

EDITION 22

CANBERRA

CANBERRA CAPITAL CITY REVIEW

 **PERFORMANCE**
PROPERTY RESEARCH

DISCLAIMER

The data presented in this report are sourced from 3rd party resources that we have selected due to their reliability and availability over the historical periods that we require for our research to be relevant. Due to the fact that the current year is not yet complete, data presented for the current year are estimated to represent a full year.

CANBERRA AT A GLANCE

Price Parameters - Adjusted for Current Interest Rate

	HOUSE AI	PRICE	UNIT AI	PRICE
AI FLOOR	21%	\$401,406	18%	\$337,378
AI CURRENT	49%	\$917,500	31%	\$587,833
AI CEILING	52%	\$990,122	41%	\$783,393
3 YR PRICE TARGET	\$1,000,000 - \$1,100,000 Low Conviction		\$650,000 - \$700,000 Low Conviction	

In the current stage of cycle

The Canberra house market has a **Hold or Consider Sell Rating** while the unit market has a **Hold or Buy Momentum Rating**. If buying houses, it would be best suited to a **Long Term Hold Strategy**. If buying units, it would be best suited to a **Long Term Hold Strategy**.

We classify the Canberra house market currently as a **High Risk Investment**, and the Canberra unit market as **High Risk Investment** based on the stage of cycle.

Legend

Medium Term Strategy = **4 to 7 years**
Long Term Strategy = **15+ years**

HOUSE YIELD **3.8%**

UNIT YIELD **4.9%**

UNEMPLOYMENT RATE **3.2%**

POPULATION



Current: **482,250**

Current Growth Rate: **-0.06%**

Avg 10 Yr Growth Rate: **1.76%**

CURRENT MEDIAN HOUSE

\$917,500

CURRENT MEDIAN UNIT

\$587,833

LONG TERM (1990) COMPOUNDED GROWTH PA IS **5.91%** FOR HOUSES & **5.33%** FOR UNITS.

Houses the last 3 years have seen 7.05% PA growth, units 5.54%.

5.91%

RESEARCH REPORT CANBERRA CAPITAL CITY

EDITION 22



Average Days
on Market

Houses : **46**
Units : **37**



EXECUTIVE SUMMARY

KEY MARKET INDICATORS

Negative

Affordability Index HOUSE V. Price Movement.....	08
ACT Monthly Housing Finance.....	09
Stock on Market V. Avg Days on Market.....	10
Vacancy Rate V. Median Rent.....	11
Job Creation Index.....	12

SUPPLY & DEMAND - Negative

Does Demand Exceed Supply?

Population.....	13
State Population Movement Type.....	14
Airport Arrivals.....	15
Dwelling Sales.....	16
Dwelling Approvals V. Population % Change.....	17
Bedrooms V. Population Change.....	18

AFFORDABILITY - Slightly Negative

Is Property Affordable?

Affordability Index HOUSE V. Price Movement.....	08
Affordability Index UNITS V. Price Movement.....	19
Price to Income Ratio.....	20
Rent to Income V Affordability.....	21
FHBs as % of Population.....	22

CONFIDENCE - Positive

Is There Confidence In The Market?

Mortgage Arrears.....	23
Unemployment Rate	24
Underemployment Rate	25
State Job Vacancies	26

MONEY SUPPLY - Negative

Will There Be More or Less Money Into The Economy?

State Budget	27
GRP V. Median Price Movement.....	28

INVESTMENT VALUE - Neutral

Is This Market Showing Value?

Yield V. Interest Rates	29
Long Term Trends	30
House V. Unit Price Comparison	06
Canberra V. Sydney HOUSE Price Movement.....	31

RISK - Neutral

Is There Potentially Downside Volatility?

Affordability Index HOUSE V. Price Movement.....	08
Price to Income Ratio	20
Industry Value Added	32
Population Pyramid.....	33

Positive

Slightly Positive

Neutral

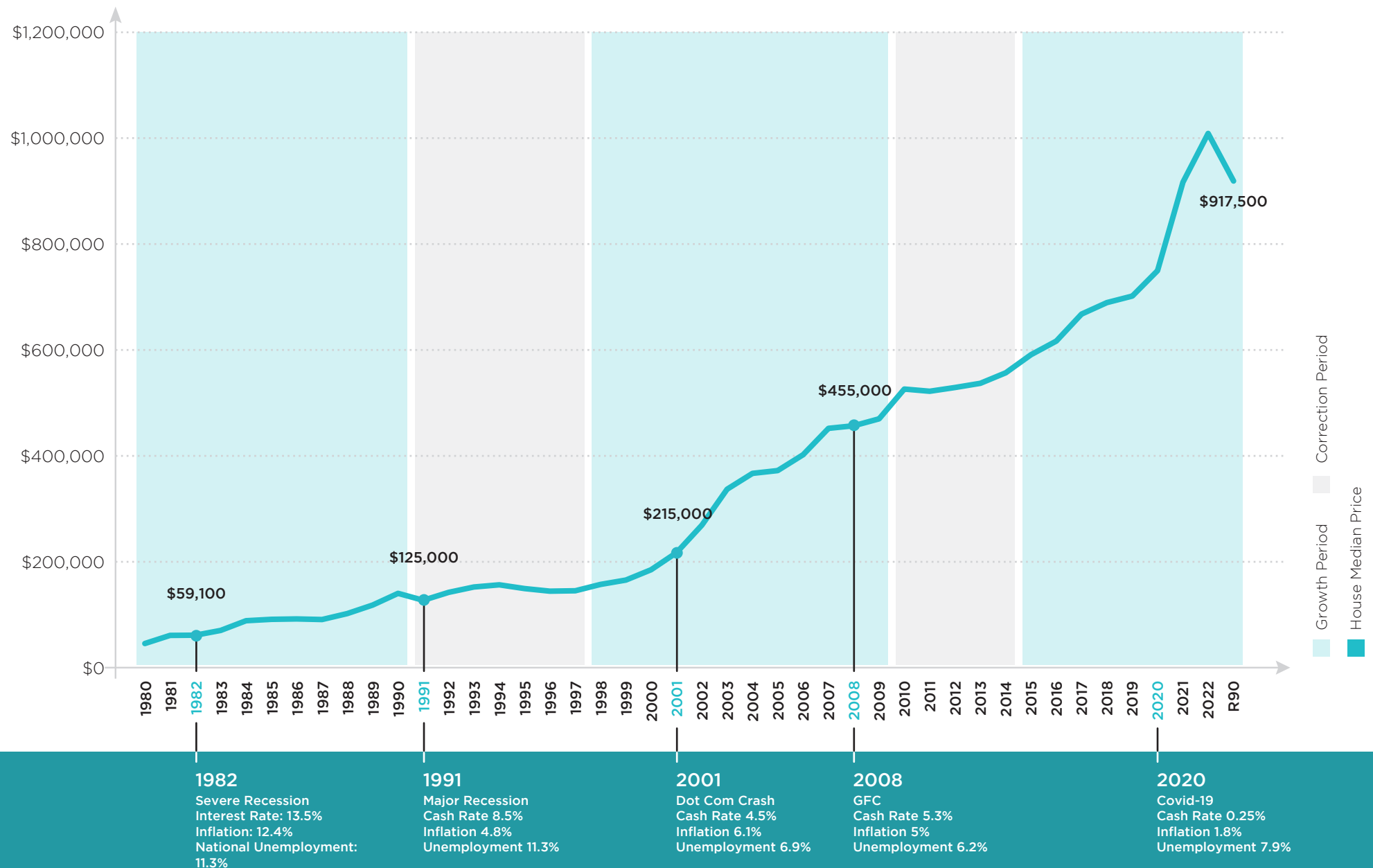
Slightly Negative

Negative

CANBERRA HOUSE PRICE MOVEMENT

RESEARCH REPORT
CANBERRA CAPITAL CITY

EDITION 22



OUR VIEW OF THE CANBERRA **HOUSE** MARKET

RESEARCH REPORT
CANBERRA CAPITAL CITY

EDITION 22

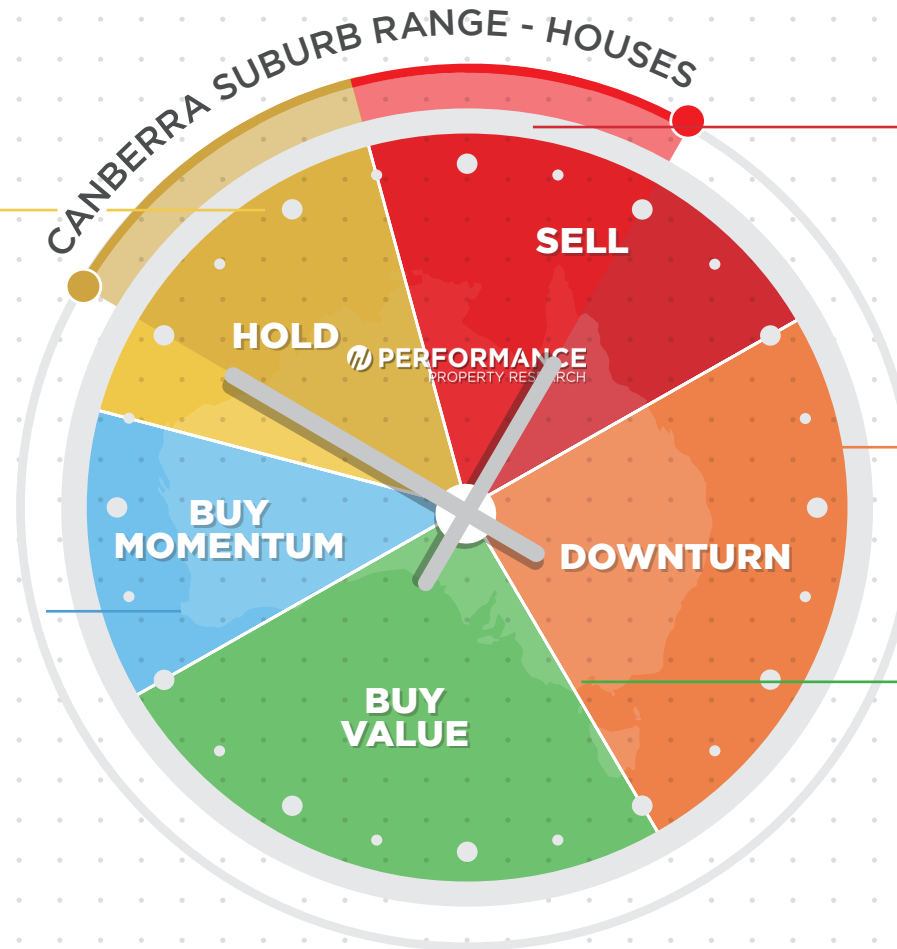
CANBERRA SUBURB RANGE - HOUSES

HOLD

Hold and monitor property in this market. Potential for growth in the short term is predicted but limited. Investing at this stage in the cycle holds extreme risk, due to low yields and aggressive prices.

BUY MOMENTUM

On a macro level the market is at or close to halfway through this growth cycle and demand for quality property is strong and rising. Macro fundamentals are present to support growth in the short term.



SELL

The market has peaked and prices are likely to soften or stagnate in the short to medium term. Consider selling in this market after consultation with your financial planner or property investment adviser.

