



HOUSING RENT HEATWAVE: HOW IT IS AFFECTING MACRO INVESTMENT TRENDS

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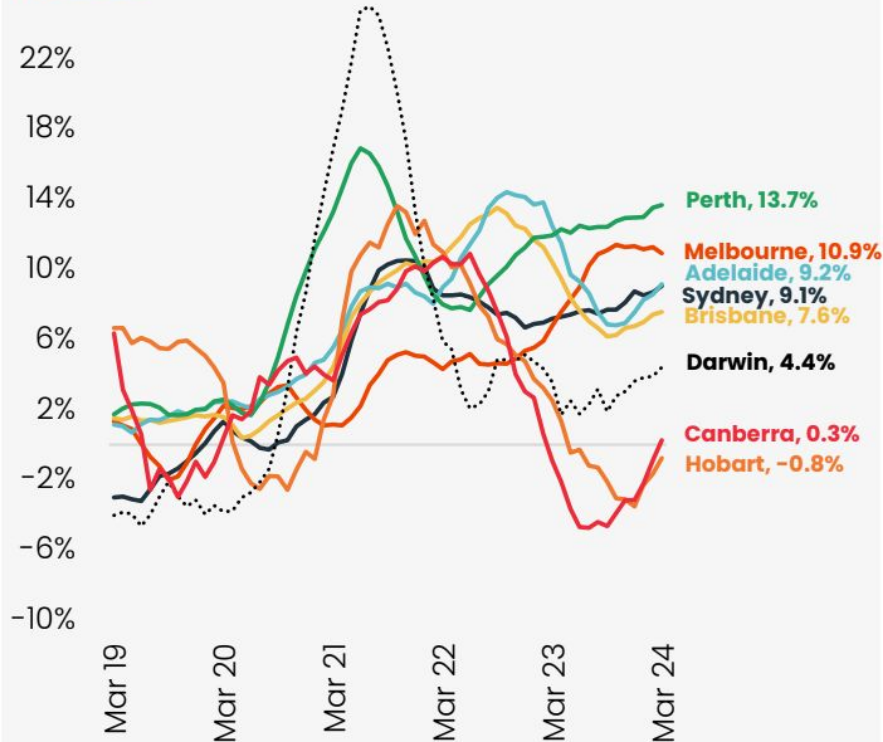
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Agenda:

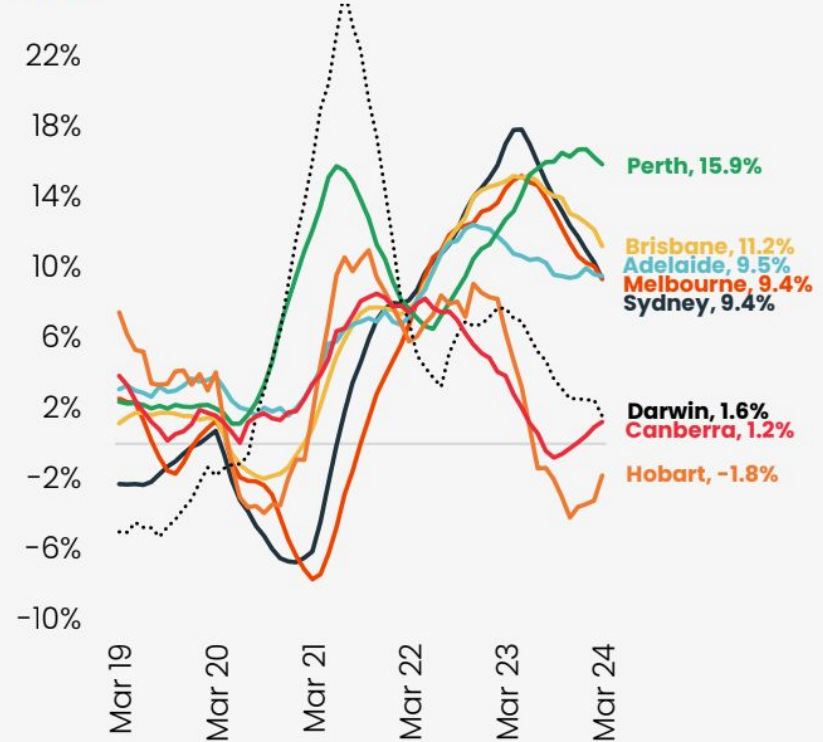
- What is an interest rate?
- Around the country
- Is anything going to change?

