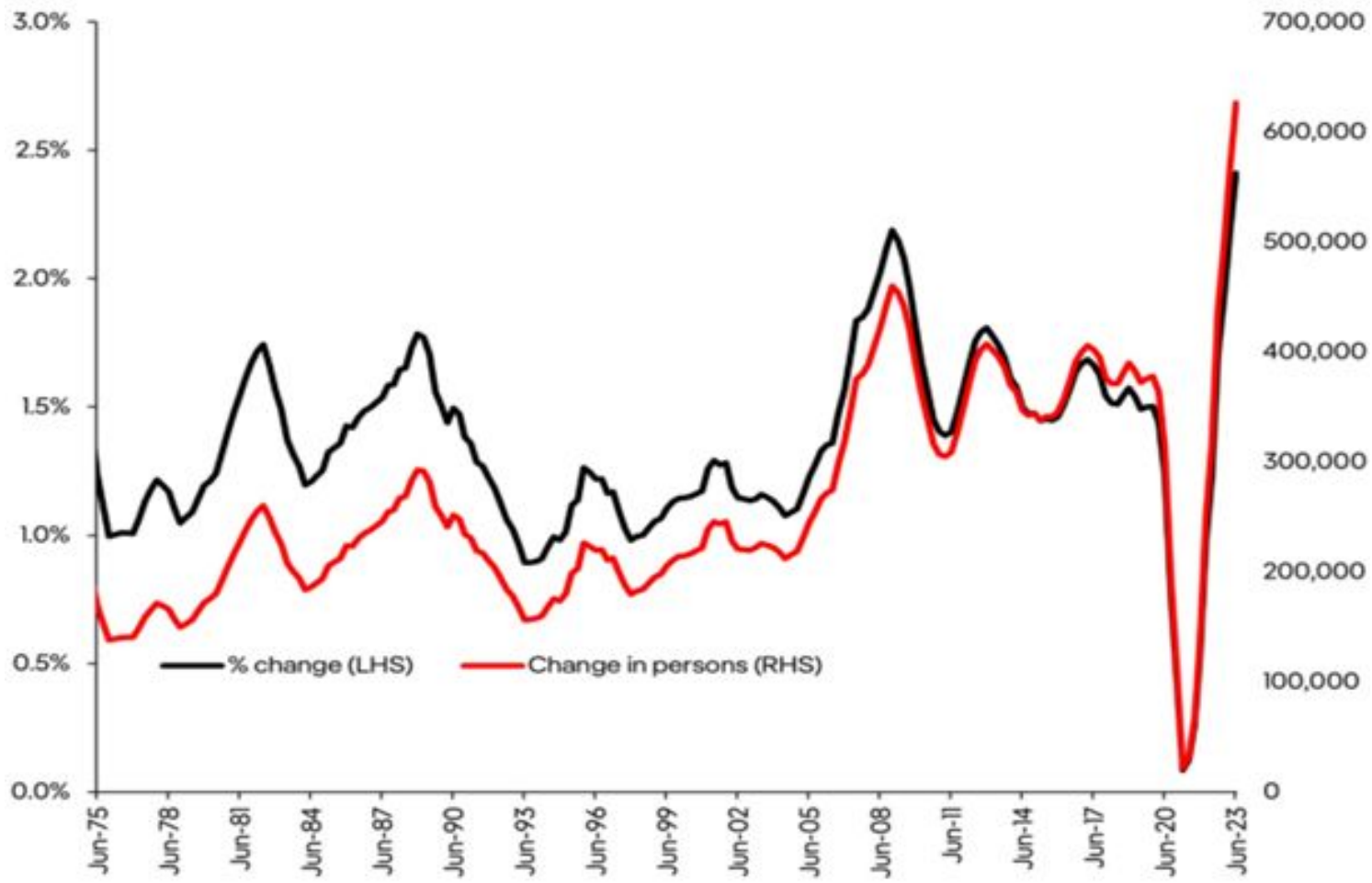
Source: Australian Bureau of Statistics



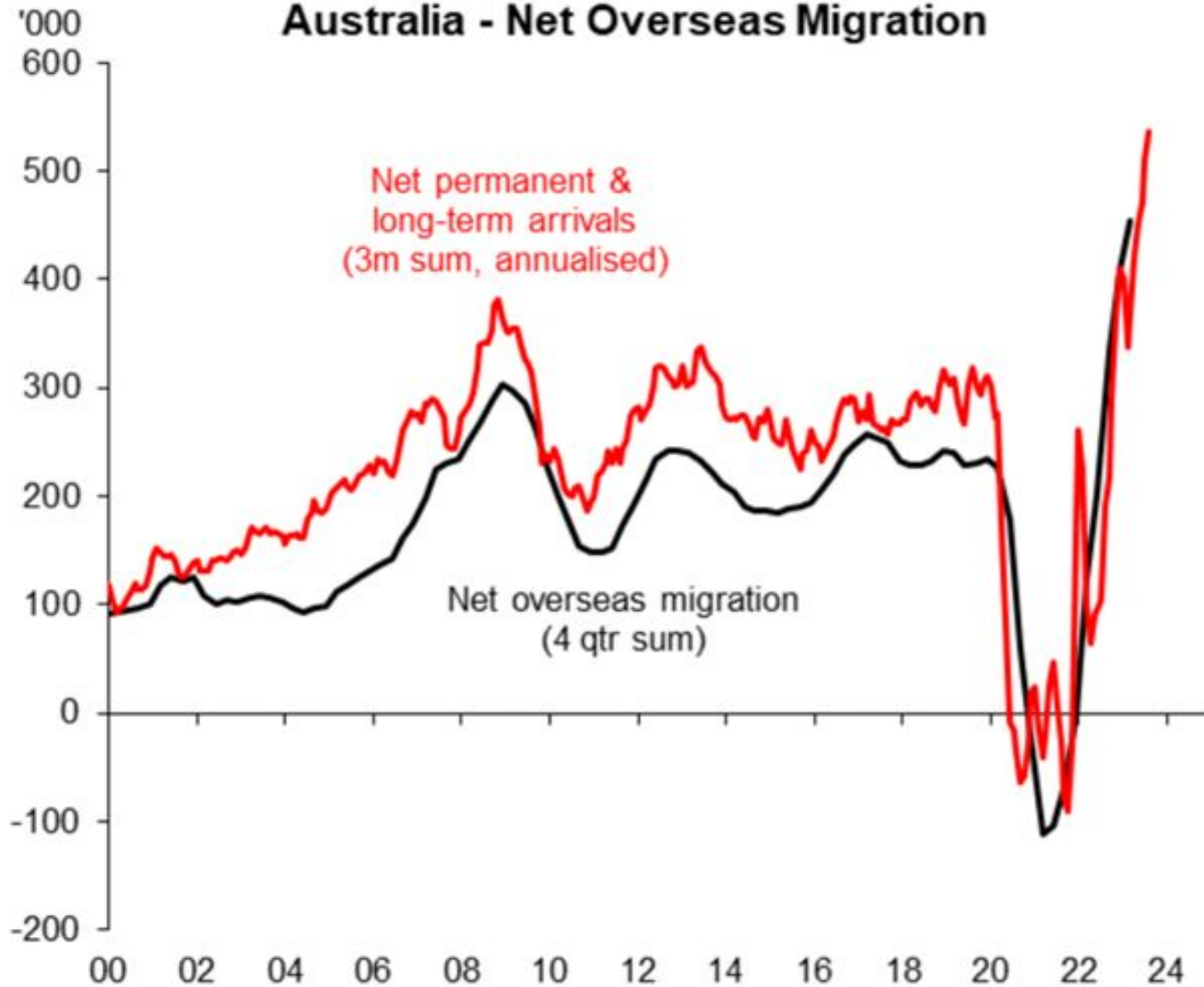
Immigration likely rose further in Q2 & Q3

- The June quarter national accounts also estimated that Australia's population increased by 626,000 in the 2022-23 financial year. NOM ~500,000.
- Immigration boom deliberately engineered by Albanese Government:
- Extended post-study graduate visas by two years.
- Committed \$42 million and 600 staff to clear the so-called "one million visa backlog" and rubber-stamped as many visa applications as possible.
- Raised the permanent non-humanitarian migrant intake by 30,000 to 190,000.
- Raised the humanitarian migrant intake to 20,000.
- Approved 66,000 "pandemic event visas".
- Prioritised offshore visa applicants over onshore.
- Removed a requirement that international students acknowledge that they are not applying for a student visa to migrate to Australia.
- Signed migration agreements allowing Indian students and workers to live in Australia long-term.

