

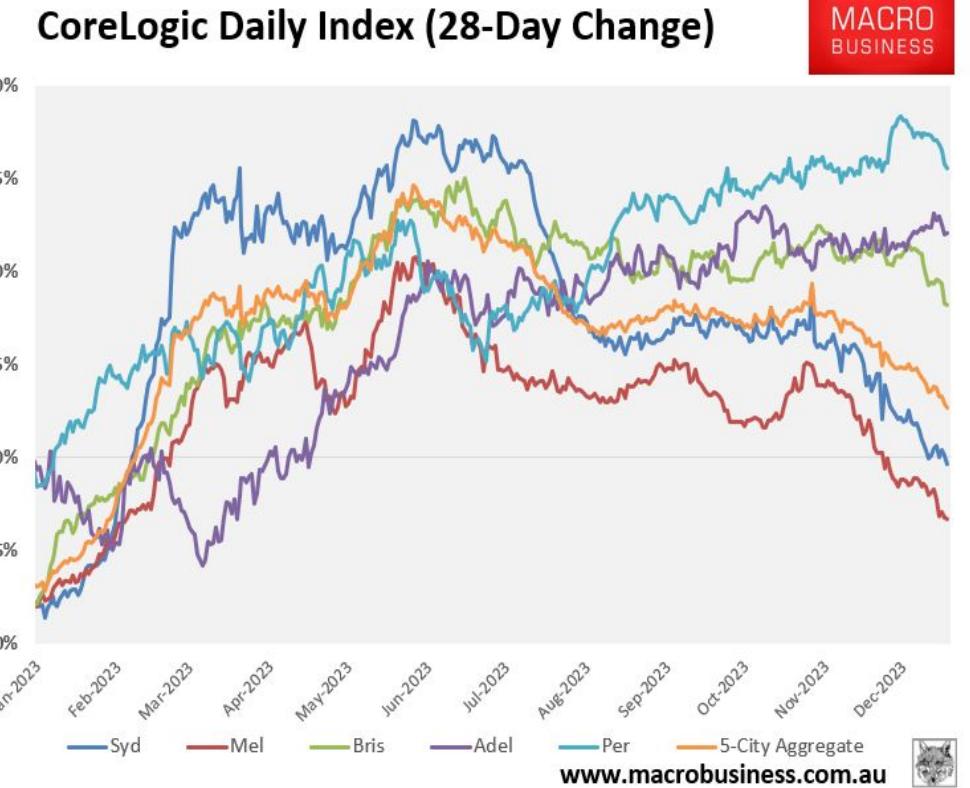
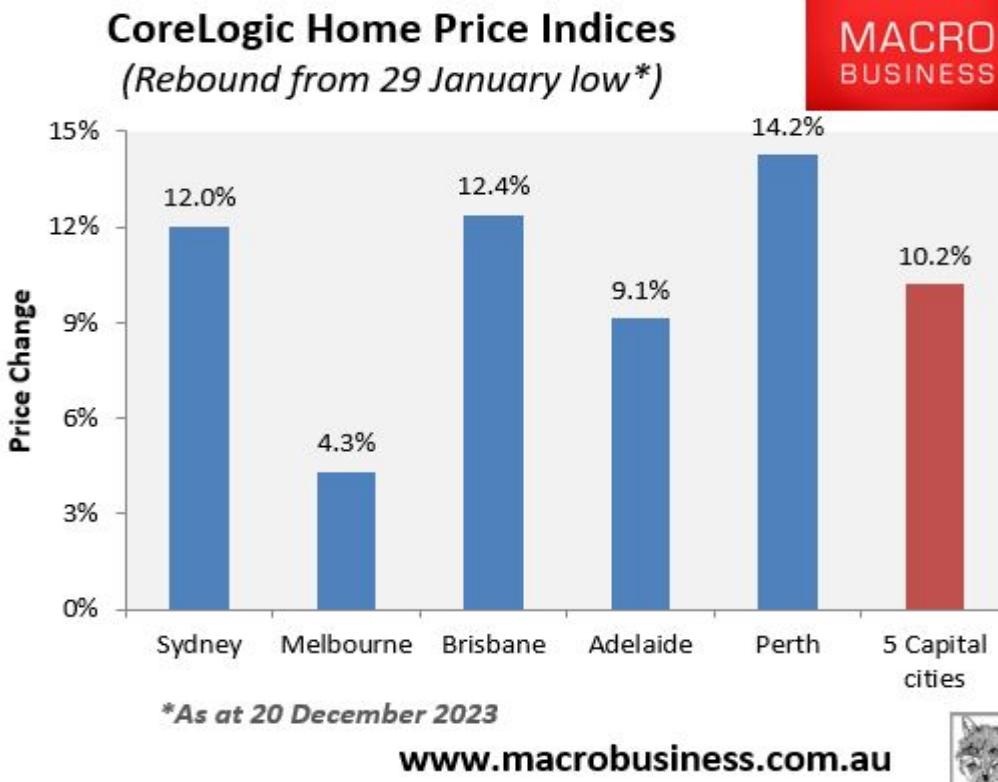


WILL 2024 CRASH AUSTRALIA'S HOUSING MARKET?

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House price rebound fading



- After strong rebound, Sydney and Melbourne home values are falling, Brisbane softening.

CoreLogic Home Price Indices

(Rebound from 29 January low)*

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**As at 20 December 2023*

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CoreLogic Daily Index (28-Day Change)

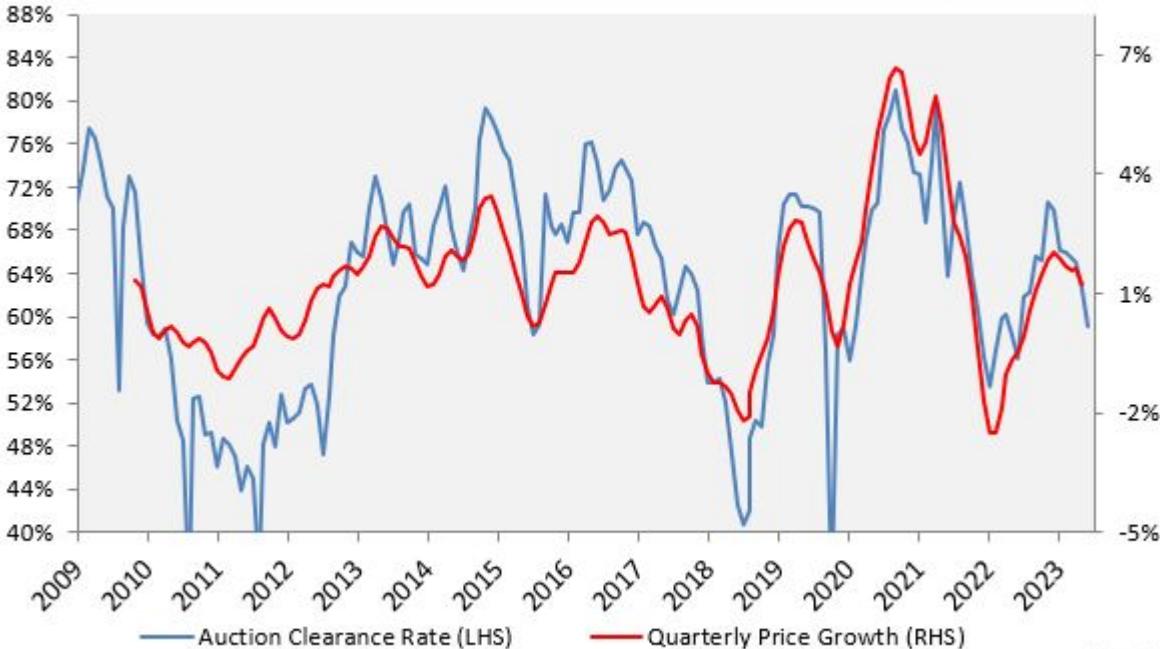
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Auction clearances falling, listings rising