DOWNTURN

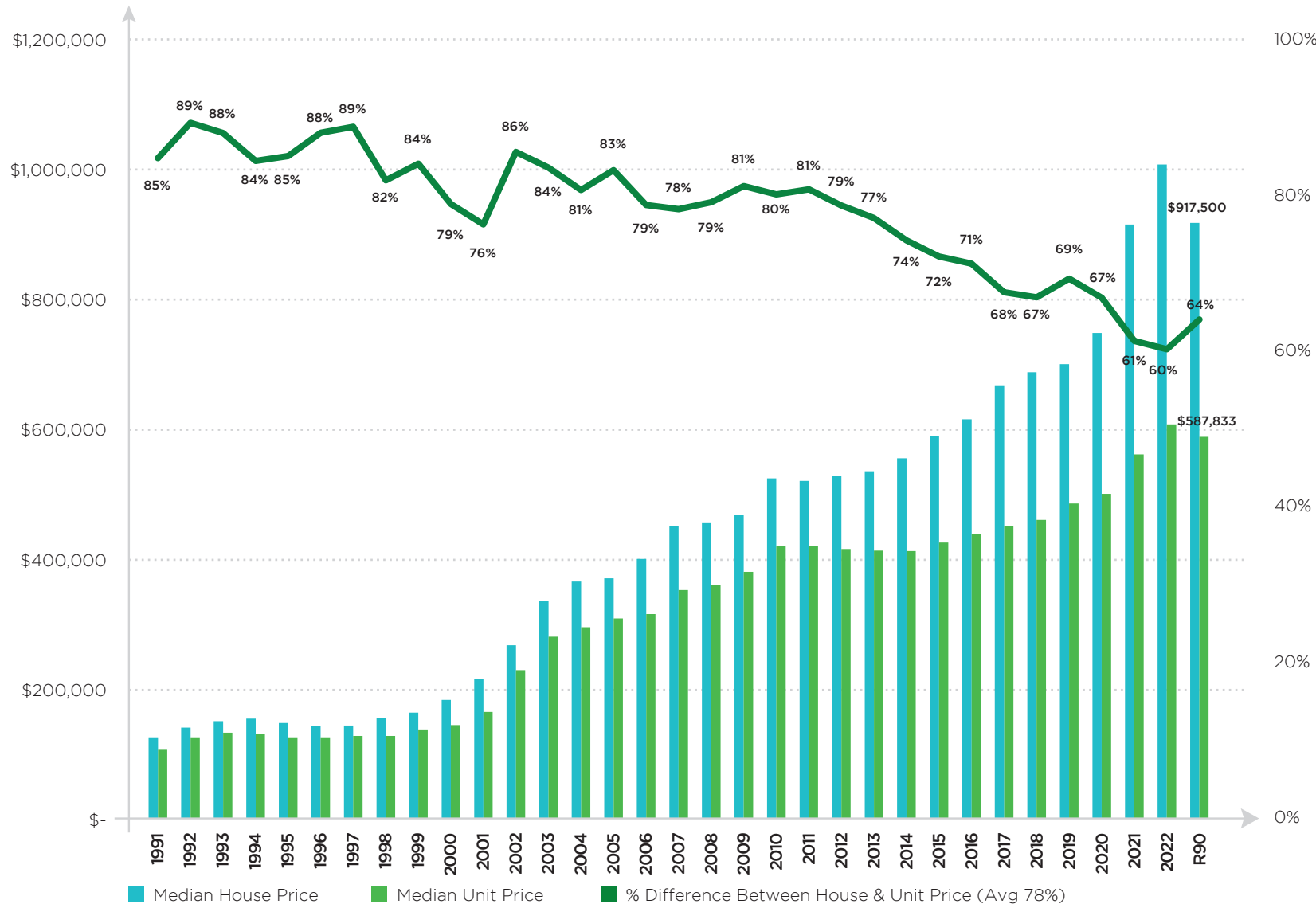
The market is moving through a correction stage. We see minimal growth in the short to medium term.

BUY VALUE

This market offers good investment value with macro fundamentals present to support growth in the short to medium term. Buy at the true market bottom to take advantage of the full growth upswing, with cyclical risk at its lowest.

For more information on the Canberra market, including individual property and suburb information, call to speak to one of our professional property advisors on (03) 8539 0300.

HOUSE V. UNIT PRICE COMPARISON



SLIGHTLY
POSITIVE

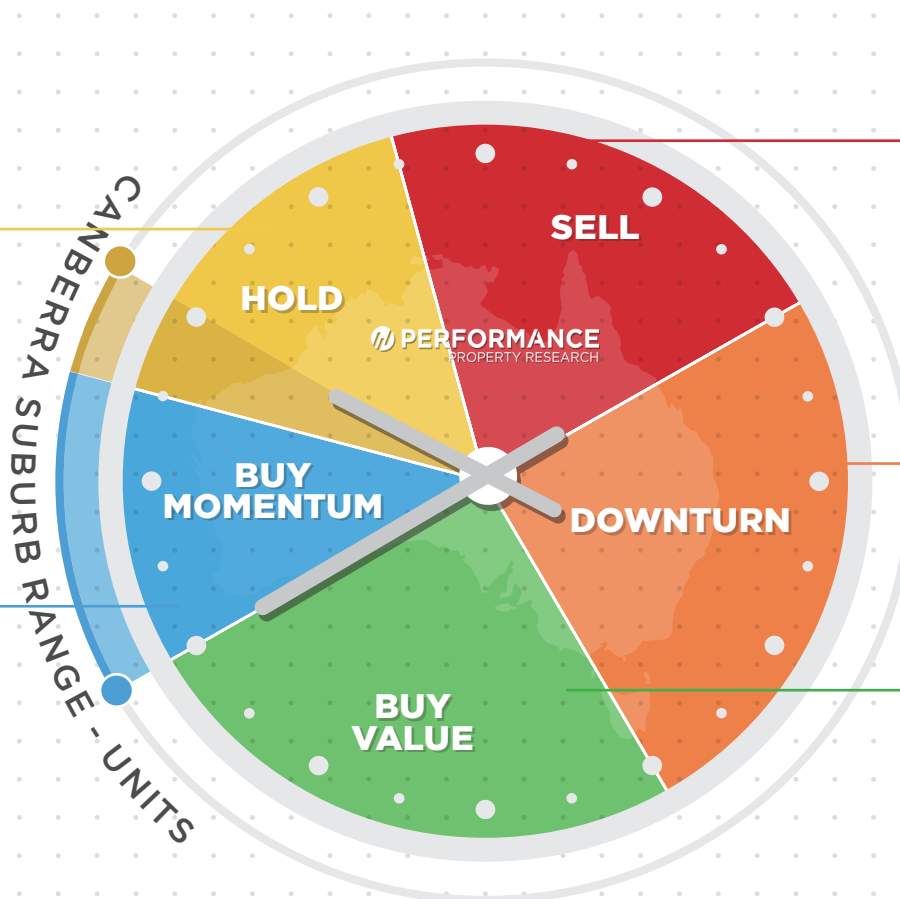
OUR VIEW OF THE CANBERRA **UNIT** MARKET

HOLD

Hold and monitor property in this market. Potential for growth in the short term is predicted but limited. Investing at this stage in the cycle holds extreme risk, due to low yields and aggressive prices.

BUY MOMENTUM

On a macro level the market is at or close to halfway through this growth cycle and demand for quality property is strong and rising. Macro fundamentals are present to support growth in the short term.



SELL

The market has peaked and prices are likely to soften or stagnate in the short to medium term. Consider selling in this market after consultation with your financial planner or property investment adviser.

DOWNTURN

The market is moving through a correction stage. We see minimal growth in the short to medium term.

BUY VALUE

This market offers good investment value with macro fundamentals present to support growth in the short to medium term. Buy at the true market bottom to take advantage of the full growth upswing, with cyclical risk at its lowest.

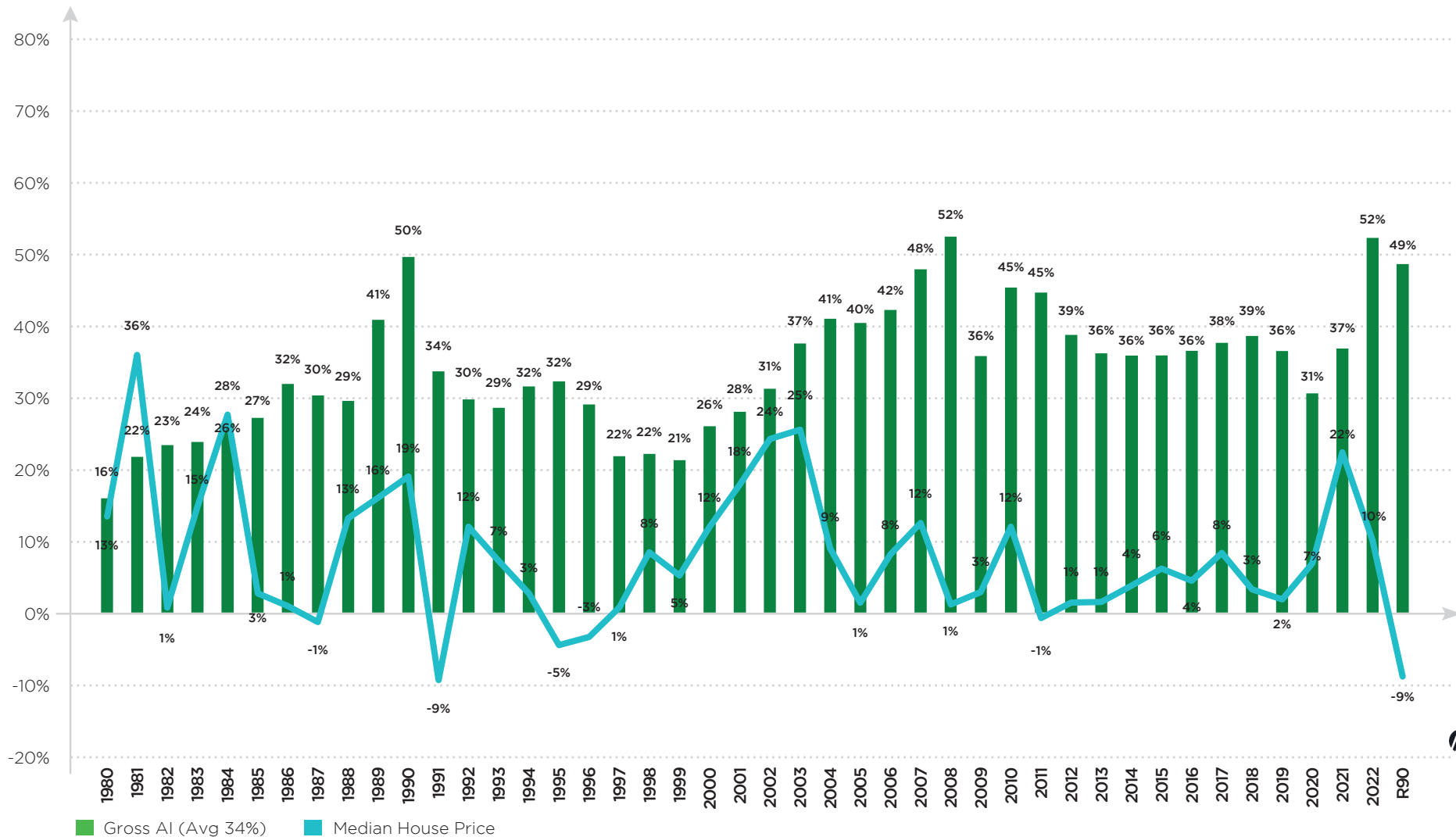
For more information on the Canberra market, including individual property and suburb information, call to speak to one of our professional property advisors on (03) 8539 0300.

