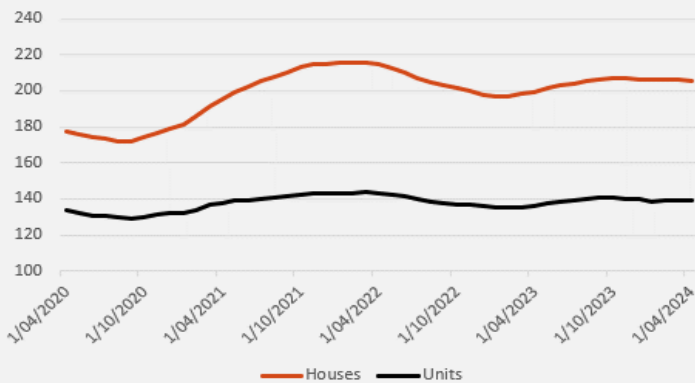


MELBOURNE MARKET SNAPSHOT

Home Value Index April 2024

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



HOUSES



UNITS

Quarter

-0.3%

0.4%

Annual

3.0%

2.5%

Annual Dwelling Sales April 2024

83,895

+3.1% higher than one year ago.
-0.7% below the five-year average.



0.4%
HOUSE SALES



8.4%
UNIT SALES

Source: CoreLogic

Melbourne property values remained flat this month recording mild easing of -0.1% following on from the no change in dwelling value (0.0%) recorded in March and the subtle gain of +0.1% recorded in February.

Melbourne's quarterly growth trend also remains flat at 0.0% for the April quarter and sits as the only capital not to record an increase in dwelling values for the quarter. On an annual basis, Melbourne dwelling values recorded a gain of +2.8%, 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 April and on par with both February and March increases. The current upswing in housing values signals the fifteenth consecutive month of growth.

Beyond the headline numbers, multi-speed conditions remain with the mid-sized capitals of Perth, Adelaide and Brisbane continuing to lead the pace of growth. Market conditions continue to exhibit diversity with each of the capital cities and rest-of-state regions recording a lift in values over the month with the exception of

Melbourne (as mentioned) and Regional Victoria which recorded no change in value (0.0%).

The mismatch between strong levels of demand and insufficient supply levels continues to impact property markets nationally, however Melbourne stock levels remain elevated providing more choice for buyers and therefore softer conditions. Despite the headwinds of a higher interest rate environment, sticky inflation, low consumer sentiment and worsening affordability, the median term forecast for the Melbourne property market is anticipated to see muted growth until the timing of interest rates easing becomes clearer. Uncertainty around the future direction of interest rates remain a key influencer as a result of last month's higher-than-expected inflation results which may force the hand of the RBA to keep interest rates higher for longer in order to contain persistent inflationary pressures.

The outlook for Melbourne indicates a milder outcome for housing values will be aided by impending Stage 3 tax cuts set down for 1 July, easing cost-of-living pressures, improving confidence as well as ongoing population growth.





