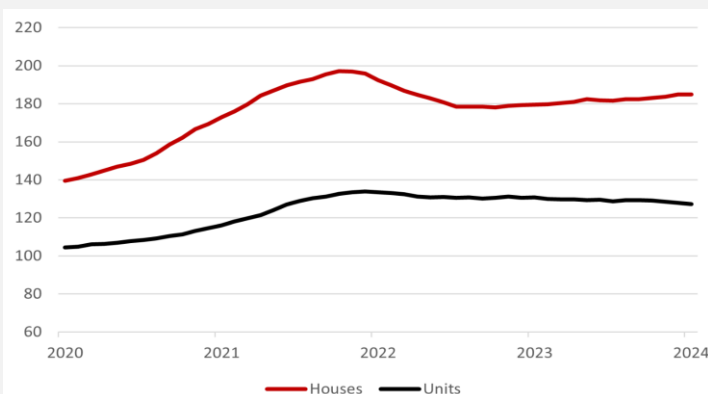




CANBERRA MARKET SNAPSHOT

Home Value Index July 2024

The change in house and unit values to end of July 2024 is recorded at:



HOUSES



UNITS

	HOUSES	UNITS
Quarter	1.1%	-1.6%
Annual	3.0%	-2.8%

Annual Dwelling Sales July 2024

8,849

3.6% higher than one year ago.
-9.3% below the five-year average.



-3.7%
HOUSE SALES



-3.4%
UNIT SALES

Source: CoreLogic

The Canberra property market remained steady (0.0%) for the month of July following previous months signs of modest growth with dwelling growth of +0.5% for the quarter.

This follows twelve months of relatively flat dwelling value growth with a mix of mild gains and subtle easing since June last year. The Canberra market sits +1.7% higher over the last twelve months. Canberra is now +31.8% above pre-Covid levels but remains just -5.8% below the peak values of May 2022.

Nationally the housing price index (HVI) posted a broad-based rise with a gain of +0.5% in July which was slightly lower than the gain of +0.7% shown in June. Nationally, this is the 18th consecutive monthly increase in home values. The National (HVI) has gained +13.5% and values have consistently pushed to new record highs since November 2023.

While the headline growth rate remains positive, it is clear momentum is leaving the cycle and conditions are becoming

more diverse. Three capitals recorded an easing in values over the past three months. Melbourne led the decline with a -0.9% fall, alongside a -0.8% and -0.3% reduction in Hobart and Darwin values respectively.

Headwinds surrounding the higher for longer interest rates outlook, cost-of-living pressures contributing to low consumer sentiment and worsening affordability persist. Continued supply of newly built homes remains insufficient relative to population growth. A further -6.5% drop in dwelling approvals through June highlights the ever present challenges faced by the residential construction sector. Impacts such as compressed profit margins, scarcity of skilled trades and holding costs remain high.

The outlook for Canberra indicates one of continued soft continues for dwelling values. A more complicated outlook is forecast as downside risks are growing whilst housing affordability becomes more challenging.





