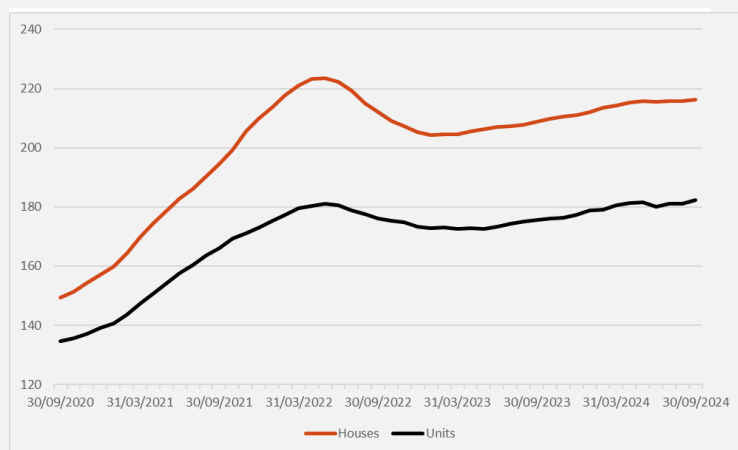


## REGIONAL NSW SNAPSHOT

### Home Value Index September 2024

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



HOUSES



UNITS

	HOUSES	UNITS
Quarter	0.3%	1.3%
Annual	3.5%	3.9%

### Annual Dwelling Sales September 2024

**54,207** +5.6% higher than one year ago.  
-11.6% below the five-year average.



4.4%  
HOUSE SALES



11.7%  
UNIT SALES

Source: CoreLogic

### Regional NSW property market posted a +0.4% gain over the quarter.

House values rose a modest +0.3% over the September quarter, whilst units saw a larger increase of +1.3%. On an annual basis, regional NSW dwelling values remain steady increasing +3.6%. Regional NSW sits +49.2% higher than at the commencement of COVID-19 however is -2.8% below the prior peak in May 2022.

National dwelling values rose +0.4% in September and +1.0% over the September quarter, mildly higher than August's rise of +0.5%, despite capital cities continuing to rise at +0.5%. The current upswing in housing values heralds the twentieth consecutive month of growth.

Nationally, regional markets are now broadly in line with the combined capital cities, with a quarterly rise of 1.0% and capital dwelling growth rate of +1.1% over the September quarter. Annually, combined capital dwelling values and combined regional market both are up +6.7%.

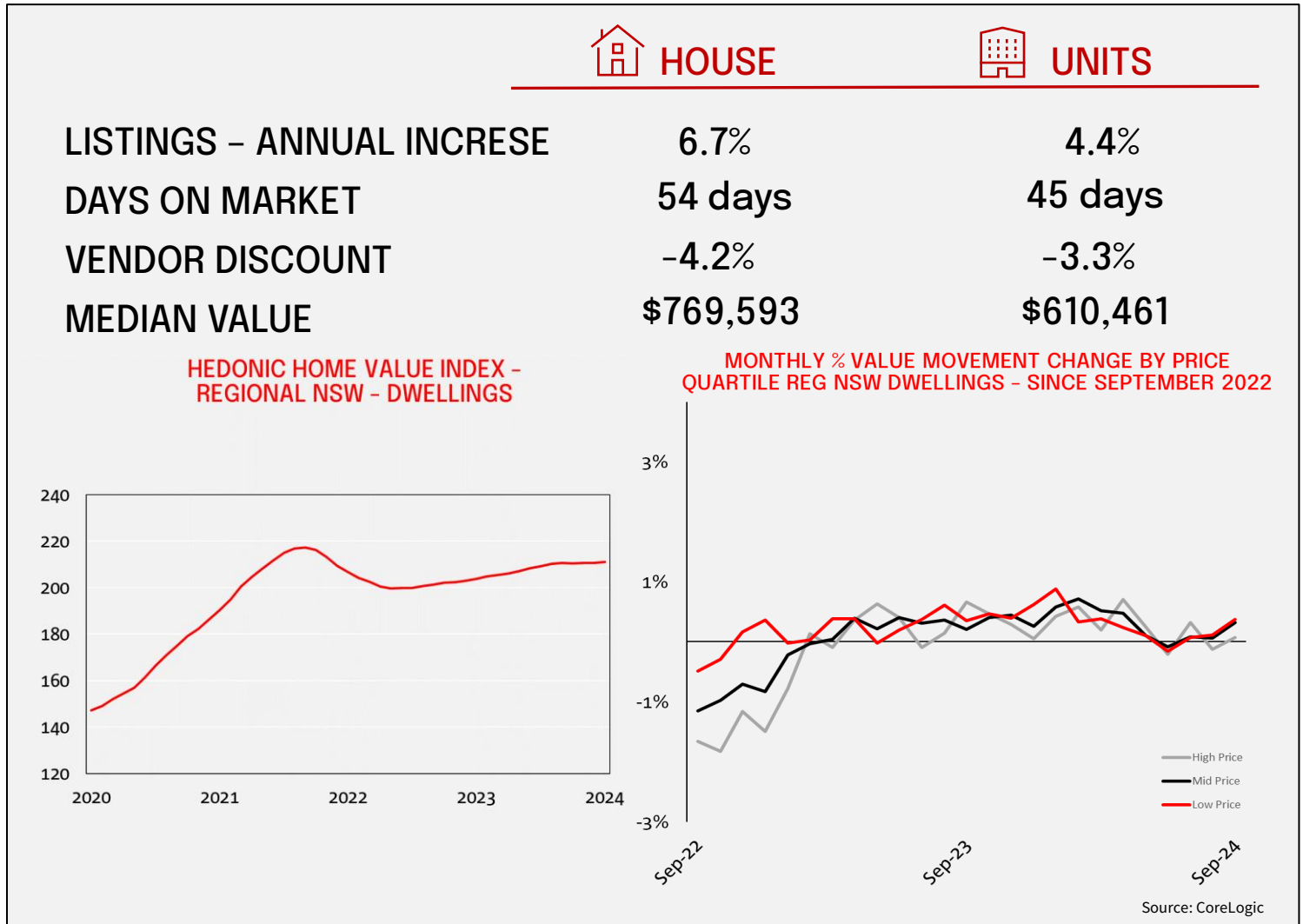
Growth conditions across regional housing markets have eased, with the quarterly trend in the combined regionals index reducing from +1.7% in the June quarter to +1.0% over the September quarter. Like the capital city trends, growth across the regional parts of WA (+3.6% Sep quarter), SA (+2.3%) and Queensland (+2.0%) are leading the regional housing trends.