MARKET CONDITIONS



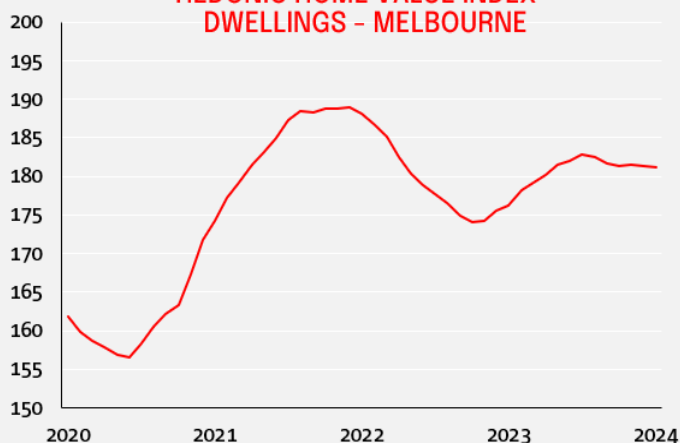
HOUSE



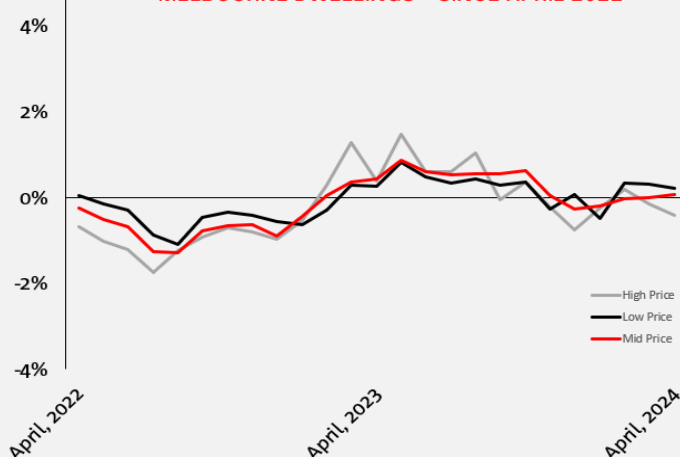
UNITS

LISTINGS – ANNUAL VARIANCE	2.0%	36.2%
DAYS ON MARKET	30 days	34 days
VENDOR DISCOUNT	-3.6%	-3.5%
MEDIAN VALUE	\$941,698	\$613,023

HEDONIC HOME VALUE INDEX - DWELLINGS - MELBOURNE



MONTHLY % VALUE MOVEMENT CHANGE BY PRICE QUARTILE MELBOURNE DWELLINGS - SINCE APRIL 2022



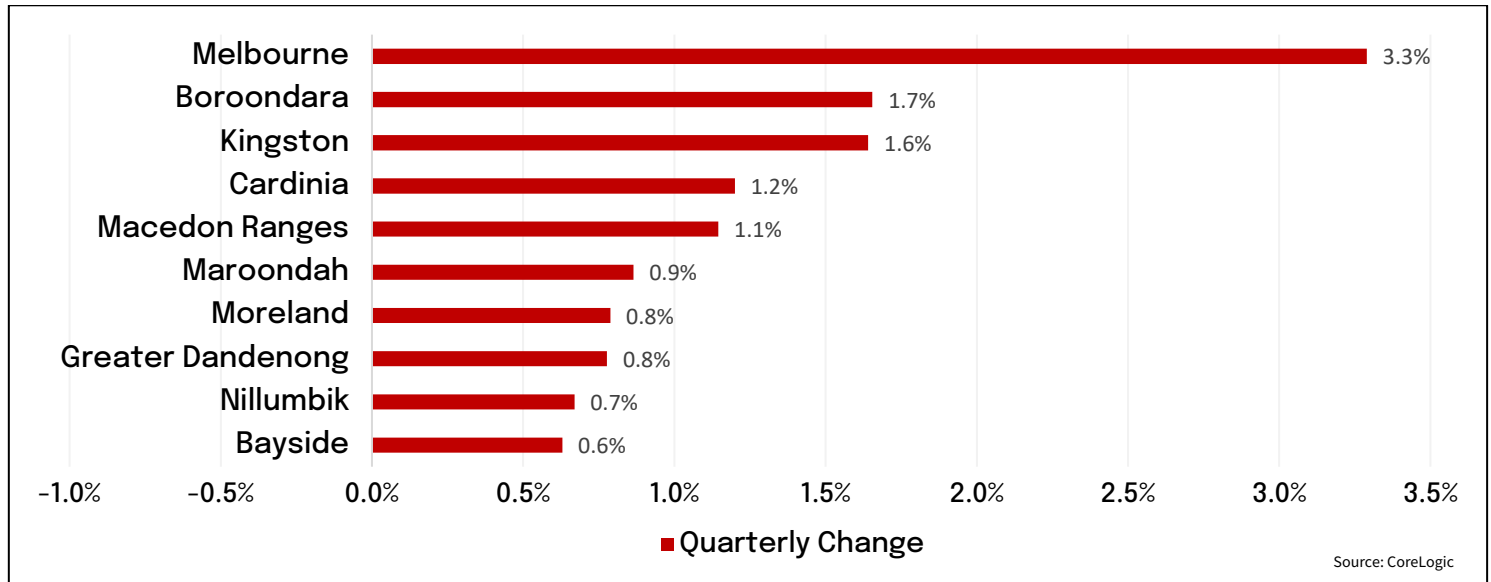
Source: CoreLogic

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 overall trend on a quarterly basis is easing, the lower-priced quadrant continues to record gentle monthly gains, this quarter (up by +0.8%) notwithstanding the high price segment which recorded easing over the April quarter of -0.4% followed by no change in value (0.0%) within the middle-price quadrant.

