PIPA ADVISER

ISSUE #31

For members of the Property Investment Professionals of Australia

War on investors hurting tenants as

INVESTORS SELL UP

LATEST RESEARCH

Terry Ryder reveals the **top national yield locations** as prices and rents rise.

MARKET UPDATE

The property market is firing up with **demand exceeding supply**.

WORKPLACE LONELINESS

Is this the **modern pandemic** damaging lives and hurting businesses?

PROPERTY INVESTMENT PROFESSIONALS OF AUSTRALIA PIPA

PIPA **mission:**

PIPA has been formed by industry practitioners with the objective of representing and raising the professional standards of all operators involved in property investment.

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PIPA National Conference Success!

Welcome to the 31st edition of the PIPA Adviser – your industry e-magazine.

It is a few weeks after our first-ever PIPA National Conference when I write this, which was a resounding success with a full-house of members, an expert line-up of speakers on stage, and the day finishing off with networking drinks with new and old friends.

I want to thank every attendee for making the conference such a wonderful event and my heartfelt thanks go to our speakers and moderators who took time out of their busy schedules to inform, educate, and entertain us all.

Planning is already under way for the 2024 PIPA National Conference with the benchmark set quite high, so keep an eye out for more information in the months ahead.

At policy level, PIPA has been extremely active representing members and the wider property investment sector to all levels of government over recent months.

We prioritised the creation of a number of different policy submissions to ensure our voice was heard by policymakers. Over the past three months, PIPA has lodged submissions into the Senate inquiry into the Worsening Rental Crisis in Australia; the latest NSW rental reforms; the latest QLD rental reforms; and the Victorian Opposition tax policy discussion paper. You can keep up-to-date with PIPA submissions on our website.

> “I want to **thank every attendee** for making the conference such a wonderful event and **my heartfelt thanks go to our speakers and moderators** who took time out of their busy schedules to inform, educate, and entertain us all.

I also had the honour of representing PIPA in a private meeting with the Federal Shadow Housing Minister, Michael Sukkar in Canberra recently where we discussed potential policies to attract, and retain, investors as long-term owners of rental housing in this country.

Likewise, I was invited to represent the association at the Queensland Housing Roundtable where I was given the opportunity to speak about the vital role that investors play in the provision of rental accommodation in that State. I have also been invited to meet with the Queensland Housing Minister, Meaghan Scanlan, later in October.

Finally, we have two PIPA events remaining for the year, which I hope many of you will attend. On Thursday 16 November, we will be hosting our inaugural networking drinks at Belle Epoque in South Brisbane, where I will also give an update on the association.

And the 2023 PIPA Melbourne breakfast seminar is on Friday 24 November at the InterContinental Melbourne where our expert panel will unpack local market conditions as well as where we will learn about the latest investor research and depreciation.

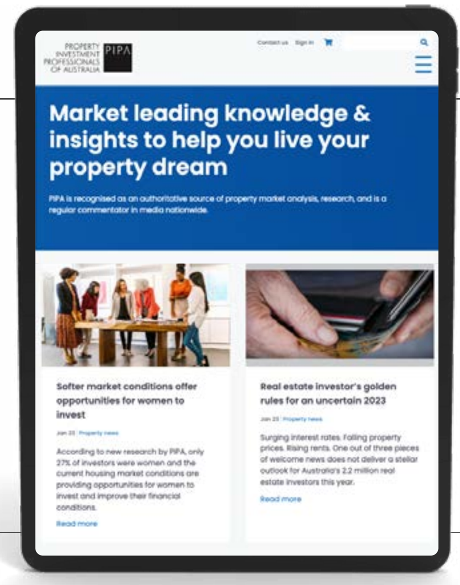
I hope to see many of you at the final events for the year and wish you all the very best for the upcoming holiday period.

Until next time,

Nicola McDougall

PIPA CHAIR

In the news



PIPA is a regular commentator and expert source in property-related stories across the nation. Below are a selection of articles from recent months. For more articles visit the PIPA website.

The Courier Mail

Expert warning over home seller's remorse

Rising interest rates are putting pressure on the hip pockets of property investors across the country, with many choosing to sell up – but experts are warning of seller's remorse.

Read the article

Australian Property Investor

Brisbane property price boom likely to push into 2024

Brisbane's property market is running hot and on the brink of hitting a new record high for dwelling values.

Read the article

The Adviser

Return of the investors – Why investor lending is back on the up

After a drop in investor activity in the last year, property investors are coming back to the market with a vengeance. .

Read the article

Top national yield locations revealed as prices and rents rise

The Holy Grail of rising rents and property prices is well under way in many locations across the nation which provides a plethora of options for savvy investors, according to the Hotspotting Pulse Report.

The Pulse, published quarterly, uses multiple layers of key criteria to source the top suburbs or towns across Australia with rental yields above five per cent and includes assessing strong and diverse economies, market sizes, populations, infrastructure, rental markets, employment opportunities, capital growth, affordability, and low risk.

The latest quarterly analysis found locations with yields above 6.5 per cent as well as capital growth potential in Queensland, South Australia, Western Australia and the Northern Territory.

One of the most significant elements under way in property markets across Australia at present is that rental yields are continuing to rise even in markets where prices are rising.

What that means is that rents are rising faster than prices in many locations.

Even though the RBA has stopped lifting interest rates, the rate rises we've seen since May last year have made it much harder for investors to afford all the costs of ownership.

The solution is to buy in areas where rental yields are well above average – where gross yields are typically five per cent to six per cent or, in some cases, seven per cent and higher.

If investors can achieve solid yields in low-risk locations with upward pressure on prices, then they will have an investment that makes sense in the current economic climate.

> “If investors can achieve **solid yields** in low-risk locations with upward pressure on prices, then they will have an investment that makes sense in the **current economic climate**.

One of the most noticeable features in this quarter's Pulse is that in almost every one of the locations the median house price has risen in the past three months – but the median yield has also increased.

Normally, when prices are rising significantly, you might expect yields to drop.

The fact that rental yields are rising in areas where sale prices are rising means that rents are also increasing – and indeed rising faster than sale prices.

That in a typical scenario, the median house price for the Gladstone suburb of Kin Kora has risen from $335,000 to $360,000 in the past three months, but the median rental yield has increased from 6.2 per cent to 6.5 per cent because rents are rising faster than sale prices.

In the Perth suburb of Balga, the median house price has increased six per cent in the past year but rents have risen 20 per cent, so, the median rental yield has improved from 6.5 per cent to 6.7 per cent in the past three months.