Estimated annual change in population
(extrapolated from ABS National Accounts)



Australia - Net Overseas Migration



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

Climate Change

War

Human Rights

Health

Vices

Animal Rights

Religion

Asset Class

Thematic

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 ⊙

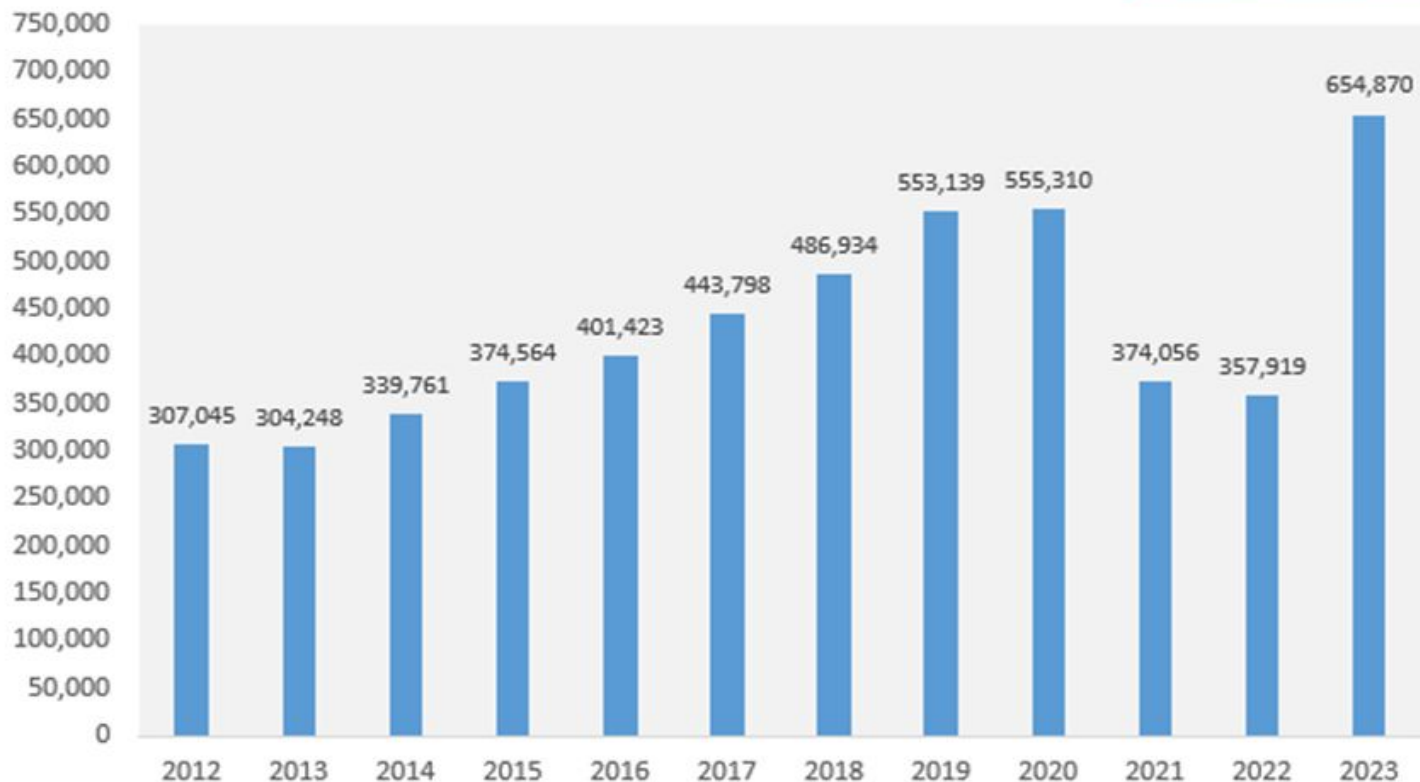
International students are driving the boom

- Latest Home Affairs visa data, 654,870 temporary student visas were on issue in July, over 100,000 more than the pre-pandemic peak.
- ABS monthly visa data showed a record 294,000 net student visa arrivals in the year to July, driving the 503,000 rise in overall net visa arrivals (excluding tourists).