Capital City Auction Clearance Rate vs Price Growth

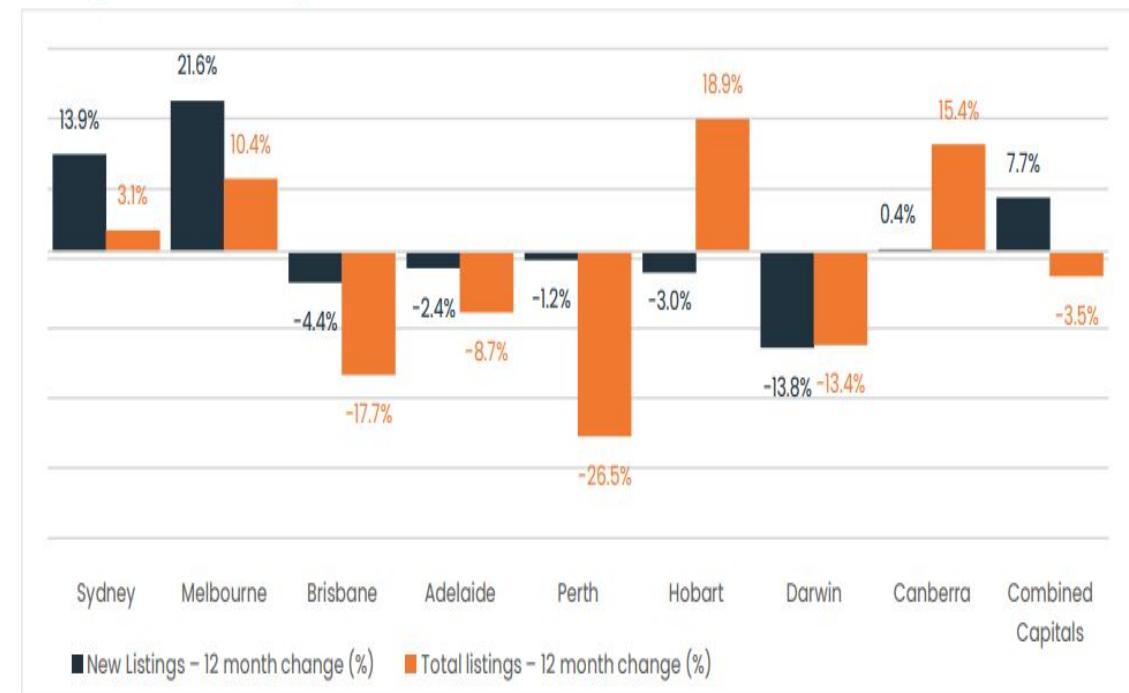
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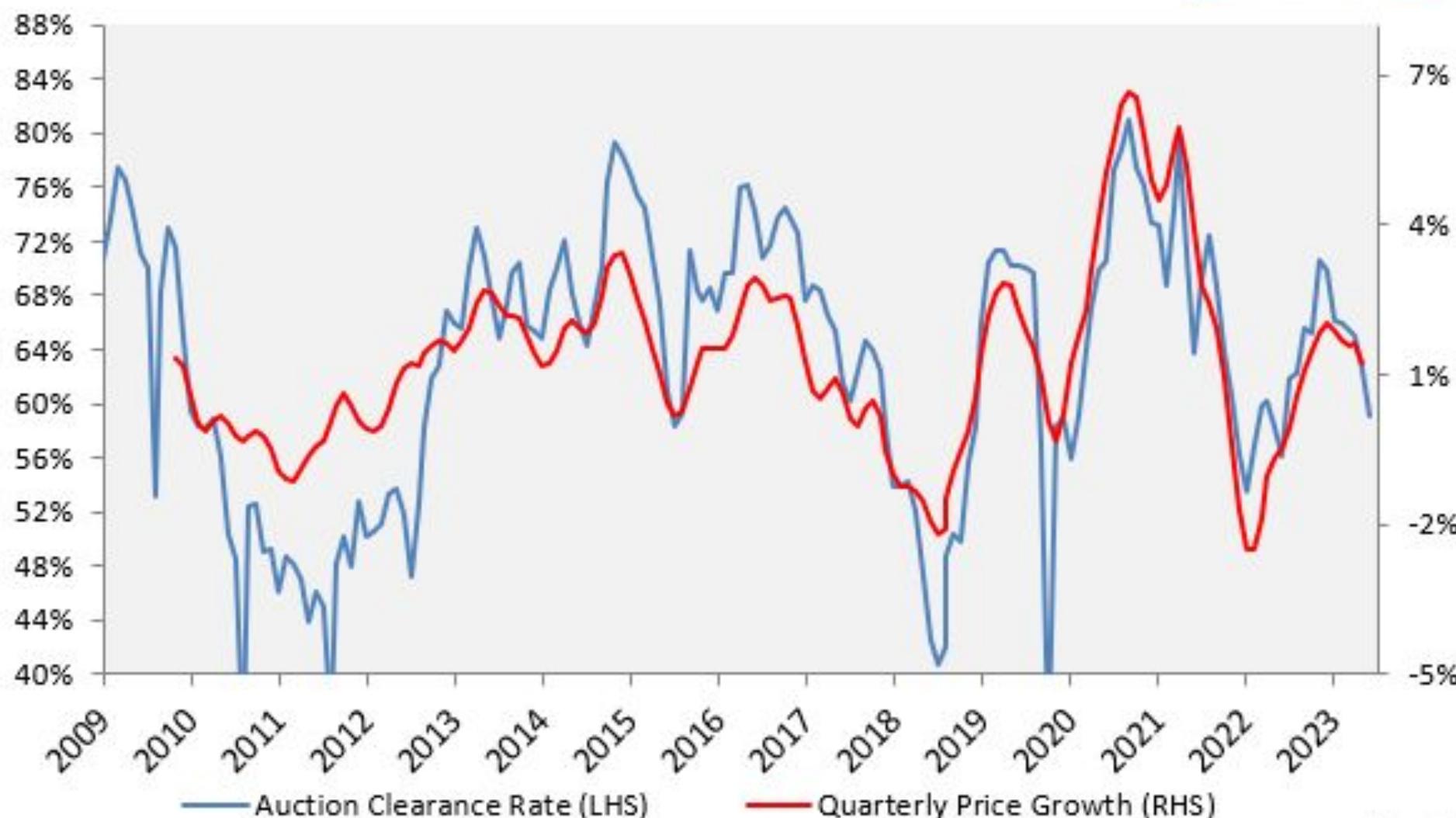
Listings 12 month change (%)



- Sydney and Melbourne auction clearances falling, listings rising.

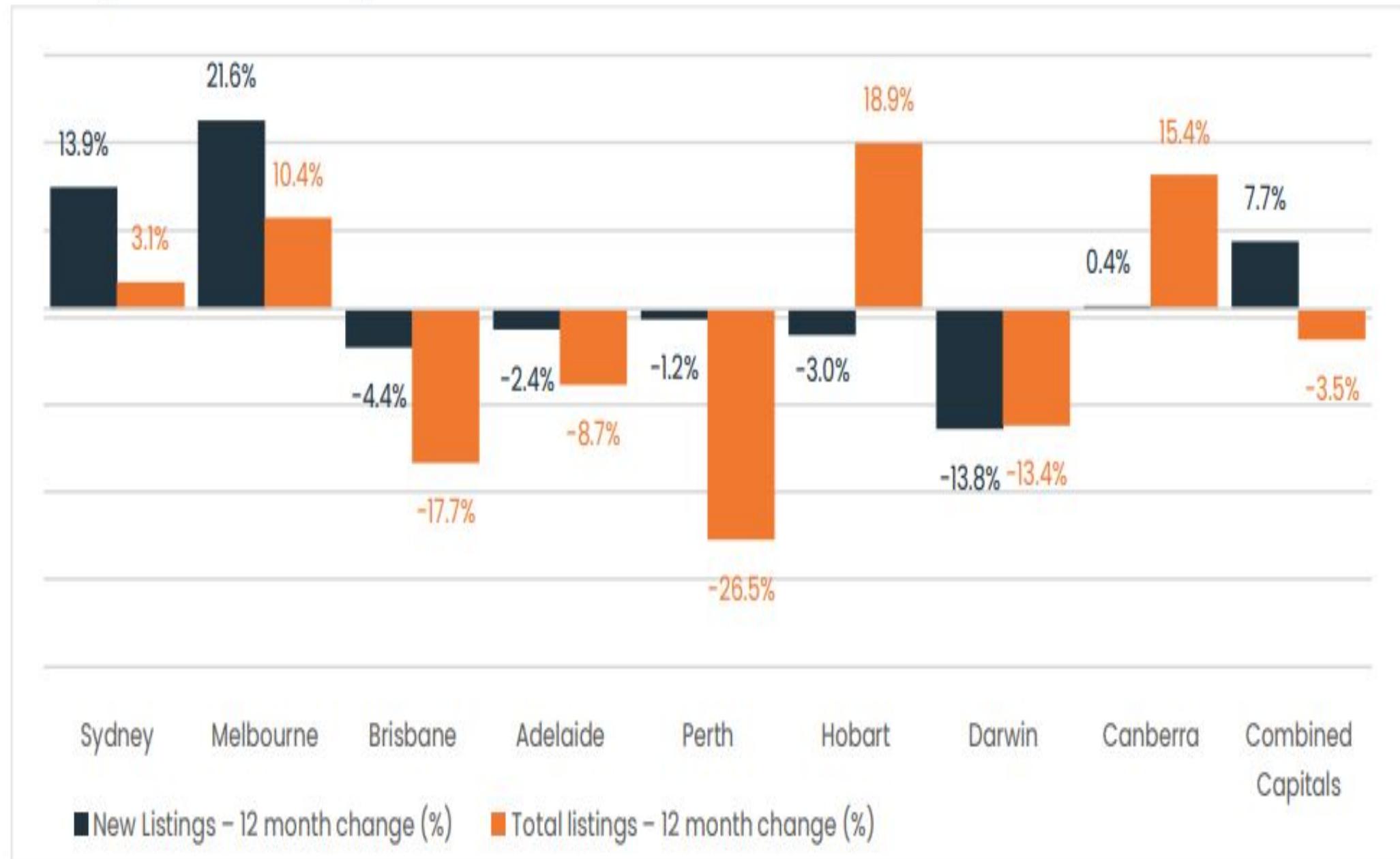
Capital City Auction Clearance Rate vs Price Growth