AFFORDABILITY INDEX V. PRICE MOVEMENT - HOUSE

RESEARCH REPORT
CANBERRA CAPITAL CITY

EDITION 22

This graph displays the impact interest rates have on house price movements. PPA's Gross Affordability Index (AI) is a measure of the average mortgage repayments versus the average income. The AI is calculated using the median price, average wage (before tax), assumes a 20% deposit, the current variable interest rate and Principle & Interest repayments over a 30 year loan term.

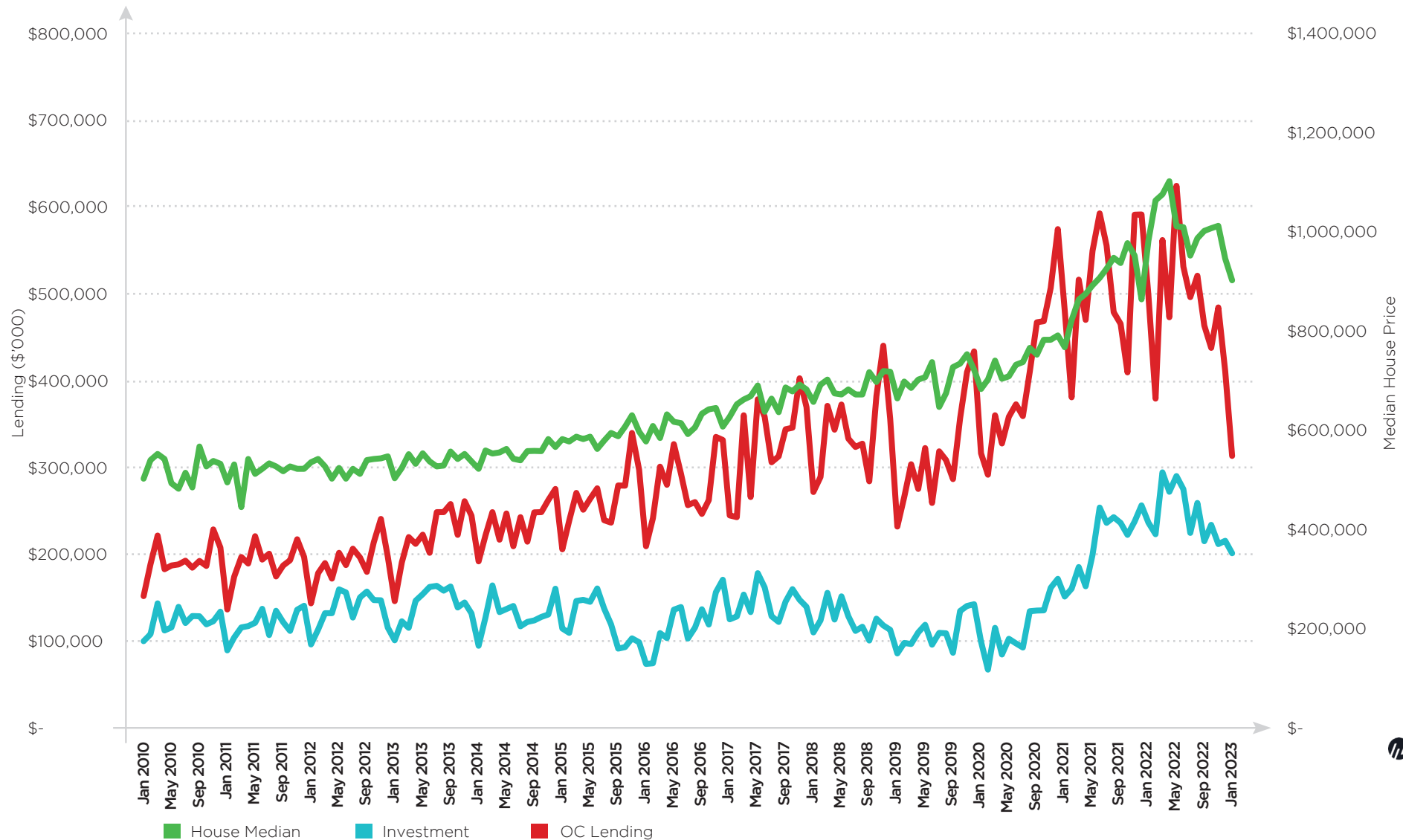


HH LENDING TO OC V. MEDIAN HOUSE PRICE

RESEARCH REPORT
CANBERRA CAPITAL CITY

EDITION 22

This graph displays the value of housing finance for the state each month for owner occupiers and investors versus the median house price.

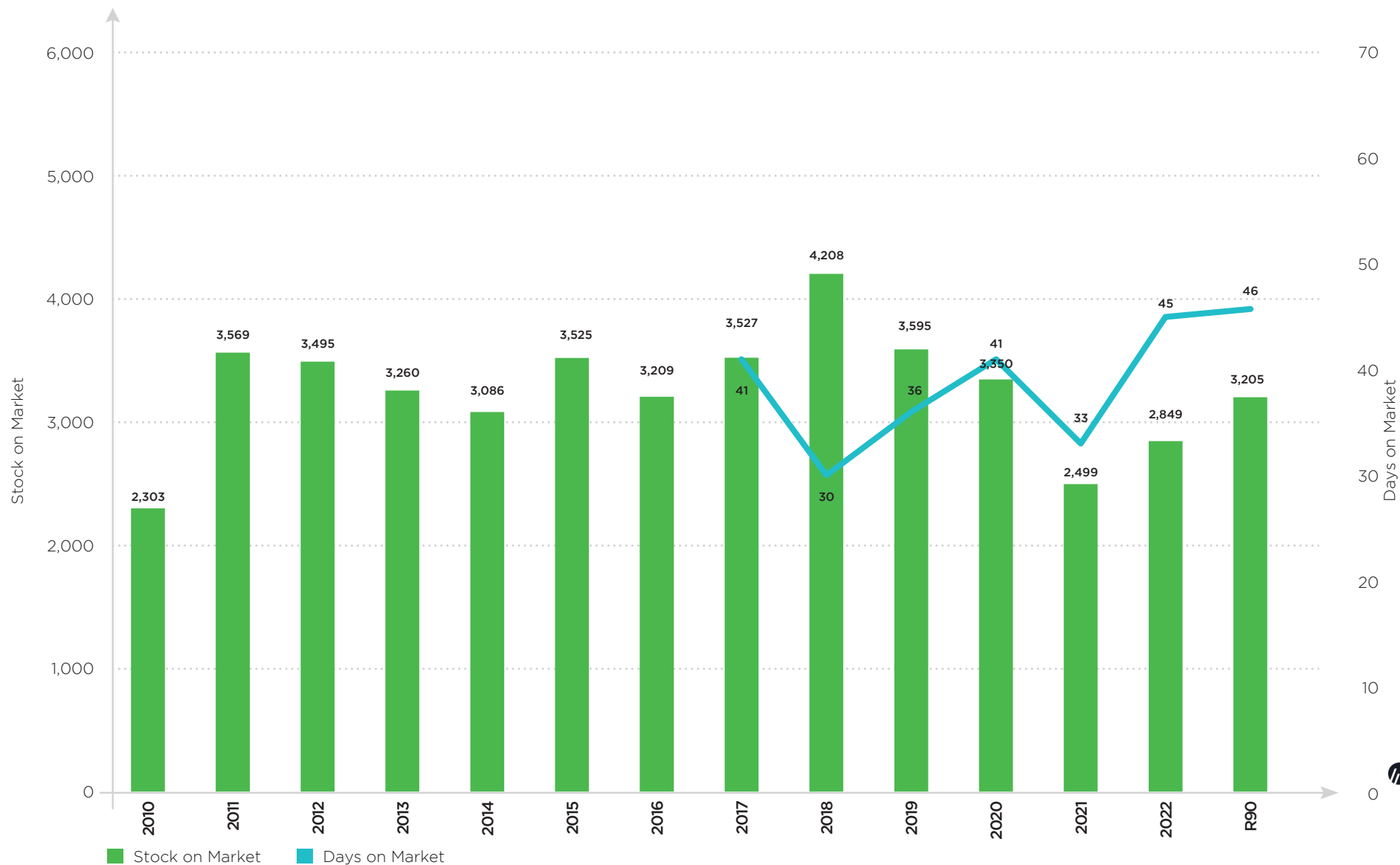


STOCK ON MARKET V. AVG DAYS ON MARKET

RESEARCH REPORT
CANBERRA CAPITAL CITY

EDITION 22

This graph displays the stock on market and average days on market.