Temporary Student Visas on Issue

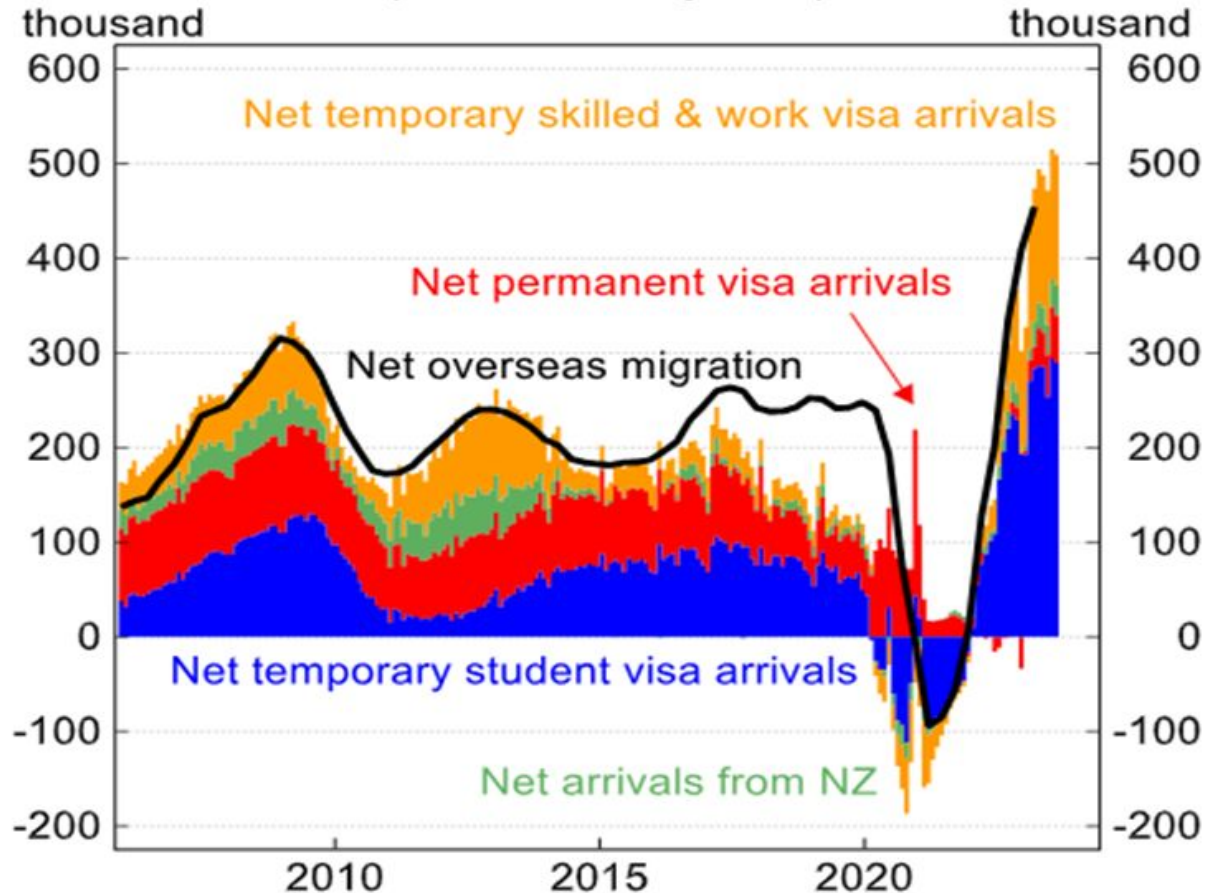
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Source: Department of Home Affairs



NET OVERSEAS MIGRATION

(annual rolling sum)