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Listings 12 month change (%)

13.9%
21.6%
10.4%
-4.4%
-2.4%
-8.7%
-17.7%
-26.5%
-1.2%
-3.0%
-13.8%
-13.4%
0.4%
18.9%
15.4%
7.7%
-3.5%

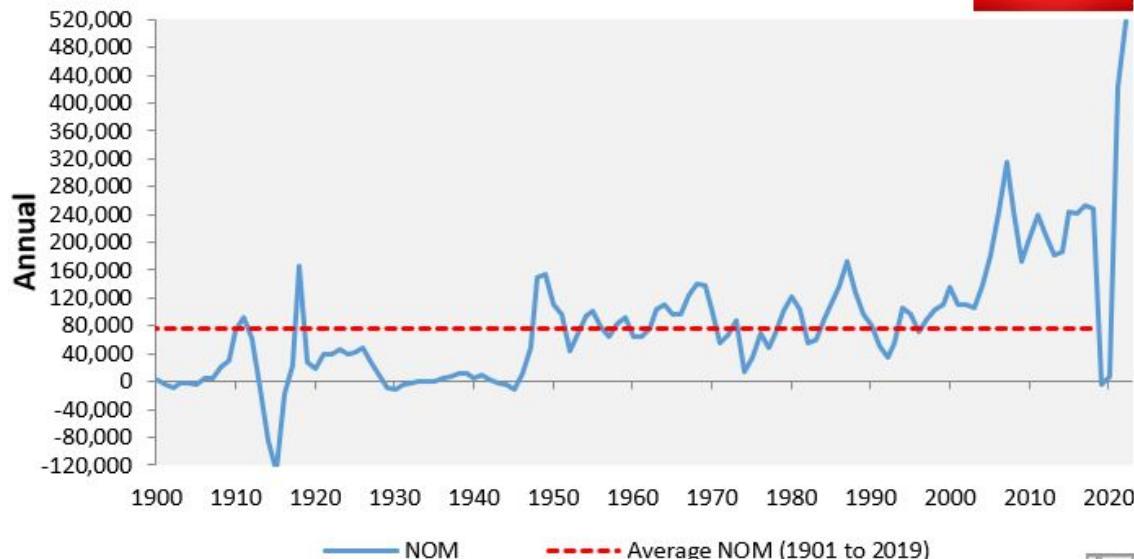


But immigration to remain strong

Australian Net Overseas Migration

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

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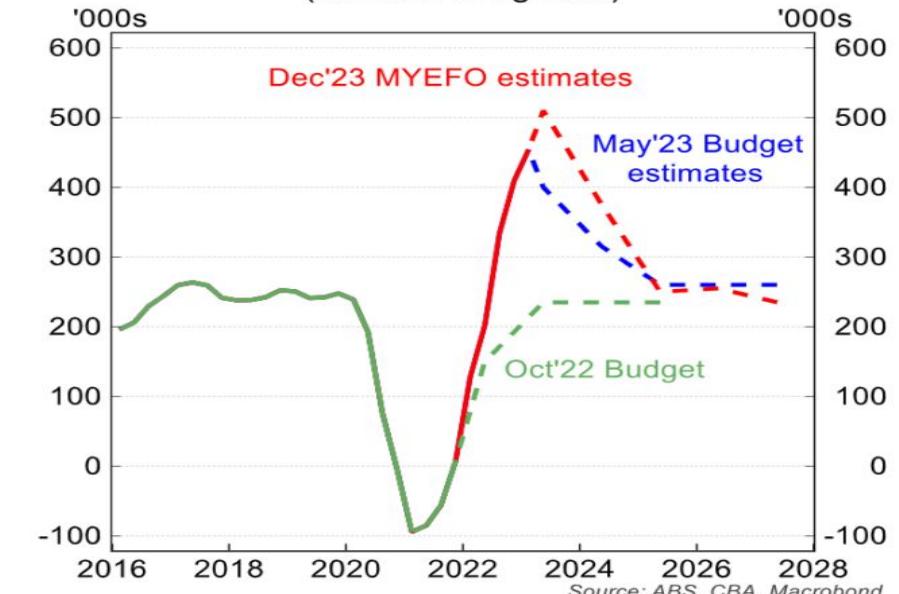


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NET OVERSEAS MIGRATION

(annual rolling sum)

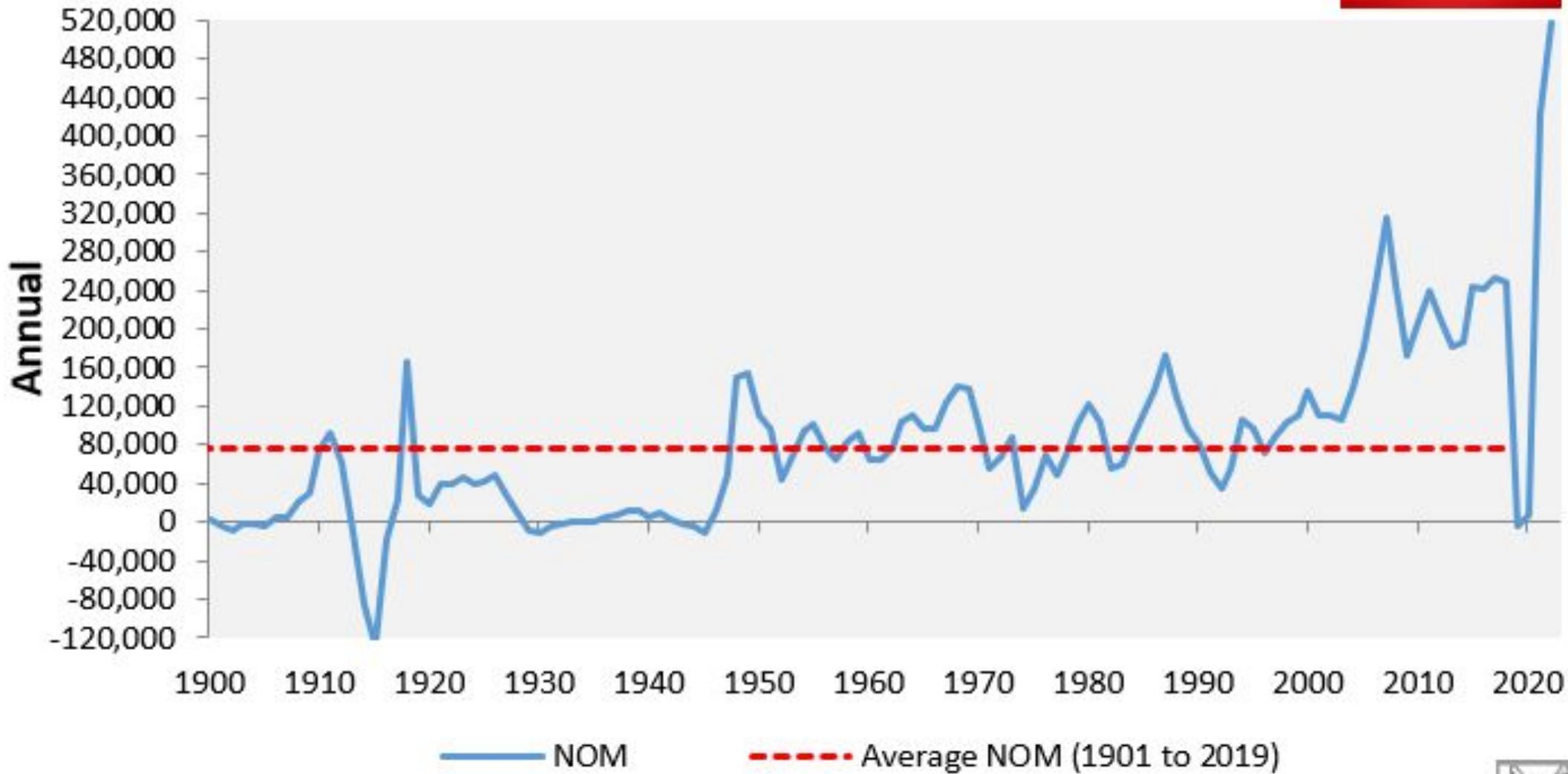


- 518,000 NOM in 2022-23.
- 375,000 NOM projected for 2023-24 (60,000 higher than May Budget forecast).