Rents off the leash

Annual change in rents, Houses



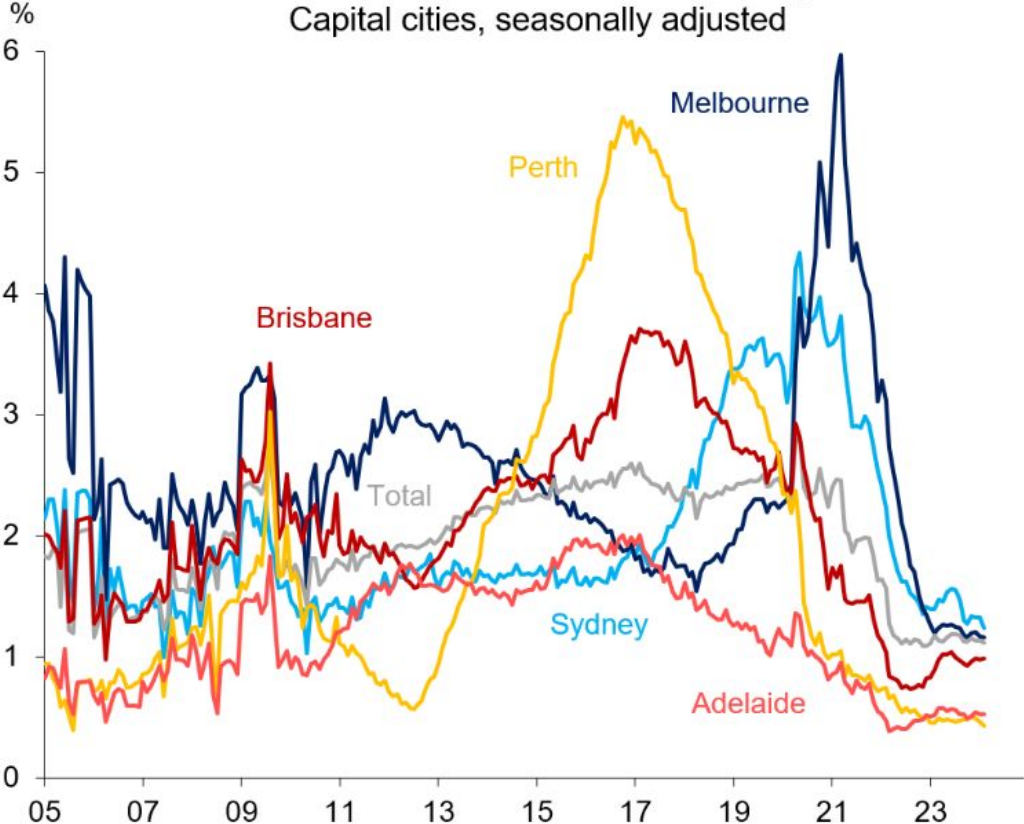
Annual change in rents, Units



No respite coming

Australia - Residential Rental Vacancy Rates

