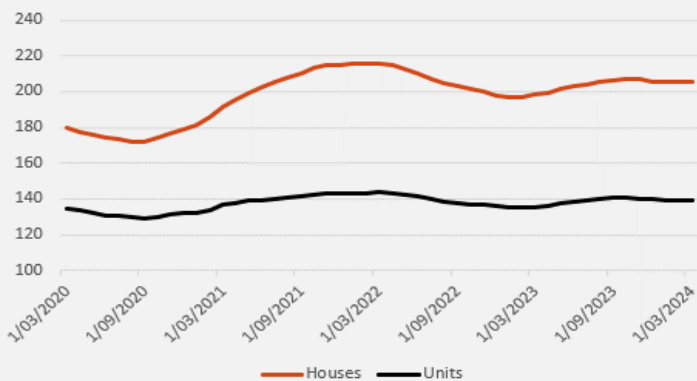


MELBOURNE MARKET SNAPSHOT

Home Value Index March 2024

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



HOUSES



UNITS

Quarter

-0.1%

-0.3%

Annual

3.3%

3.0%

Annual Dwelling Sales March 2024

92,589

+20.5% higher than one year ago.
And +9.4% above the five-year average.



21.9%
HOUSE SALES



18.0%
UNIT SALES

Source: CoreLogic

The Melbourne property market remained flat this month recording no change in dwelling value (0.0%) following on from the subtle gain of +0.1% recorded in February and three consecutive months of mild easing (November, December and January). Melbourne's quarterly growth trend also remains flat at -0.2% for the March quarter and sits as the only capital to record easing for the quarter. On an annual basis, Melbourne dwelling values recorded a gain of +3.2%, sitting only -4.1% below the record high in the March 2022 peak and is up 11.0% on pre-Covid onset.

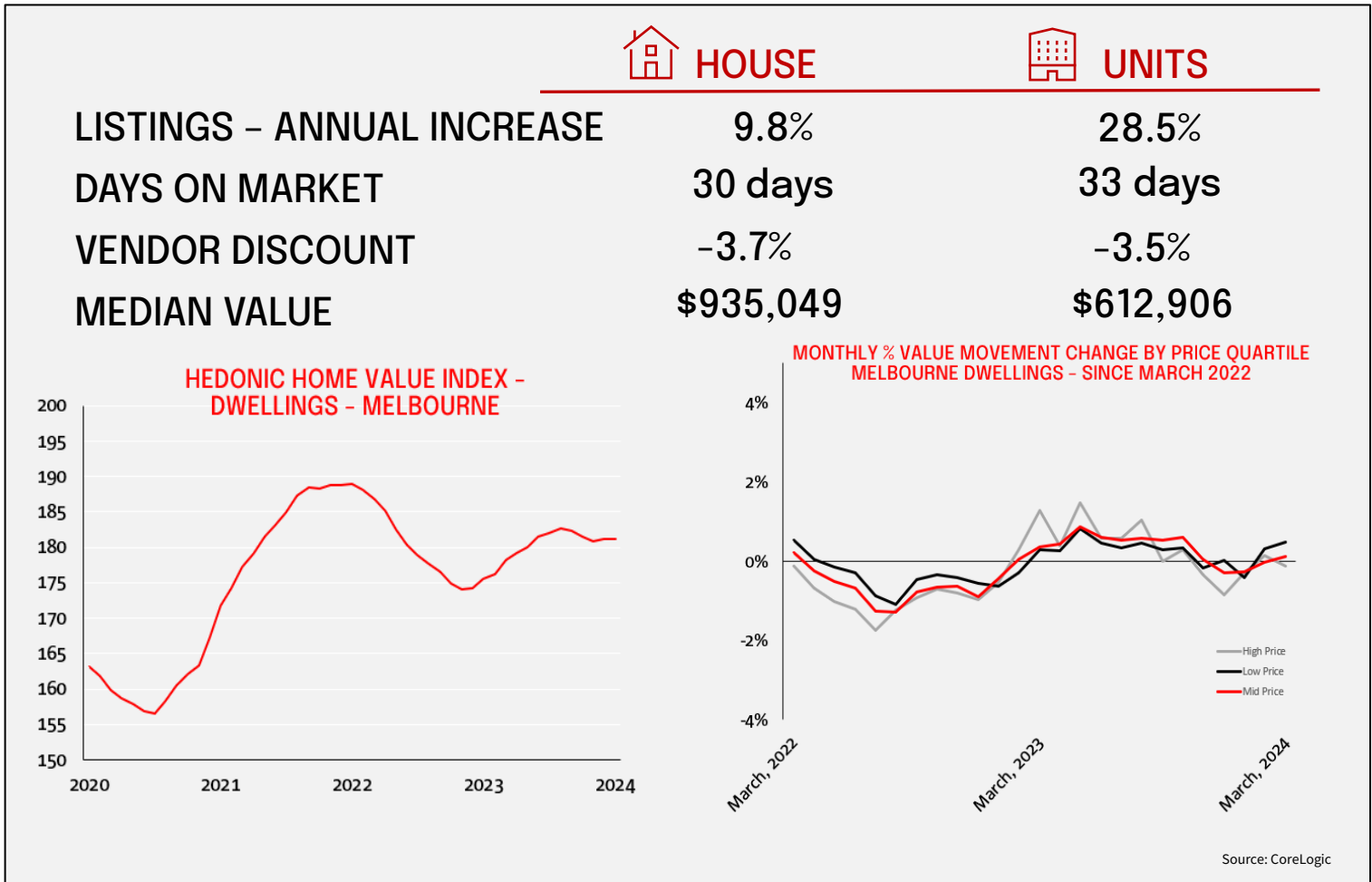
Nationally the housing price index (HVI) posted a broad-based rise with a gain of +0.6% for March and on par with February's increase. The current upswing in housing values signals the fourteenth consecutive month of growth. Capital city housing market conditions remain diverse however all capital cities and rest-of-state regions recorded gains in dwelling values over the month with the exception of Darwin where the market eased -0.2% and regional Victoria which eased -0.2%.