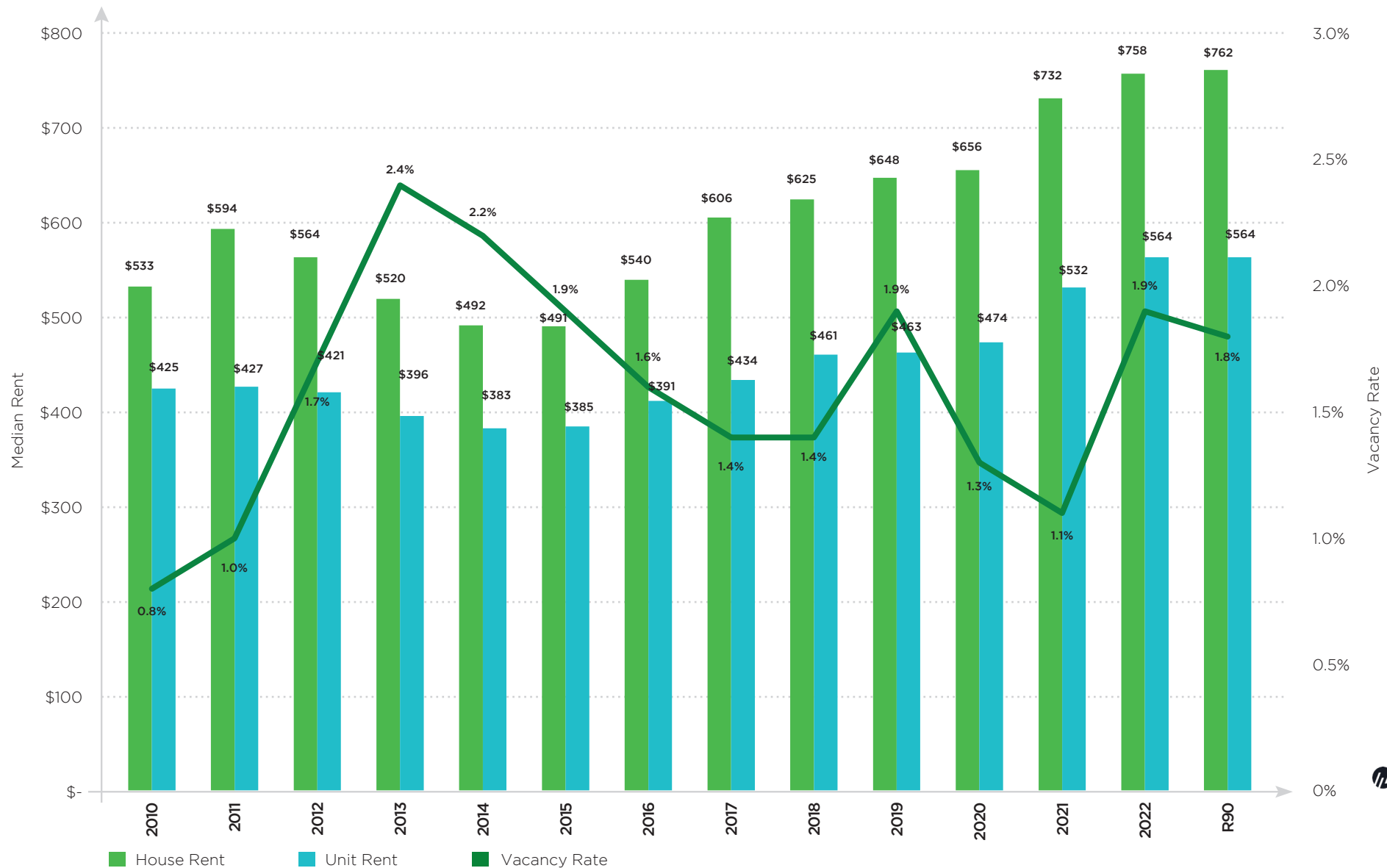


VACANCY RATE V. RENT

RESEARCH REPORT
 CANBERRA CAPITAL CITY

EDITION 22

This graph displays the relationship between rental growth for both houses and units and the vacancy rate.

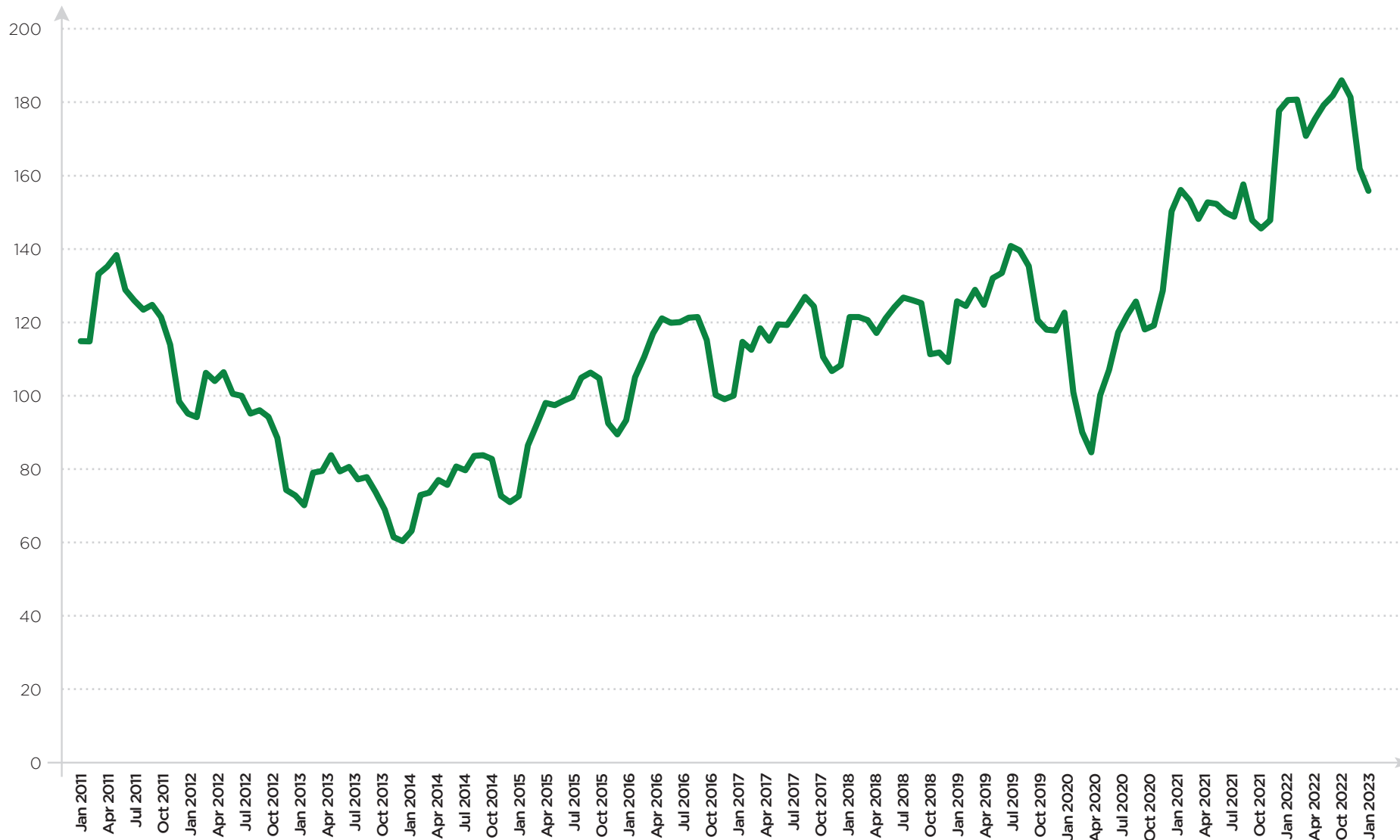


JOB CREATION INDEX - CANBERRA

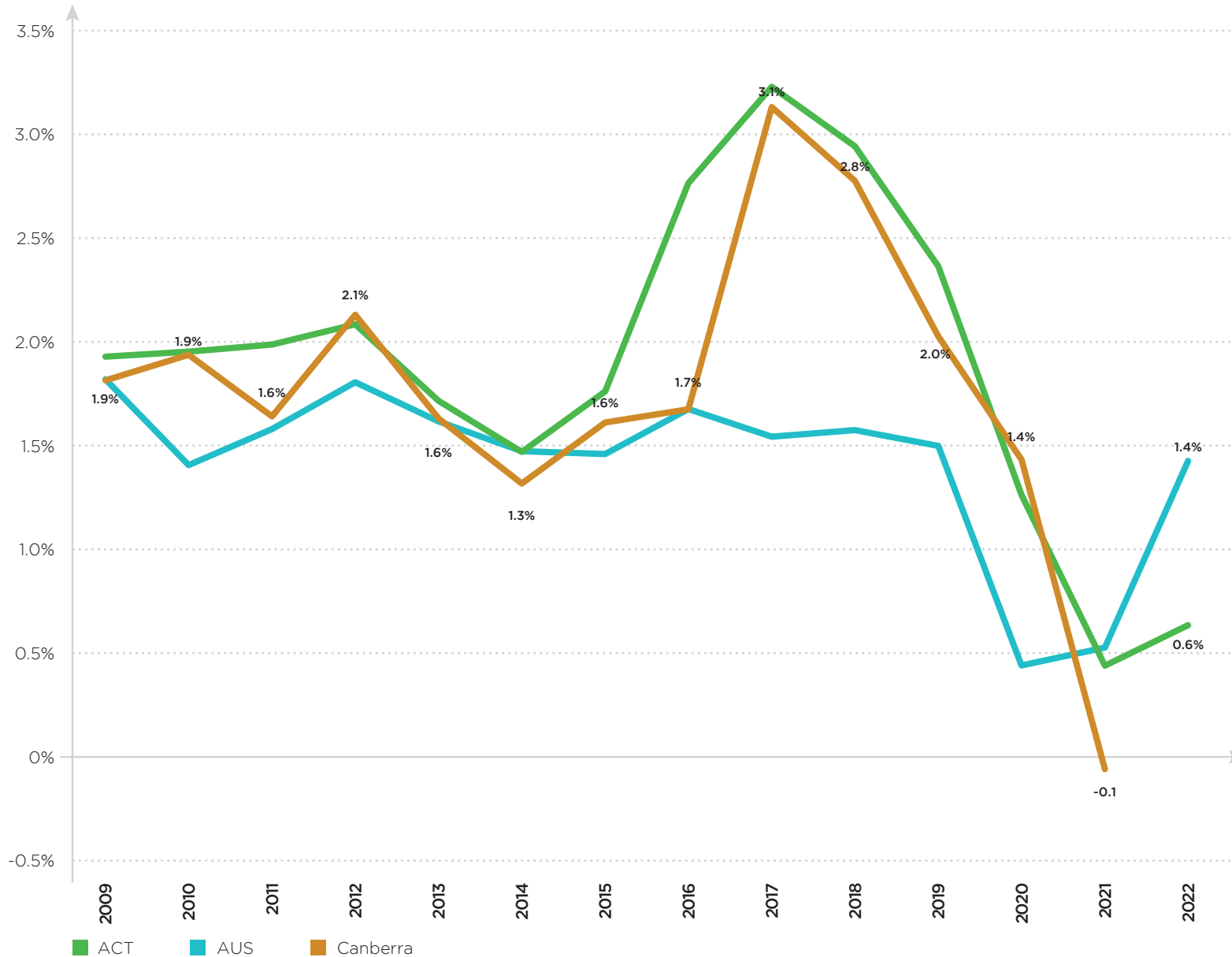
RESEARCH REPORT
CANBERRA CAPITAL CITY

EDITION 22

This graph shows the internet vacancy index for online job advertisements on the three major job boards.



