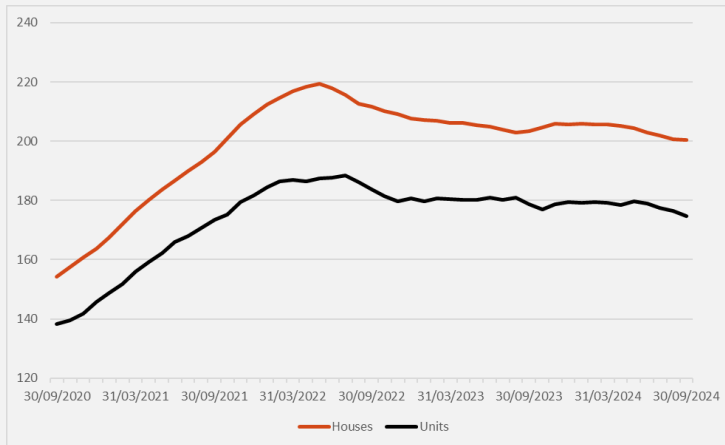


REGIONAL VICTORIA SNAPSHOT

Home Value Index September 2024

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



HOUSES



UNITS

Quarter

-1.3%

-2.4%

Annual

-1.4%

-2.2%

Annual Dwelling Sales September 2024

25,216

+3.5% higher than one year ago.

-13.1% below the five-year average.



4.3%
HOUSE SALES



-2.6%
UNIT SALES

Source: CoreLogic

This month dwellings in Regional Victoria eased -1.4% over the September quarter.

House values eased -1.3% over the September quarter, whilst units saw a larger decrease of -2.4%. On an annual basis, regional Victoria dwelling values are down -1.5% over the same time last year. Regional VIC sits +30.8% higher than at the commencement of COVID-19 however is -8.4% below the prior peak in May 2022.

National dwelling values rose +0.4% in September and +1.0% over the September quarter, mildly softer than August's rise of +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 VIC recorded slightly more pronounced quarterly easing of dwelling values at -1.4% compared to Melbourne at -1.1%. Annual dwelling value change is similar however, with Regional VIC down -1.5% and a -1.4% decrease in Melbourne's dwelling values.

The regional VIC market indicates a milder outcome for housing values with the growth trend impacted primarily by the current level of supply of stock and muted demand, providing more options for purchasers. Concerns on the timing of interest rate cuts given rates continue to be higher for longer remain at the front of mind also and are a key factor influencing the regional Victoria property market.





MARKET CONDITIONS



HOUSE



UNITS

LISTINGS – ANNUAL INCREASE

14.9%

6.2%

DAYS ON MARKET

54 days

54 days

VENDOR DISCOUNT

-4.5%

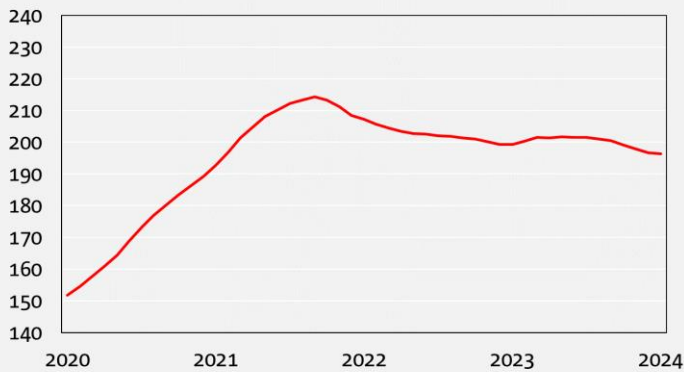
-4.1%

MEDIAN VALUE

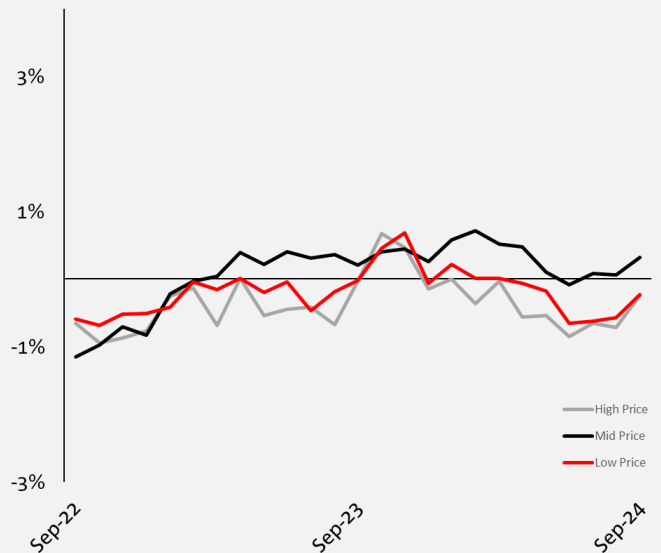
\$594,591

\$403,993

HEDONIC HOME VALUE INDEX - REGIONAL VIC - DWELLINGS



MONTHLY % VALUE MOVEMENT CHANGE BY PRICE QUARTILE REG VIC DWELLINGS - SINCE SEPTEMBER 2022



Source: CoreLogic

Market movements remain mixed across all quartiles in the regional Victoria market, with the mid-price quartile recording a +0.5% rise in dwelling value for the quarter. The high-price and lower price quartiles both recorded moderate easing of -1.6% and -1.4% respectively over the quarter.