Melbourne home values have stabilised over the last two months and strong demand-side pressure attributed to surging immigration (driven mainly by international students) with 166,000 new arrivals in Melbourne (according to the ABS figures to September) continues to provide price support in the Melbourne market. The imbalance between strong levels of demand and insufficient supply levels continues to impact property markets, however Melbourne stock levels remain elevated providing more choice for buyers. Despite the headwinds of a higher interest rate environment and worsening affordability the Melbourne market is anticipated to trend marginally higher, with interest rates the main driver, indicating the potential for market conditions to re-accelerate as rates come down.

The outlook for Melbourne indicates a milder outcome for housing values assisted by easing cost-of-living pressures, improving confidence, ongoing population growth and low levels of new building supply coming to market. Moderating inflation and improving consumer confidence are providing tailwinds and heightening expectations of a cut in interest rates for late-2024.



MARKET CONDITIONS



Market movements remain flat across all quartiles in the Melbourne market, with two of the three market segments recording moderate gains for the month. The trend on a quarterly basis overall is easing, led by the high price segment which recorded easing over the March quarter of -0.3% followed by slightly less pronounced easing within the middle-price quadrant of -0.2%. The lower-priced quadrant continues to record gains, this month by +0.4%.

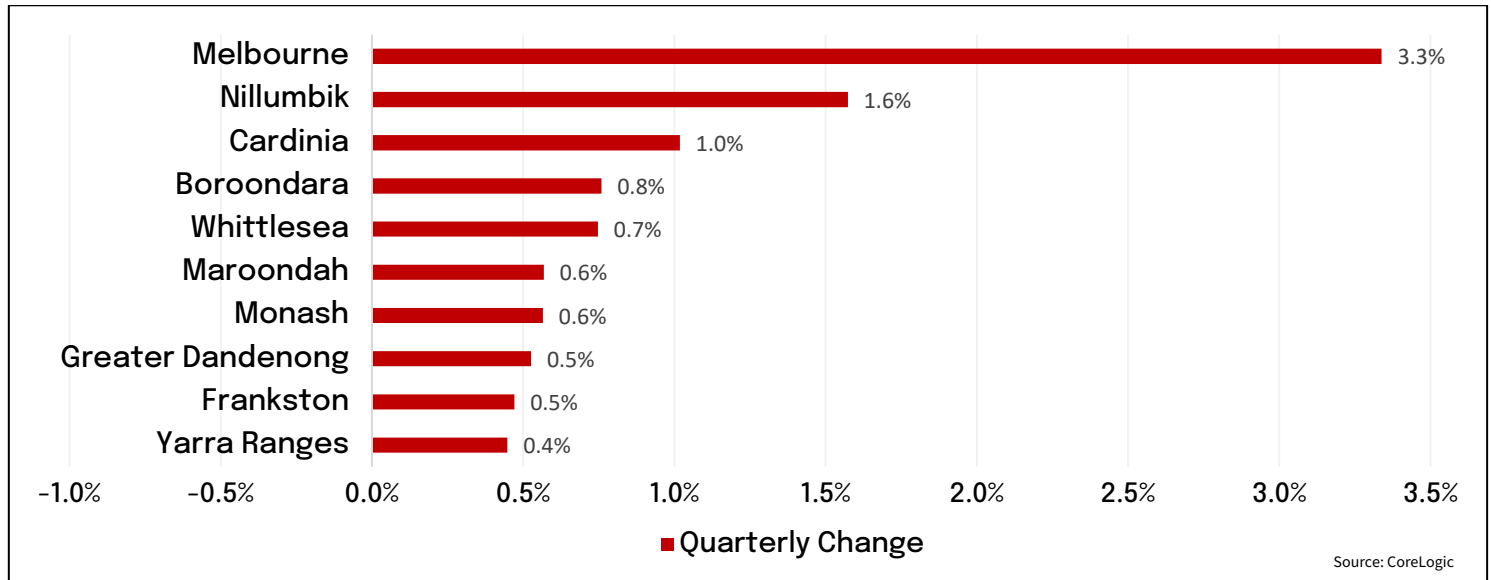
The main drivers for dwelling values in the Melbourne property market remain primarily the future direction of interest rates, rising stock levels, sale of investment and secondary properties and concerns surrounding affordability of property which is seeing

more purchasers activity in the lower price points and apartments and townhouses.