POPULATION



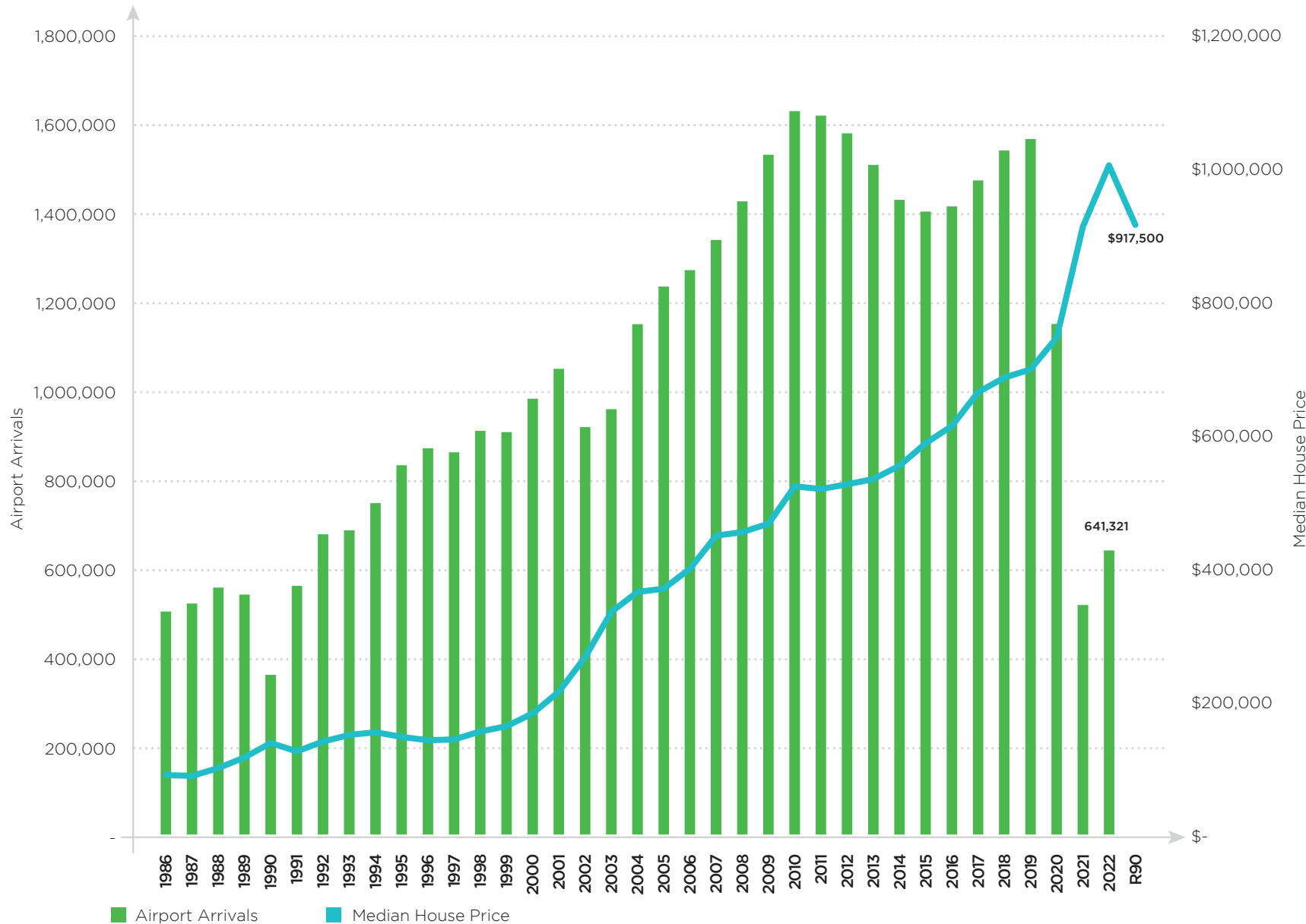
NEGATIVE

ACT POPULATION MOVEMENT TYPE



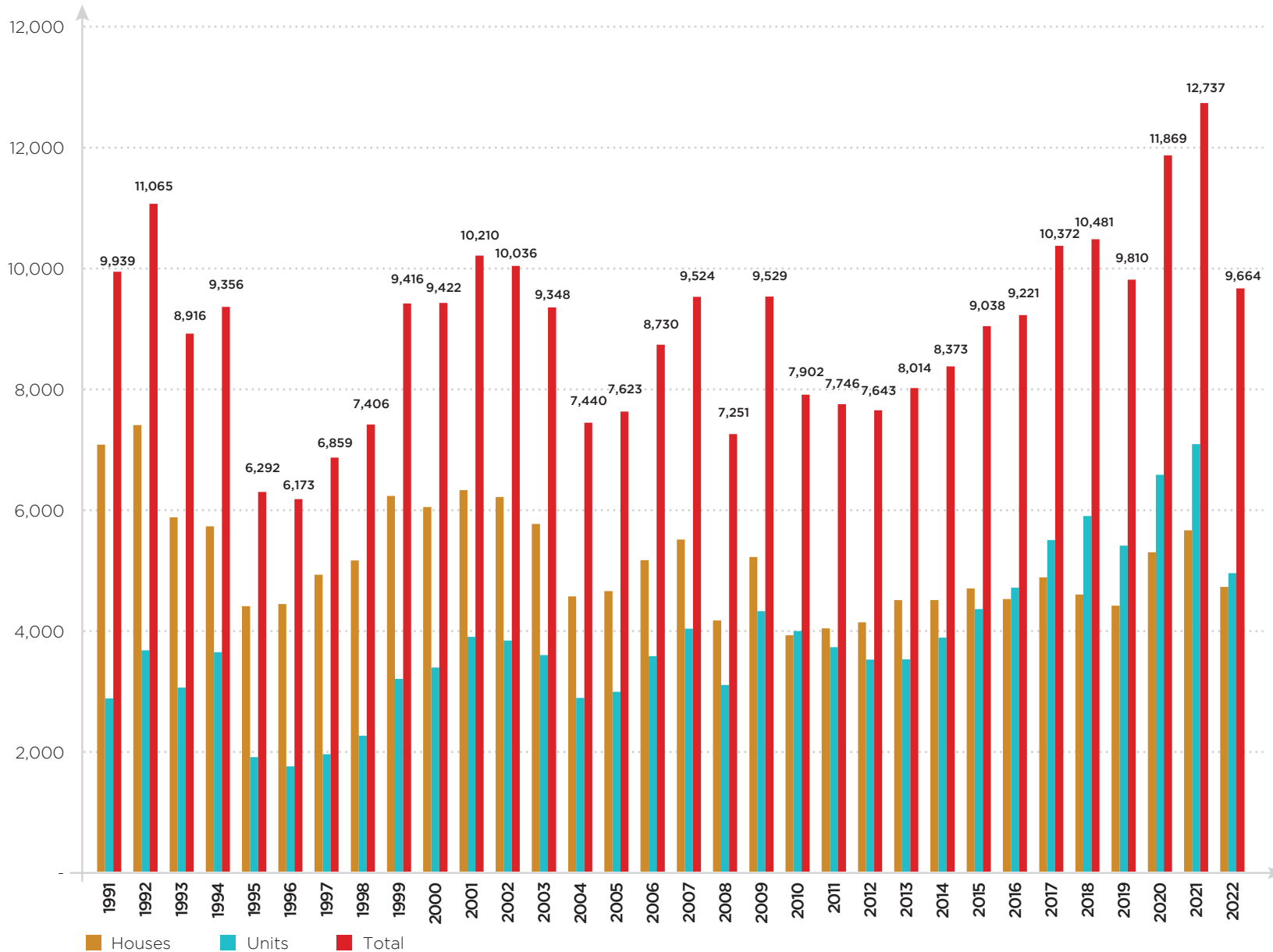
NEGATIVE

AIRPORT ARRIVALS



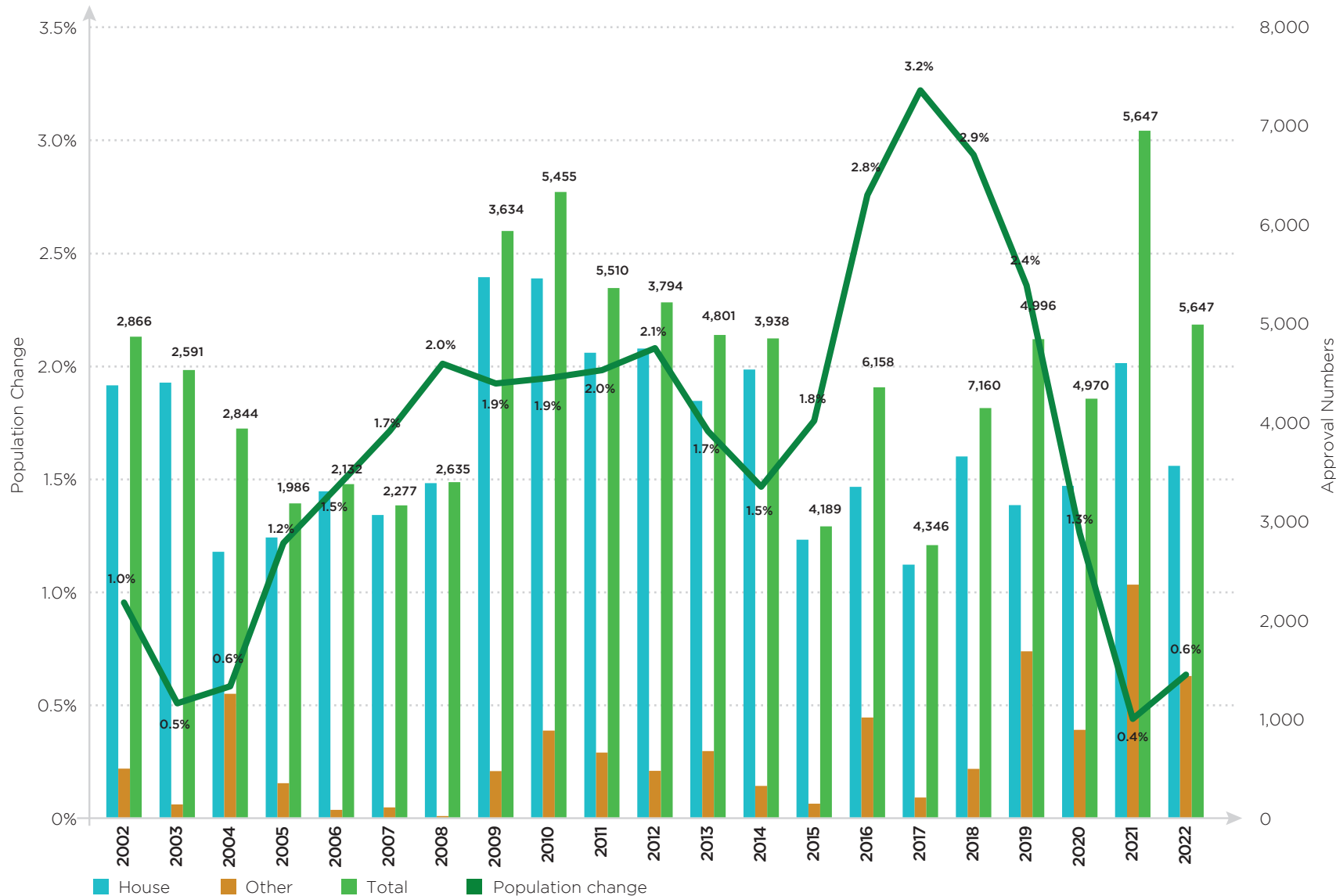
NEGATIVE

DWELLING SALES



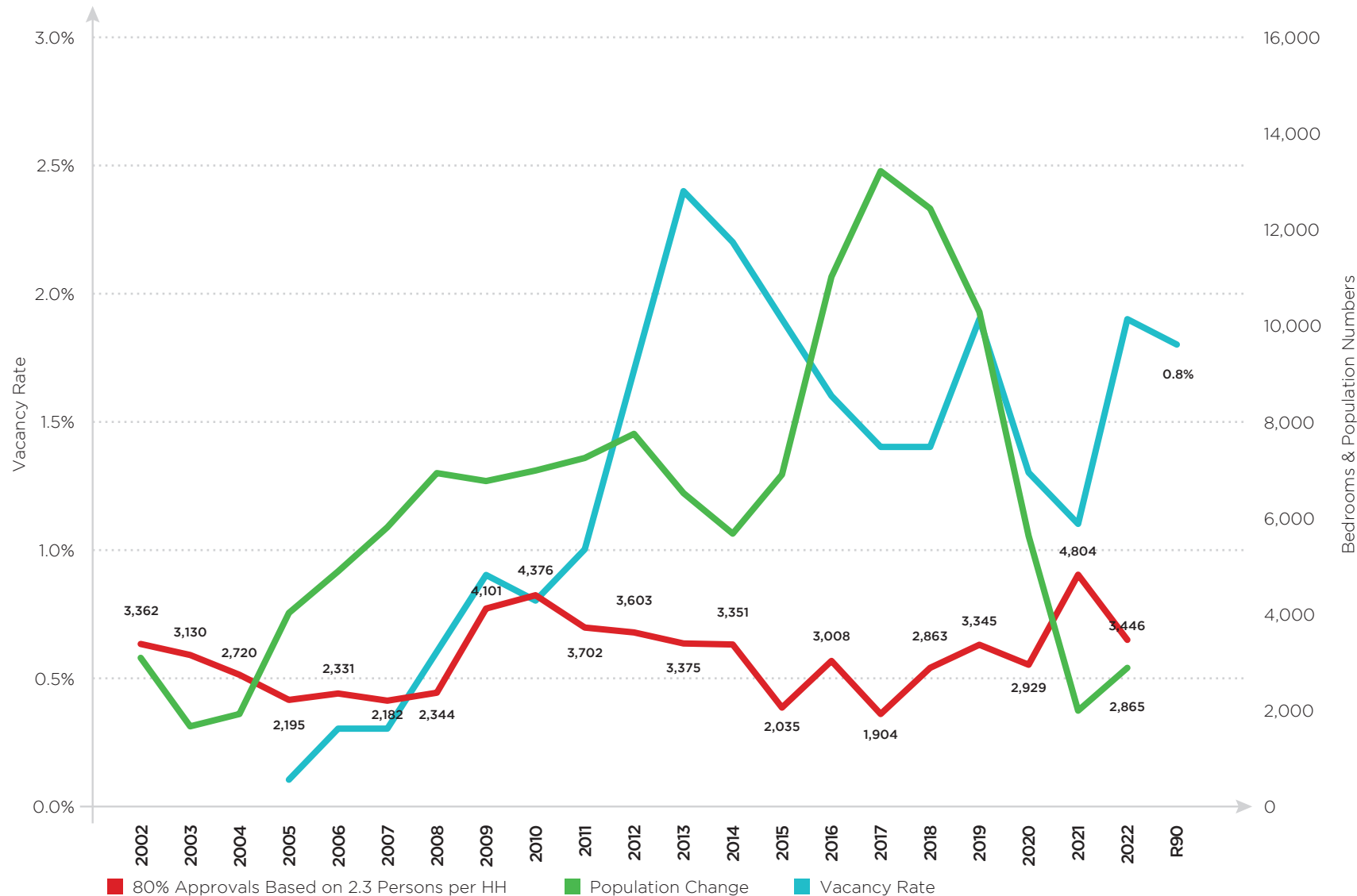