And in the regional town of Dalby in Queensland, the median price is up 11 per cent in 12 months, with solid growth in the latest quarter, but annual rental increases have averaged 20 per cent over the past three years, so the median rental yield has improved from 6.1 pe r cent three months ago to 6.5 per cent now.

The plethora of locations with rising yields and property prices equalled strong market conditions for investors keen to purchase or those who wished to increase their existing portfolios.

It's all good news for investors and property investment professionals, too, because it means there are growing possibilities to buy in places where high rental yields can compensate for higher interest rates.

Top national yield locations with capital growth potential

Queensand

East Mackay – Mackay

Median House Price: $405,000
12 Month Growth: -2%
Rental Yield: 6.6%
Vacancy Rate: 0.7%

LGA Highlights

- Affordable homes
- Low vacancies
- Good rental yields
- Strong population growth
- $500 million Mackay Ring Road
- $16 billion Bravus Coal Mine
- $3 billion Clarke Creek Wind Farm
- New Hospital, Sarina
- Mackay Waterfront Priority Project
- Hydrogen Export Facility

Kirwan – Townsville

Median House Price: $405,000
12 Month Growth: 7%
Rental Yield: 6.6%
Vacancy Rate: 0.5%

LGA Highlights

- Strong population growth
- Strong, diverse economy: military, government admin, tourism, education, export port, manufacturing, resources
- HQ for Adani Mine project
- $2.5 billion CopperString 2.0 project
- $1.4 billion Port redevelopment
- $1.9 billion expansion of James Cook University

Bundaberg North | Source: realestate.com.au

Bundaberg North – Bundaberg

Median House Price: $340,000
12 Month Growth: 22%
Rental Yield: 6.7%
Vacancy Rate: 0.7%

LGA Highlights

- Affordable homes and high yields
- Diverse economy based around agriculture, tourism, health, education, manufacturing, and construction
- $2 billion South Beach community
- $1.2 billion new hospital
- $950 million renewable energy projects
- $20 million Port of Bundaberg expansion

Berserker – Rockhampton

Median House Price: $270,000
12 Month Growth: 6%
Rental Yield: 8.2%
Vacancy Rate: 0.7%

LGA Highlights

- $39 billion in renewable energy projects
- Affordable housing
- $1 billion being spent on road infrastructure projects
- $2.5 billion Shoalwater Bay Military Training Centre redevelopment
- Revitalised CBD
- $495 million Lower Fitzroy River weir

South Australia

Port Augusta - Port Augusta

Median House Price: $200,000

12 Month Growth: 17%

Rental Yield: 8.0%

Vacancy Rate: 1.4%

LGA Highlights

- Multiple renewable energy projects totalling several billion dollars
- $975 million copper/gold project
- Role in $4 billion economic corridor
- Strategic location at "the crossroads of Australia"
- Benefits from Woomera area mining
- Major residential projects

Northern Territory

Moulden – Palmerston

Median House Price: $390,000

12 Month Growth: 7%

Rental Yield: 7.0%

Vacancy Rate: 1.4%

LGA Highlights

- $4.7 billion Barossa gas project
- $2.3 billion in Defence projects
- $2.1 billion Project Sea Dragon
- $30 billion Australia-ASEAN PowerLink Project
- $1 billion new suburb – Northcrest
- $510 million Larrakeyah Barracks
- $515 million Darwin ship lift project
- $250 million Charles Darwin University expansion

Western Australia

Geraldton – Geraldton

Median House Price: $310,000

12 Month Growth: 0%

Rental Yield: 6.7%

Vacancy Rate: 0.8%

LGA Highlights

- WA's second largest port
- Largest city north of Perth
- Australia's windsurfing capital
- Major mining centre
- High-speed train to Perth proposed
- Commercial activity hub
- Affordability and rising sales activity
- Very low vacancies

Orelia – Kwinana

Median House Price: $365,000

12 Month Growth: 19%

Rental Yield: 6.7%

Vacancy Rate: 0.4%

LGA Highlights

- Highly affordable housing
- 10,000 jobs in 30 years
- 2nd fastest growing LGA in the State
- Large industrial areas and job nodes
- Australia's first battery-grade lithium hydroxide battery plant

Armadale – Armadale

Median House Price: $320,000

12 Month Growth: 14%

Rental Yield: 6.9%

Vacancy Rate: 0.3%

LGA Highlights

- Affordable housing
- Strong population growth
- Large industrial areas (jobs nodes)
- Strategic Metropolitan
- Activity Centre
- $4 billion container port
- $1 billion hydrogen plant
- $635 million rail line and station
- $237 million upgrade to Armadale Rd

Withers – Bunbury

Median House Price: $285,000

12 Month Growth: 8%

Rental Yield: 7.8%

Vacancy Rate: 0.5%

LGA Highlights

- Strong population growth
- Attractive seaside lifestyle
- Affordable housing
- Large industrial areas with job nodes
- $278 million Bunbury Hospital project
- $1.25 million Bunbury Outer Ring Rd
- $800 million Greenbushes Lithium mine expansion

NB: The locations included in The Pulse are chosen using multiple layers of key criteria, which we call empirical evidence:

- **Economy -** Must be strong and diverse
- **Market size –** Must have a minimum of 50 house sales in the past 12 months
- **Population –** The local government area ideally would have a population above 15,000
- **Infrastructure –** Good existing amenities and evidence of major new projects
- **Rental market –** Low vacancies - likely to put further upward pressure on rents
- **Increasing employment opportunities –** evidence of jobs growth locally
- **Capital growth -** Strong potential for capital growth within five years
- **Affordability –** Median house prices below $600,000
- **Low risk –** we avoid volatile markets that present high risk to consumers

War on investors hurting tenants as

INVESTORS SELL UP

Startling new research shows hundreds of thousands of rental properties have been stripped from rental markets around the nation with investors offloading properties in Victoria and Queensland in particular – the states leading the war on private landlords.

BY KIERAN CLAIR, Editor, PIPA Adviser

The ninth annual PIPA Investor Sentiment Survey has shown a surge in the sale of rental dwellings.

"A staggering 12.1% of investors sold one or more of their rental properties in the past 12 months around the nation," PIPA chair Nicola McDougall said.

"About 43% of respondents in this year's survey sold to an existing homeowner, while 30% sold to a first-home buyer.

"Just 24% sold to another investor – down from 33% last year ¬– which means the majority of those investment properties were likely removed from the rental market."