Regional NSW recorded similar quarterly dwelling value gains at +0.4% compared to the Sydney's +0.5%. Annual dwelling growth however is lower, at +3.6% for Regional NSW and +4.5% annual dwelling growth for Sydney.

The regional NSW market continues its steady growth phase indicating an improving outlook for housing values aided primarily by low (but improving) stock levels. The timing of interest rate cuts remains a key factor influencing the regional NSW market with further demand-side pressure expected until the demand vs. supply equation rebalances.



**MARKET CONDITIONS**



Market movements remain positive but relatively mild across all quartiles in the regional NSW market, led predominantly by a solid +0.6% rise in dwelling value within the lower-price quartile for the quarter, followed by slightly milder gains within the middle and high-quartiles of +0.5% and +0.3% respectively over the same period. The pace of gain within all sub-market quartiles remains relatively steady, with all three quartiles posting gains for the month between +0.1% to +0.4%

The main drivers for dwelling values in the regional NSW property market remain primarily the well-publicised housing undersupply, the future timing of interest rates cuts, inflation

levels and concerns surrounding affordability. Positive tailwinds for the regional NSW market include steady interstate migration, rental market growth through a rise in median rents and rental yields and record low vacancy levels.

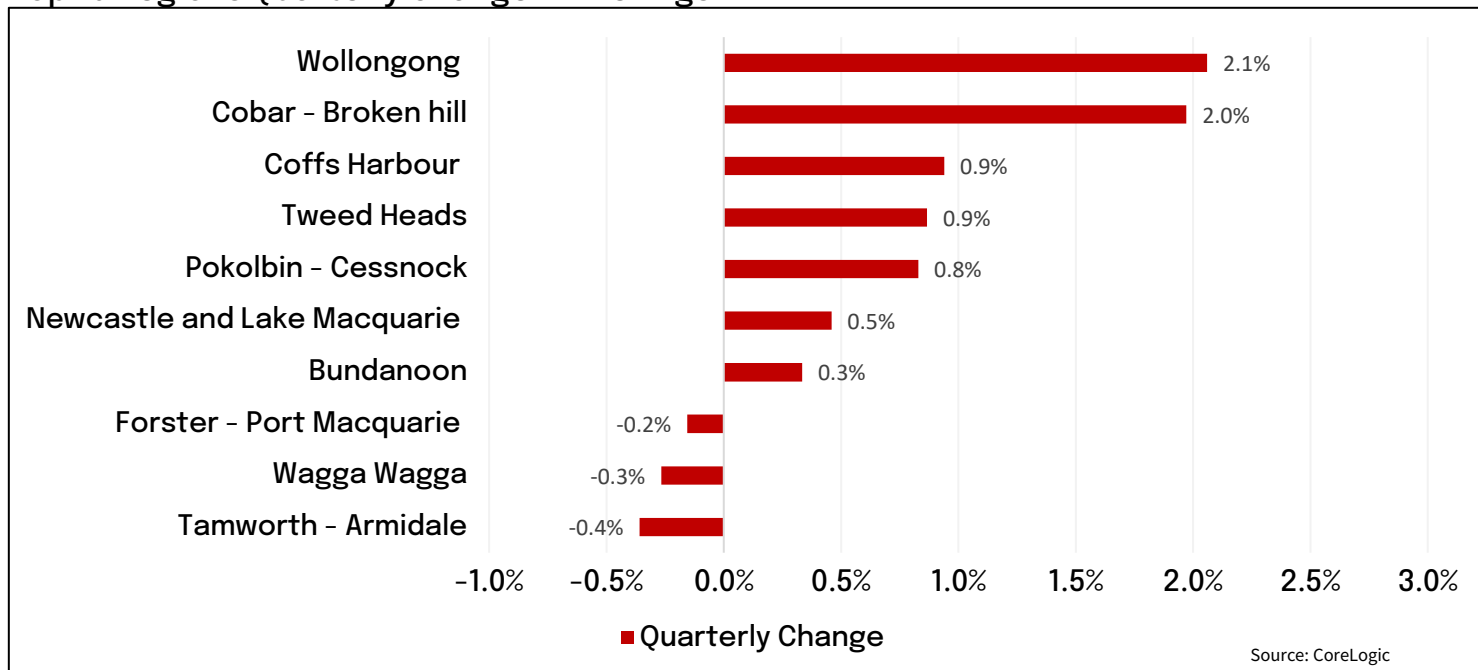
The housing market will continue to display resilience supported primarily by the low (but improving) levels of supply, but the rate of growth is expected to moderate as a result. Support for the regional NSW market includes cost-of-living relief measures in the form of energy bill rebates and the highly anticipated Stage 3 tax cuts which came into effect on 1<sup>st</sup> July as well as interest rate cuts expected by early next year.







**Top 10 Regions Quarterly Change - Dwellings**



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

- The continued steady improvement seen in September saw regional NSW house values increase by +0.3% for the quarter. On an annual basis, house values ticked up +3.5% higher, one of five regions together with regional Queensland, regional South Australia, regional Western Australia and regional Tasmania to record gains. The median house value remains above the \$750,000 benchmark at \$769,593.