Australian Net Overseas Migration

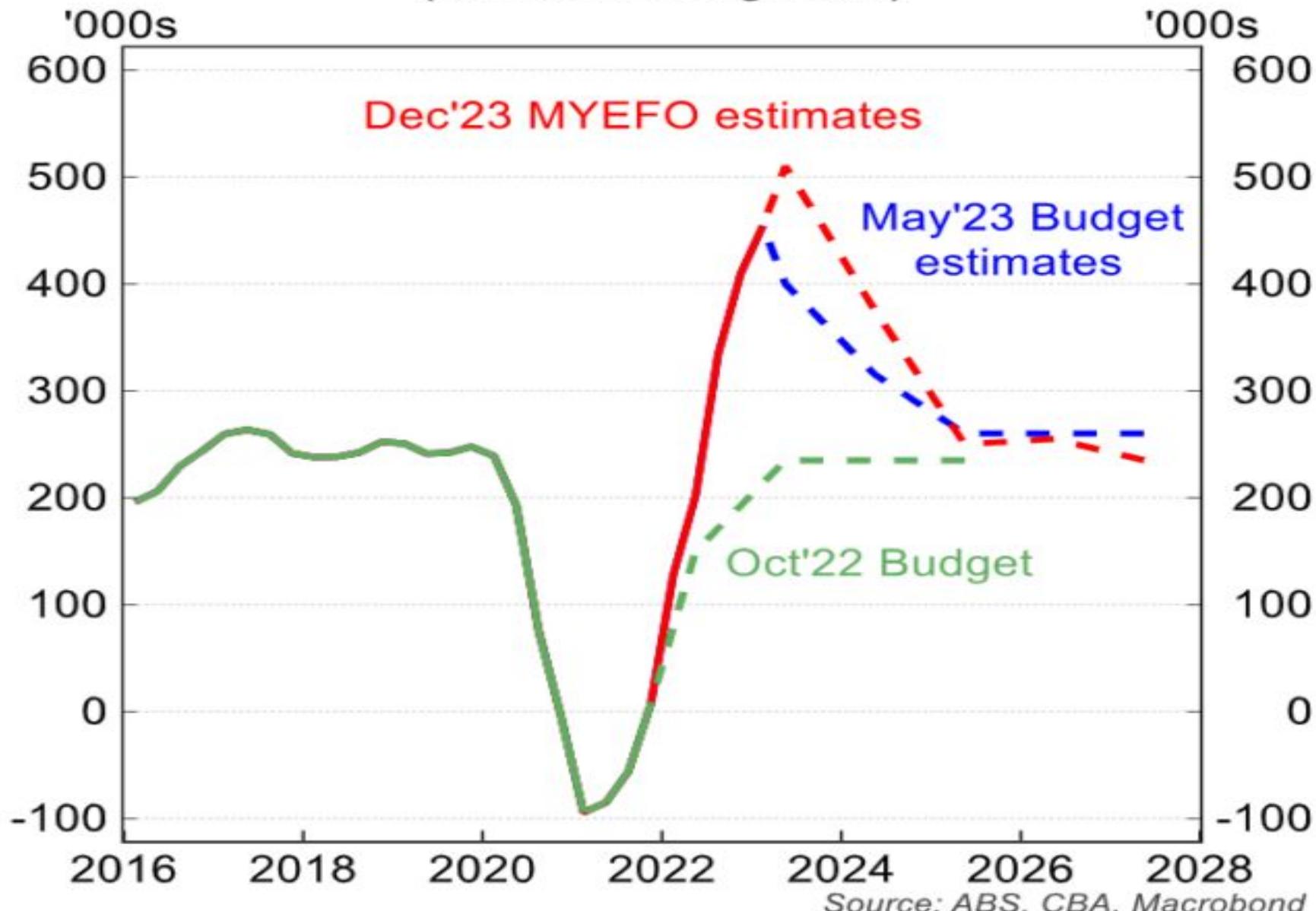
Sources: Australian Bureau of Statistics; 2023 Federal Budget; 2023 IGR

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NET OVERSEAS MIGRATION

(annual rolling sum)

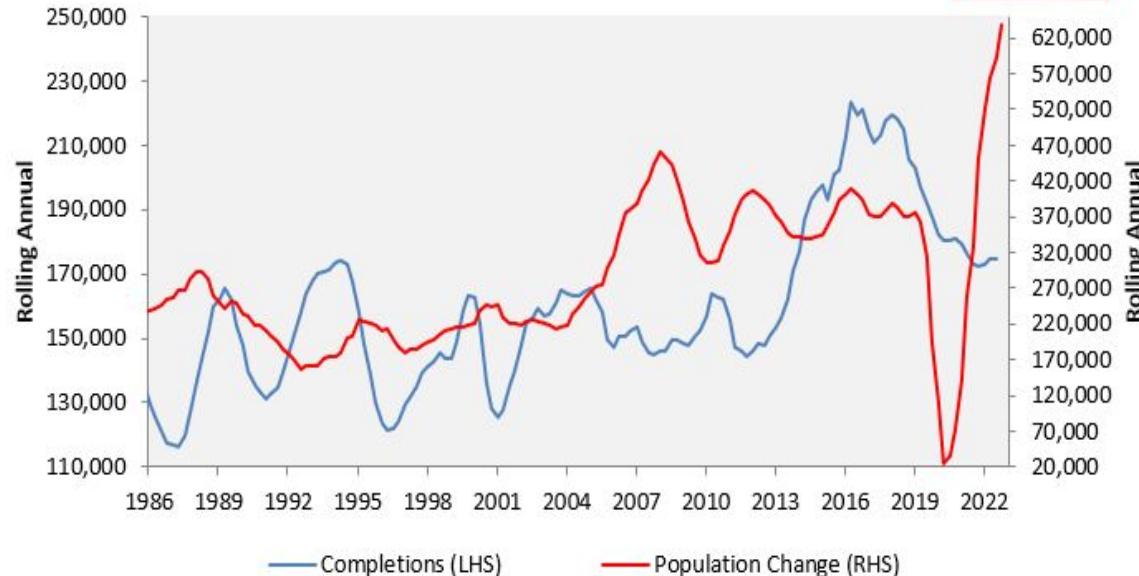


Severe impact on housing market

Dwelling Completions vs Population Change

Source: Australian Bureau of Statistics

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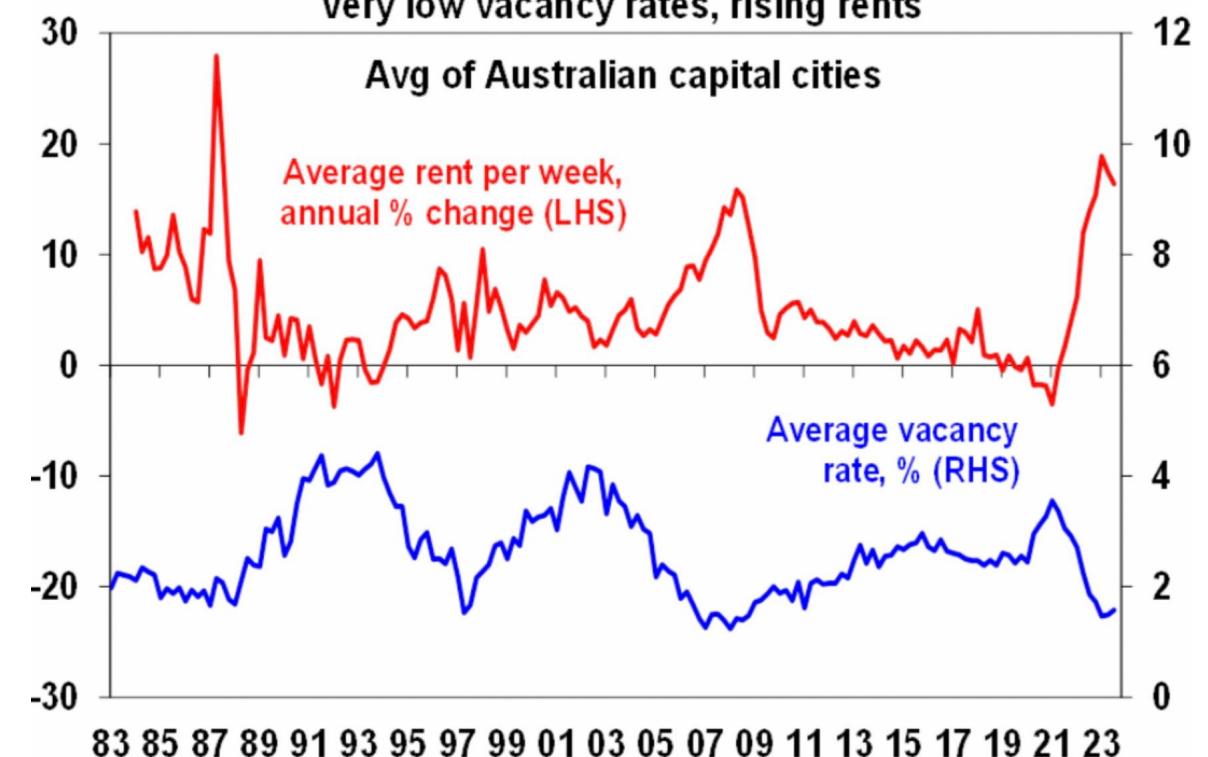


