



State of the Nation

The latest insights across the Nations' changing real estate landscape,
to help guide your decision-making.



A NATIONAL VIEW

Greater stability ahead for property market in 2024



GEOFF LUCAS
MANAGING DIRECTOR
AND GROUP CEO,
THE AGENCY.

We're starting 2024 with more certainty around the Australian housing market than we have seen for several years. Having now reached what we expect is the top of the interest rate cycle or very close to it, buyers and sellers will be able to transact with more confidence in a pricing environment that will be less volatile than in previous years.

We're expecting national price movements between a negative 1 per cent to plus 3 per cent for the year. This is far less volatile than in previous years. However, it's important to recognise that within this range, there will be suburbs and markets that move at a far greater rate. For this reason, now more than ever it will be critical to receive the very best local advice on specific markets and communities.

In 2023 we saw an overall increase in prices of 8.1 per cent, according to CoreLogic with the strongest performer the Perth market with a 15.2 per cent gain. We expect to see Perth continue to outperform other markets certainly for the first half of 2024.

National price growth will slow due to reduced borrowing capacity for many buyers and the impact of the rising interest rate cycle which is still filtering through to mortgage holders. We expect supply levels to rise due to the increased certainty around prices. This is a positive development for people looking to buy or sell in 2024.

South East Queensland growth is evidenced by Brisbane now eclipsing Melbourne's median house price with Melbourne now slipping to number four nationally, with further weakness in early 2024 making that city an attractive market into 2025 and beyond.

Australia is one of a select few countries displaying great international attractiveness. That will ensure continued strength in rental growth, and underpin a stable residential market through 2024.

10 Featured properties



364 Motor Road, Deviot, TAS
Property Partners: Wayne Riethoff, Bec Gardner
For Sale: Offers Over \$1.7 Million



43 Merchant Street, Margaret River, WA
Property Partner: Tim Beeson
For Sale: Offers Over \$1.445 Million



18 Esther Road, Mosman, NSW
Property Partner: Claudia Portale
For Sale: \$16 Million



30 Park Street, Bittern, VIC
Property Partner: Karen Taylor
For Sale: \$800,000-\$880,000



7 Malcolm Street, North Beach, WA
Property Partners: Paul Tonich, Corey Adamson
For Sale: \$2.5 Million +



79-81 Flinders Street, Beauty Point, TAS
Property Partners: Katrina Garwood, Ian McCallum
For Sale: Offers Over \$839,000



Level 2, 56-60 Foster Street, Surry Hills, NSW
Property Partners: Ben Collier, Peter Perry
Forthcoming Auction: \$5.5 Million



307/37 Mills Boulevard, Alphington, VIC
Property Partner: Malinda Martin
For Sale: \$2.35 Million - \$2.58 Million



225 Broken Head Road, Newrybar, NSW
Property Partners: Terasa Davidson, Bethwyn Richards
For Sale EOI: \$13 Million - \$15 Million



31 Wehmeier Avenue, Frenchville, QLD
Property Partners: Elise Carrick, Callum Ryan
For Sale: \$850,000-\$900,000

Investor Outlook

The Agency reached a milestone of 10,000 property managements nationally in December 2023, with more in the pipeline as we come into 2024.

December and January has traditionally been a time when there is surplus supply on the market, however we are currently seeing the inverse with a drop in stock availability driving stiff competition for rental properties. Days on market for rental supply sits at 10 days nationally, with Balmain in Sydney's Inner West outperforming at only four days on market, and Toowoomba in South East Queensland seeing five days on market.

CoreLogic data shows rents increased by 8.3 per cent in 2023. While this is below the 9.5 per cent and 9.6 per cent rises recorded in the previous two years, it is still more than four times the pre-pandemic decade average of two per cent per year. Vacancy rates are predicted to remain low this year, which will keep upward pressure on rents. Looking forwarding into 2024, we will likely see rents continue to rise, albeit more gradually as overseas migration slows.

Fuelled by strong demand and low vacancy rates, the rental market remains extremely tight particularly in Sydney, Melbourne, Perth, Brisbane and Adelaide. Tasmania is consistent, insulated by fluctuations in the broader market as its lifestyle appeal and affordability make it an attractive prospect for investors.

Queensland growth opportunities

The Agency has opened offices across South East Queensland as it embarks on ambitious growth targets for the region.

The Agency Kirra launched on 8 January, while a hub in Surfers Parade opens 1 February. The new sites follow closely in the footsteps of The Agency Sunshine Coast HQ office opening in December 2023 and complement the existing offices in Brisbane, Toowoomba and Rockhampton.

There are many signs that Brisbane will join Perth as one of the strongest housing markets in 2024, and this is evidenced by Brisbane overtaking Melbourne as the third most expensive housing market in the country. As a national real estate brand The Agency is seeing a strong trend in buyer migration from Victoria and NSW and is well positioned with its team of local experts to help support those on their property journey.

Hosting the 2032 Olympics means that Queensland is on the global map and it has a unique lifestyle and economic benefits that are attractive to locals as well as overseas migrants.

Across the Nation

State	Monthly dwelling value (December 2023)	Annual dwelling value (12 months to December 2023)	Change in sales volumes (12 months to December 2023)	Median days on market (3 months to December 2023) <small>*Metropolitan statistics</small>	Annual change in rental rates (December 2023) <small>*Metropolitan statistics</small>
Western Australia	1.4%	14.3%	2.7%	11 days	13.4%
Queensland	0.8%	11.1%	-5.3%	21 days	8.2%
Victoria	-0.2%	2.7%	-5.9%	30 days	11.1%
New South Wales	0.2%	9.1%	-0.6%	31 days	10.2%
South Australia	1.2%	8.9%	-2.4%	28 days	7.7%
Tasmania	-0.4%	-0.4%	-4.0%	39 days	-3.5%
Northern Territory	0.7%	-0.8%	-9.8%	55 days	3.0%
Australian Capital Territory	-0.1%	0.5%	-2.4%	40 days	-1.9%

*Corelogic January 2024 Monthly housing chart pack



SUBURB SPOTLIGHT

Buderim, QLD 4556

Not many suburbs in the country can boast the natural beauty that Sunshine Coast's Buderim offers. Famous for its ginger crop which grows in the rich red volcanic soil, Buderim sits perched on a mountain surrounded by lush rainforest, with views to the ocean.

Once a lifestyle area attracting predominantly retirees, the face of Buderim has changed in the last few decades with the concentration of quality private, state and Catholic schools making the area more family centric with a vibrant and charming village feel. Property ranges from \$300,000 apartments, to acreage blocks with large family homes to prestige property on the escarpment taking in the coastal views in the \$10 million range.

Median price

\$1,100,000

January 2023 - December 2023

Date Source: © REA Group Ltd.