Ms McDougall said last year's survey found 16.7% of investors had sold at least one property in the previous two years.

"Clearly, this would explain the undersupply of rental properties available for tenants around the nation," she said.

"These results are yet another stark illustration of the mass exodus of private investors from the market."

Using 2021 Census as the baseline of 2.477 million private rental dwellings in Australia, it is estimated that hundreds of thousands of rental properties were sold in the past three years, with the majority of these bought by existing homeowners or first-home buyers.

Investors deserting Victoria and Queensland

Drilling down into this year's survey data, 24.8% of investors sold one or more properties in Melbourne over the past year, while 23.3% sold in Brisbane. Outside of the capitals, 16.4% sold in regional Queensland and 6.4% sold in regional Victoria.

At a statewide level, 39.8% of investors sold one or more properties in Queensland over the past year, while 31.35% sold in Victoria – dwarfing the results in all other jurisdictions, according to the 2023 survey.

Ms McDougall said, like much of the country, Victoria and Queensland are in the grips of a rental crisis driven by a drastic undersupply of homes and significant demand from tenants.

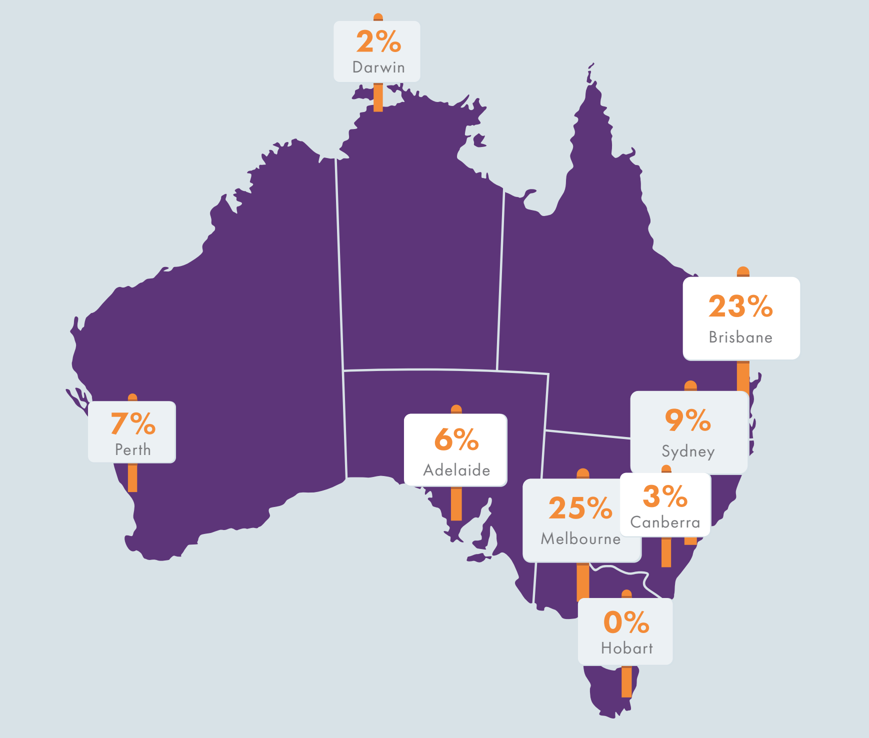
"Those states are leading the charge with restrictive, unfair and inefficient legislative reforms that adversely impact property investors," she said.

When asked to rank each state and territory from best to worst in terms of how positively they support property investors, respondents were in agreement about where they do – and don't – feel encouraged to invest their money.

"Ranked from one to eight, one being the most accommodating and eight being the least, 57.4% scored Victoria an eight and 23.5% scored Queensland a seven. Just 3.1% of respondents scored Victoria a one and more scored Queensland in the upper quartile than the lower quartile," Ms McDougall said.

"New South Wales is the place to invest, according to respondents, with 31.5% giving the state a score of one. Western Australia also did well, with 25.8% giving the state a one."

What was the location of the investment properties you sold?



"These results are yet another stark illustration of the **mass exodus of private investors** from the market."

- **Nicola McDougall,** PIPA chair

Increasing taxes number one reason to sell

Ms McDougall said it remains clear investors are selling up or avoiding buying due to attacks by governments disguised as reform that make owning a rental difficult.

"At a time when tenants can least afford it, the people providing the vast majority of rental homes are selling up in droves," she said.

Respondents cited the following as major reasons for selling over the past year:

- Governments increasing or threatening to increase taxes, duties, and levies that make property a less attractive asset to hold (47%)
- Changing tenancy legislation (43%)
- Talk of rental freezes (34.6%)
- Rental increase limits or caps (27.7%)

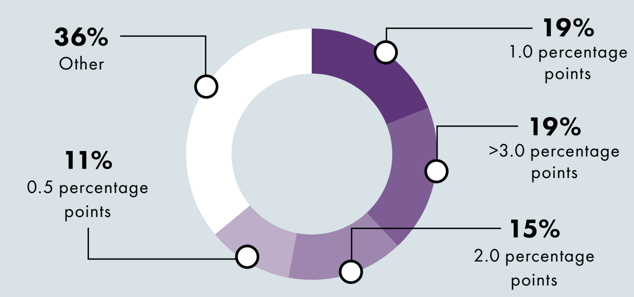
Tellingly, these reform-related stressors were cited as selling reasons disproportionately to rising interest rates and higher loan repayment costs (40.1%), negative cash flow due to higher mortgage costs (23.2%), a need to reduce total borrowings (33.1%), or offloading an underperforming asset (18.8%).

Brisbane-based property investor Merwyn Machado dumped one of his Brisbane investment properties last year when changing laws and soaring costs became too much.

"It didn't make sense to be negatively geared and cop rising land taxes and council rates again and again," Mr Machado said.

"Plus, the Queensland Government seems determined to try to ram through legislation that prevents landlords from looking after their property. I still have two investments in Brisbane, but I'm wondering why given the different ways the government and council are slugging me with taxes."

With high interest rates at present, at what further increase would you consider selling an investmentproperty because of financial reasons?



More rental pain on the horizon

Unfortunately, in another sign of more pressure to come for tenants, the survey found 38% of investors feel it's likely they will sell within the next year for myriad reasons, a staggering increase from the 19.2% in last year's survey, Ms McDougall said.

"Again, it's not a mystery why so many investors are planning to exit the market. Should governments further increase or introduce new taxes and compliance costs, 47.2% of respondents said they would be forced to increase rents."