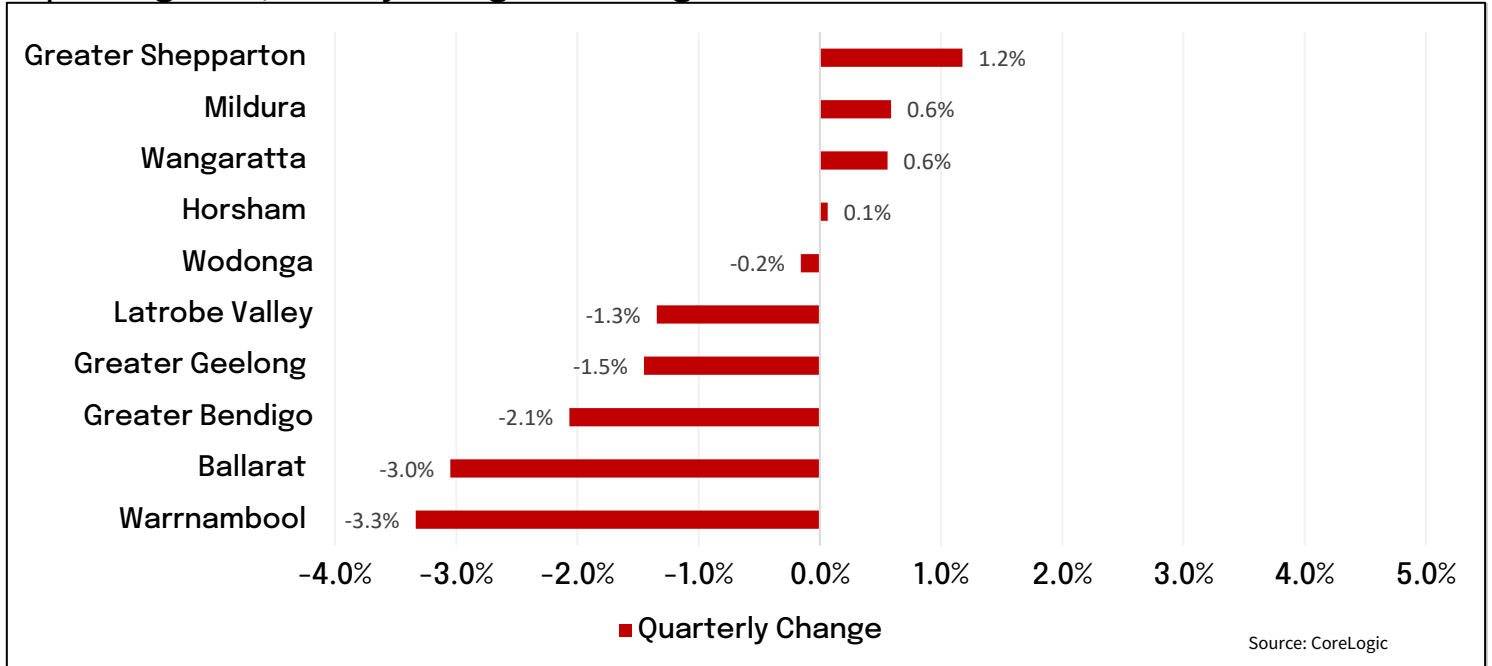
The main drivers for dwelling values in the regional Victoria property market remain primarily the well-publicised housing undersupply, the future timing of interest rates cuts, inflation levels and concerns surrounding affordability. Positive tailwinds for the regional Victoria market include steady

interstate migration, rental market growth through a rise in median rents and rental yields and record low vacancy levels.

The regional Victoria housing market will continue to remain subdued due primarily by the increase in levels of supply and muted demand. Support for the regional VIC 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 1st 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:

- Regional Victoria house values fell by a further -1.3% for the quarter. On an annual basis, house values are down -1.4%, one of two rest of state regions, the other being Regional NT, to record a drop in annual house values. The median house value remains just under the \$600,000 benchmark at \$594,591.
- The unit market has reflected a similar trend but has seen heavier losses recording a drop of -2.4% in September quarter and overall, down -2.2% 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 Victoria has surpassed the \$400,000 benchmark at \$403,993.
- Median house rents in regional Victoria have increased by +7.0% annually (median rental of \$487/per week) whilst unit rents have grown +7.4% over the same period (median rental of \$390/per week). With regional Victoria recording a gross annual rental yield of 4.2% and rents for regional VIC (all dwellings) having increased by +7.0% over the last twelve months, the outlook for investors is a positive one.



RECENT SALES ACTIVITY

Bendigo Region

115 Symonds Street, Golden Square



The sale property comprises an original, well kept, three-bedroom, two-bathroom, circa 1980's single level, brick dwelling of 150 sqm on a 530 sqm corner parcel. Ancillary improvements include established landscaping, outdoor entertaining area, verandah and detached garage. The property was recently offered for sale via Buxton Bendigo with a listed asking price range of \$500,000 to \$550,000. After a marketing campaign and 27 days on the market the property sold for \$520,000 on 24th September.

Shepparton Region

9 Quiggin Court, Shepparton



The sale property comprises a renovated, good condition, three-bedroom, two-bathroom, circa 1990's built single level brick dwelling of 124 sqm on a large irregular 900 sqm parcel. Ancillary improvements include basic landscaping, detached shed, double garage and carport. The property was recently offered for sale via Cardamone Real Estate with a listed asking price range of \$495,000 to \$540,000. After a marketing campaign and 50 days on the market, the property sold for \$525,000 on 19th September.

Ballarat Region

25 Cinnamon Drive, Lake Gardens



The sale property comprises a modern, three-bedroom, two-bathroom, circa 2018 built single level brick dwelling of 138 sqm on an irregular 404 sqm parcel. Ancillary improvements include basic landscaping, alfresco, shed and double garage. The property was recently offered for sale via Jellis Craig Ballarat with a listed asking price range of \$655,000 to \$695,000. After a marketing campaign and 50 days on the market, the property sold for \$690,000 on 25th 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.

