

REGIONAL QUEENSLAND SNAPSHOT

Home Value Index March 2024

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



HOUSES



UNITS

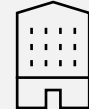
| | Houses | Units |
|---------|--------|-------|
| Quarter | 2.8% | 2.7% |
| Annual | 10.6% | 9.9% |

Annual Dwelling Sales March 2024

65,770 -2.6% lower than one year ago. And
-4.6% below the five-year average.



-3.4%
HOUSE SALES



-0.7%
UNIT SALES

Source: CoreLogic

The regional Queensland market continued to see dwelling prices trend higher with +2.8% in the first quarter of 2024 reaching new records. This growth phases commenced in February 2022, with fourteen consecutive months as demand-side pressure continues against a backdrop of restricted levels of supply. Regional Queensland currently sits +56.2% higher than at the commencement of COVID-19 and continues to climb to this new peak.

Regional Queensland housing is trending higher, but at a slightly milder rate of growth relative to Brisbane on a quarterly and annual basis with dwelling values in regional Queensland sitting up +10.5% over the last twelve months vs Brisbane up +15.9%. Regional Queensland is the 3rd fastest regional market of growth after regional Western Australia and regional South Australia.

Nationally the housing price index (HVI) posted a broad-based rise with a gain of +0.6% for March and on par with February's increase.

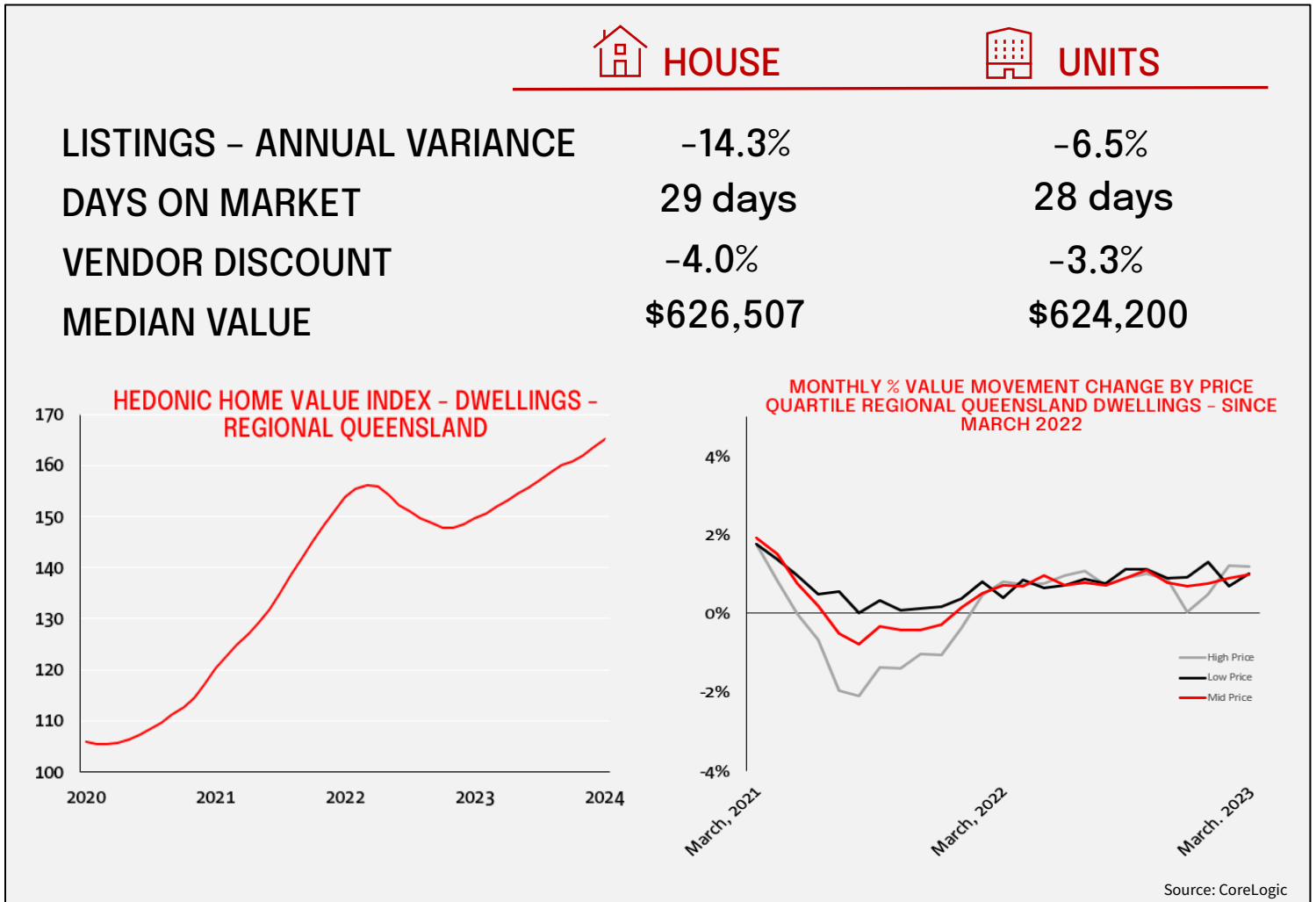
The current upswing in housing values signals the fourteenth consecutive month of growth. Capital city housing market conditions remain diverse however all capital cities and rest-of-state regions recorded gains in dwelling values over the month with the exception of Darwin where the market eased -0.2%, regional Victoria which eased -0.2% and Melbourne which remained unchanged.