In recent times, Victoria has rolled out a $5 billion land tax hike and mooted caps on rental price increases or a rent freeze, while Queensland implemented, and then abandoned, a bizarre land tax grab last year, and introduced capped rent increases with retrospective application this year.

"Both states continue to talk about further punitive rule changes being on the agenda, which strips away surety from investors and makes owning a rental in Victoria and Queensland highly unattractive," Ms McDougall said.

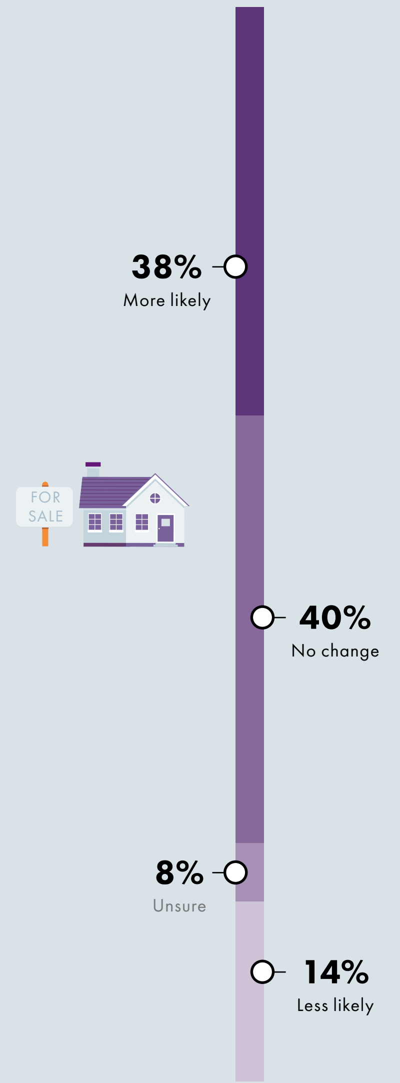
A core characteristic of repeated attacks on investors in recent years has been to paint property investors as greedy and opportunistic, she said.

"It's unfair and unhelpful, especially given our research shows 92% of investors are grappling with higher holding costs because of interest rates, higher mortgages, and inflation.

"Despite that, 55% of investors said they were passing on just 10% or less of these higher costs to their tenants. Another 26.9% reported passing on 11% to 25% of extra expenses in the form of rent increases."

This year's PIPA Property Investor Sentiment Survey heard the views of 1,724 investors during the month of August – a record response.

Have changing market conditions made it more or less likely that you will sell property within the next 12 months?



Download a copy of the full survey report here!

Property market fires up with demand exceeding supply

As we head into the final few months of this calendar year, the property market has rebounded significantly from where we were at the start of the year.

It's clear that a much higher interest rate environment was no deterrent to buyers and investors with prices in most locations posting solid growth over the past two quarters in particular.

Of course, the low supply of listings was part of the reason why, as well as strong rental market conditions and record overseas migration.

Indeed, a number of reliable forecasters are predicting even stronger market conditions next year – although it appears that listings have started to increase over recent times.

The CoreLogic national Home Value Index (HVI) recorded a 0.8 per cent rise in September as the recovery trend moved through an eighth consecutive month of growth.

The rise follows a 0.7 per cent lift in August (revised down from 0.8 per cent) taking the quarterly pace of growth in national home values to 2.2 per cent, according to the HVI.

Quarterly growth eased from a three per cent gain in the June quarter, reflecting a slowdown as advertised stock levels rise, helping to take some heat out of the market, according to CoreLogic.

At the national level, there were 38,428 new listings observed over the four weeks to October 8 2023, with new listings trending higher into the start of the spring selling season.

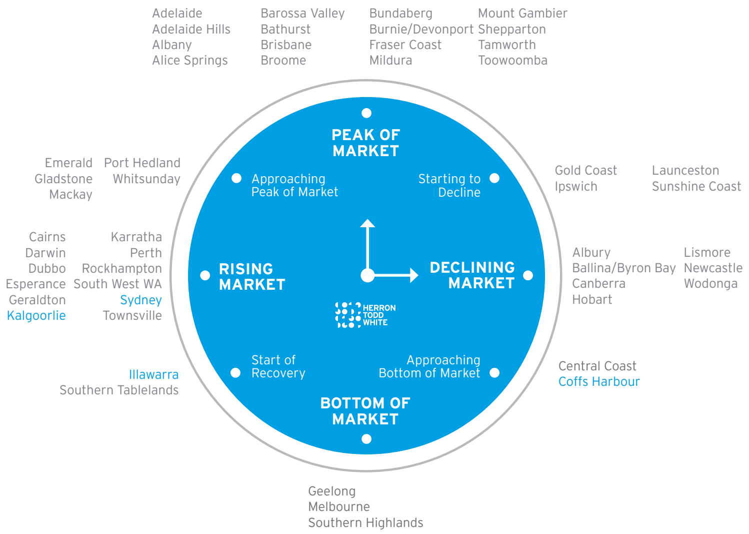
Total listings are still trending lower than the previous five-year average due to absorption from sales at a national level, however, total listings are rising in some markets, according to the HVI.

National Property Clock: Houses

Entries coloured orange indicate positional change from last month.

National Property Clock: Units

Entries coloured blue indicate positional change from last month.



NSW

Dr. Kevin Hoang,
Investment Property Research Manager, Senior Economist, inSynergy Advisory

The New South Wales housing market is the largest component of the Australian housing market with the total housing value of $4 trillion or 40 per cent of total national housing value (ABS, June 2023).

The New South Wales market is characterized by large short-term volatility and is known for being the most expensive city to purchase and rent in Australia and in the world. Currently, ABS data shows that the median dwelling price in NSW is $1,167,000, approximately 30 per cent higher than in Victoria, 23 per cent higher than in the ACT, 50 per cent higher than in Queensland, and 123 per cent higher than in Northern Territory.

From a long-term perspective spanning from 1990 to 2023, the median house price in NSW has increased by 8.3 times, making it the second-best performing city after Hobart (which saw a nine-fold increase due to a lower starting price).

The strength of the NSW housing market is underpinned by high population growth, a diverse and dynamic economy, large infrastructure investments, and its role as Australia's gateway for overseas investment and international trade.

> "The NSW housing market is anticipated to **rebound swiftly**.

NSW's property market has faced challenges related to affordability. High property prices relative to income levels have made it difficult for many first-time homebuyers to enter the market.