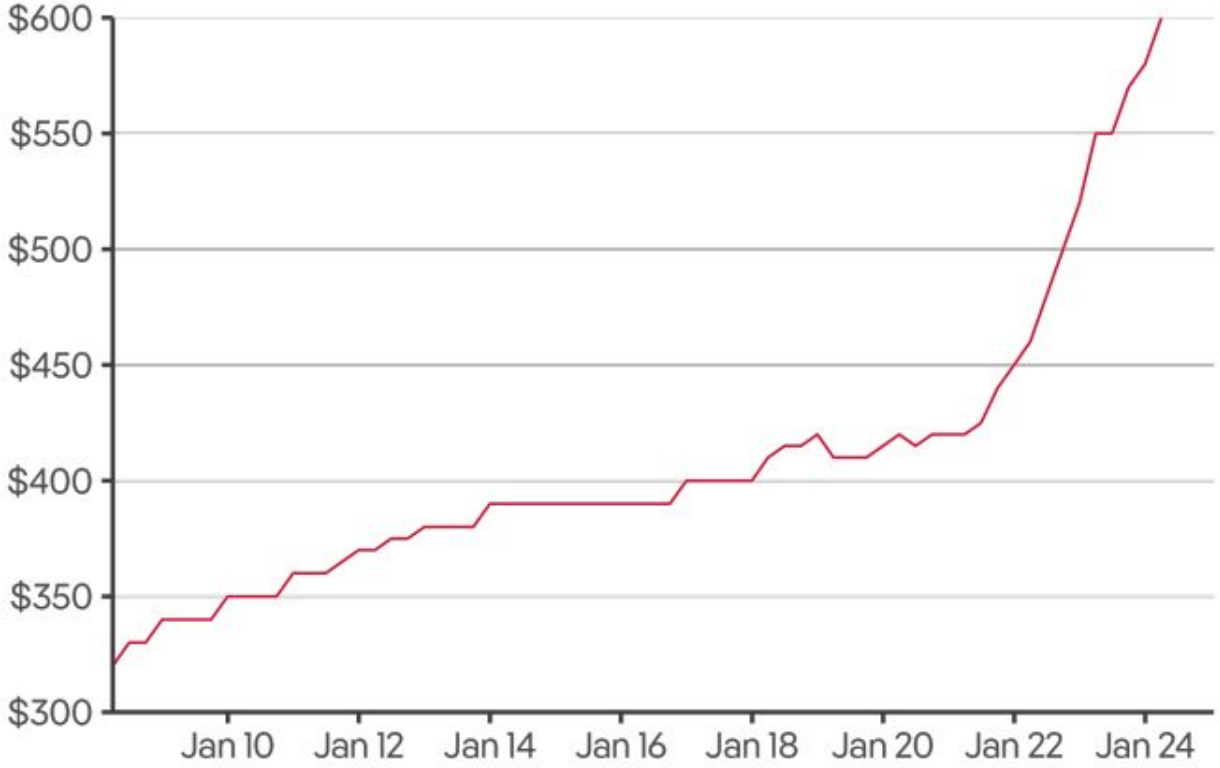
Capital cities, seasonally adjusted



Source: Macrobond, SQM, Antipodean Macro

No respite coming

Median advertised rents

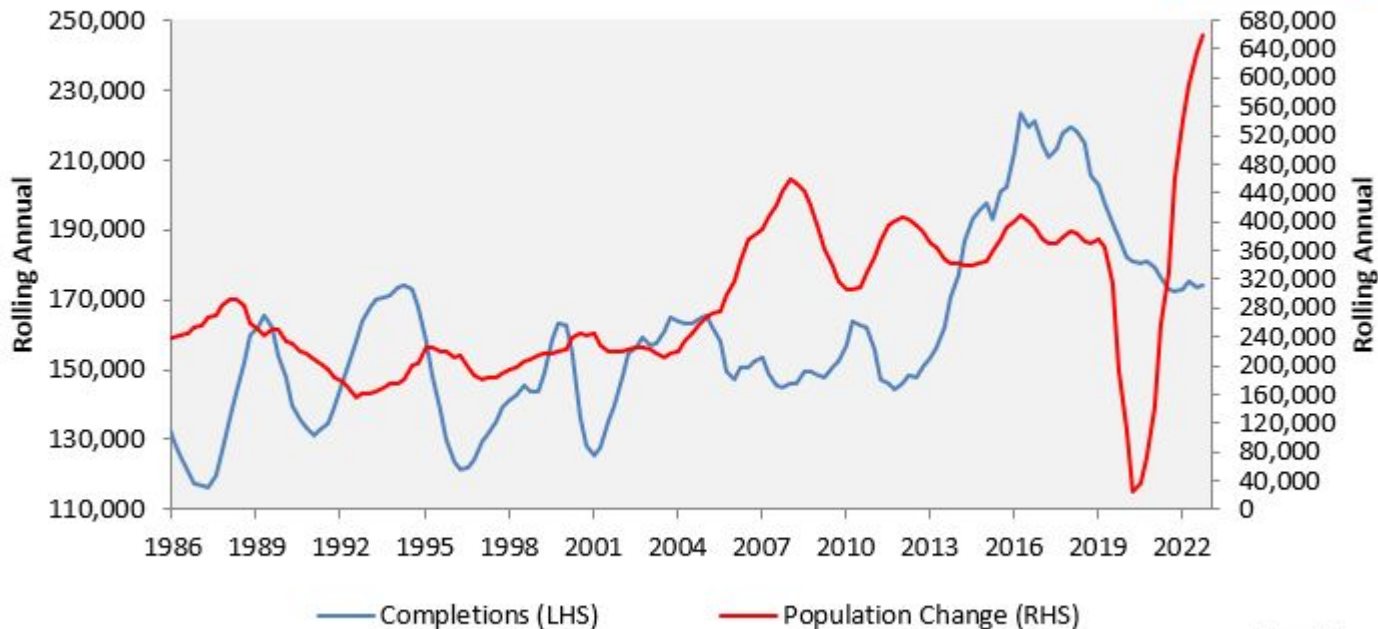