The main drivers for dwelling values in the Melbourne property market remain primarily the future direction of interest rates, elevated stock levels and concerns surrounding affordability. Following the updated inflation outlook, an element of marketplace uncertainty has re-emerged with many economists and financial markets pushing back their timing for rate cuts and re-ignited some speculation of the need for a further interest rate increase, which is not NAB's view maintaining the forecast that the next change in direction to be a reduction in late 2024.

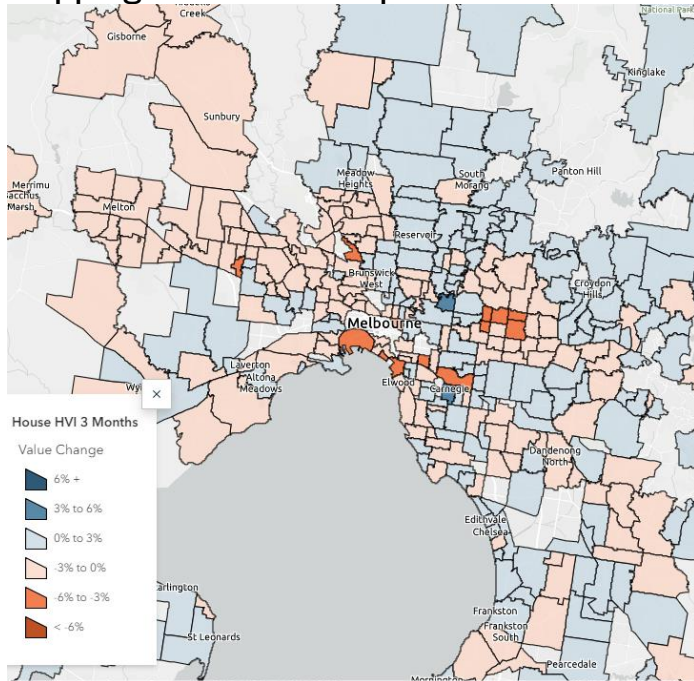


Top 10 Suburbs Quarterly Change - Dwellings



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

Mapping the Market - April 2024



- The median house value in Melbourne sits at \$941,698, recording a subtle easing in value down -0.2% in April and sits -0.3% lower over the quarter but up +3.0% 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 +0.1% in April. The unit market sits up +0.4% over the quarter and +2.5% for the year. Despite making up a smaller portion of the overall market, the median unit value is now sitting at \$613,023.
- Vacancy rates at tight at near record lows, now at 1.1% across Melbourne. Housing rental values are up +10.2% over the last year, whilst unit rents are up +8.8%, sitting just behind Adelaide, Brisbane and Perth.
- Top 5 Melbourne Suburbs annual dwelling change:
 - Nillumbik – King Lake +7.1%
 - Maroondah +5.3%
 - Bayside +5.2%
 - Knox +5.2%
 - Kingston +5.1%

Source: CoreLogic



RECENT SALES ACTIVITY

Entry-level Market

2 Collins Avenue, Altona North



The sale property comprises a neat an original 1965-built, five-bedroom, three-bathroom two-storey brick and tile home of 241 square metres on a 563 square metre lot. Ancillary improvements include concrete driveway, alfresco area, landscaped yard, shed and undercover parking for three vehicles. The property was recently offered for private sale through a local agency in late-November with no vendor's list price guide provided. After a marketing campaign and 138 days on the market, the property was sold for \$812,500 on 5thApril.

Mid-price Market

4 Murra Street, Burwood



The sale property comprises a well-presented, fully renovated 1950's-built, four-bedroom, two-bathroom two-level home of 217 square metres on a 640 square metre lot. Ancillary improvements include rear alfresco, deck, landscaped yard and undercover parking for four vehicles. The property was recently offered for sale via auction through a local agency in mid-March with no list price guide provided. After 41 days on the market, the property was sold at auction for \$1,805,000 on 20thApril.

Premium Market

43 Rosserdale Crescent, Mount Eliza



The sale property comprises a fully renovated, well-presented, 1980's-built, four-bedroom, two-bathroom single-storey home of 220 square metres on an elevated 696 square metre lot. Ancillary improvements include paved driveway, rear courtyard and alfresco area, landscaped yard, coastal views and undercover parking available for two vehicles. The property was recently offered for private sale through a local prestige agency in mid-March with a list price guide of offers between \$5,000,000 and \$5,500,000 provided. After 36 days on the market, the property sold for \$5,000,000, on 17thApril.

Disclaimer - The information contained in this publication is gathered from multiple sources believed to be reliable as at the end of April 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.