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Very low vacancy rates, rising rents

Avg of Australian capital cities

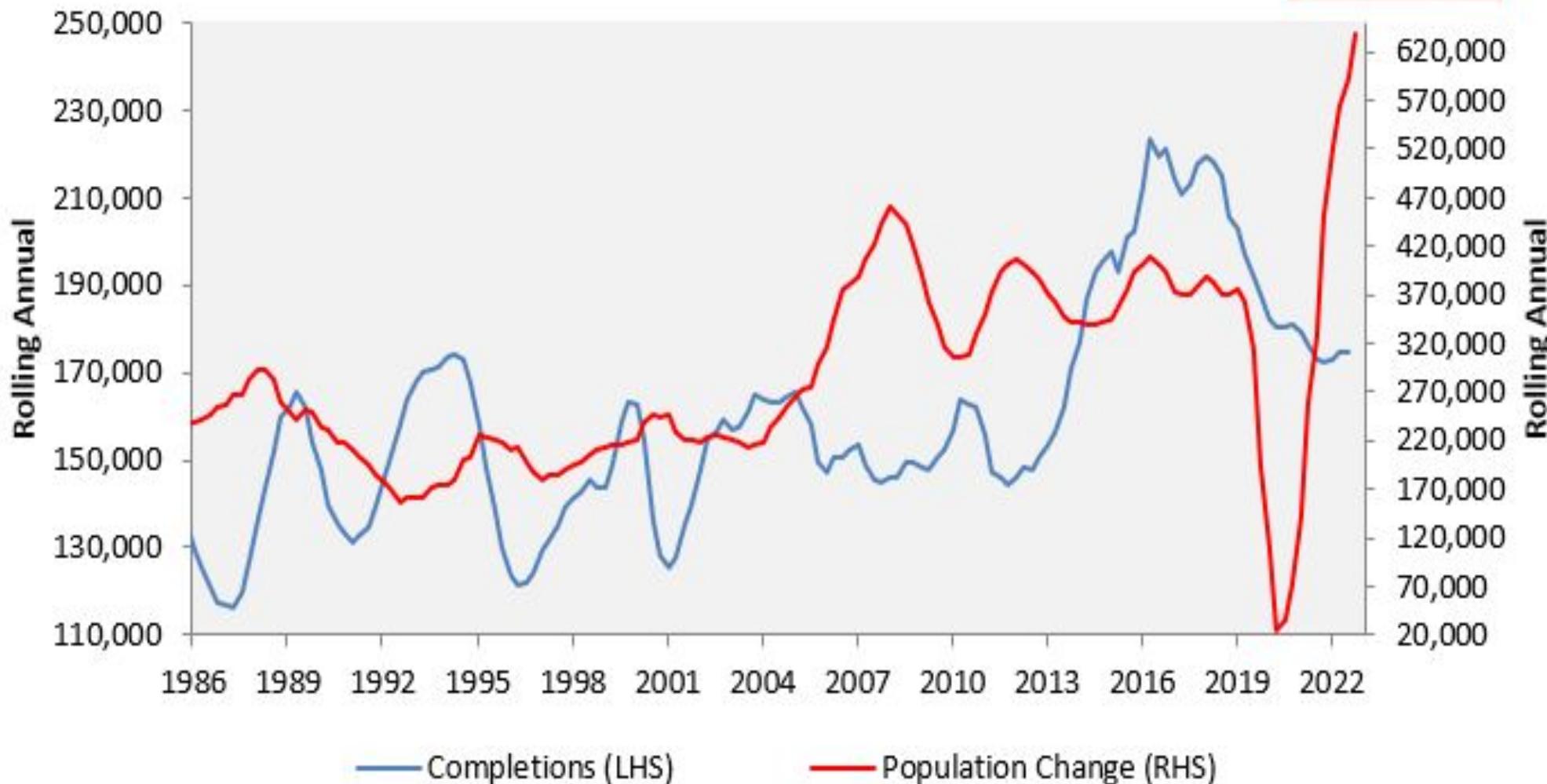


- Australia's housing construction has lagged behind population growth since immigration was ramped up from 2005.
- The latest record immigration has driven rental vacancy rates to near record lows and sent rental prices soaring.

Dwelling Completions vs Population Change

Source: Australian Bureau of Statistics

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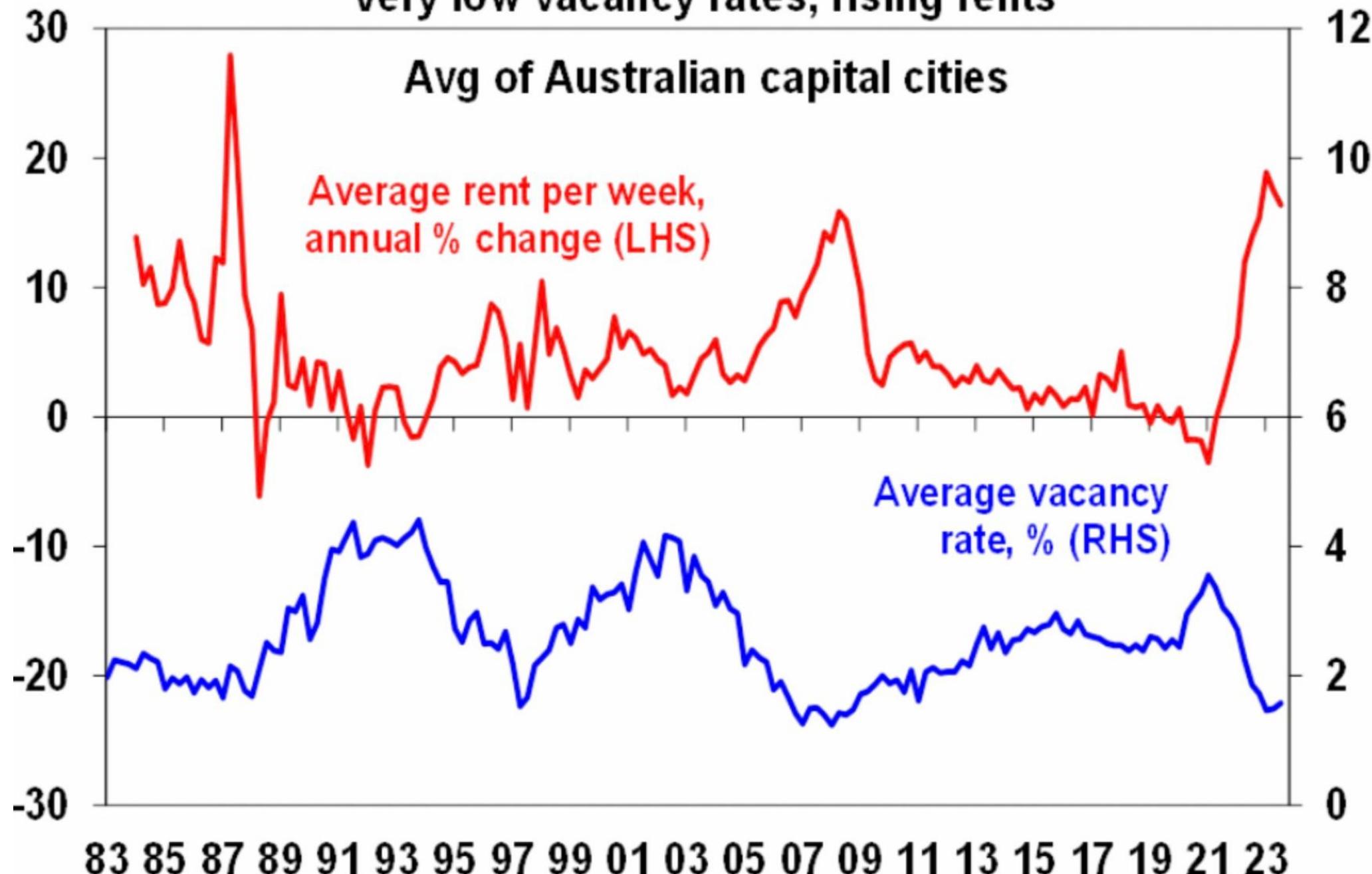
— Completions (LHS)

— Population Change (RHS)

