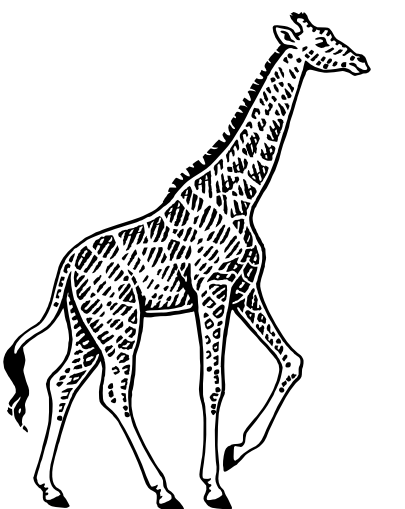


Q4 2024 Market Insights

Vanderbilt



RAY WHITE

New homes outperform existing

Over the last three years, first-sale houses (i.e. new homes that are transacting on the existing market for the first time) have seen faster price growth nationally at 23.8%, compared to only 21.9% for resold houses. QLD new homes are amongst some of the strongest performers nationally, with first price growth of 38.3% vs. 34.5% for older homes – outperforming by almost 4% (3.8%). This is better than WA (0.3%), NSW (3%), VIC (0.4%), and SA (1.2%).

Median price of houses sold for the first time vs houses with sale history

state	Resale Price	3Y Resale Change	First Sale Price	3Y First Price Change
SA	\$672,000	44.5%	\$685,000	45.7%
QLD	\$740,000	34.5%	\$740,000	38.3%
WA	\$660,000	35.8%	\$660,000	36.1%
NSW	\$1,000,000	21.7%	\$1,016,240	24.7%
TAS	\$598,000	18.4%	\$700,000	22.8%
ACT	\$977,000	14.9%	\$1,060,000	21.1%
VIC	\$765,000	6.3%	\$715,000	6.7%
NT	\$545,000	-9.2%	\$500,000	-7.4%
AU	\$780,000	21.9%	\$780,000	23.8%

SOURCE: RAY WHITE



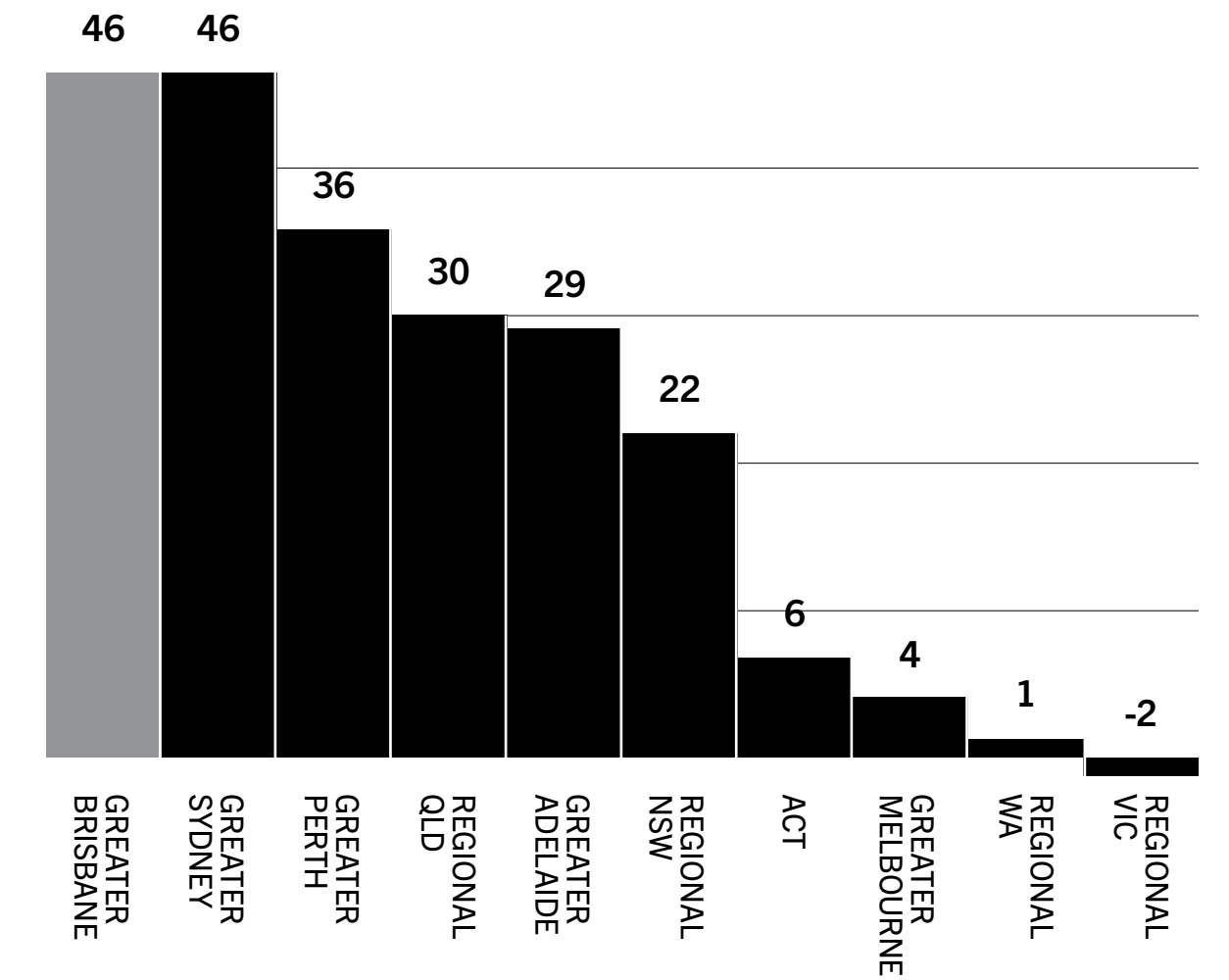
CORELOGIC

Million dollar markets

Greater Brisbane is equal 1st in the nation for the creation of new \$1 million markets.

SOURCE: CORELOGIC

NET CHANGE IN MILLION-DOLLAR HOUSE AND UNIT MARKETS (GREATER CAPITAL CITY REGION, AUGUST 23 TO AUGUST 24)



RAY WHITE

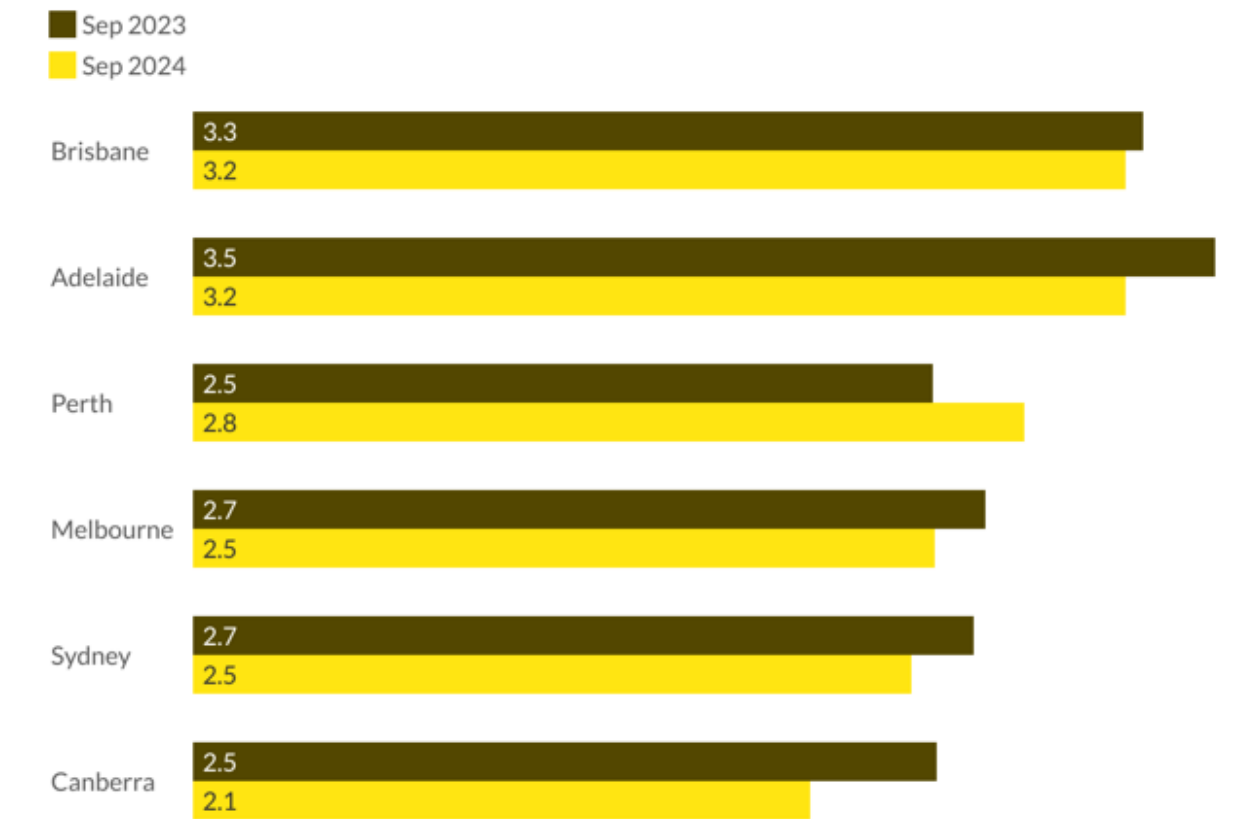
Brisbane leads country for bidders at auction