NEGATIVE

DWELLING APPROVALS V. POPULATION % CHANGE



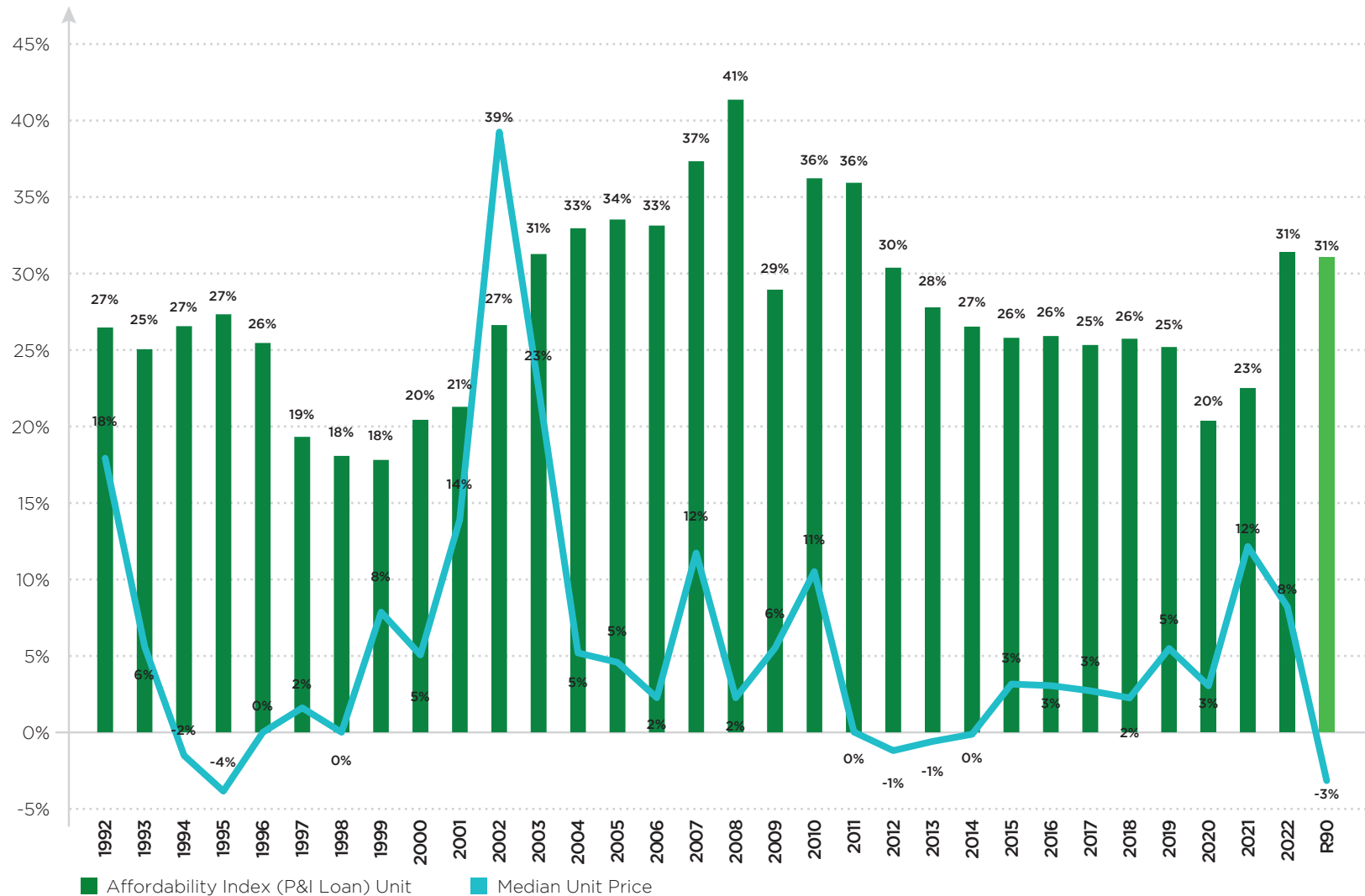
SLIGHTLY
NEGATIVE

BEDROOM APPROVALS V. POPULATION CHANGE



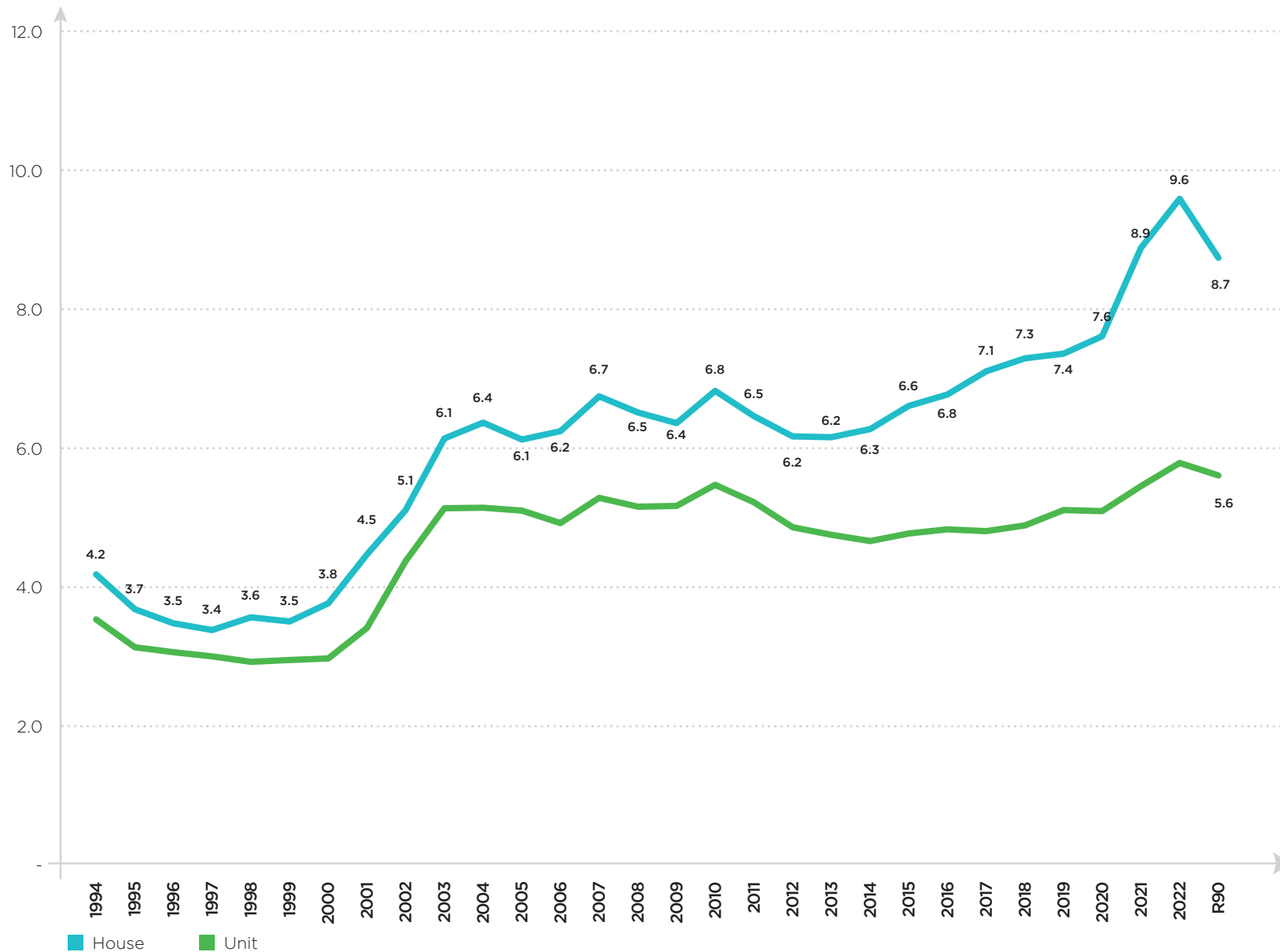
NEGATIVE

AFFORDABILITY INDEX (P&I LOAN) UNIT V. MEDIAN PRICE CHANGE