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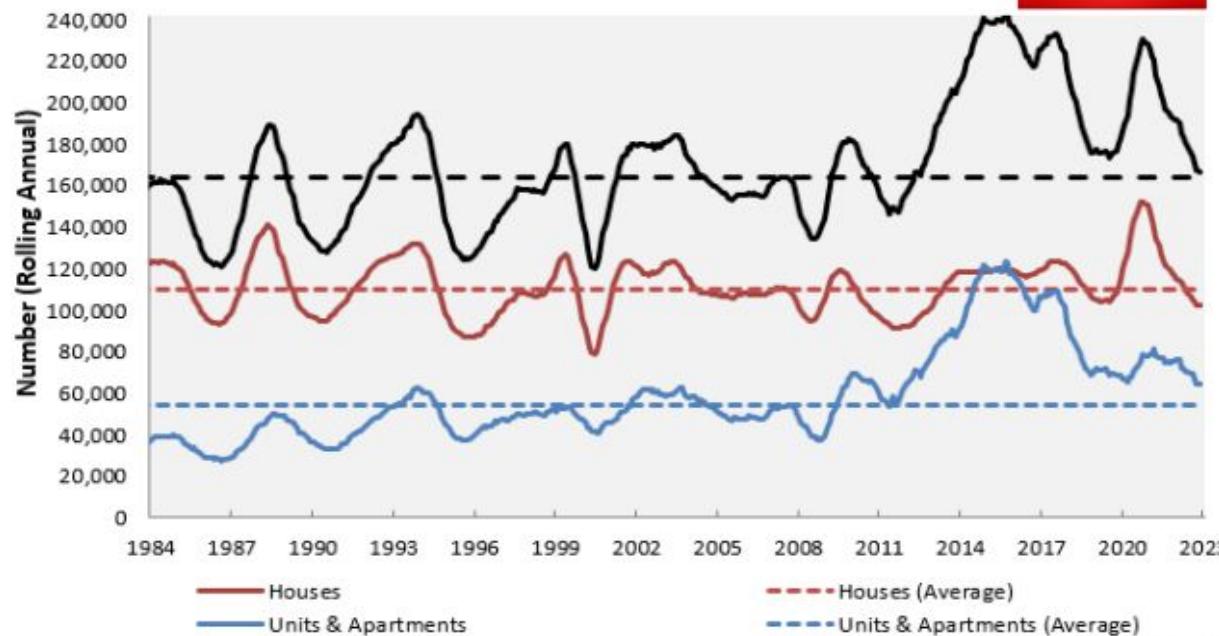
Very low vacancy rates, rising rents



Outlook for dwelling construction poor

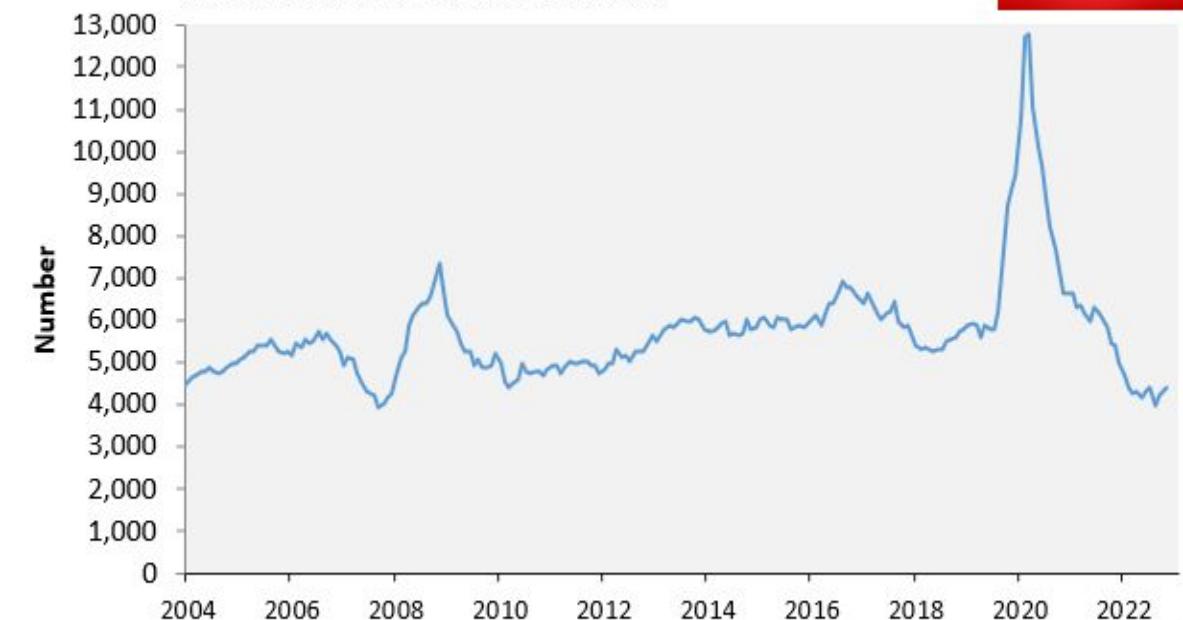
Dwelling Approvals - Australia

Source: Australian Bureau of Statistics



Loans for the purchase or construction of new homes

Source: Australian Bureau of Statistics

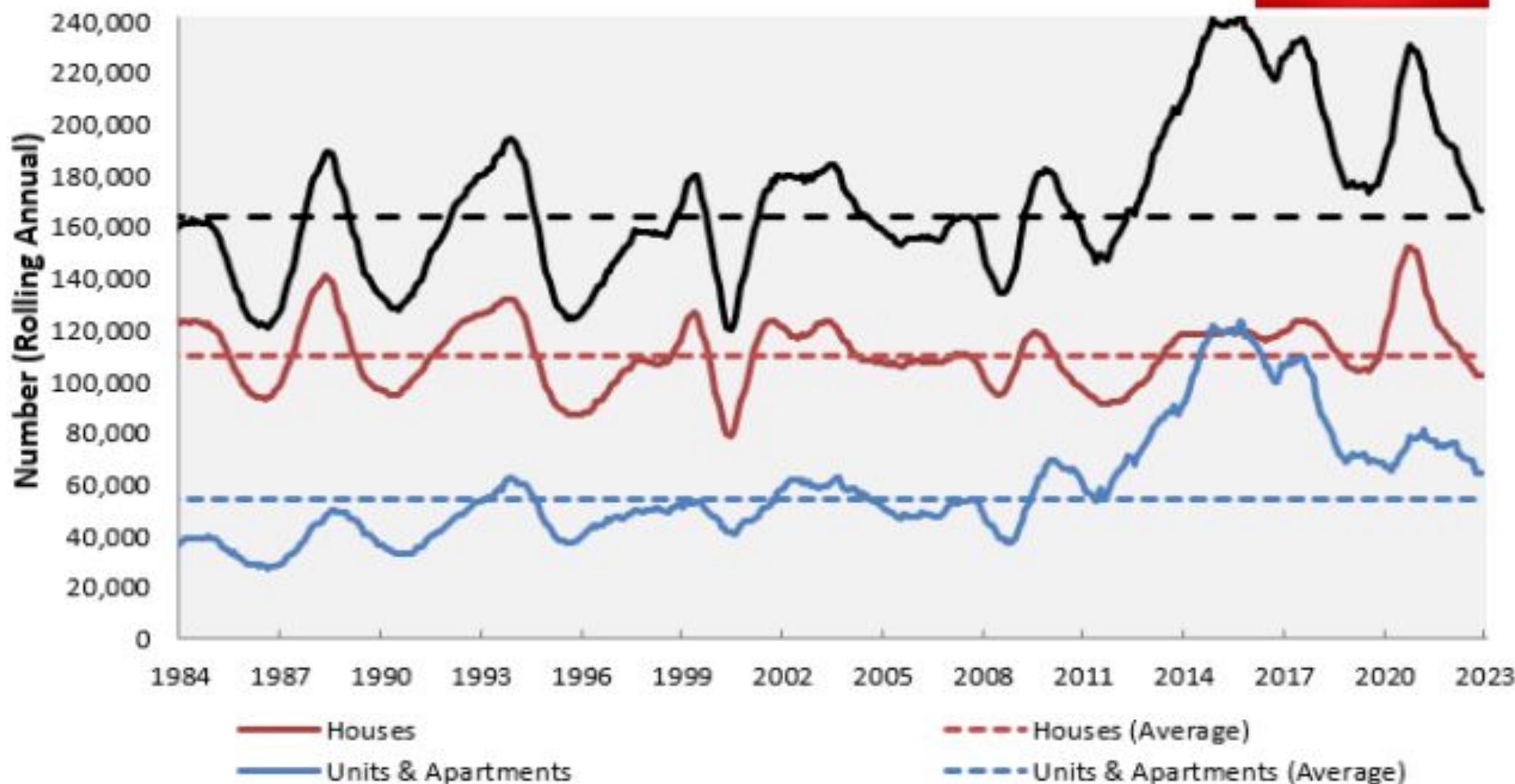


- Dwelling approvals lowest level in a decade.
- Loans for the purchase and construction of a new home also tracking at historical lows.

