



State of the Nation

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



A NATIONAL VIEW

Market showing signs of cooling price growth



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The first half of the 2024 calendar year has delivered annualised national price growth of 8%, almost the same rate of 8.1% achieved for 2023. The big difference this year is the prime growth drivers are the smaller capital cities of Perth, Adelaide and Brisbane, with annualised growth of 25%, 20% and 15% respectively. By contrast Sydney and Melbourne are underperformers with rises of 5.6% and negative 2% respectively.

Never before have we seen such a diversified set of state price performances and it's important not to draw local conclusions on national data - which is so often the headline that attracts media attention.

The most recent data shows signs of a cooling in national price growth as economic conditions begin to slow. This combined with listings growing 7.8% over the five year average is likely to see a reduction in the rate of price growth for the balance of the 2024 calendar year.

In an encouraging trend, we're seeing increases in rental prices reduce slightly in the past quarter. This is an encouraging sign for the rental market and it's likely the result of the beginning of a migration toward first home ownership for renters who see more sense in buying due to the relative escalation in rents compared to a mortgage. Compounding this is an increase in investment properties coming to market as investors both capitalise on

strong price appreciation and also the increasing holding costs which have largely risen due to the rise in interest rates. It's an interesting transition from the rental pool toward first home ownership.

The trend out of investment properties will further reduce the rental supply pool, leading to a continued situation of rental crisis across the nation. Recent data also shows the Federal Government target of 1.2 million new homes over the next five years is unlikely to be achieved, exacerbating the housing crisis and ensuring a floor under slowly increasing home prices in the short to medium term.

Despite the suggestion of global interest rate reductions, Australian inflation especially services inflation remains well above the target rate and whilst there remains a distinct chance the next rate move will be up, the likelihood regardless of the decision is for higher rates for longer. Having said this, some rate relief at this stage appears possible later in the 2025 calendar year.

Overall we're entering a period of steadily increased supply in listings with reduced price volatility, excluding Perth and Adelaide and therefore an environment where Australians can feel comfortable in transacting without being exposed to sudden price movements.

10 Featured properties



8 Crosswinds Close, Nords Wharf, NSW
Property Partners: Clint Harris, Jeremy Smith
For Sale: \$2.25 Million



118 Midgen Flat Road, Newrybar, NSW
Property Partner: Terasé Davidson
For Sale: \$6 Million



1003/38 Hickson Road, Millers Point, NSW
Property Partner: Ben Collier
For Sale: \$10 Million



1306/582 St Kilda Road, Melbourne, VIC
Property Partner: Georgia Ackroyd
For Sale: \$1.5 Million - \$1.65 million



106 Winns Road, Cygnet, TAS
Property Partner: Georgie Rayner
For Sale: Expressions of Interest \$3 Million



4 Croydon Avenue, Newstead, TAS
Property Partner: Karen Magnotta
For Sale: Offers From \$1.45 Million



72 Holt Road, Garners Beach, QLD
Property Partner: Sue Brookes
For Sale: Offers Over \$4 million



1 Catana Crescent, Hope Island, QLD
Property Partner: Cameron Edwards
For Sale: Offers Over \$1.39 Million



53 Watkins Road, Dalkeith, WA
Property Partner: Marcus Sproule
For Sale: Offers \$5.5 million



4 Vattos Way, Prevelly, WA
Property Partner: Tim Beeson
For Sale: Offers over \$3.6 Million

Investor Outlook

National vacancy rates have edged higher, and while it still remains a landlord's market, rental price growth is stabilising, and we are seeing the rental market starting to return to normal activity levels. We are noticing more investors willing to meet market expectations, offering more competitive rental prices, which in turn is giving renters greater flexibility in their choices. Investor activity is strong in the 1-2 bedroom unit market, particularly in the sub \$2 million price range.

At The Agency, we are proud to manage over 10,000 properties nationwide with a total value of \$9 billion. Our property management team has the experience and expertise to assist with asset management and maximise your returns and rental yield. Get in touch with our team today for a rental appraisal and to see how we can optimise your investments.

The Faces of The Agency

Right across Australia, The Agency has a team of outstanding Property Partners. Scan the QR code below to see our new Faces of The Agency series which delves into the personal stories and motivations that drive each agent's success. They share what they love about being part of our team and how they connect with their clients and communities. It's a wonderful opportunity to understand more about what makes us different.



Across the Nation

State	Monthly dwelling value (June 2024)	Annual dwelling value (12 months to June 2024)	Change in sales volumes (12 months to June 2024)	Median days on market (3 months to June 2024) <small>*Metropolitan statistics</small>	Annual change in rental rates (June 2024) <small>*Metropolitan statistics</small>
Western Australia	2.0%	22.7%	9.6%	10 days	13.2%
Queensland	1.1%	14.1%	5.1%	20 days	8.0%
Victoria	-0.2%	1.0%	10.0%	39 days	8.5%
New South Wales	0.5%	5.8%	12.0%	34 days	7.9%
South Australia	1.6%	14.8%	7.2%	28 days	8.5%
Tasmania	0.4%	0.3%	1.0%	51 days	2.0%
Northern Territory	-0.1%	1.7%	-0.4%	49 days	3.1%
Australian Capital Territory	0.3%	2.2%	-1.7%	51 days	2.5%

*Corelogic July 2024 Monthly housing chart pack



SUBURB SPOTLIGHT

Williamstown, VIC 3016

A charming seaside suburb full of character just 11km from Melbourne's CBD, Williamstown offers the best of bayside living. With boutique shopping, chic dining and beautifully restored architecture showcasing Williamstown's heritage as Melbourne's first port, it is a picturesque village with a close-knit community. The residences are a blend of tastefully renovated period homes commanding a premium price tag, along with a mix of workers' cottages and more modern large family homes. A low turnover area, many buyers in Williamstown tend to put down roots for longer and have a desire to stay in the postcode after downsizing, making it an appealing suburb for investor activity across both the house and unit market.

Median price

\$1,612,500

July 2023 - June 2024

Date Source: © REA Group Ltd.