Source: CBA, Macrobond

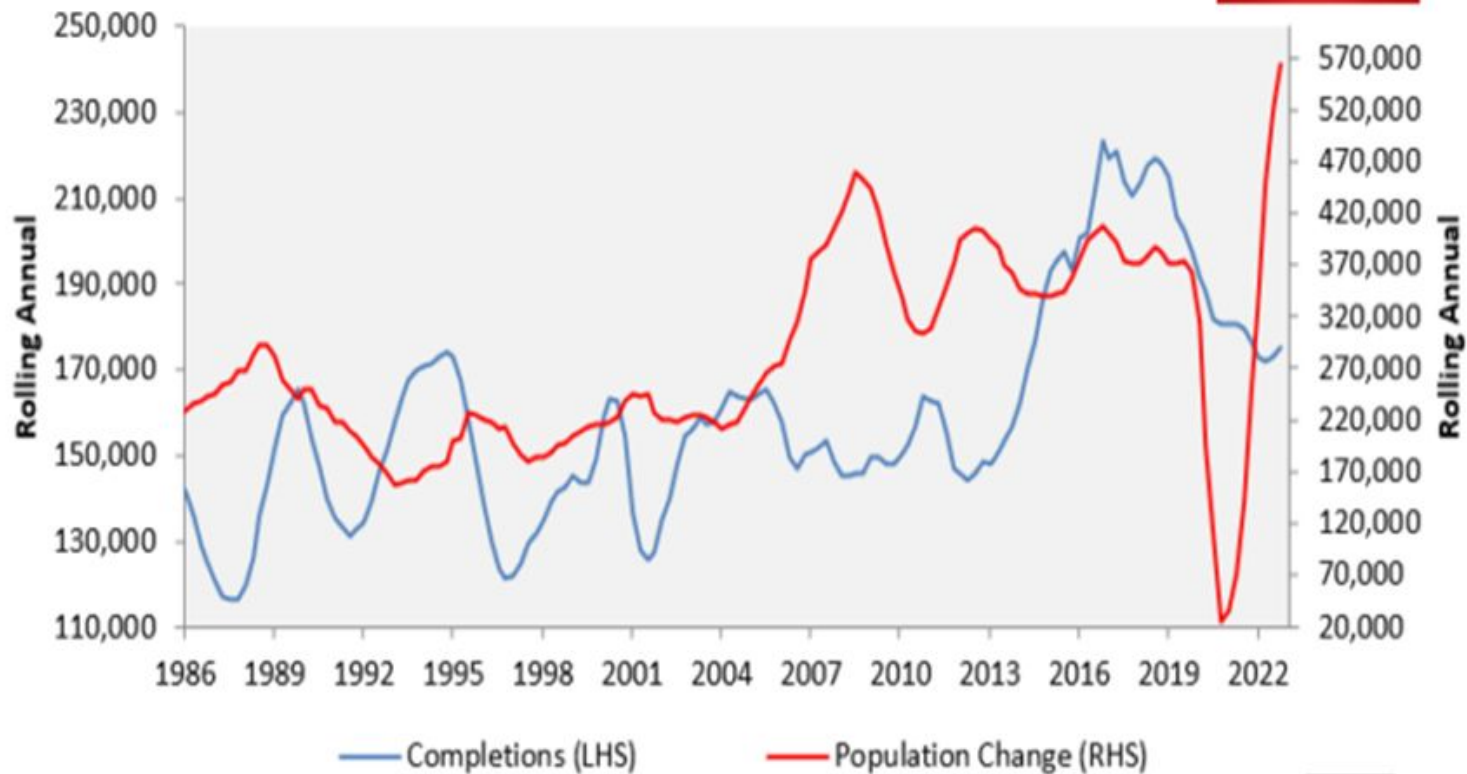
Severe impact on the housing market

- Australia's housing construction has lagged behind population growth since immigration was ramped up from 2005.
- The latest record immigration has driven rental vacancy rates to all-time lows and sent rental prices soaring