Positive tailwinds for the Melbourne market however include continued rising rental yields, increasing rental market strength and strong migration. Australia's population reached 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 Melbourne and nationally.

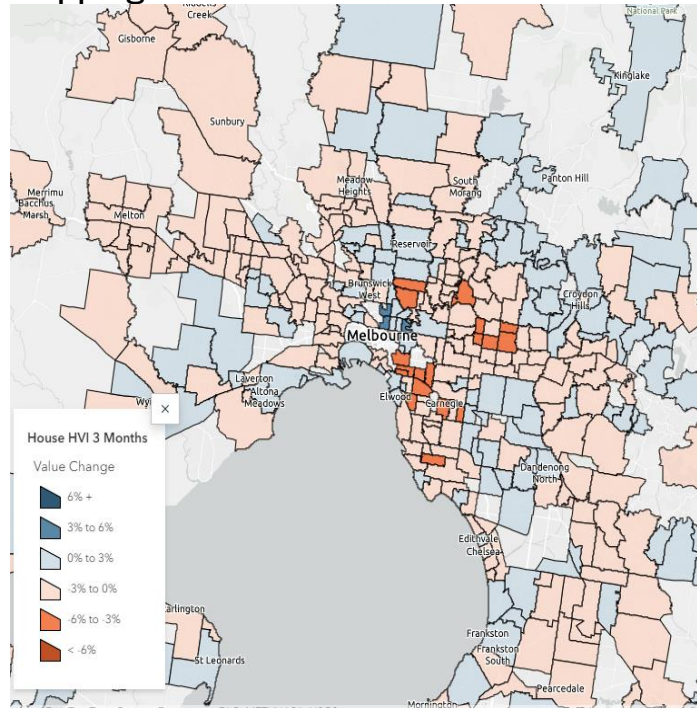


Top 10 Suburbs Quarterly Change - Dwellings



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

Mapping the Market - March 2024



- The median house value in Melbourne sits at \$935,049, recording a subtle easing in value up -0.1% in March and sits -0.1% lower over the quarter but up +3.3% on an annual basis.
- On the unit side, Melbourne is continuing to show signs of a subdued market. Unit values in Melbourne now sit marginally higher up +0.3% in March. The unit market sits down -0.3% over the quarter but up +3.0% for the year. Despite making up a smaller portion of the overall market, the median unit value is now sitting at \$612,906.
- Vacancy rates at tight at near record lows, now at 1.0% across Melbourne. Housing rental values are up +10.9% over the last year, whilst unit rents are up +9.4%, sitting just behind Adelaide, Brisbane and Perth.
- Top 5 Melbourne Suburbs annual dwelling change:
 - Nillumbik – King Lake +8.8%
 - Knox +7.3%
 - Banyule +6.0%
 - Maroondah +5.5%
 - Kingston +5.5%

Source: CoreLogic





RECENT SALES ACTIVITY

Entry-level Market

53 Baggott Drive, Hoppers Crossing



The sale property comprises a neat and tidy, partially renovated 1973-built, four-bedroom, two-bathroom single-level brick and tile home of 161 square metres on a standard 566 square metre corner lot. Ancillary improvements include alfresco area, landscaped yard, shed and undercover parking for four vehicles. The property was recently offered for private sale through a local agency in early-November with no vendor's list price guide provided. After a marketing campaign and 132 days on the market, the property was sold for \$600,000 on the 18th March.

Mid-price Market

21 Culliton Road, Camberwell



The sale property comprises a well-presented, fully renovated 1920's-built, four-bedroom, two-bathroom single-level period home of 175 square metres on a 557 square metre lot. Ancillary improvements include rear alfresco, terrace, landscaped yard but no undercover parking provided on-site. The property was recently offered for private sale through a local agency in late-February with a price guide of \$2,300,000 provided. After 31 days on the market, the property was sold for the list price of \$2,300,000 on the 23rd March.

Premium Market

60 Power Street, Hawthorn



The sale property comprises a fully renovated, well-presented, 1890's-built, four-bedroom, three-bathroom two-storey terrace home of 364 square metres on a 433 square metre lot. Ancillary improvements include rear courtyard and alfresco area, landscaped yard and undercover parking available for two vehicles. The property was recently offered for private sale through a local prestige agency in late-February with no list price guidance provided. After 30 days on the market, the property sold for \$4,260,000, on 21st 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.

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.