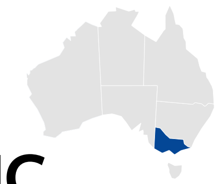
Real mortgage repayment as a percentage of household income in Sydney currently tops the country, currently sitting at 38 per cent. The situation is not likely to improve soon in the context of chronic supply constraints and predicted high population growth in the foreseeable future.

Looking ahead, most housing activities will be concentrated in Greater Sydney due to job opportunities and business prospects. Affordability will continue to be the primary driver of housing price growth in Sydney.

As a result, the Northwest and Southwest regions, along with properties priced under $1.5 million, are expected to lead in terms of growth prospects. Units in convenient areas close to amenities and major public transport corridors have been in high demand among singles and small families, which will see a boost in both rental and price growth.

The NSW housing market is anticipated to rebound swiftly from the recent downturn and will remain an influential component of the Australian housing market landscape.

Factors such as continued population growth, economic stability, and infrastructure development are likely to contribute to long-term growth, albeit at a more moderate pace compared to previous years and in comparison to other more affordable states and territories.



VIC

Terry Ryder
Director, Hotspotting

Melbourne has taken over as the biggest city in Australia for the first time in over 100 years, surpassing Sydney, as declared by the Australian Bureau of Statistics in 2021.

This was due to the inclusion of the district of Melton into Melbourne's catchment, adding a population of nearly19,000 more people.

Despite facing challenges during the pandemic, Melbourne has shown resilience and stability in its property market.

However, the rising interest rates and shifting lifestyle demands have caused investors and homeowners to look at options such as units and townhouses instead of standalone houses.

The City of Melbourne, with its high-density dwellings making up 86 per cent of homes, has become an attractive destination for both living and working.

Its strong economy, with major businesses, universities, hospitals, and government services, has been further bolstered by ongoing infrastructure projects such as the North East Rail Link and the proposed Suburban Rail Loop.

These developments are expected to bring in significant investments and create thousands of jobs, ensuring continued growth and stability in Melbourne's property market.

Most suburbs in the City of Hume have median house prices between $560,000 to $760,000, with Meadow Heights the cheapest at $560,000.

This compares well to the Greater Melbourne median house price of $920,000.

Annual sales activity has remained strong, with most suburbs experiencing 100 or more house transactions.

> "Melbourne has shown **resilience** and **stability**.

Craigieburn turnovers were the highest in the LGA, with 740 sales across the year for a median price of $645,000.

These notable figures are thanks in large part to Craigieburn's ample vacant land, Hume Highway location, and Metro train network terminus. There are also significant jobs nodes up in the north of the Greater Melbourne area.

City of Hume house investors can expect returns of 3.5 per cent to four per cent, with both houses and units in Craigieburn presenting a good example of such returns.

Outside of Melbourne, in Geelong, Armstrong Creek, Charlemont and the suburb of Geelong are all rising markets.

Both Armstrong Creek and Geelong were included on our National Top 75 Supercharged Suburbs list for their strong growth patterns.

Data shows that Greater Geelong is a steady, highly consistent market that continues to see solid demand in 2023.

Many Geelong suburbs have capital growth rates averaging around 10 per cent per year for the past decade – while Barwon Heads, Indented Head and Queenscliff averaged 13 to 14 per cent per year.

QLD

Colin Lee
Founder and CEO, Inspire Realty

There is a significant rise in interest for property ownership and investments in the state of Queensland.

In an intriguing twist, property prices have soared by an impressive 9.1 per cent since January, all while grappling with the backdrop of rising inflation and interest rates.

Traditionally, spring marks a bustling season in the real estate world, and now, as we find ourselves amidst it, it's an apt moment to contemplate the potential trajectory of Brisbane's real estate prices.

From our vantage point, the path appears resolutely upward, with several contributing factors that paint an optimistic picture.

October presents Brisbane on the verge of breaking records, with property values just 0.6 percent shy of their previous peak, according to CoreLogic data.

The housing market in Brisbane shines, outpacing the unit market, and nearly half of this year's growth transpired in the last three months. This suggests that a pause in the interest rate cycle might have amplified buyer confidence.

With the Reserve Bank of Australia maintaining the cash rate at 4.1 per cent for the fourth consecutive month in October, buyers are seemingly more willing to consider the cost of borrowing, possibly sensing that interest rates are nearing their peak.

CoreLogic's Home Value Index (HVI) offers an encouraging glimpse into the

Australian property market, forecasting record-high prices by November.

Over the past eight months, prices have steadily ascended. During the September quarter, Brisbane experienced a remarkable property price growth rate of 3.9 per cent. With the HVI indicating a continuation of this trajectory, there's little to suggest any slowdown in house prices.

> "The path appears resolutely **upward**.

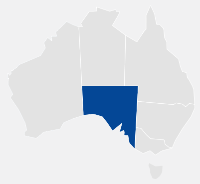
Whether you're a tenant or a homeowner, it's likely that the ongoing rental crisis in Australia has not escaped your attention.

In Brisbane, rental vacancy rates have plummeted to historic lows, propelling weekly rent levels to new heights. Queensland leads the nation with an 83.69 per cent Rental Pain Index, vividly illustrating the challenges tenants face.

This predicament is steering people away from renting and toward the pursuit of property ownership, further intensifying the pressure on the housing market. The rental market in virtually all areas of the city remains remarkably tight, with SQM Research data indicating a drop in vacancy rates from one per cent in July to 0.9 per cent in August.

As we approach 2024, buyers should prepare for intense competition and swift decision-making, as sought-after properties are once again selling rapidly. For buyers, this may be an opportune time to buy and invest in property and secure something before the end of the year and the surge in 2024.

While housing affordability has become more challenging in Queensland over the last two years, it remains relatively attractive compared to other east coast capital cities, continuing to drive demand for housing in and around Brisbane.



SA

Jess Elam
Buyer Advocate, Jess Elam Property

> Buyers have remained **fiercely competitive**.

South Australia's housing market in 2023 has remained resilient, standing out with its strong performance. This growth trend has persisted even as other states started to cool down in 2022.

This remarkable performance can be attributed to a combination of factors: a scarcity of available properties and consistently high demand. As a result, buyers have remained fiercely competitive, driving property prices upward.

Notably, specific regions within South Australia have witnessed significant growth.

Suburbs along the southeast coast have experienced substantial appreciation over the past two years, and this momentum has carried into 2023. These areas, located 20 to 40 kilometres from Adelaide, offer easy access to the city centre, proximity to stunning beaches, renowned wineries in McLaren Vale, family-friendly neighbourhoods, and an array of lifestyle amenities.