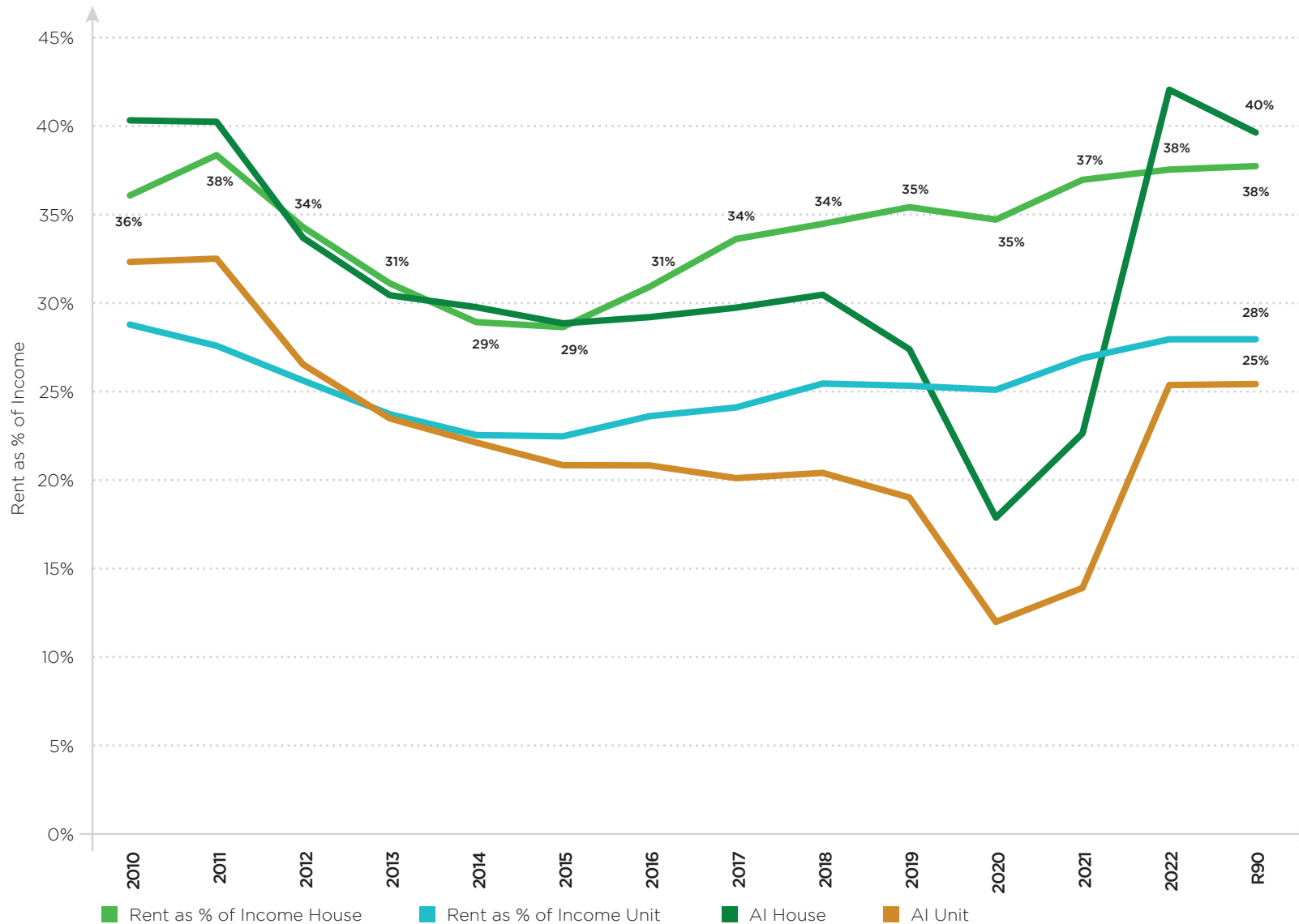
NEUTRAL

PRICE TO INCOME RATIO



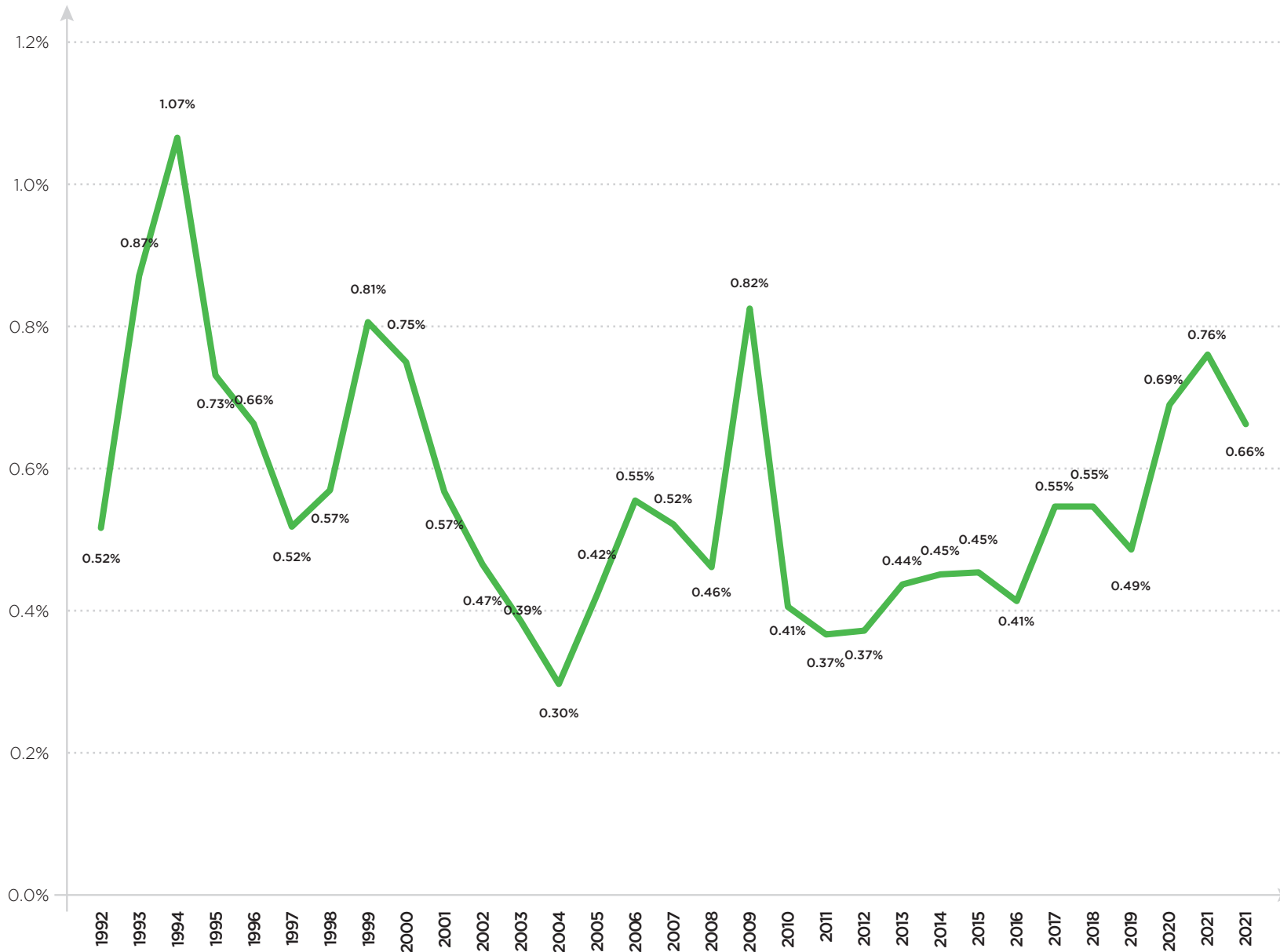
NEGATIVE

RENT AS % OF INCOME V. AFFORDABILITY INDEX



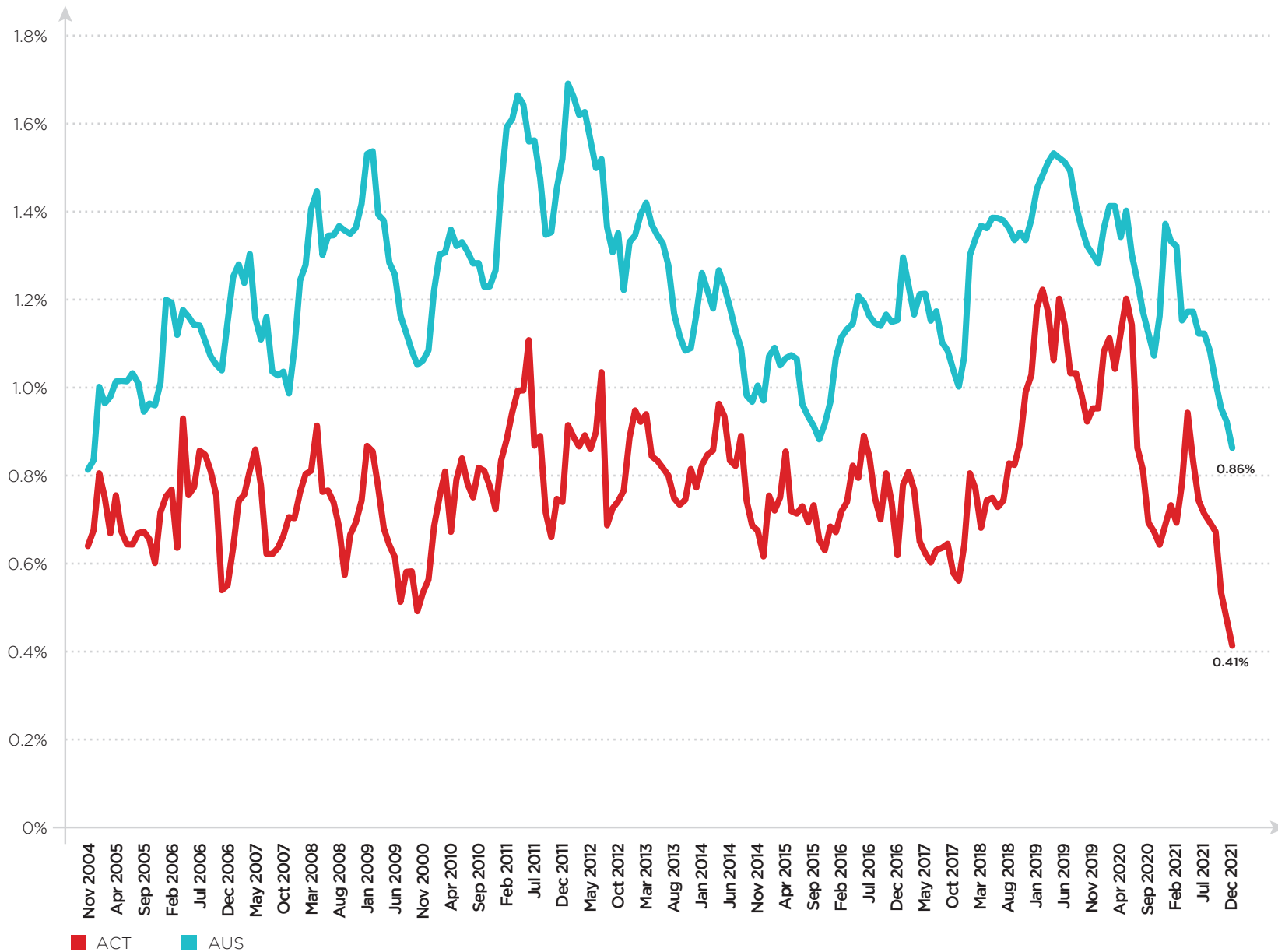
SLIGHTLY
NEGATIVE