Dwelling Approvals - Australia

Source: Australian Bureau of Statistics

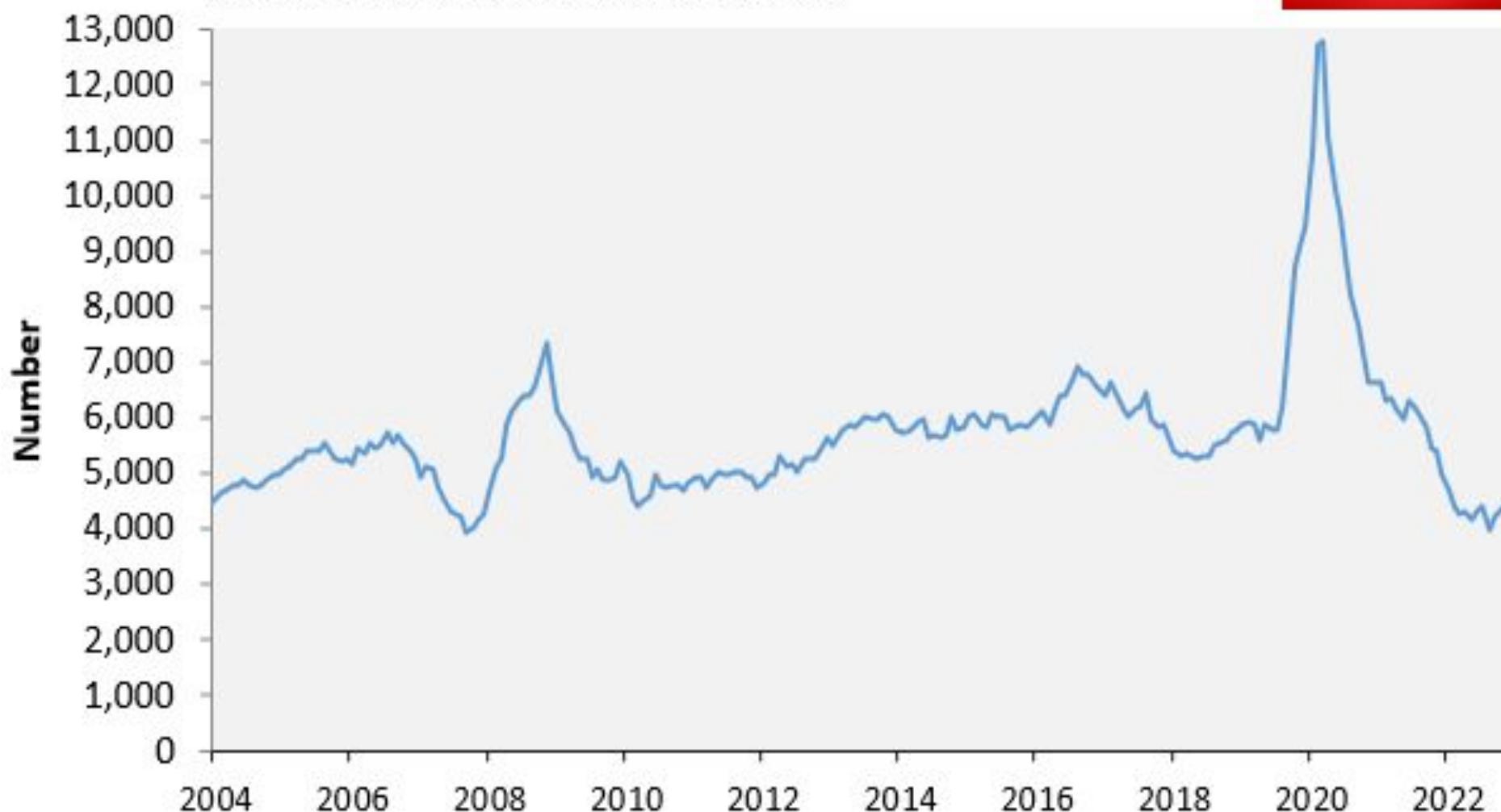
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Loans for the purchase or construction of new homes

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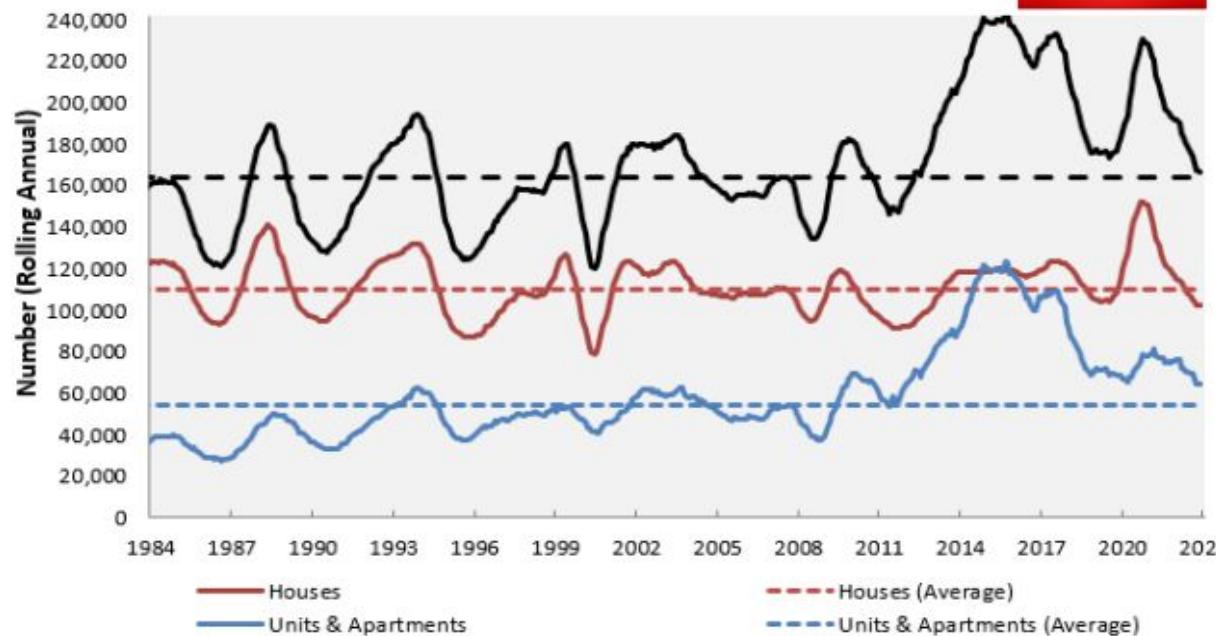
Source: Australian Bureau of Statistics