This combination of factors makes them attractive to both investors, who benefit from low vacancy rates and high rental yields, and families seeking a lifestyle change, including interstate homebuyers choosing South Australia.

The Southern Expressway, undergoing continuous improvements, enhances accessibility to the CBD, making the southern suburbs even more appealing.

In terms of opportunities for homebuyers and investors in South Australia, there are numerous options available in specific suburbs.

With a budget starting at $600,000, investors can find properties with promising growth prospects and yields. However, it's crucial for investors to be well-informed about the Adelaide market to make the most of these opportunities.

Adelaide stands out among other eastern seaboard state capitals for offering attractive capital growth opportunities at lower price points and reasonable rental returns compared to Melbourne and Sydney.

Looking at the overall outlook for South Australia's housing market, it appears robust.

The state has consistently demonstrated growth, supported by steady population growth, ongoing infrastructure upgrades, and its appealing lifestyle. Additionally, industries like Health, Technology, Space, and Defence continue to drive up property prices, population growth, and investor interest.

Furthermore, South Australia is expected to see an influx of first-time homebuyers due to the State government's initiatives, such as the abolishment of stamp duty for homes up to $650,000 and an increased cap on the First Home Buyers Grant (FHBG) to the same purchase price threshold.

Lastly, South Australia is experiencing increased interstate and overseas migration, with expats returning, interstate homebuyers moving in, and international students being welcomed back. This influx of new residents adds to the positive momentum in the housing market.

WA

Corey Jones
Managing Director, Motivate Property Group

> The **rental market is as tight** as it's been in decades.

Driven by the fastest population growth in the country (2.8 per cent) as per the ABS, the WA property market has performed considerably well, despite all the negative outlook and opinions of the so-called "economic experts" from the finance and banking industry.

In the past 12-months, the asking prices of houses, units, as well as rents have all had double-digit growth according to SQM Research, as well as being the most affordable property market in the country, where many areas can still be entered under $600,000.

WA recently broke a new state record within the established property market, averaging 10-days to sell a listing, with many local councils struggling to keep up with the demand from overseas and interstate migration.

The rental market is as tight as it's been in decades, with a vacancy rate of 0.4 per cent as per SQM Research, which in turn has pushed the median rental price at a new high of $575 per week.

0.4%
WA vacancy rate
SQM Research

On the back of WA's COVID19 hard border closure, the uptick in skilled worker demand in the WA mining sector, as well as the unprecedented demand during the HomeBuilder grant stimulus, the construction market is still being held down by a lack of skilled workers across the board.

The WA population has grown by almost 80,000 people, while simultaneously struggling to build 20,000 homes to keep up with this demand.

After speaking with several selling agents, builders and land developers over the past few weeks, it's becoming apparent that land access will be the next hurdle that WA will face to help keep the market buoyant.

From a land perspective, WA has more than any state in the world, however, we're struggling with the manpower to physically develop the land and have it ready to build on for the current levels of demand.

Similarly to what Queensland felt during the height of COVID19, there is a risk that WA may soon run out of titled land, and the only remaining options may be untitled stock with titles pending more than six months away.

As we head towards the final quarter for 2023, this is a perfect storm of signs that show the market is nowhere near slowing down.

TAS

Samantha Spilsbury
Director, Buyer's Agents Tasmania

Spring has sprung in Tasmania, and with it comes the promise of warmer weather and vibrant blossoms, making it the favoured time of year for most Tasmanians. As we step into spring, the real estate market is blossoming, too, offering an abundance of options for buyers.

Over the past month, we've witnessed a surge in buyer enquiries, a promising indicator that confidence is returning to the property market. Tasmania's moving annual median sale price for houses has seen a commendable 2.1 per cent uptick since this time last year, now standing at an impressive $610,323. Furthermore, house sales have surged by seven per cent compared to the same period last year, totalling 504 transactions.

For those eyeing land, there's good news as well. The moving annual median sale price for land has risen by 1.5 per cent compared to last year, now standing at $264,042. Land sales have followed suit, showing a substantial 6.7 per cent increase with 95 sales over the same period.

In the rental market, the vacancy rate for the state decreased marginally by 0.1 per cent to settle at 1.9 per cent in August 2023.

> We've witnessed a **surge in buyer enquiries.**

Rental prices have also seen some fluctuations. In Hobart, the median rental price per week for two-bedroom units increased by $5 to $445, while three-bedroom houses saw a $20 decrease, now averaging $510 per week.

In Launceston, two-bedroom unit rentals decreased by $50 to $350, and three-bedroom house rentals dipped by $10 to $450. Meanwhile, in the North-West, rentals for units increased by $40 to $340 per week, while houses decreased by $35 to $380 per week.

Looking ahead to February 2024, there's excitement in the air as the new Spirits of Tasmania boats are set to arrive. These vessels will see their overall length increase from 194.33 meters to an impressive 212 meters, accommodating a surge in passenger capacity from 1,400 to 1,800.

With an additional 79 cabins being added, taking the total to 301, and a nearly 60 per cent increase in lane meters for passenger and freight vehicles on board, the economic impact is anticipated to be substantial.

The influx of travellers via these larger ferries is expected to have a transformative effect on Tasmania's economy, bringing with it an upswing in tourism and a promising ripple effect throughout the state.

Tasmania is on the cusp of an exciting period of growth and opportunity, as the allure of its springtime beauty and thriving real estate market intertwine with the arrival of these new vessels, promising a brighter future for the island state.

$610,323
median house price in Tasmania

ACT

Claire Corby
Buyers' Agent, Capital Buyers Agency

55%
auction clearance rate

The ACT market continues its conservative path that has dominated 2023.

Rents continue to fall in Canberra, contrary to the conversation around the rest of the country. What was previously the most expensive city for rentals, has now fallen behind Sydney with a -3.0 per cent annual decline (CoreLogic), much of that decrease occurring since April this year.

Premium properties have been more heavily discounted with homes above $1,000pw requiring significant price adjustments to secure a tenant.

Unit rental price growth is the quiet surprise, bucking the trend with a monthly 0.4 per cent increase to $569pw in September (CoreLogic). While it's too soon to tell if this is the beginning of an upward lift or simply a blip on the radar, it could be an early sign of growth – like a tulip at Floriade.

Auction clearance rates have also fallen throughout 2023 to a consistent 50 percent to 55 per cent strike rate on auction day throughout early Spring (CoreLogic). Vendors who are willing to lower their price expectations from the heady days of last year are the ones popping the champagne, with median house prices moving at glacial pace to $930,000 (Allhomes).