Brisbane is equal 1st in Australia for average active bidders per auction.

SOURCE: RAY WHITE

Average active bidders by capital city

Average active bidders from September 2023 and 2024



Source: Ray White



ABS

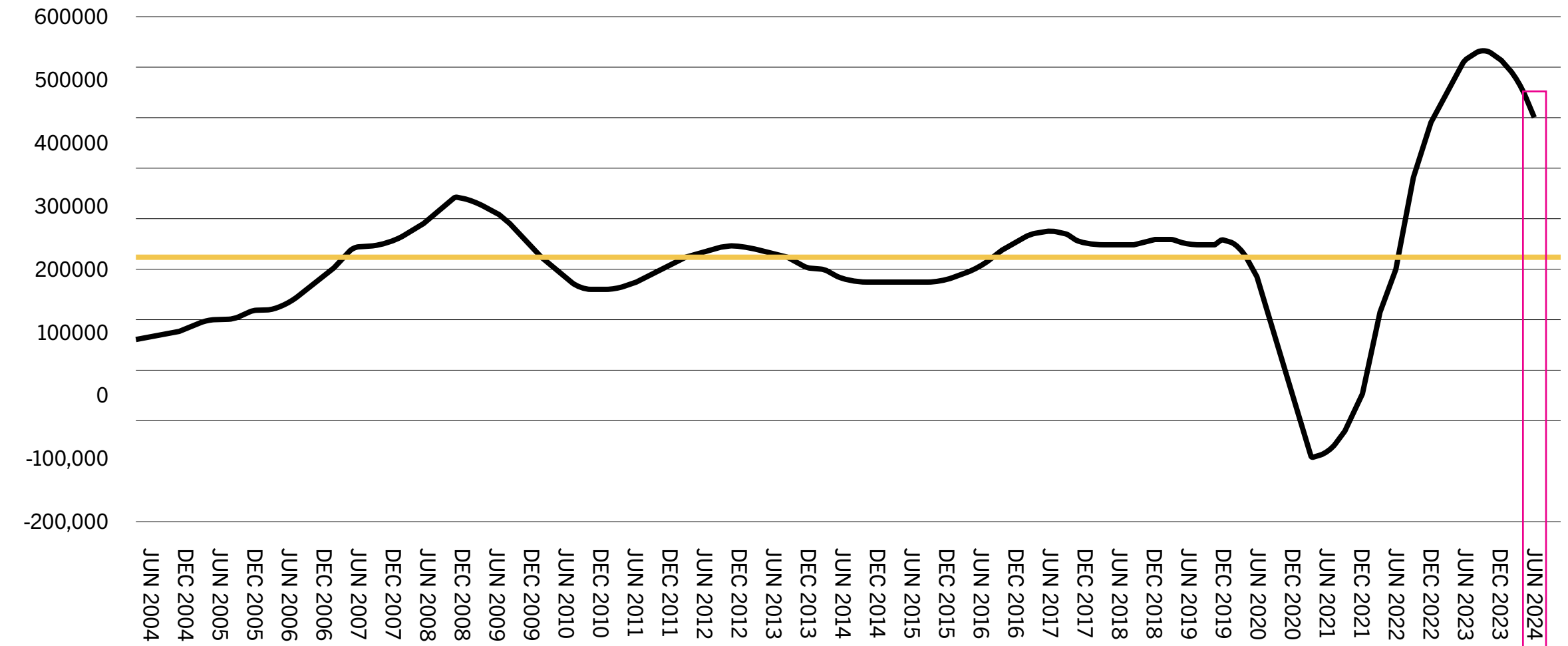
Actual Net Overseas Migration into Australia of 1,184,746 over the last three financial years (FY22 – FY24)

Australia recorded Net Overseas Migration (NOM) of 63,155 in the final quarter of the 2023/24 financial year.

The 2023/24 Federal Budget had forecast a total NOM of 395,000 for the financial year. However, with the latest data, the actual NOM for 2023/24 reached 445,638, exceeding the forecast by 50,638.

This marks the third consecutive year in which the Federal Government has underestimated migration to Australia. Over the past three years, the cumulative NOM has exceeded the original forecasts outlined in the March 2022/23 Budget by a total of 750,746.

NET OVERSEAS MIGRATION (NOM)
SOURCE: ABS



ORIGINAL FEDERAL GOVERNMENT FORECASTS
MARCH 2022/23 BUDGET

Table A.5: Net overseas migration, for years ending 30 June

	2020-21(a)	2021-22	2022-23	2023-24	2024-25	2025-26
Net overseas migration, Australia	-89,900	41,000	180,000	213,000	235,000	235,000

(a) Outcome for 2020-21 from ABS National, state and territory population, September 2021.

ACTUAL MIGRATION FIGURES

	2021-22	2022-23	2023-24
	203,590	535,518	445,638

ABS & AMP

Deficit of Australian housing continues to worsen

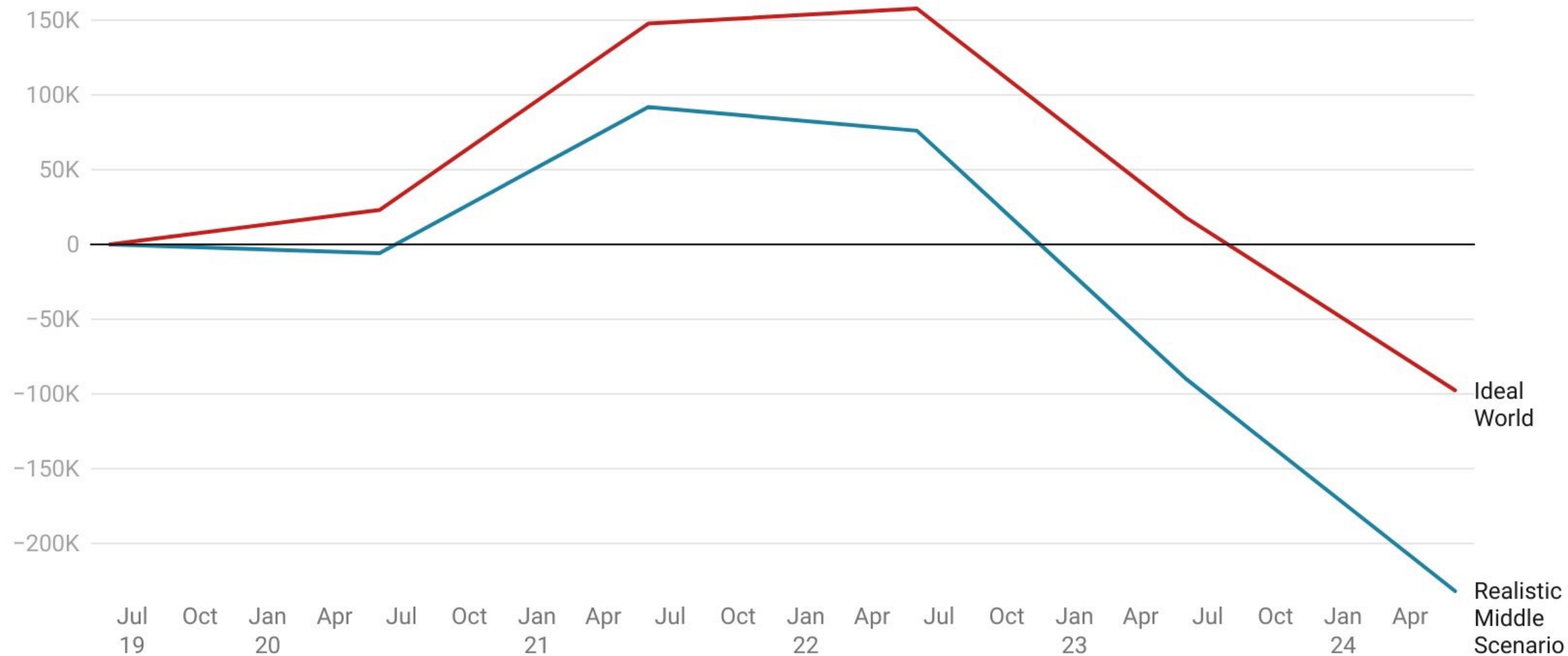
The Australian housing market faces a significant and worsening shortfall in housing supply. In an ideal scenario, where no dwellings are lost and only 5-10% remain unoccupied, the market still faces a deficit of approximately 100,000 homes.