Outlook for dwelling construction poor

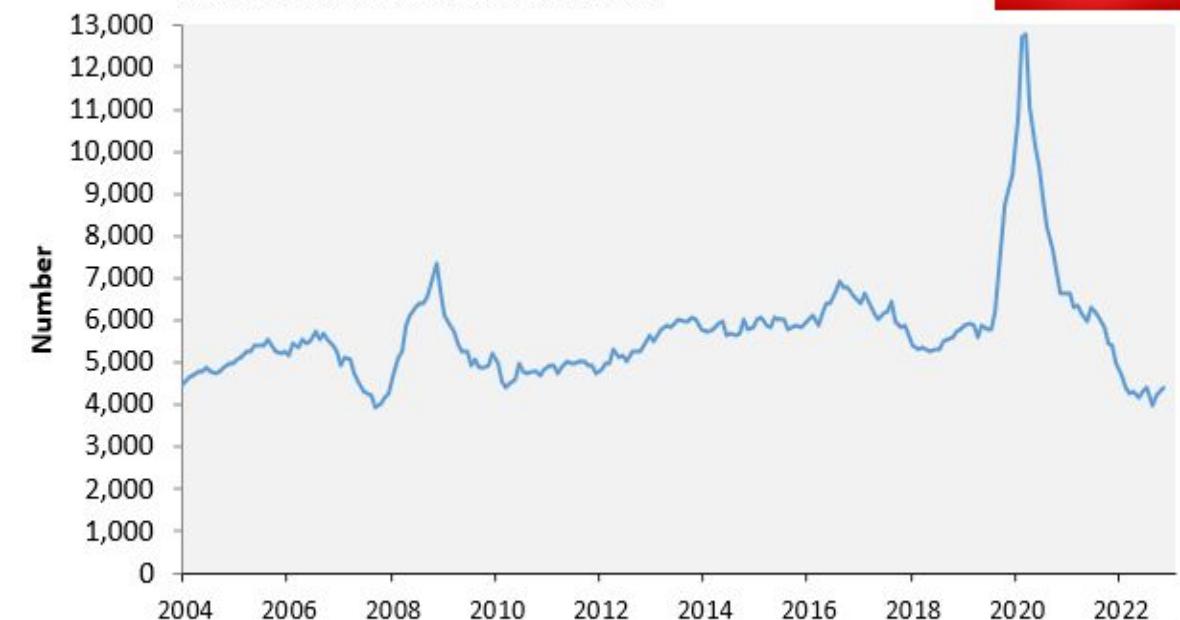
Dwelling Approvals - Australia

Source: Australian Bureau of Statistics



Loans for the purchase or construction of new homes

Source: Australian Bureau of Statistics

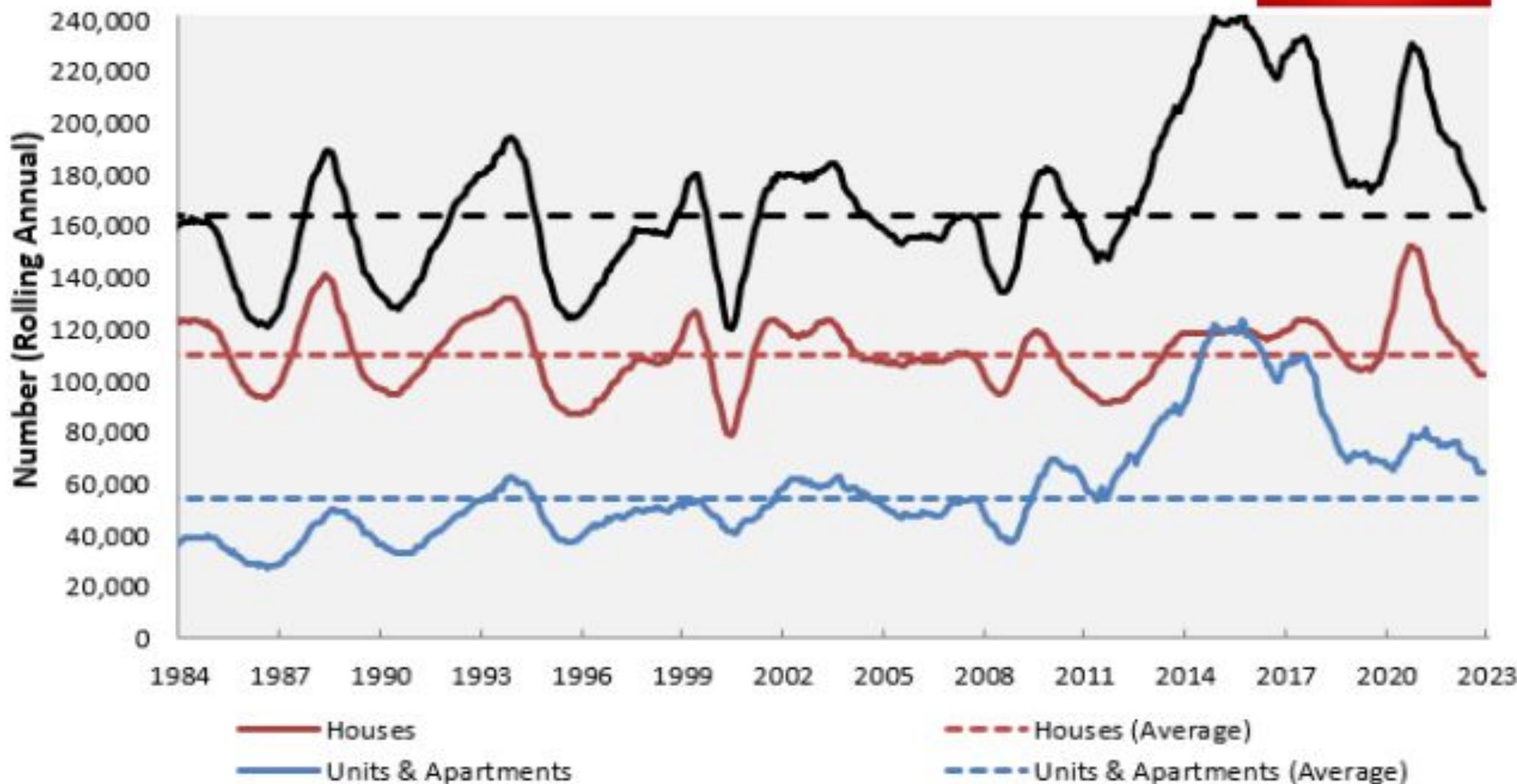


- Dwelling approvals lowest level in a decade.
- Loans for the purchase and construction of a new home also tracking at historical lows.
- Structural supply to remain tight.

Dwelling Approvals - Australia

Source: Australian Bureau of Statistics

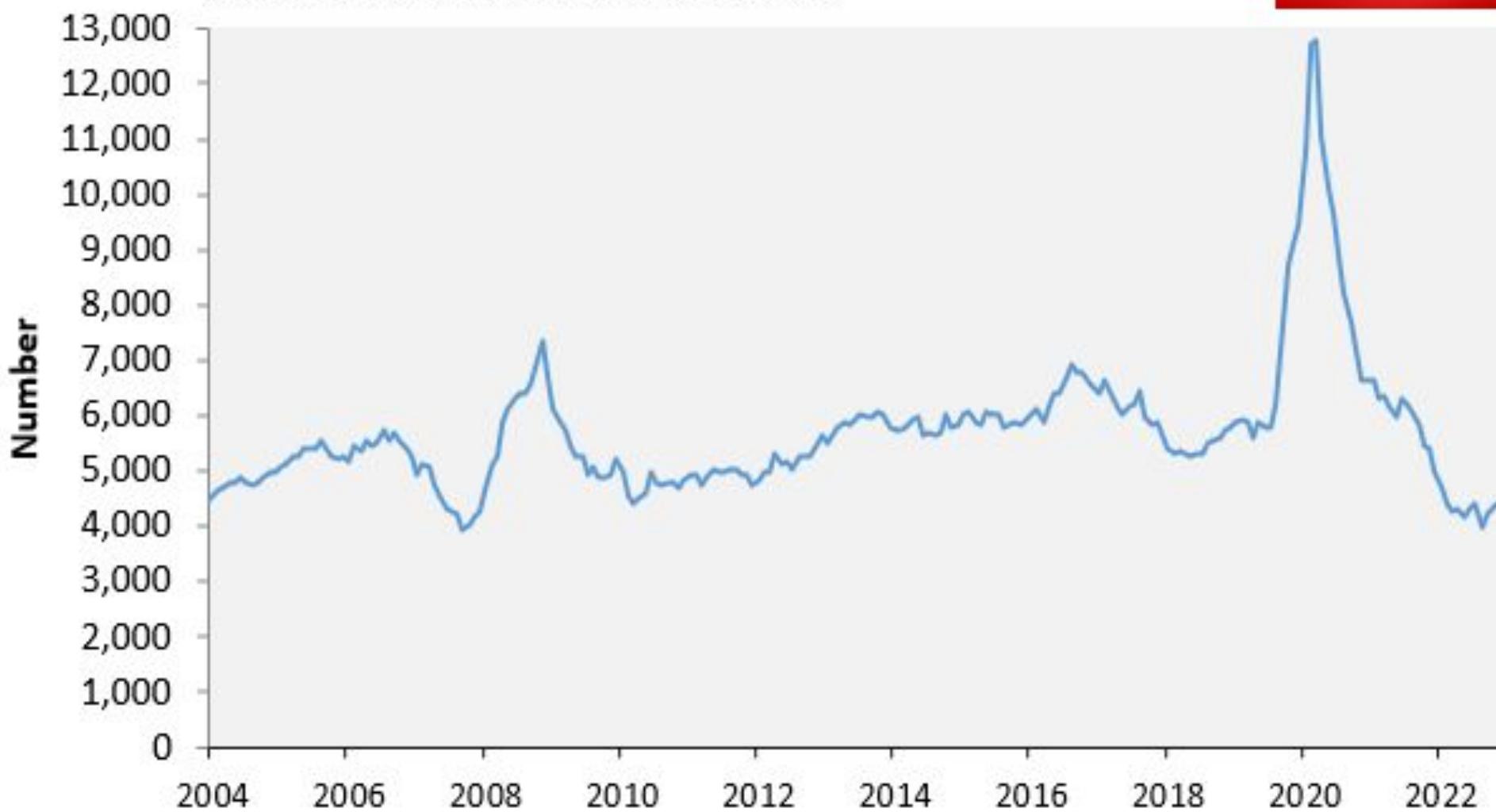
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Loans for the purchase or construction of new homes

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Source: Australian Bureau of Statistics



Viewer question of the week:

Where do you think property prices will be at the end of 2024?

Drop your answers in the comments

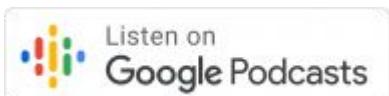
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