Not all pockets are moving at the same pace though; the premium suburbs of the Inner South have risen to a median $1,977,500 (Allhomes).

> Rates have risen with unimproved **land values here skyrocketing.**

Short supply is the catchcry across the ACT market from buyers and agents alike. Typically, around 5,000 to 6,000 houses are transacted each year; in 2023 we're only at 3,500 in October (Allhomes).

Units are down from 8,000 to 9,000 in 2021 and 2022 to a mere 5,000 in 2023 YTD. Sales volumes are down, days on market are up, and buyers aren't keen to take on a large mortgage – especially if the purchase requires a high degree of renovation.

Rates have risen with unimproved land values here skyrocketing after COVID19, and buyers for bigger blocks are budget conscious of these increased holding costs.

The recent announcement by the ACT Government to change the Territory Plan will soon allow even the lowest density blocks – zoned RZ1 – to construct a second dwelling on the site, subject to the obligatory red tape that Canberrans know all too well.

Boiled down, on blocks zoned RZ1 over 800m2 it may be permissible to build a second residence no greater than 120m2 in size. This change is expected to be enacted from late November 2023.

Time will tell if the Canberra market continues to simmer along, or if the ongoing shortage will impact prices as we approach the finish line of 2023. It's expected that quality, renovated homes will continue to elicit strong demand and consistent capital growth.

NT

Richard Sheppard
Director & Chief Property Wealth Planner,
inSynergy Advisory

> "Darwin has **returned to our radar** as a market to watch.

Darwin has returned to our radar as a market to watch in 2023. Looking back over the past three decades, Darwin was historically a high-performing city, experiencing growth and prices on par with major capitals like Brisbane and Melbourne in 1996, 2008, and 2013, largely driven by mining booms during those times.

Currently, Darwin boasts a median house price of $600,000, which is 40 per cent of Sydney's median price. Additionally, the city has an extensive pipeline of substantial infrastructure projects valued at tens of billions of dollars set to unfold over the next decade.

Notably, rental yields are impressive, with houses at 6.9 per cent and units at 5.2 per cent, and there's a consistent low vacancy rate of around one per cent. These factors collectively create a compelling potential for growth in the city.

Darwin's strategic advantages, such as the Australia Asia Power Link, increased defence funding, and mining investments, position it as one of the most promising markets for the next 10 to 15 years.

These ambitious initiatives are set to drive significant economic activity, resulting in substantial job opportunities, wage growth, and a notable increase in the population. Furthermore, the city's property prices remain relatively affordable, making it particularly attractive for investors looking for a decade of strong growth.

This exceptional influx of economic activity, approaching a staggering $100 billion, represents the largest investment in Australia's history when viewed on a per capita basis.

To put it into perspective, the approximately $23 billion invested in Brisbane for the Olympics pales in comparison, with a nearly five-fold difference. Even if only half of the Power Link project expenditure is directed to Darwin, the per capita investment still stands at close to 40 times that of Brisbane, which is an unprecedented catalyst for substantial upward pressure on property values and yields. This surge is occurring in an already undersupplied market with record-low vacancies.

When we examine investment prospects in Darwin's inner and city fringe suburbs, it becomes evident that units and townhouses with options for short-term or corporate leasing hold substantial promise.

With the expected influx of white-collar workers needed to manage the new projects, these properties are poised to yield significant benefits.

However, it's essential to acknowledge that while Darwin presents promising investment opportunities, like any housing market, it carries certain risks. These include its relatively small market size, sluggish population growth in recent years, and uncertainties surrounding the implementation of infrastructure projects.

Nonetheless, considering the current market conditions and the scale of infrastructure investments, Darwin remains an appealing market worthy of exploration.

Amy Lunardi

Amy Lunardi has been a buyers' agent for more than a decade, is degree-qualified in economics, is a QPIA, and runs a boutique agency in Melbourne.

Q Can you please tell us more about your business Amy Lunardi Property?

Amy Lunardi Property is a boutique buyer and vendor advocacy company based in Melbourne. We pride ourselves on our commitment to customer satisfaction and rely exclusively on word of mouth and referrals.

With over a decade of experience and well over 1000 property transactions, we've guided home buyers, investors, and vendors throughout their property journeys. We specialise in inner metro Melbourne and assist clients at any price point for a transparent fixed fee.

I am a Qualified Property Investment Advisor (QPIA). My standing as an investor with an active property portfolio, renovation experience and involvement in dual occupancy development projects equips me with hands-on knowledge and practical experience, a valuable asset when guiding clients.

Q How long have you been a property investment professional and what were your pathways into the profession (incl. other careers)?

I've been a buyers' agent for over 10 years, commencing in 2012 after working in property leasing. I have also been a PIPA member since 2020.

Prior to entering the property industry, I worked as an economics research assistant for the Department of Sustainability, after finishing a Commerce/Arts degree with a major in economics.

My unique skill set allows me to deliver guidance that empowers investors to make informed decisions and embark on their investment journeys with confidence.

Q Also, please tell us a little about your own personal property investment history?

I began investing in 2014 – purchasing two properties in relatively quick succession, renovating the second property to increase the tenant appeal and yield. Since then, I have added two more properties (and a car park!) to my portfolio, once of which is my principal place of residence. My overarching strategy is to hold these properties for the long term.

My property journey includes a venture into the realm of property development and renovations. Currently, I am on the cusp of completing a dual occupancy development and have a second development currently in the planning application stage.

Q What are some of the reasons why you originally decided to join PIPA?

The real estate industry is highly unregulated, so I see PIPA as an opportunity to be a member of an organisation which aims to raise the

"My **unique skill set** allows me to deliver guidance that **empowers investors** to make **informed decisions** and embark on their investment **journeys with confidence**.

standards of the industry and provide consumers a platform to ensure that the professionals that they engage meet certain credentials.

Sadly, I've seen many investors succumb to sales tactics of spruikers or unqualified 'advisors' which is something which I think could and should be avoided through platforms like PIPA, and hopefully additional government intervention in the future.

Q You have completed the PIPA Accreditation Program and are a QPIA member as well. Why did you think it was important to undertake specialist advice training and what are some of the benefits for your business after finishing the program?

Working in a highly unregulated industry, I recognise the need to distinguish myself as a reputable and highly qualified advisor. My aim is to reassure clients that they can trust me to guide them effectively through their investment journey.