Under more realistic conditions—accounting for ongoing demolition & rebuilds, and a 5% vacancy rate—the shortfall is even more pronounced, with a housing supply deficit of approximately 232,000 homes.

These figures are also reinforced in numbers published by Shane Oliver of AMP – who estimates a shortfall of 200,000+ dwellings in Australia.

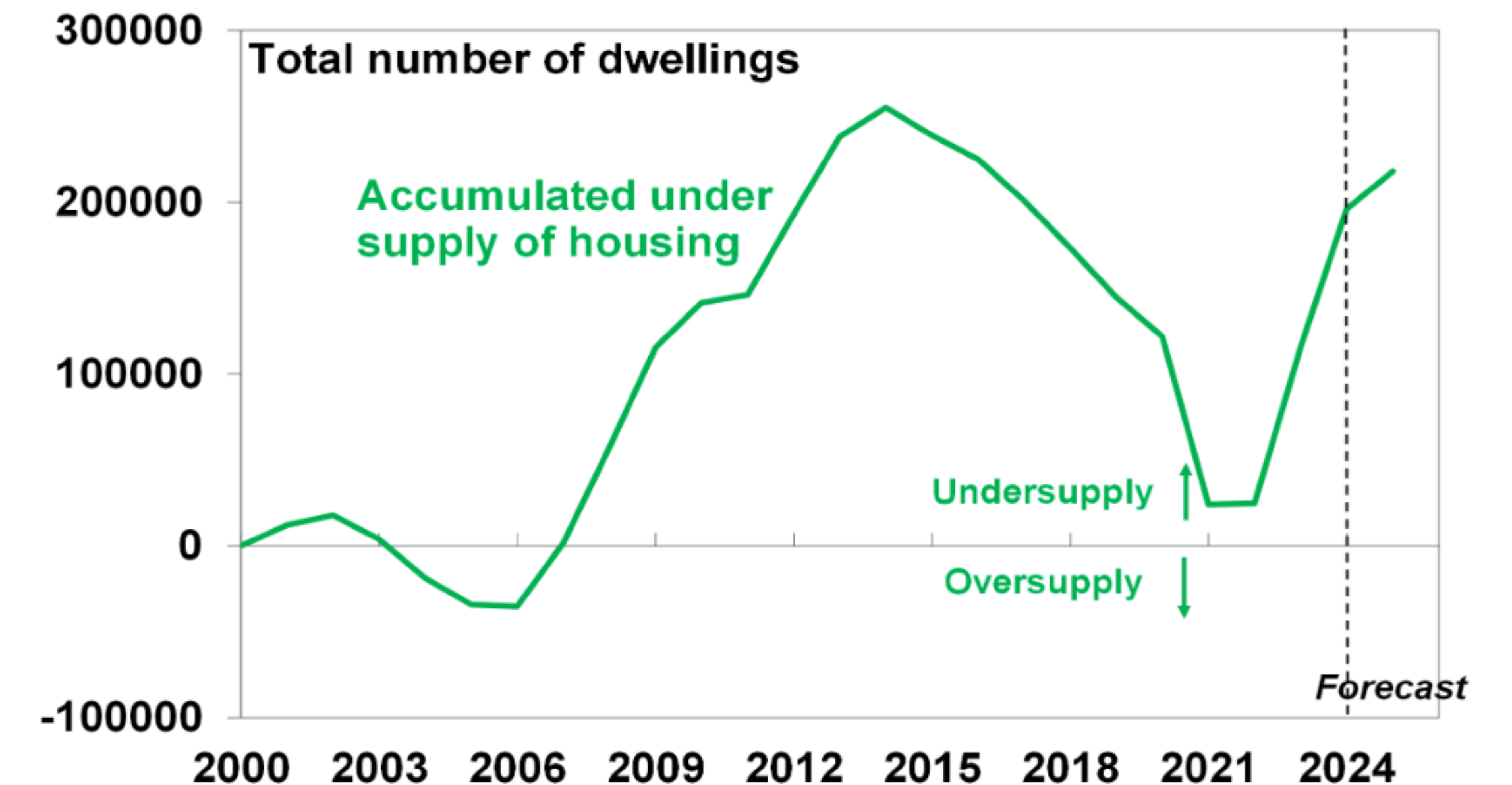
AUSTRALIA HOUSING SUPPLY VS DEFICIT – ASSUMES FULLY BALANCED MARKET IN JUNE 2019