MARKET CONDITIONS



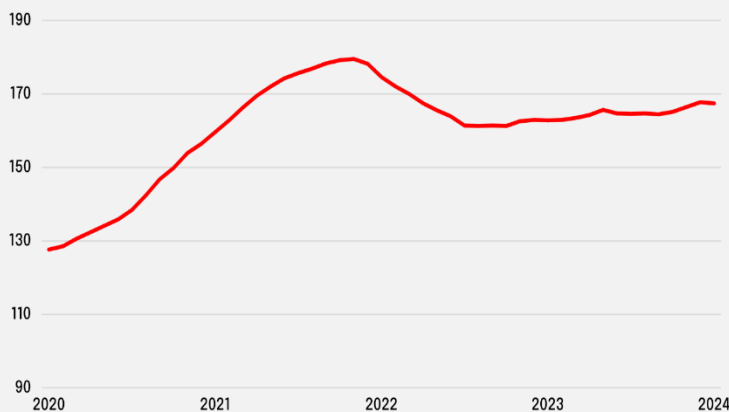
HOUSE



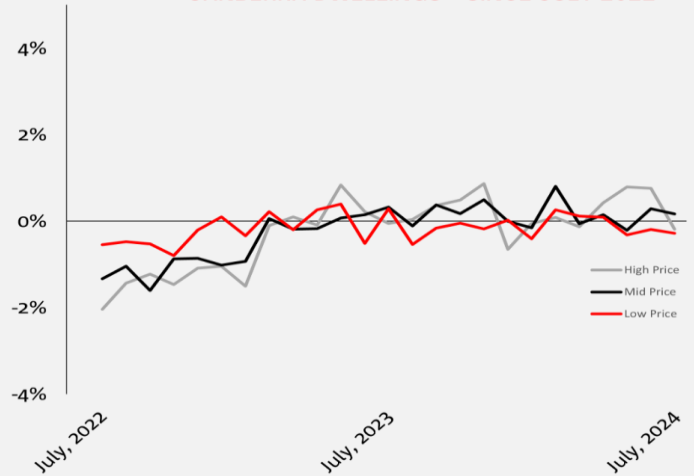
UNITS

	HOUSE	UNITS
LISTINGS – ANNUAL INCREASE	-11.0%	-5.0%
DAYS ON MARKET	44 days	54 days
VENDOR DISCOUNT	-3.4%	-3.5%
MEDIAN VALUE	\$984,894	\$583,073

HEDONIC HOME VALUE INDEX - DWELLINGS - BRISBANE



MONTHLY % VALUE MOVEMENT CHANGE BY PRICE QUARTILE
CANBERRA DWELLINGS - SINCE JULY 2022



Source: CoreLogic

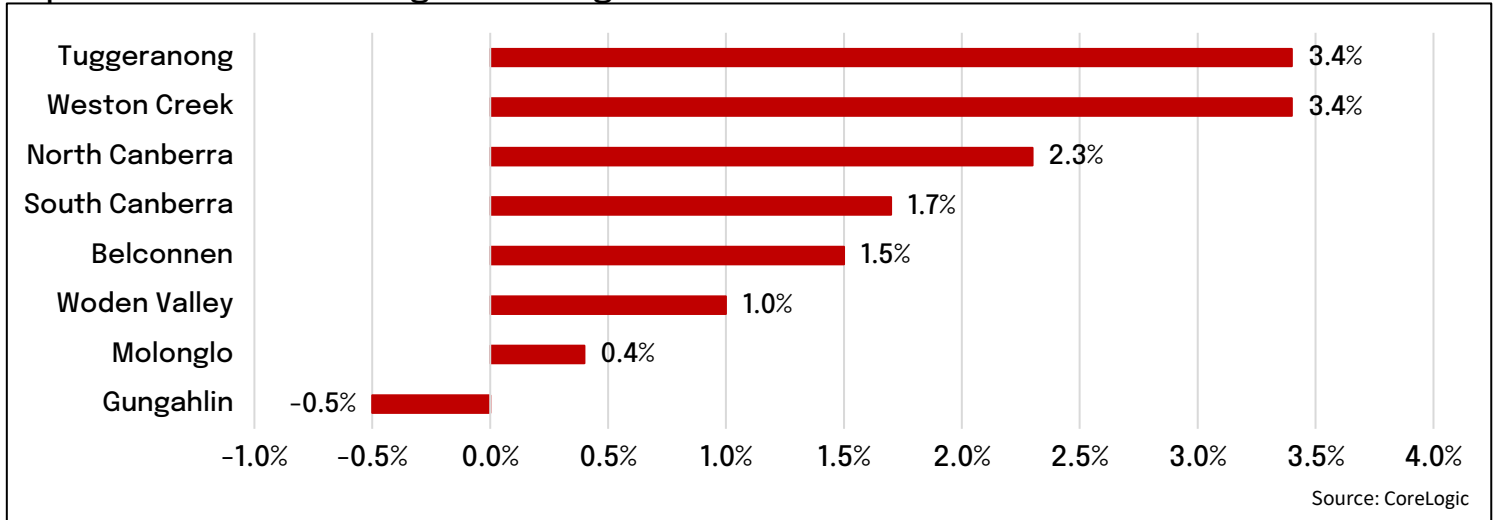
Market movements continued to remain relatively flat across all quartiles in the Canberra market with all three market segments recording slight easing from the month prior. The upper-price segment was the only quartile to record a gain of +0.2% followed by subtle easing in the lower and mid-price quartiles of -0.3 and -0.2% respectively.

The main drivers for dwelling values in the Canberra property market remain primarily the future trajectory of interest rates, elevated stock levels and concerns surrounding affordability.

NAB Economics' view remains the next change to be a reduction in May 2025.