Source: PropTrack

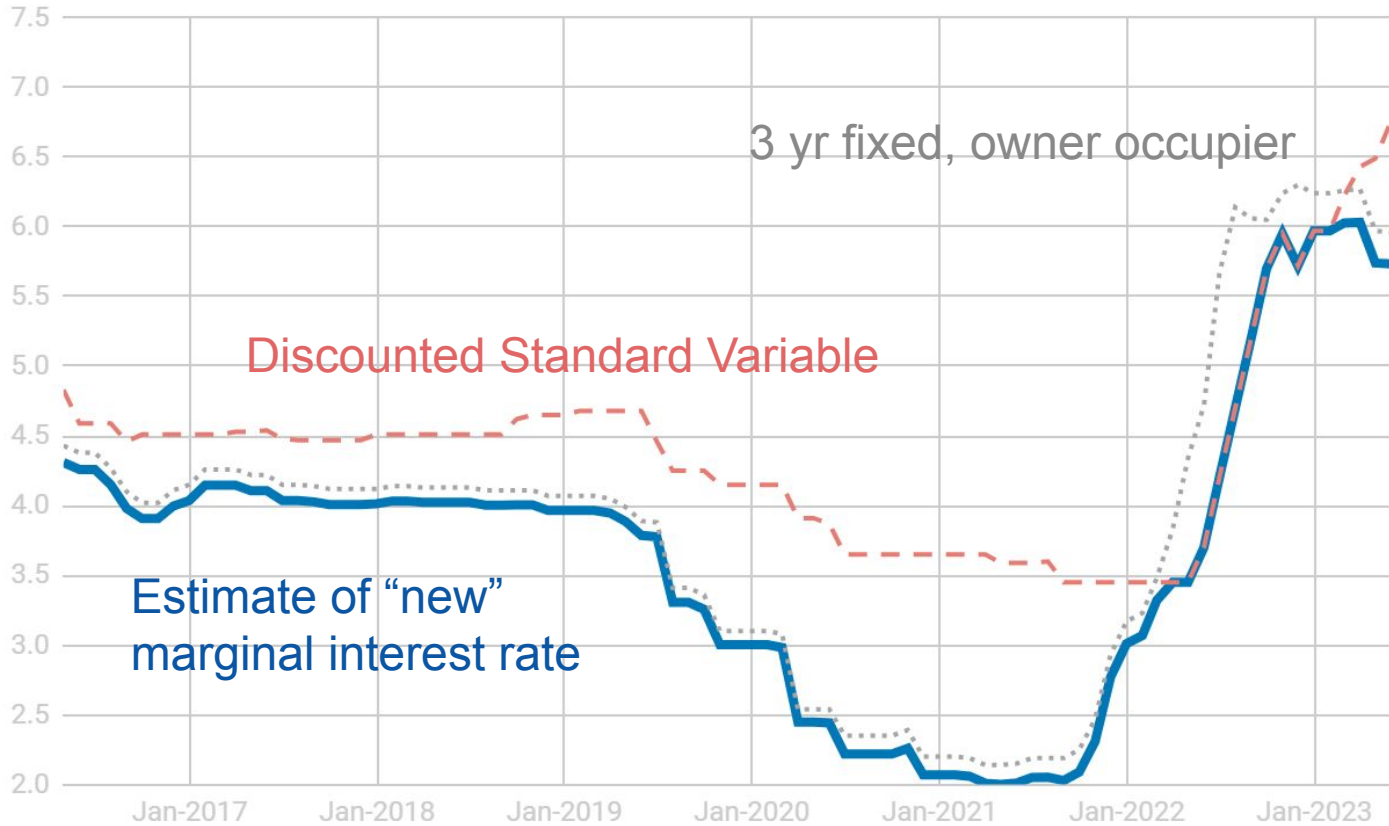
No respite coming

Dwelling Completions vs Population Change

Source: Australian Bureau of Statistics



What is an interest rate?