SOURCE: ABS VIA TARRIC BROOKER @AVIDCOMMENTATOR



THE ACCUMULATED SHORTFALL OF HOUSING IN AUSTRALIA

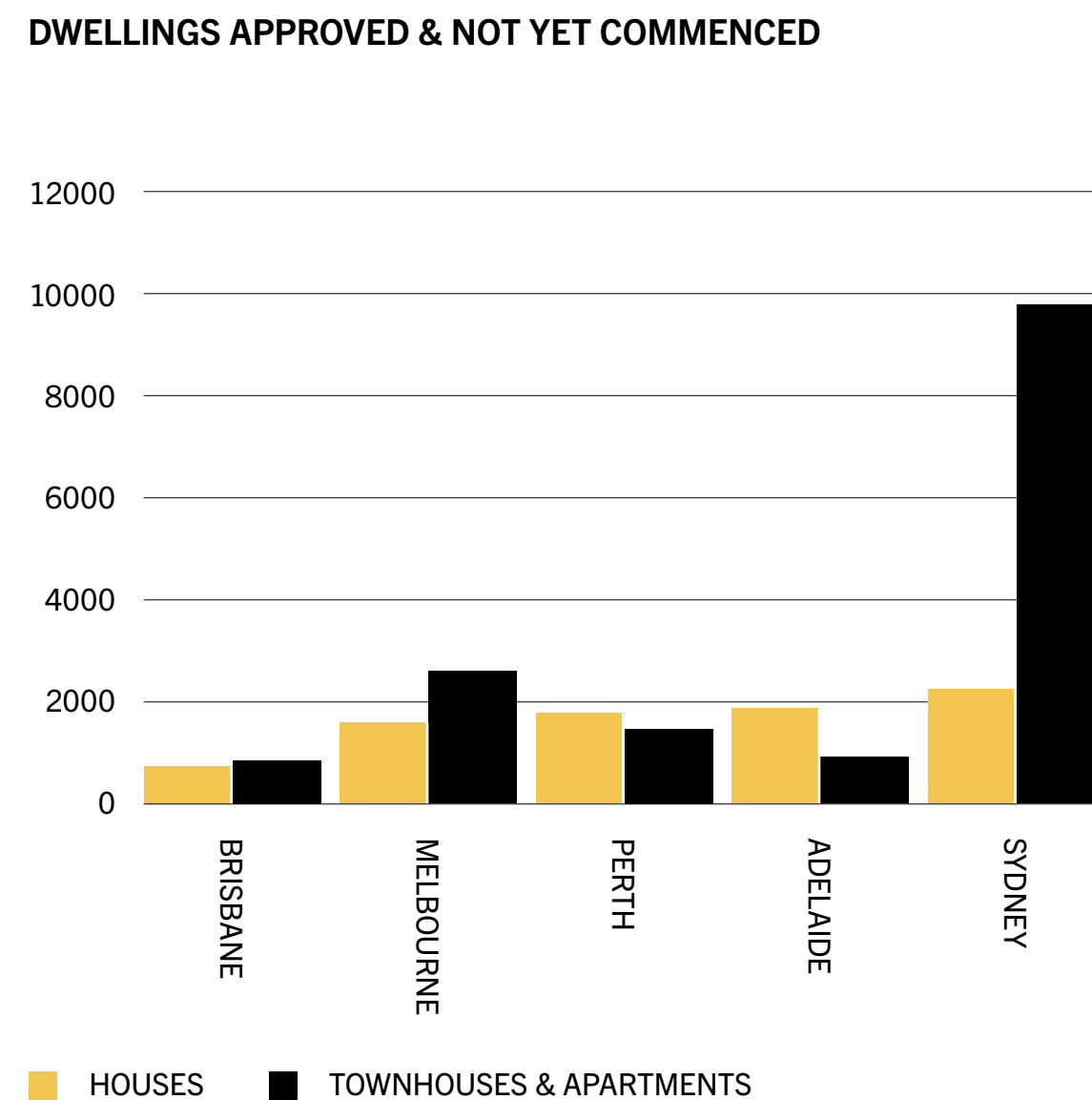
SOURCE: AMP VIA MACROBUSINESS



KPMG

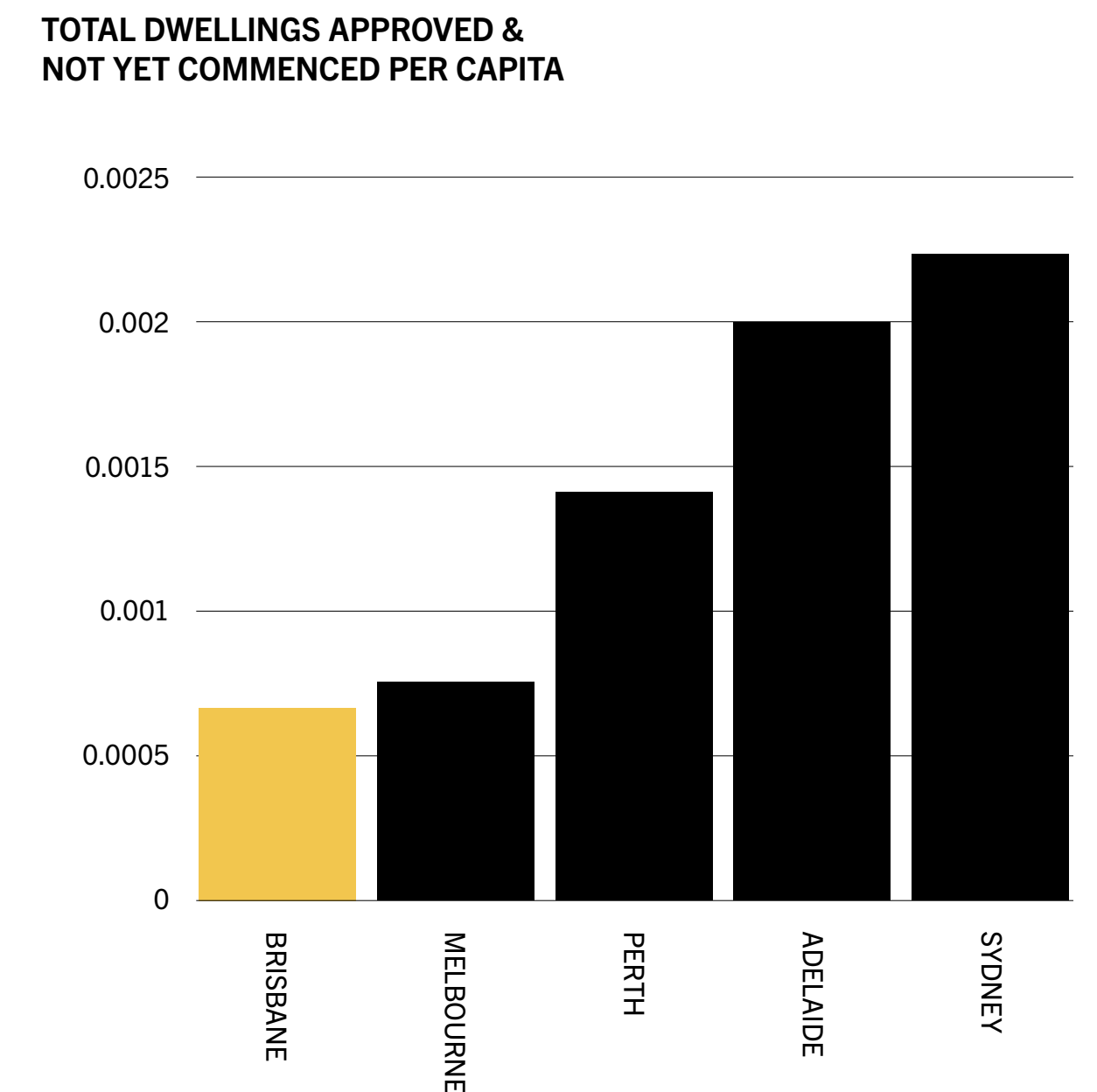
Brisbane's approved housing supply Australia's weakest

Brisbane has the lowest supply of approved dwellings that are yet to be commenced in Australia.



SOURCE: KPMG

When assessing this housing supply on a per capita basis, Brisbane's under supply of approved housing is further accentuated.



SOURCE: KPMG

RBA

Latest RBA data indicates Australian households remain financially strong

- Only 0.6% of all loans in Australia are in arrears (90+ days past due).
- Of those loans in arrears (0.6%), only 0.5% are in negative equity.
- Overall, less than 0.01% of loans in Australia are estimated to be in arrears AND negative equity.

- Borrowers with a cashflow shortfall forecast to drop from 5%+, down to c. 2% in the next 2 years (graph 2.6).
- Less than 2% of all borrowers are projected to be at risk of depleting their liquid savings buffers at any point before the end of 2026.