Strong demand-side pressure attributed to surging immigration with 117,300 new arrivals (equating to an annual increase of +1.4%) into regional Australia (according to the ABS figures to September), supporting price growth in regional markets. Despite the headwinds of a higher interest rate environment and worsening affordability in the nearer term, the median term outlook for regional Queensland is anticipated to see continued growth as interest rates come down. Positive tailwinds including moderating inflation and improving consumer confidence are also contributing to market expectations of a cut in rates later in 2024.





MARKET CONDITIONS



Market movements remain relatively buoyant across all quartiles in the regional Queensland market, with all market segments continuing to post gains. The trend on a quarterly basis is a positive one, led by the lower price segment which recorded a gain over the March quarter of +3.0% followed by slightly less pronounced gains within the mid and low-price quadrants of +2.6% and +2.9% respectively over the same time period.

The main drivers for dwelling values in the regional Queensland property market remain primarily due to the shortage of available stock, future direction of interest rates, sale of investment and secondary properties and concerns surrounding affordability of

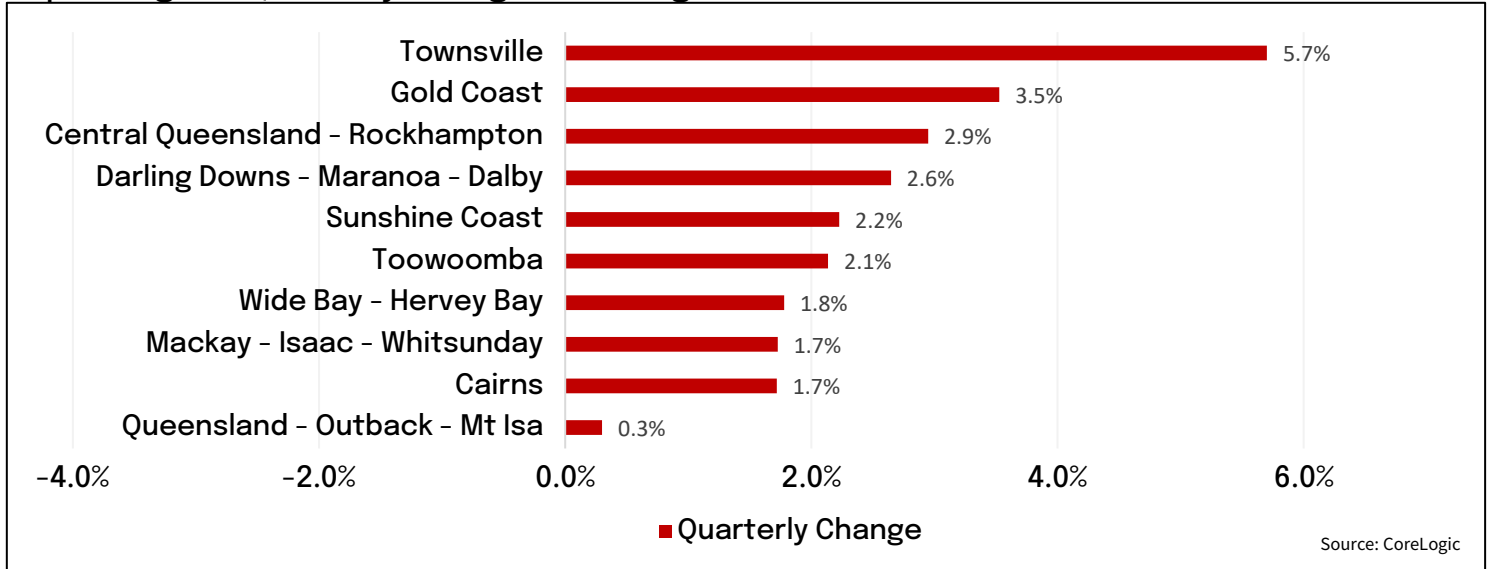
property which is seeing more purchaser activity in the lower price points and lower-priced properties.