Affordability

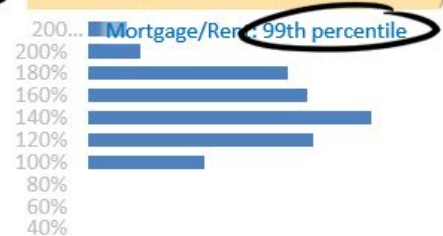
Sydney House: Affordability Measures



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

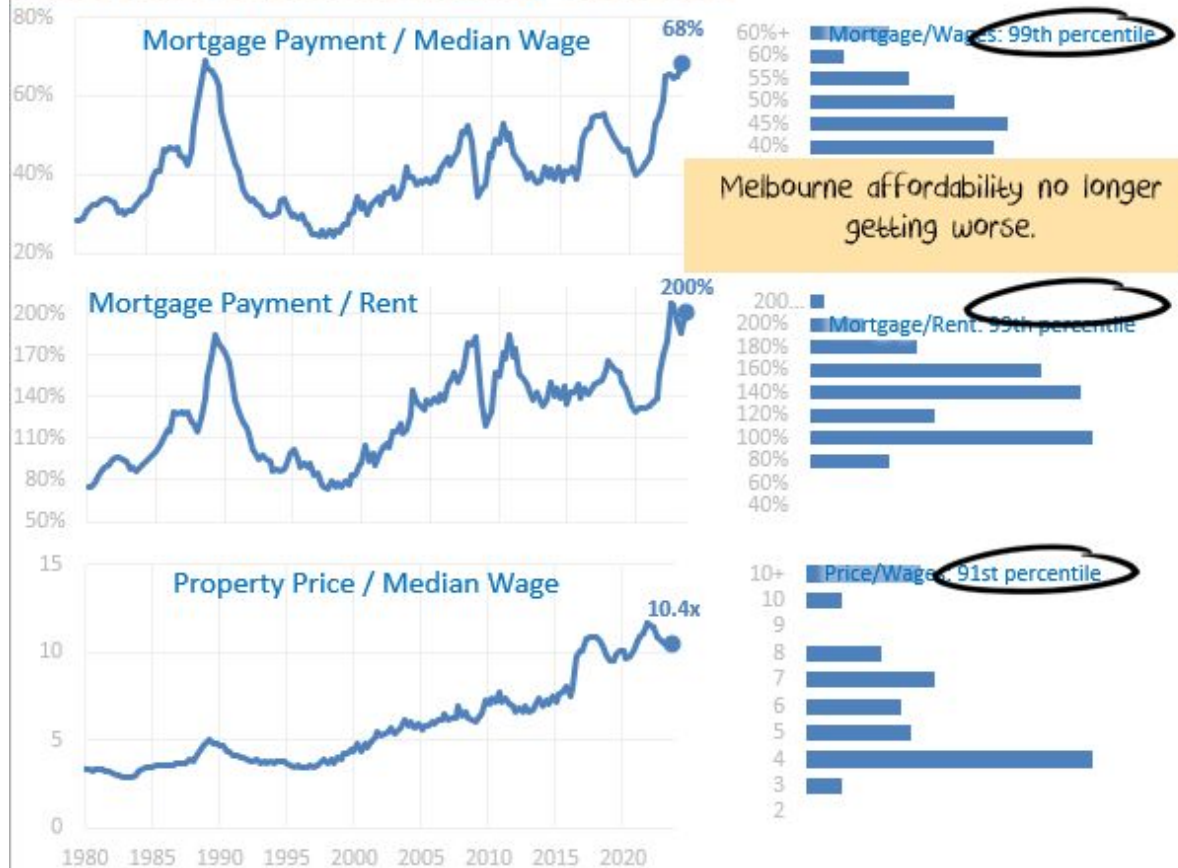


Rising rents = owning looks better.



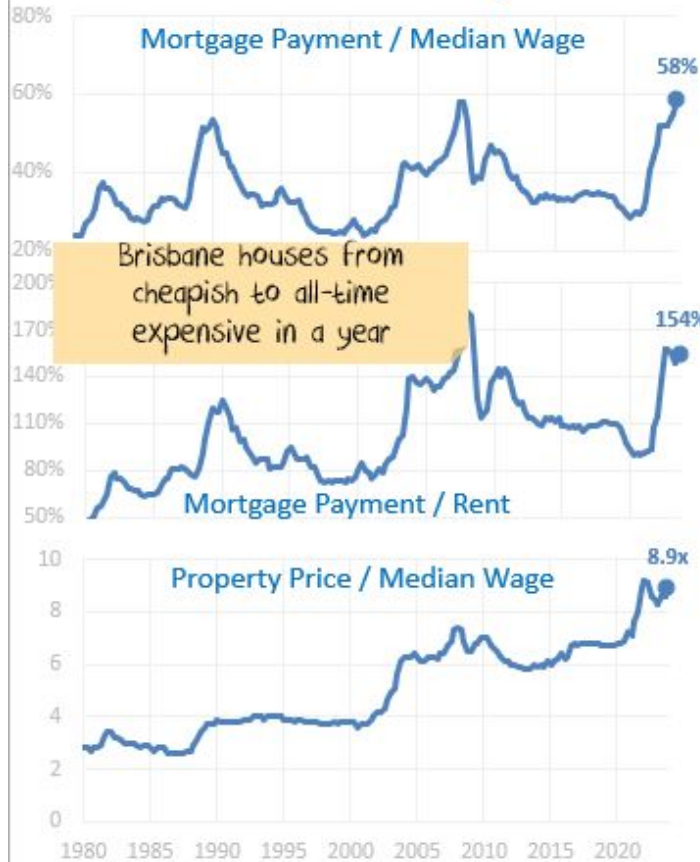
Affordability

Melbourne House: Affordability Measures



Affordability

Brisbane House: Affordability Measures



Affordability

Perth House: Affordability Measures



Affordability

Adelaide House: Affordability Measures



Adelaide house affordability dire now on all measures.

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 ⊙

Units:

Sydney Units: Affordability Measures



Units:

Melbourne Units: Affordability Measures



Units expensive, but have been worse.



Affordability of deposit / repayments not as bad as recent years.