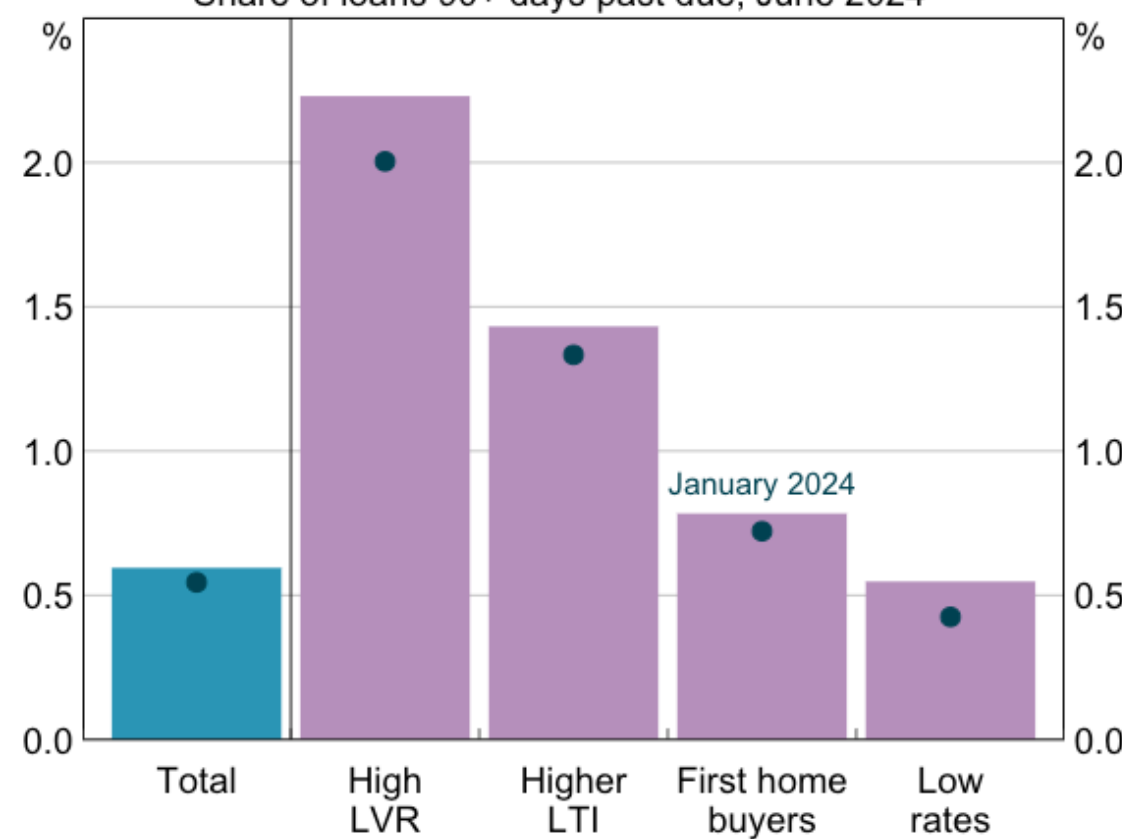
- The sky hasn't fallen, mortgage buffers have simply reset/normalised to pre-pandemic levels (see graph 2.5).

- Even under a GFC-style economic event, where housing prices fall by 30% from their June 2024 levels, the RBA estimates that the share of loans in negative equity would only increase to around 9%.
- That means 91% of mortgagees would still have a positive equity position if house prices dropped 30%.

Graph 2.3

Arrears Rates by Risk Factor*

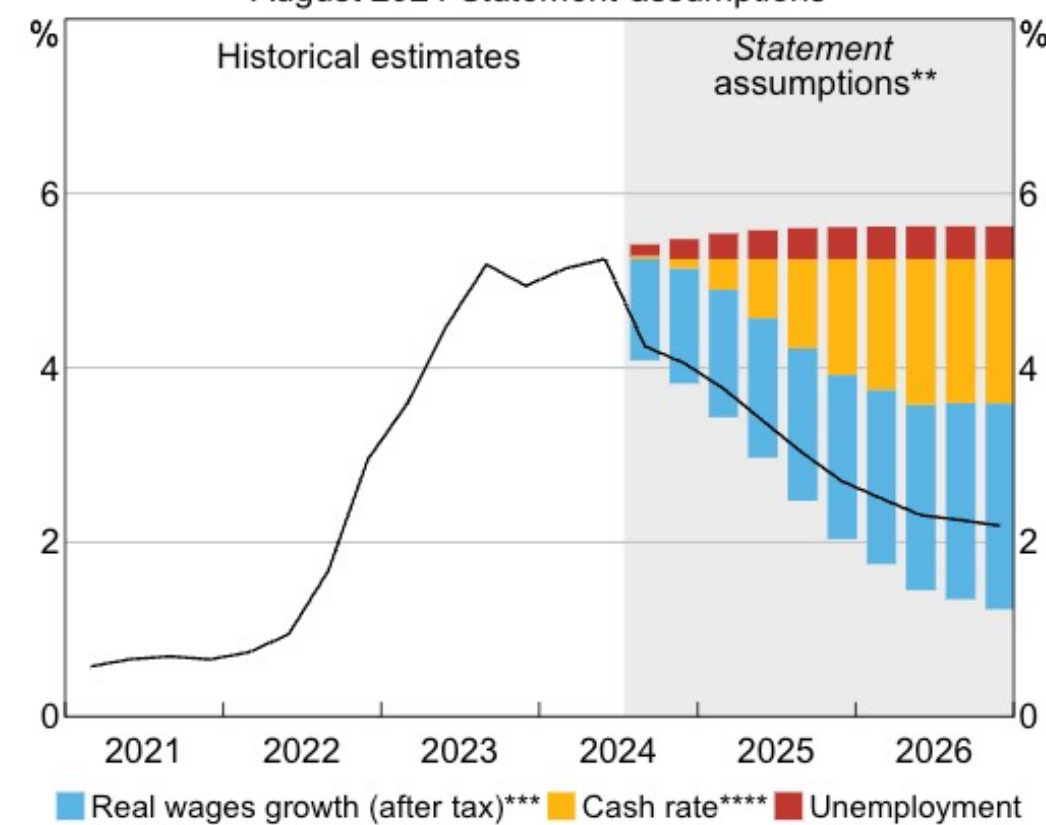
Share of loans 90+ days past due, June 2024**



Graph 2.6

Borrowers with Cash Flow Shortfall*

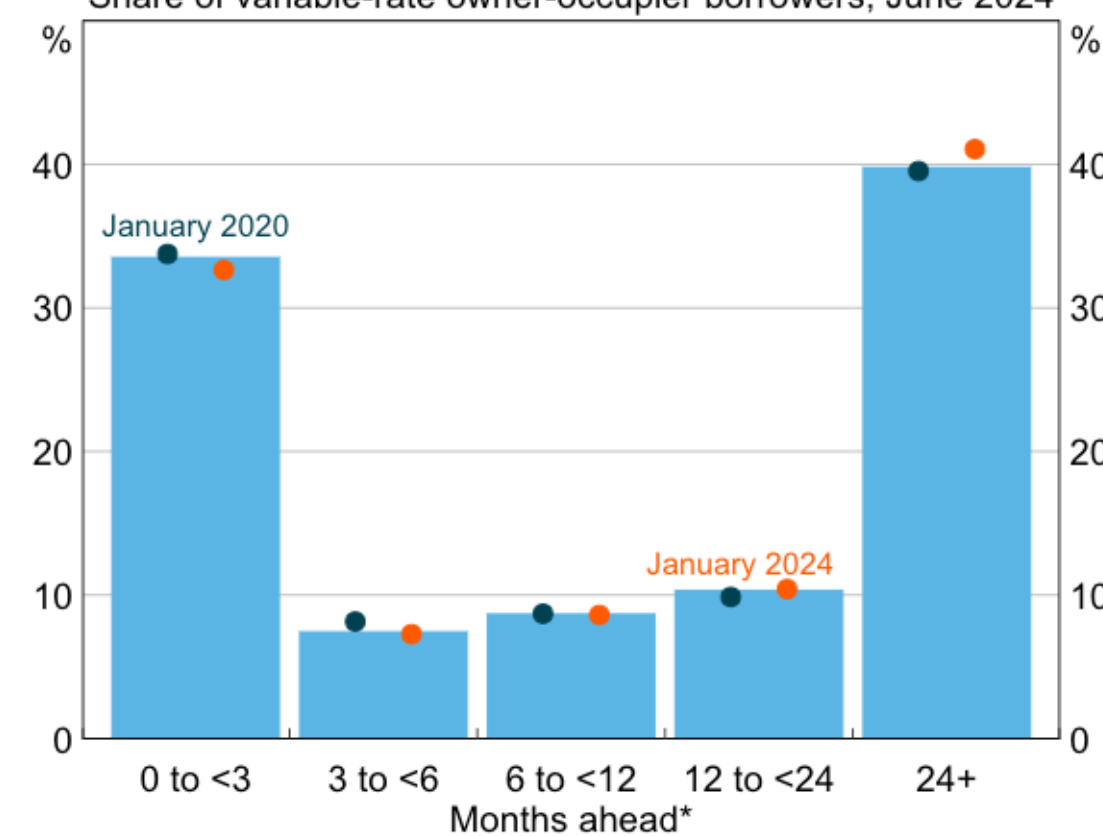
Share of variable-rate owner-occupier borrowers, August 2024 Statement assumptions