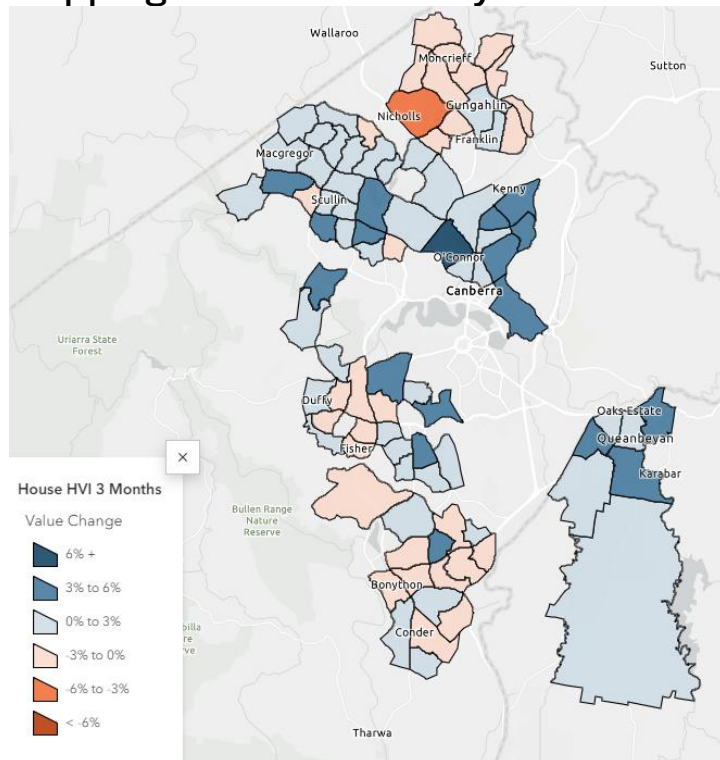
As housing affordability becomes more challenging, housing values will continue to be resilient supported by the low (but improving) levels of supply. Support for the Canberra market includes increased borrowing capacity which was assisted by the Stage 3 tax cuts that came in to effect at the start of July, continued rising rental market strength and rental yields and demand-side pressure from steady levels of migration.

Top Suburbs Annual Change - Dwellings



Key highlights and trends surrounding each of the Housing, Unit and Rental Markets being seen include:

Mapping the Market - July 2024



- The median house value in Canberra gained marginally by +0.1% across the month and now sits up +1.1% for the quarter. House values also continued to gain with +3.0% over the last twelve months, with the median house value now sitting at \$984,894.
- On the unit side, the median unit value in Canberra sits at \$583,073, slipping mildly at -0.6% for the month, and a further -1.6% for the quarter and easing in value down -2.8% on an annual basis.
- Vacancy rates eased nationally, with Canberra now sitting at 1.3%, the lowest vacancy rate since November 2022. Canberra recording the largest change of the capitals; however, conditions are still competitive for tenants compared to other Australian capitals.

Source: CoreLogic





RECENT SALES ACTIVITY

Lower Market

21/18 Canberra Avenue, Griffith



The sale property comprises a 2-bedroom, 2-bathroom apartment, nestled at the prestigious address of 21/18 Captain Cook Crescent in Griffith. With a contemporary design that seamlessly blends style and comfort, this modern abode is the epitome of sophistication, offering a lifestyle of unparalleled elegance. The property was recently offered to the market for private sale through a local agency in April with \$720,000 as a price guide provided. After a marketing campaign and 105 days on the market, the property was sold for \$780,000 on 31st July.

Mid-Market

34 Dutton Street, Dickson



The sale property built in 1970, comprises a 3 bedroom home. A beautifully maintained and presented home, with a layout catering to contemporary living. Large windows allowing for plenty of natural light. The secret garden-style rear yard, with lush garden beds and a quaint chicken coop, adds to the charm of this delightful home. The outdoor alfresco area is ideal for outdoor dining and relaxation. The property was recently offered for sale through a local agency in June with offers of over \$1,290,000 as a price guide. After a marketing campaign and 29 days on the market, the property was sold for \$1,295,000 on 11th July.

Premium Market

81 Piddington Street, Watson



The sale property is a modern take on the Hamptons on the doorstep of what makes Watson special. A Chef's dream, with a commercial quality. Privately positioned in a cul-de-sac street North-west facing single-level contemporary residence Chef's kitchen with raked ceiling featuring 40mm stone island bench, farmhouse sink, step in pantry and custom joinery. Property also has a Master bedroom with custom dressing room, designer en-suite and private courtyard access. The property was recently sold via auction after being on the market for 26 days. The property was sold at auction for \$2,160,000 on 27th July.

Disclaimer – The information contained in this publication is gathered from multiple sources believed to be reliable as at the end of July 2024 and is intended to be of general nature only. It has been prepared without taking into account any person's objectives, financial situation or needs. Before acting on this information, NAB recommends that you consider whether it is appropriate for your circumstances. NAB recommends that you seek independent legal, property, financial, and taxation advice before acting on any information in this publication.