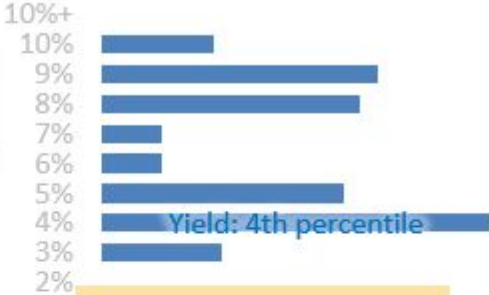


Investment Returns:

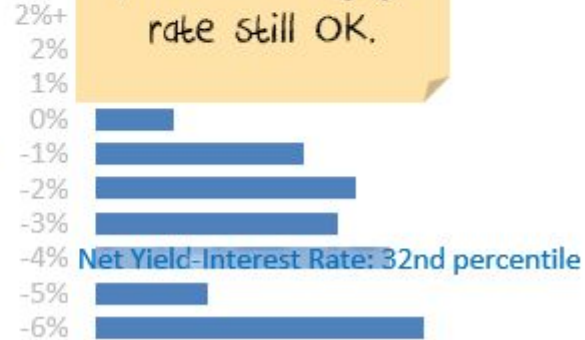
Sydney House: Investment Measures



Absolute yields are terrible.

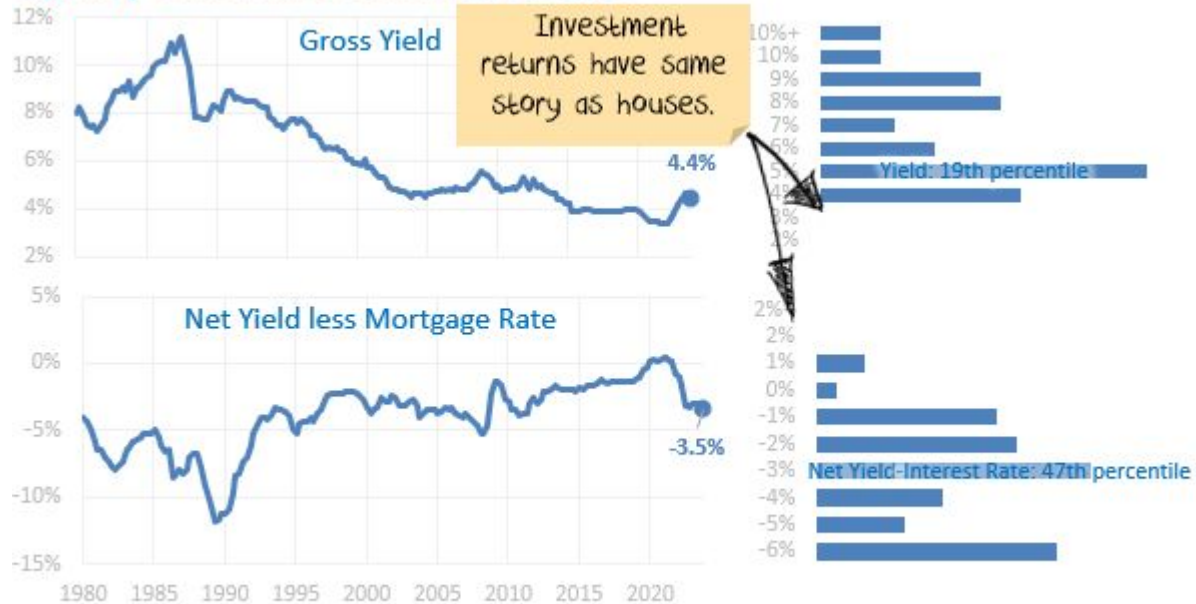


Yield vs mortgage rate still OK.