Graph 2.5

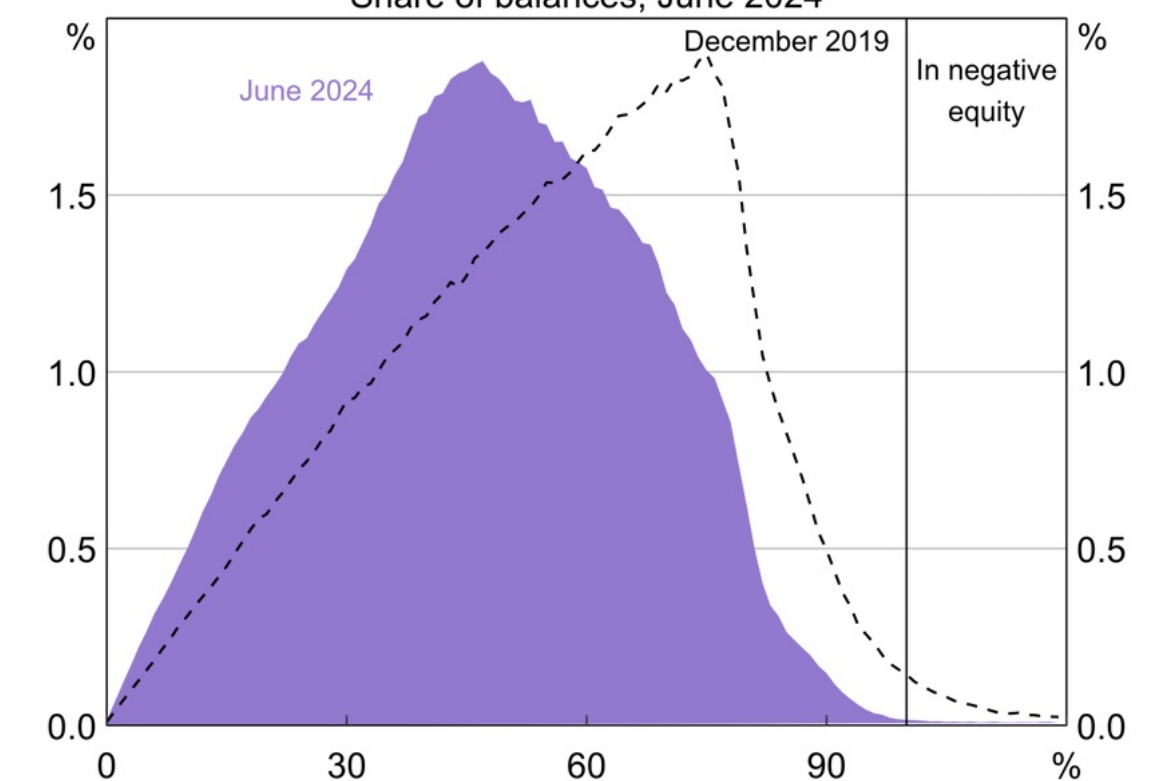
Household Mortgage Buffers

Share of variable-rate owner-occupier borrowers, June 2024



Outstanding LVR Distribution*

Share of balances, June 2024



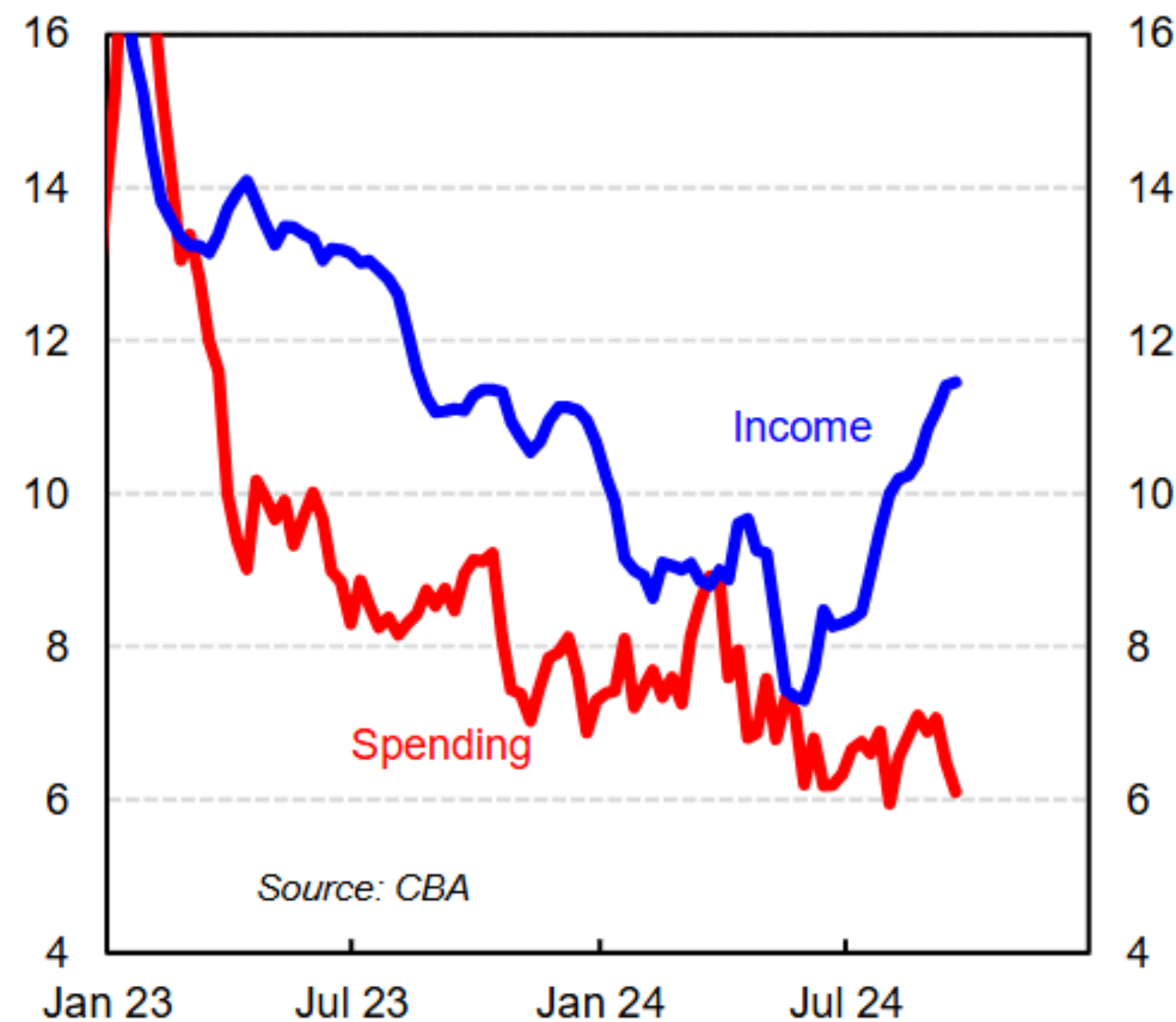
CBA

CBA data reinforces strong position of Australian households

The resilience of household finances is further reinforced through the latest CBA data which shows that the July tax cuts have not been used on surplus spending, instead households are likely choosing to pay down debt.