While my years of experience in the industry are valuable, staying updated and aligned with current best practices and industry standards is critical. Completing the PIPA Accreditation allowed me to refresh and enhance my knowledge, ensuring that I am well-equipped to serve my clients in an ever-evolving landscape.

Q How do your tertiary qualifications also support your business?

My major in economics equips me with an understanding of economic principles, which is particularly relevant in the realm of property investment. It aids me in my current position with analysing economic data, market trends, and making well-informed investment decisions for my clients.

My degree in commerce ensures I have a strong grasp of financial concepts and tools. This knowledge is invaluable when helping clients assess the financial aspects of their investment choices including cash flow and budget analysis.

Q What's next for your business in the next 12 months and beyond?

Our business is committed to maintaining its status as a boutique agency. We have no plans for expansion, as being boutique is something we specialise in and really enjoy. Our growth strategy remains grounded in the organic development of our client base through word-of-mouth and personal referrals, which is a testament to the quality of service we provide.

One of our primary focus's will continue to be buyer education through my various podcasts and online first home buyer course, which is one of my greatest passions and something I have always found really rewarding. Offering my knowledge and expertise to the next generation of buyers and investors is something I take great pride in. In the foreseeable future, we are actively planning to expand our educational efforts including more podcasts, seminars, and other accessible education. ◪

Workplace loneliness is the modern pandemic damaging lives and hurting businesses

Loneliness is a much discussed social issue, but it is rarely considered to be a workplace problem that needs to be managed like other health issues at work.

The Social Connection in Australia 2023 report acknowledges loneliness hurts businesses, as it causes employee absenteeism and reduced productivity.

However, people are often unaware particular work roles, environments, responsibilities and work-related relocation is often what causes loneliness.

These work conditions may cause social isolation, distort interpersonal relationships, and prevent employees from developing or maintaining social connections – all of which are a catalyst for loneliness.

The expression "it is lonely at the top" suggests senior managers or chief executives are especially likely to suffer from loneliness.

This article was originally published on

THE CONVERSATION

Read the article

Their position and associated power makes authentic workplace relationships rare because they are socially and psychologically distanced from most people in their organisation.

As leaders, they are held responsible for making significant decisions. Having nobody to share the risks and responsibilities with is an implicit social deficiency that increases workplace loneliness.

Similarly, loneliness is also a classic occupational hazard for business entrepreneurs who are prepared to take risks in pursuit of goals developing their own businesses. In 2019 and 2022, we surveyed 363 entrepreneurs in Indonesia and the United Kingdom, and found 50% reported they sometimes or always experienced loneliness.

This rate was consistent with an article published in Harvard Business Review in 1984 written by D. E. Gumpert and D. P. Boyd titled, The loneliness of the small-business owner. Their research found 52% of the business owners researched frequently experienced loneliness.

It appears that loneliness experienced by entrepreneurs has not changed over 40 years. Entrepreneurs' responsibilities for running and developing their businesses substantially reduce the time they can share with families and friends.

Entrepreneurs may also have to withhold negative information about the business and pose a strong and positive image to others in order to retain resources and support for their companies. The nature of this line of work turns them into "lone wolves".

Loneliness is also found among employees relocated overseas by their multinational corporations. It is common among expatriates separated from their social networks, to find it difficult to develop new connections because of

> "The expression **"it is lonely at the top"** suggests senior managers or chief executives are especially likely to **suffer from loneliness**.

cultural differences, language barriers or insufficient social resources.

Remote work accelerated by the COVID pandemic has given people the flexibility to work from home but it has also worsened social isolation as a result of fewer opportunities for informal chats and face-to-face bonding with colleagues and managers.

Although most companies are keen to see workers return to offices, the continuation of hybrid forms of working creates challenges in addressing work-related loneliness as many people continue to work partly from home.

Similarly, digital technology has created another modern work phenomenon, gig work. While gig workers may enjoy flexible schedules, the nature of their work provides few opportunities to develop deep relationships with colleagues.

Given the pervasiveness of workplace loneliness and the challenges it poses, it is surprising that there is little public awareness of how to deal with it.

To stimulate more interest in this topic and to help ease this modern pandemic, our research, soon to be released proposes resource-based solutions to combat loneliness. We also identify strategies for both individuals and organisations to deal with loneliness:

Strategies for individuals

Understand your desired level of social goals.
Loneliness arises when desired social relations are not satisfied by actual relations. People need to be clear about their social needs at work. Some may be happy with a few strong relationships, some may prefer broad but weak social connections. Understanding personal social goals helps employees notice when they might need to develop appropriate strategies to battle loneliness.

Evaluate personal resources that make developing social connections difficult.
Employees need to understand the strengths and weaknesses of personal factors and change them if they are preventing social connections. For instance, is the lack of contact caused by our personality, lack of social skills, or low social motivation? As individuals, we cultivate our social connections, so we are the key to shaping them.

> “Employees must be **proactive** and take charge of **overcoming their loneliness**.

Do not waste daily resources
Time, energy and mood are also resources, but they fluctuate daily. They can also be used to achieve social goals. We all have regular feelings of being time-poor, tired, not wanting to talk to people or to be social. This causes daily opportunities to develop connections to be wasted. Desired social relations are developed gradually, and we need work on this regularly to achieve our desired level of connection.

Strategies for companies

Audit work practices and identify what causes social isolation.
Organisations need to acknowledge that work practices can cause loneliness for employees and find creative solutions. For example, they could reduce work intensity and give employees time to socialise; they could help expatriates maintain old social bonds and develop new connections in their new work location.

Remove social barriers for employees by cultivating an inclusive work environment.
An inclusive environment is especially beneficial for demographically diverse employees. Organisations have the power to promote and normalise inclusion, shape employees' social behaviours and help minority groups to develop desired social ties in the workplace.

Provide opportunities for employees to have occasional and repeated face-to-face interactions.
Organisations can offer a variety of socialising opportunities. These might include mentoring and support programs, social events, holiday celebrations, coffee breaks and team-building activities.

Of course, employees must be proactive and take charge of overcoming their loneliness. They can begin this by developing or expanding their repertoire of personal resources and by taking up opportunities offered by their employer.

These investments in alleviating workplace loneliness will result in employees having a stronger sense of belonging to organisations and being more productive.

Misha Ketchell
Editor of The Conversation Australia and New Zealand.

2023 PIPA National Conference

The 2023 PIPA National Conference was held at the InterContinental Sydney on 22 September and was resounding success! Here are just a few photos from the event of our attendees and speakers. Thank you to everyone who attended!

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