Dwelling Completions vs Population Change

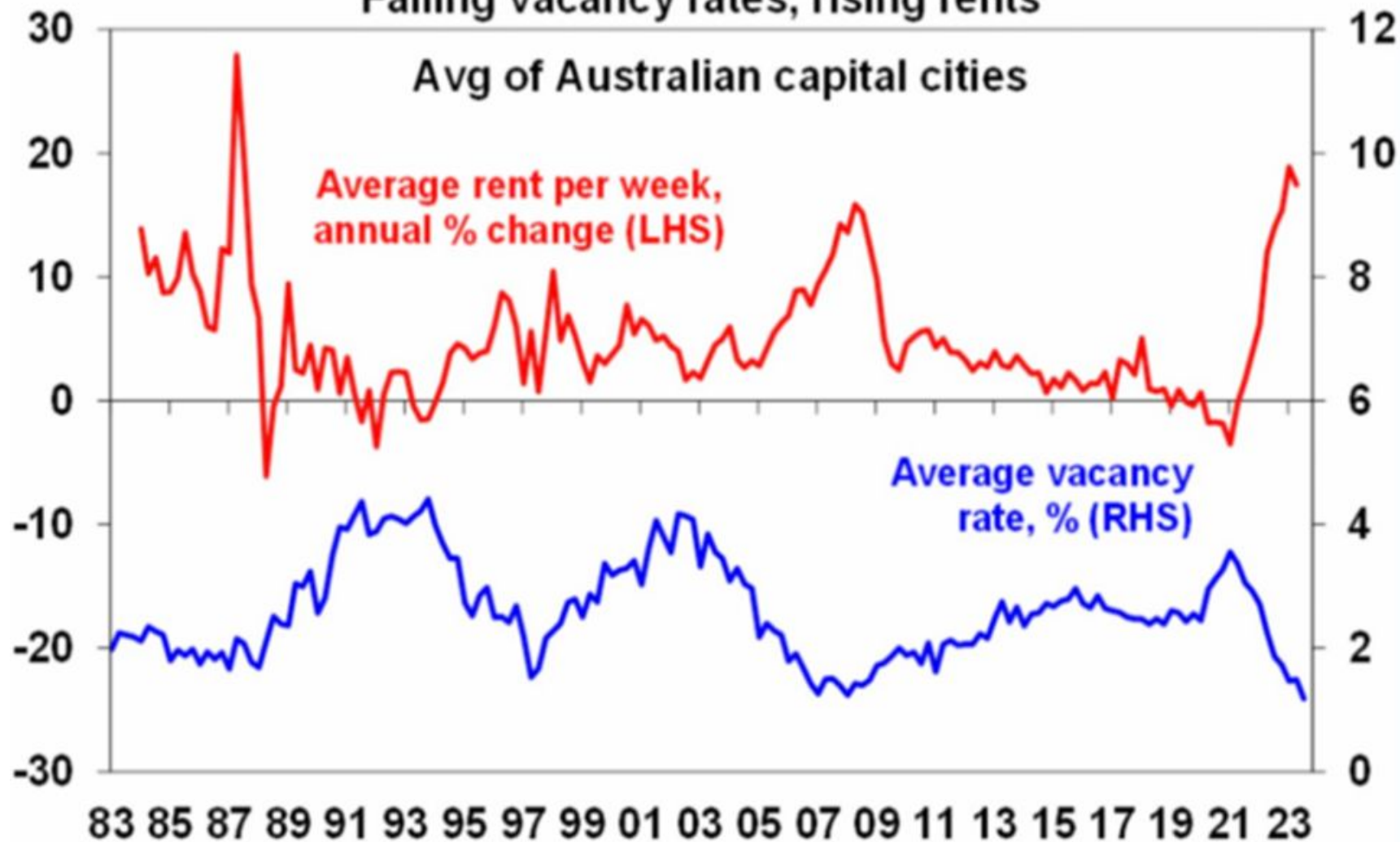
Source: Australian Bureau of Statistics; 2023 Federal Budget

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Falling vacancy rates, rising rents

Avg of Australian capital cities



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

Need help with this page? Video Tutorial

- Account Selection
- Investment Choice
- Risk Profile
- Build Your Portfolio**
- Ethical Overlay
- Review
- Applicants
- Bank Details
- Compliance
- Final Review