CBA INCOME & SPENDING (ANNUAL % CHANGE, SMOOTHED)

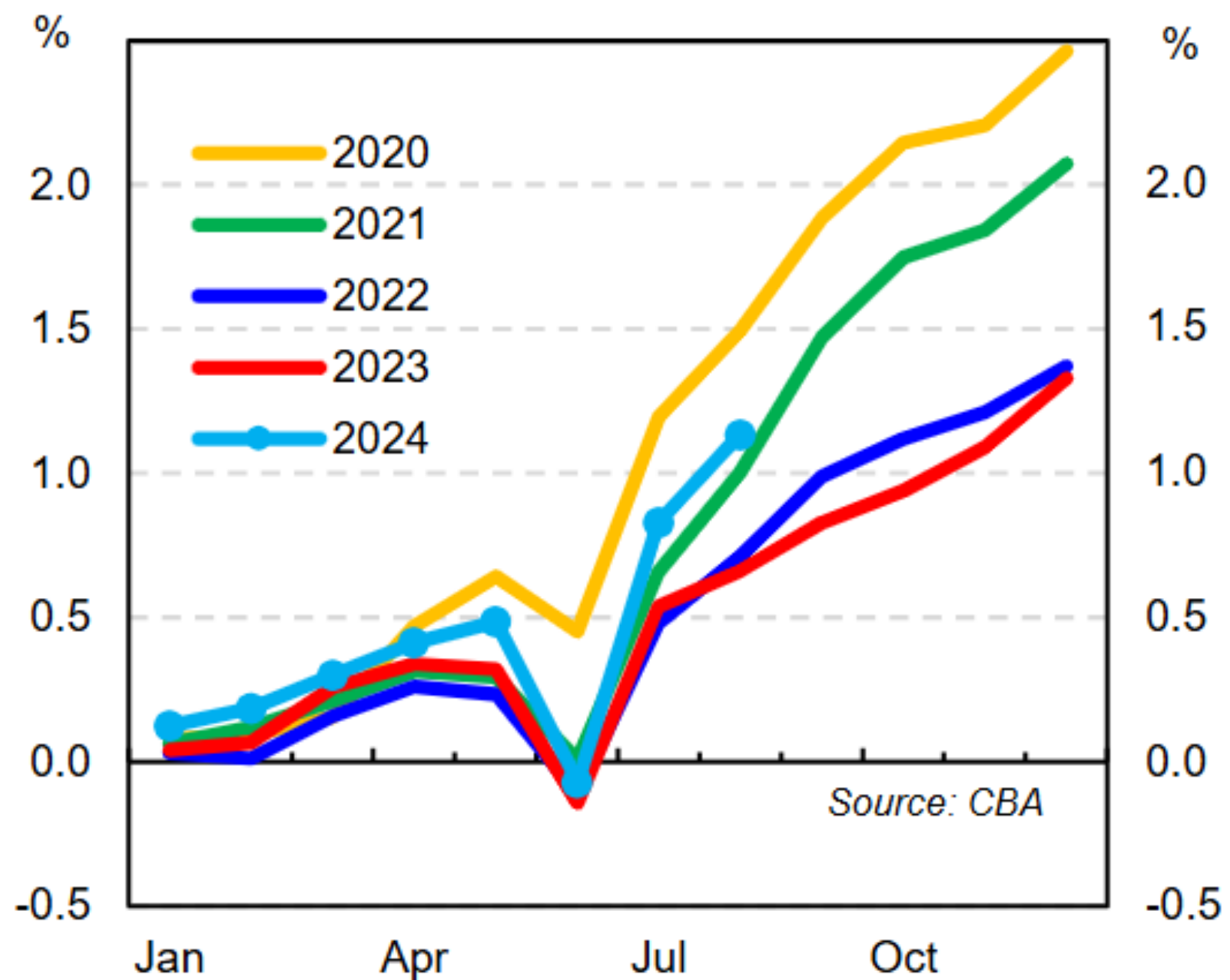
SOURCE: CBA



The second graph shows that CBA customers are contributing more into their mortgages in 2024 than they have since 2020. This further highlights the strong financial position of Australian households.

CBA: ADDITIONAL PAYMENTS (YTD CHANGE IN OFFSET & REDRAW, % OF HOUSING CREDIT)

SOURCE: CBA



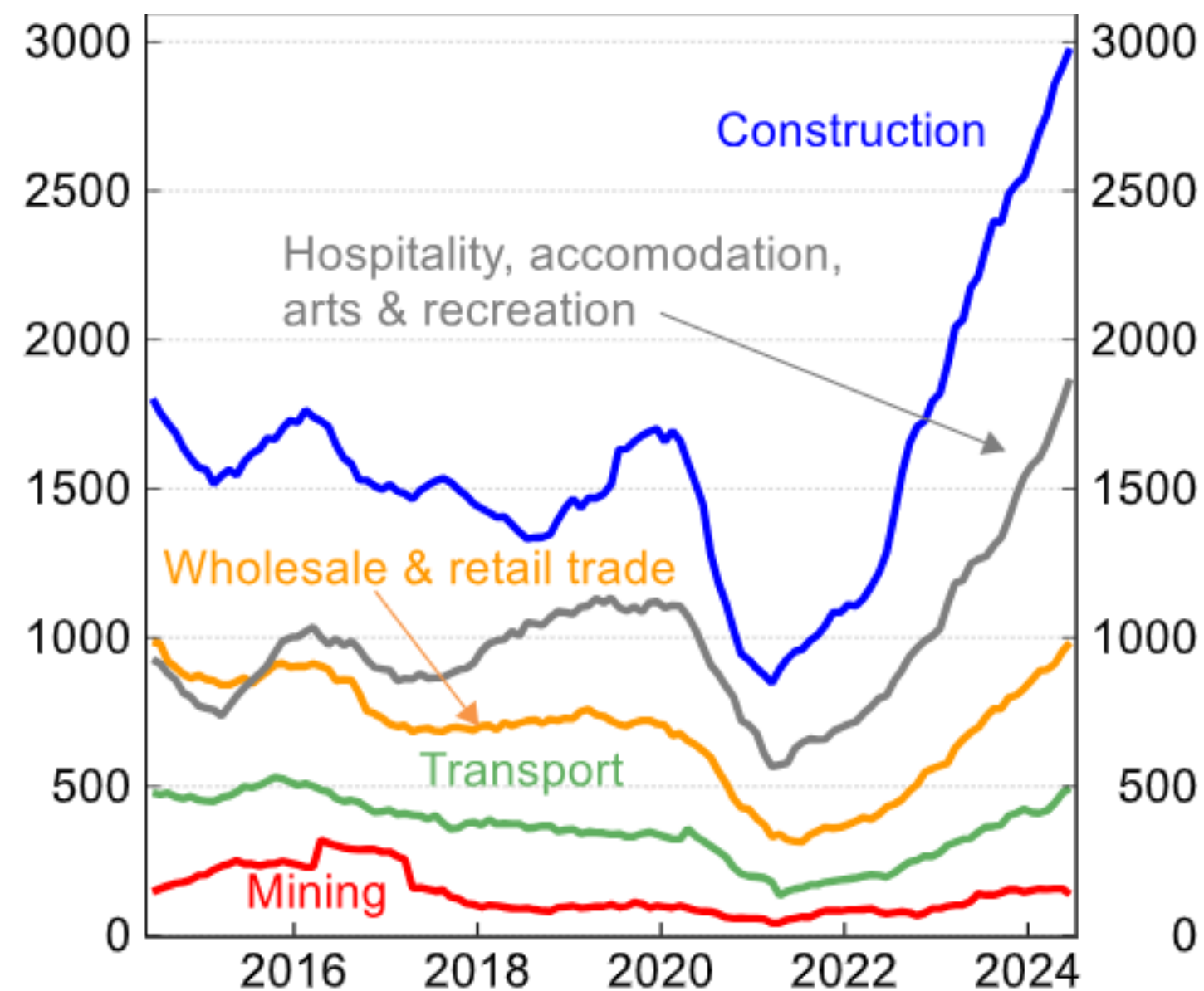
ASIC, CBA, MACROBOND

It's not getting cheaper to build anytime soon

The construction industry is the leading sector for company insolvencies. The reduction in competition, added strain on supply chains, demand for labour, and other factors caused by high rates of insolvencies will continue to drive the cost of building new homes.