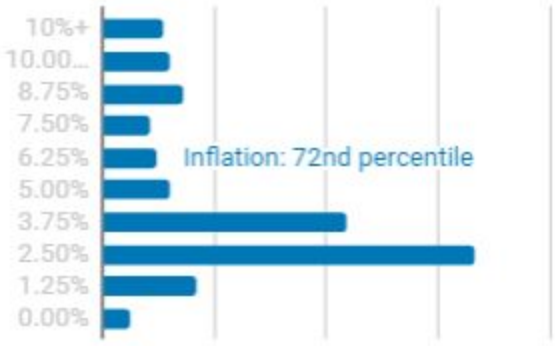
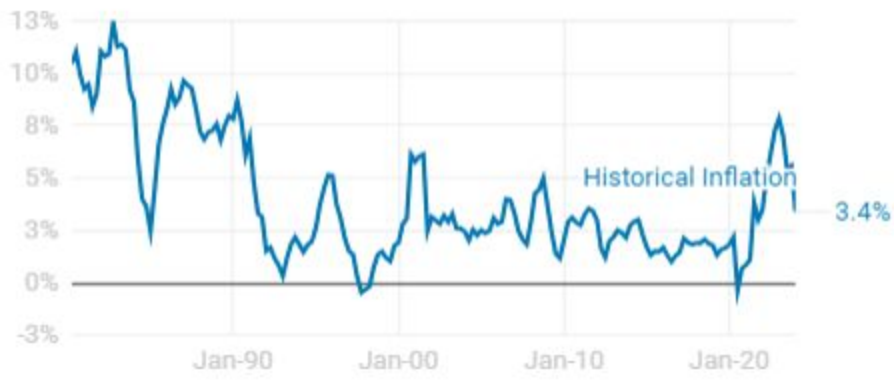
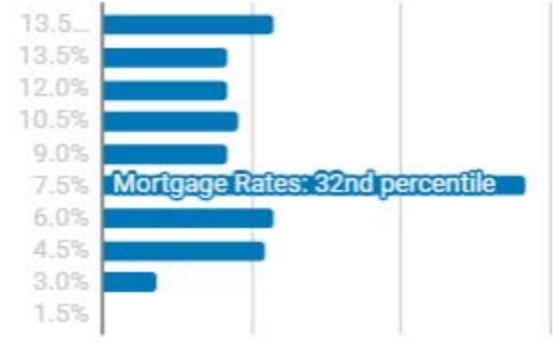
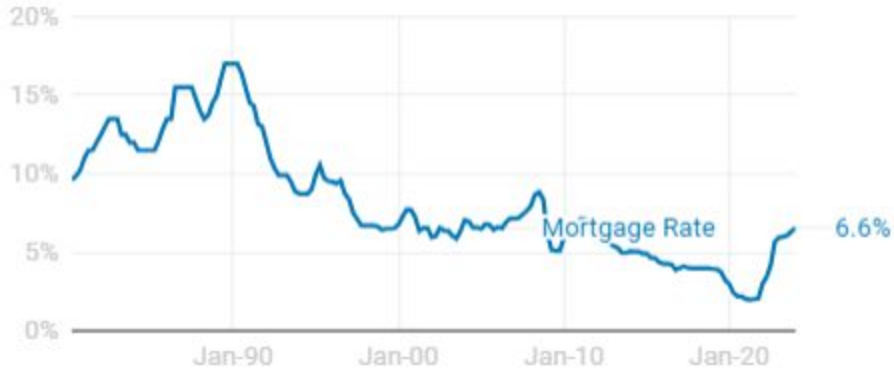
Investment Returns:

Sydney Units: Investment Measures

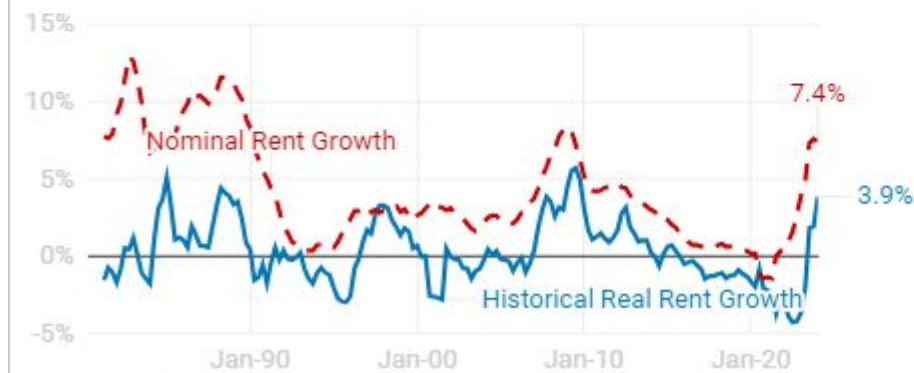


Source: Nucleus Wealth, ABS, RBA, Domain, Rismark, SQM

Macro economics:

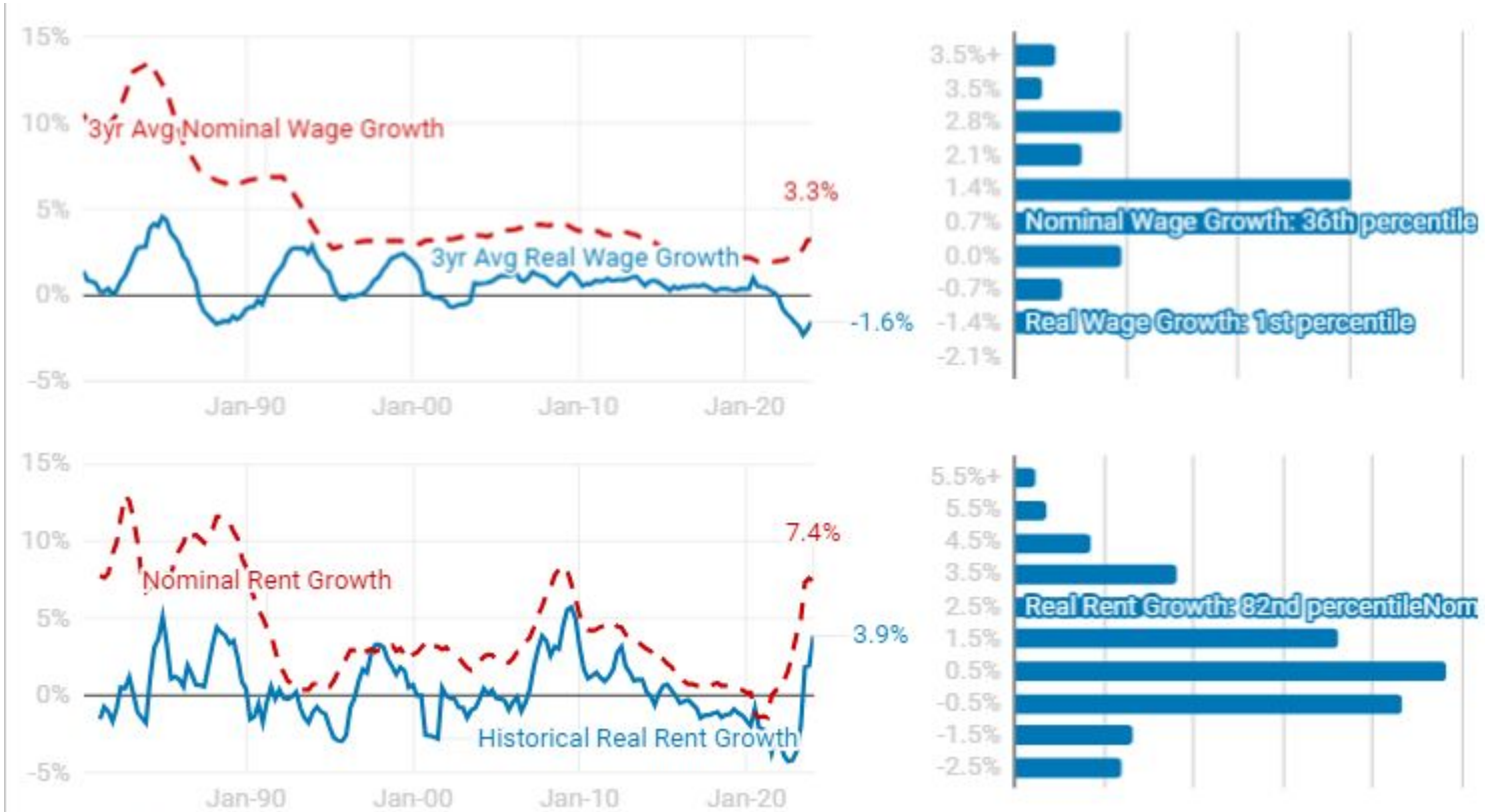


Macro economics:



Source: Nucleus Wealth, RBA, ABS

Macro economics:



Source: Nucleus Wealth, RBA, ABS

Valuations:

Cheap or Expensive: Current vs Historical Values

Current Value as a Percentile. 1% = Cheap, 100% = Expensive

		Affordability			Investment Returns	
		Mortgage Payment / Rent	Mortgage Payment / Full Time Wage	Property Price / Full Time Wage	Gross Rental Yield	Net Rental Yield Less Interest Rate
Houses	Sydney	99%	100%	98%	95%	63%
	Melbourne	98%	98%	91%	90%	68%
	Brisbane	95%	99%	97%	97%	75%
	Adelaide	98%	99%	100%	100%	70%
	Perth	64%	90%	95%	58%	65%
Units	Sydney	83%	90%	82%	78%	44%
	Melbourne	69%	75%	67%	60%	56%
	Brisbane	63%	53%	71%	54%	41%
	Adelaide	86%	84%	98%	82%	61%
	Perth	56%	45%	53%	53%	42%

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

Valuations:

3 month Change in Valuation Ratios

Green = becoming cheaper, Red = more expensive

		Affordability			Investment Returns	
		Mortgage Payment / Rent	Mortgage Payment / Full Time Wage	Property Price / Full Time Wage	Gross Rental Yield	Net Rental Yield Less Interest Rate
Houses	Sydney	4.2%	2.5%	0.0	0.0%	-0.2%
	Melbourne	7.2%	1.9%	0.1	0.0%	-0.3%
	Brisbane	3.4%	3.4%	0.3	0.0%	-0.2%
	Adelaide	6.4%	2.9%	0.2	-0.1%	-0.3%
	Perth	-3.3%	2.2%	0.2	0.3%	0.0%
Units	Sydney	5.9%	1.7%	0.1	-0.1%	-0.3%
	Melbourne	4.0%	0.9%	0.0	-0.1%	-0.3%
	Brisbane	7.0%	2.3%	0.2	-0.2%	-0.4%
	Adelaide	7.5%	1.7%	0.2	-0.2%	-0.4%
	Perth	8.6%	0.8%	0.0	-0.4%	-0.5%

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

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

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Global Consumer Staples

Global Energy

Global Financials

Global Health Care

Global Industrials

Global Information Technology

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