Positive tailwinds for the regional Queensland market however include continued rising rental yields, increasing rental market strength and strong migration. Australia's population increased by 2.5% for the year ending September 2023, the fastest rate of growth since the ABS commenced the national population series in 1981. Given the fundamentals of housing demand and supply remain out of balance, upward pressure on the cost of housing is set to continue to influence housing markets in regional Queensland and nationally.





Top 10 Regions Quarterly Change - Dwellings



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

- The strong gains seen in March saw regional Queensland house values push higher by +1.1% across the month and up +2.8% for the March quarter. On an annual basis, house values gained +10.6%, one of five regions together with regional South Australia, regional Western Australia, regional Tasmania and regional NSW to record gains. The median house value continues to push through the \$600,000 benchmark sitting at \$626,507.
- In comparison, the unit market has reflected a similar trend, albeit at a slightly less pronounced pace recording a gain of +1.0% in March compared to the housing market and recorded a gain over the March quarter of +2.7%. The unit market benefits from greater affordability, incentives for first home buyers, as well the normalisation of local and international migration. Despite making up a smaller portion of sales activity overall, the median unit value in regional Queensland also sits above the \$600,000 benchmark at \$624,200 and +9.9% up on an annual basis.
- The rental market continues to see vacancy rates remain tight at near record lows, now a combined 1.2% across regional Australia. The low vacancy rates place upward pressure on rental values and as such it is likely rental demand will remain buoyant, suggesting the outlook for rents remains one of further growth in the short to medium term. With regional Queensland recording a gross annual rental yield of 4.7% and rents in regional Queensland having increased by 7.3% over the last twelve months, the outlook for investors is a positive one.



RECENT SALES ACTIVITY

Gold Coast Region

40 Alicia Street, Southport



The sale property comprises a partially renovated, 1965-built, three-bedroom, one-bathroom split-level chamferboard dwelling of 99 square metres on a standard 506 square metre lot. Ancillary improvements include landscaped yards, concrete driveway, timber fencing and undercover parking for two vehicles. The property was recently offered for private sale through a local agency in early-February with a vendor's price guide of 'offers above \$799,000' provided. After 50 days on the market, the property sold for \$820,000, on the 4th March.

Sunshine Coast Region

2 Backhousia Court, Meridan Plains



The sale property comprises a well-presented, renovated 2007-built, four-bedroom, two-bathroom low-set single-level dwelling of 220 square metres on a 722 square metre lot. Ancillary improvements include inground pool and alfresco area, shed, inground pool, landscaped yards and undercover parking for two vehicles. The property was recently offered for private sale through a local agency in late-February with a listed price range estimate of \$1,340,000 provided. After a marketing campaign and 25 days on the market, the property was sold for \$1,340,000 on 22nd March.

Mackay Region

5 Albion Crescent, Mount Pleasant



The sale property comprises an original, 2017-built, four-bedroom, two-bathroom low-set single-level rendered brick dwelling of 131 square metres on a standard 614 square metre lot. Ancillary improvements include alfresco area, timber fencing and landscaped yard. Undercover parking available for two vehicles. The property was recently offered for private sale through a local agency in mid-February with no list price provided. After only 14 days on the market, the property was sold for \$625,000, on the 4th March.

Disclaimer – The information contained in this publication is gathered from multiple sources believed to be reliable as at the end of March 2024 and is intended to be of general nature only.

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