COMPANY INSOLVENCY (BY INDUSTRY, ROLLING 12 MONTHS)

SOURCE: ASIC, CBA, MACROBOND



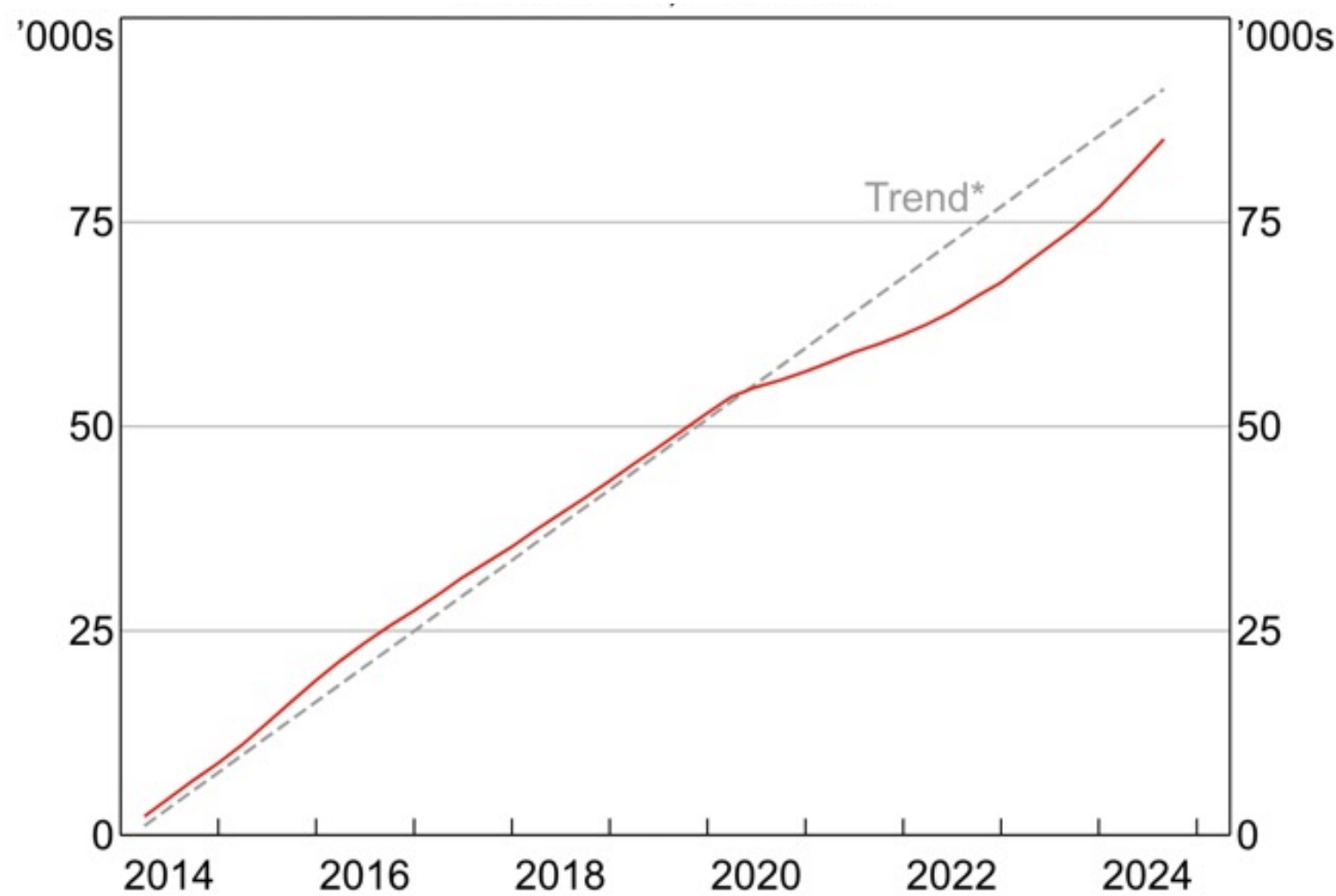
RBA

Company insolvencies remain low contextually

Though company insolvencies are rising, they are still well below the long-term trend. The RBA note that most businesses entering insolvency are small with minimal debt, limiting the fallout for lenders.

COMPANY INSOLVENCIES (CUMULATIVE, SINCE 2014)

SOURCE: RBA



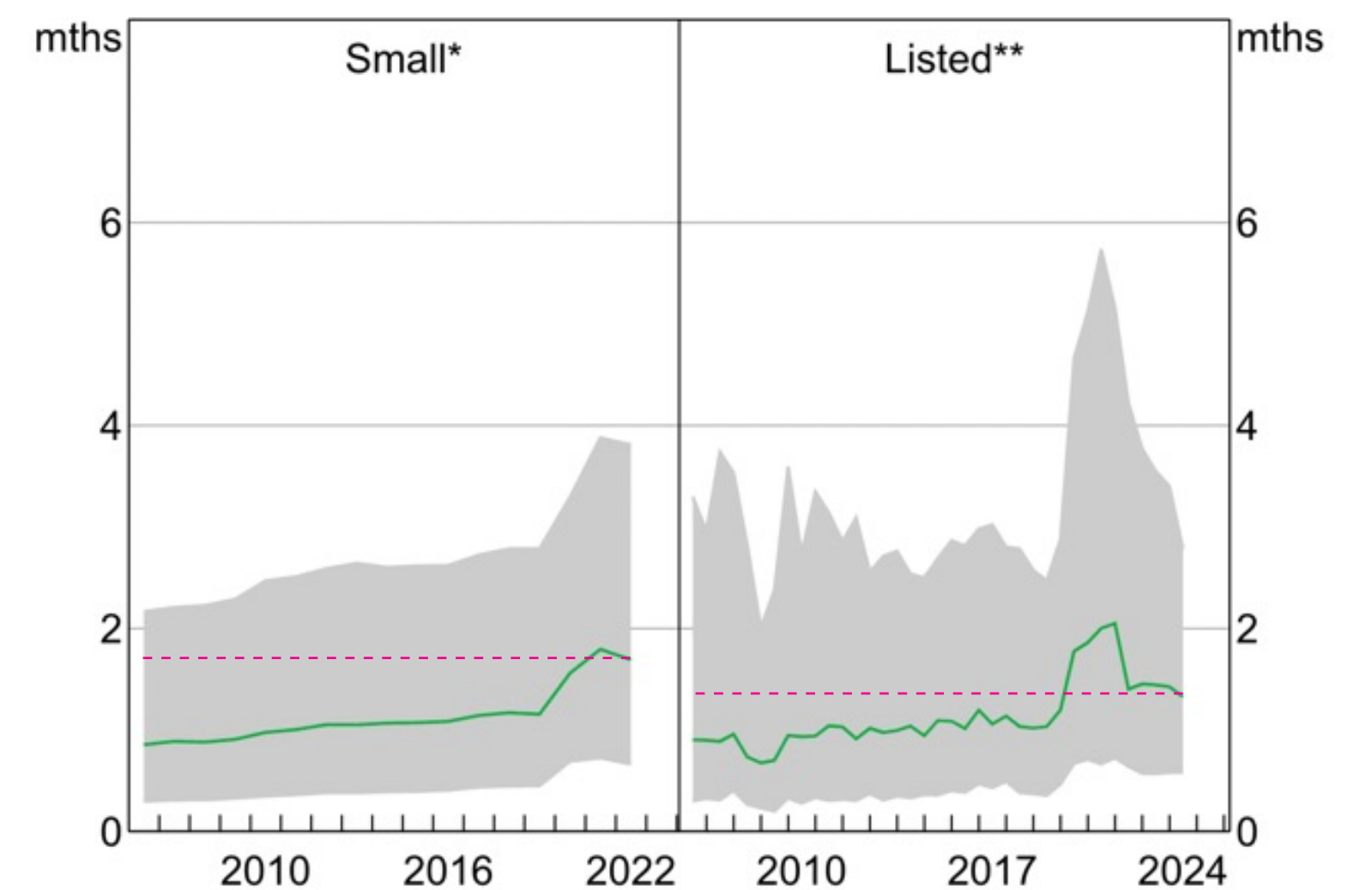
RBA

Businesses cash buffers well above pre-COVID levels

The cash buffers of Australian businesses are actually stronger now than they were for 10-plus years prior to the pandemic. These cash buffers are forecast to improve in line with interest rate cuts and improvement in consumer sentiment.

COMPANIES' CASH BUFFERS (RATIO OF CASH HOLDINGS TO MONTHLY EXPENSES)

SOURCE: RBA



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