- In comparison, the unit market has reflected a similar trend but at a slightly brisker rate recording a gain of +1.3% in September quarter and outperforming the housing market on an annual basis. The unit market benefits from greater affordability, incentives for first home buyers, as well the uptick in local and international migration. Despite making up a smaller portion of sales activity overall, the median unit value in regional NSW has surpassed the \$600,000 benchmark at \$610,461 and recording a gain of +1.3% for the quarter and sits up +3.9% on an annual basis.
- Median house rents in regional NSW have increase by +7.8% annually (median rental of \$594/per week) whilst unit rents have grown +5.8% over the same period (median rental of \$513/per week). With regional NSW recording a gross annual rental yield of 4.1% and rents for regional NSW (all dwellings) having also increased by +7.8% over the last twelve months, the outlook for investors is a positive one.



## RECENT SALES ACTIVITY

### Coffs Harbour Region

14 O'Neill Street, Coffs Harbour



The sale property comprises a well presented neat and tidy, four-bedroom, two-bathroom, circa 2000's part two level, brick dwelling of 156 sqm on a 774 sqm parcel. Ancillary improvements include established landscaping, patio, timber deck and double garage. The property was recently offered for sale via Nolan Partners Estate Agents for a list price of \$825,000. After a marketing campaign and 143 days on the market, the property was sold for \$825,000 on 27<sup>th</sup> September.

### Newcastle - Hunter Region

11 Sanderling Close, Salamander Bay



The sale property comprises a well-presented 2002-built, five-bedroom, three-bathroom, two-level brick dwelling of 281 square metres on 762 sqm parcel. Ancillary improvements include alfresco areas, landscaped yard and double garage. The property was recently offered for private sale through PRD Real Estate Port Stephens with no list price provided. After a marketing campaign and 39 days on the market, the property was sold for \$1,150,000 on 28<sup>th</sup> September.

### Wollongong Region

35 Stuart Road, Warrawong



The sale property comprises a mostly original, average condition, two-bedroom, one-bathroom circa 1960's single level brick dwelling on a rectangular shaped 483 sqm parcel. Ancillary improvements include basic landscaping, porch, storage and single detached garage. The property was recently offered for sale via Ray White Unanderra with a listed price range of \$680,000 to \$748,000. After a marketing campaign and 56 days on the market, the property sold for \$713,000 on 25<sup>th</sup> September.

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