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

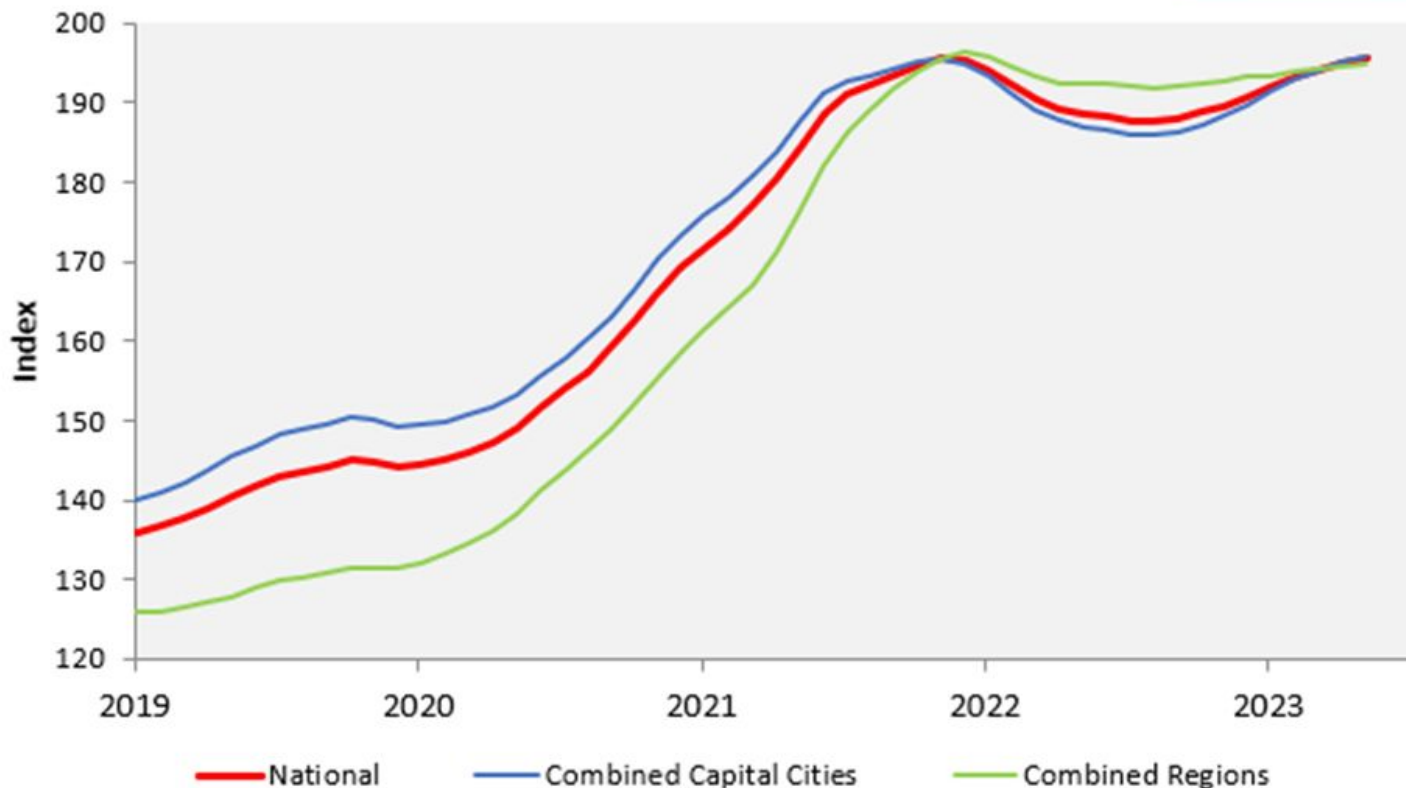
Immigration boom has lifted house prices

- House prices are already back at last year's peak despite 4% of OCR rises.

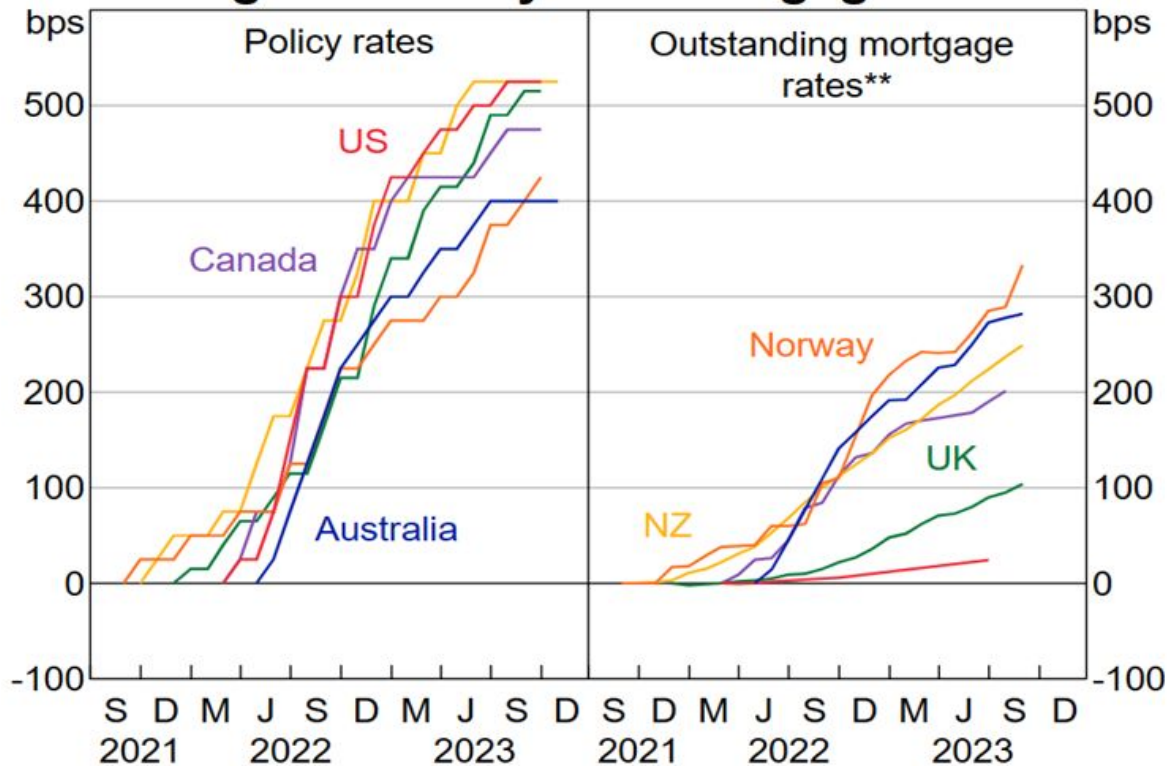
Australian Dwelling Values

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Source: PropTrack



Changes in Policy and Mortgage Rates*



* Cumulative basis point increase in the policy rate and average outstanding mortgage rate relative to the month immediately preceding first policy rate increase since the onset of the pandemic.

** Data for the US is interpolated between September 2022 and June 2023, Canada data to July 2023, and remainder to August 2023.

Sources: APRA; Black Knight; central banks; RBA.

Sydney House: Affordability Measures



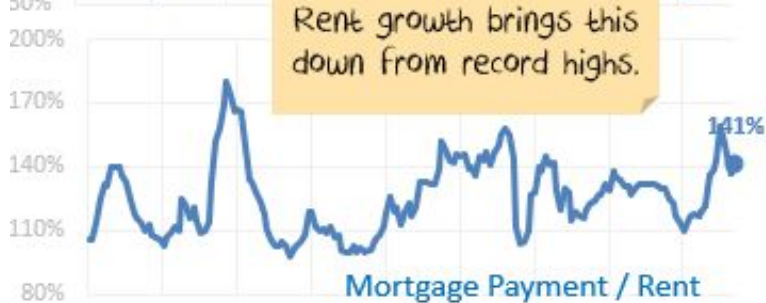
Mortgage cost vs wages higher than ever. But stopped getting worse.



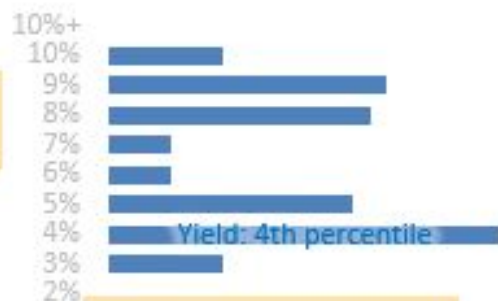
Rising rents = owning looks better.



Sydney Units: Affordability Measures



Sydney House: Investment Measures



Source: Nucleus Wealth, ABS, RBA, Domain, Rismark, SQM

Sydney Units: Investment Measures



Source: Nucleus Wealth, ABS, RBA, Domain, Rismark, SQM

Viewer question of the week:

Are there any signs that immigration will slow?

Drop your answers in the comments

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