FHBS AS % OF POPULATION



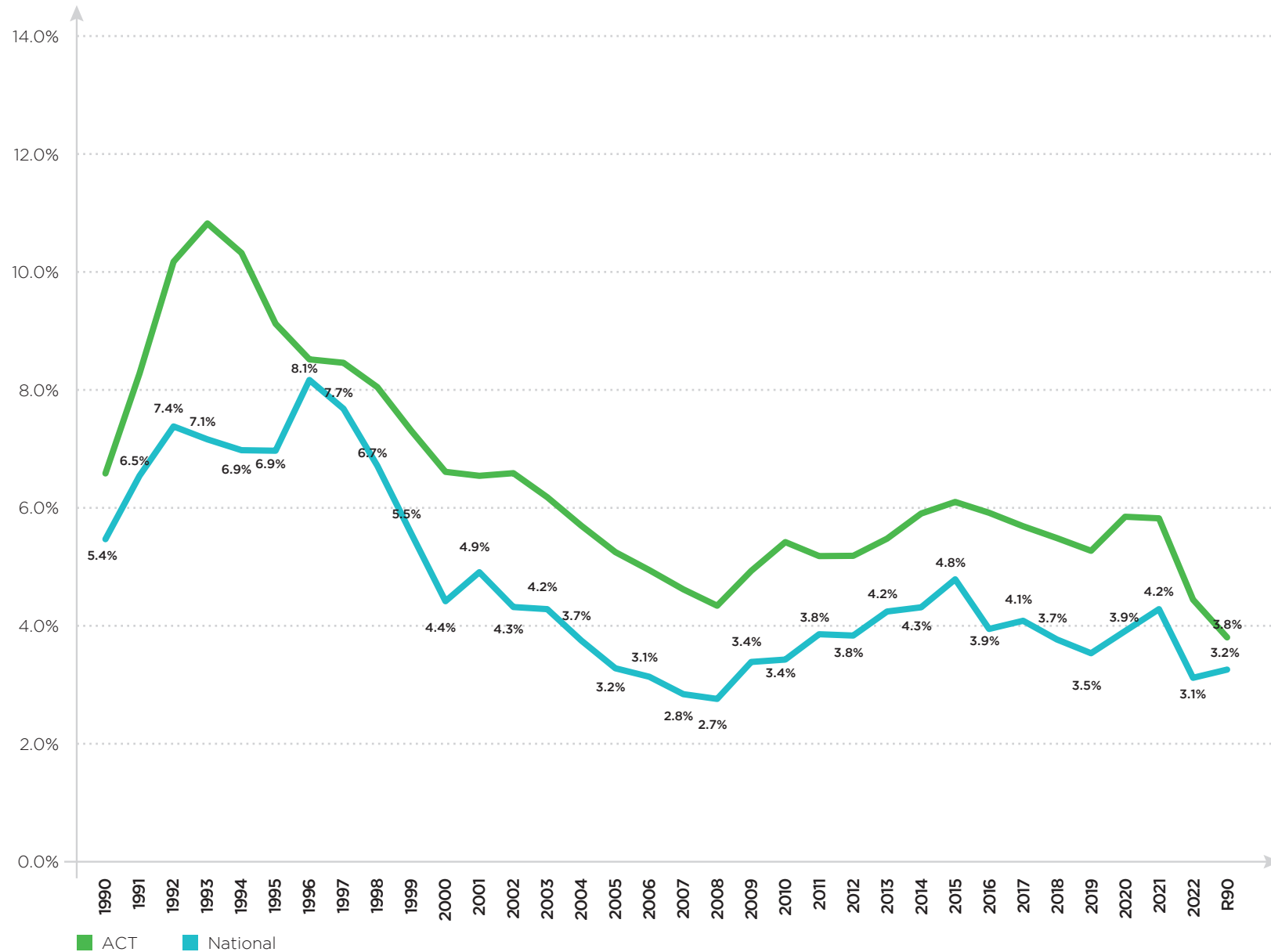
**SLIGHTLY
POSITIVE**

MORTGAGE ARREARS



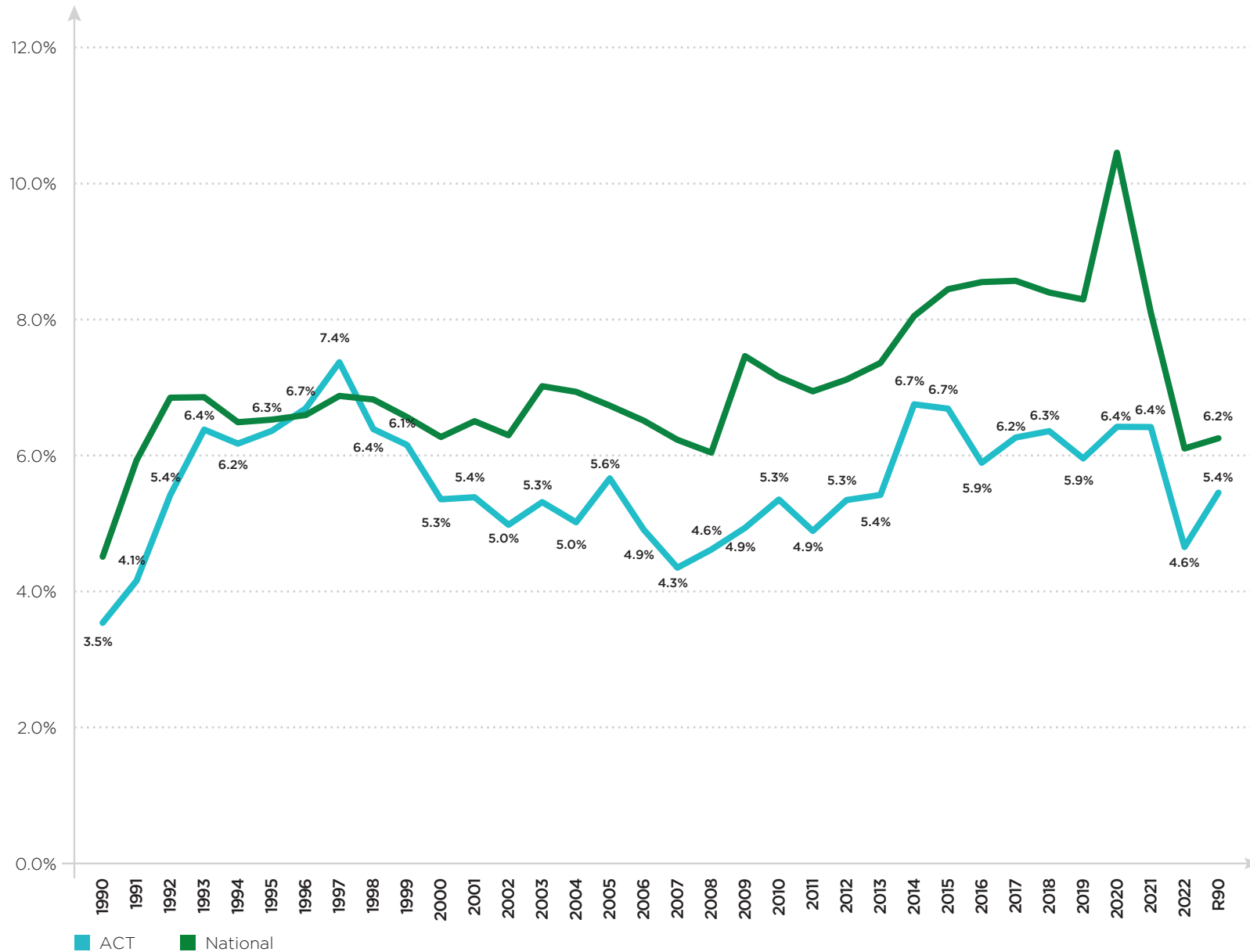
POSITIVE

UNEMPLOYMENT RATE



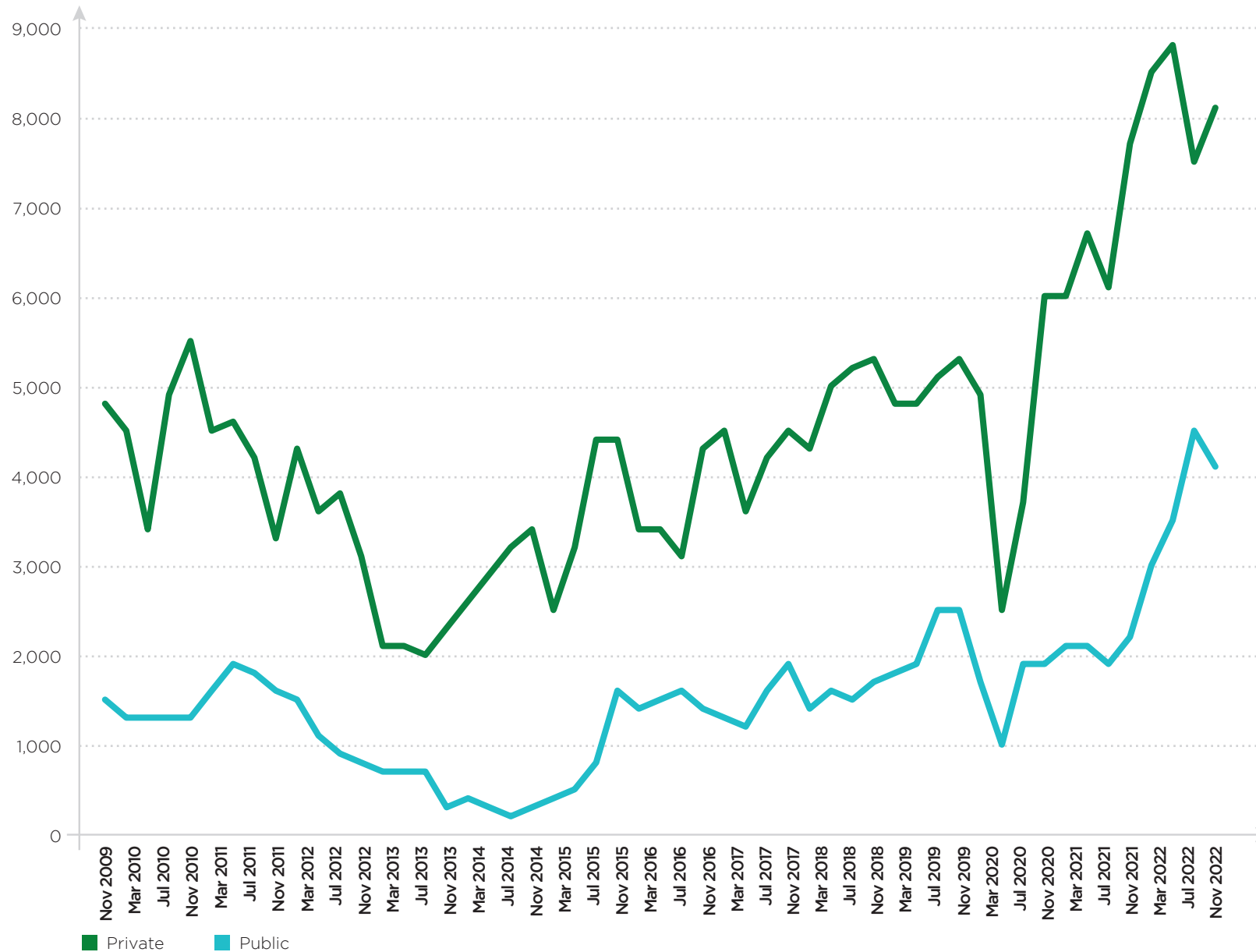
**SLIGHTLY
POSITIVE**

UNDEREMPLOYMENT RATE



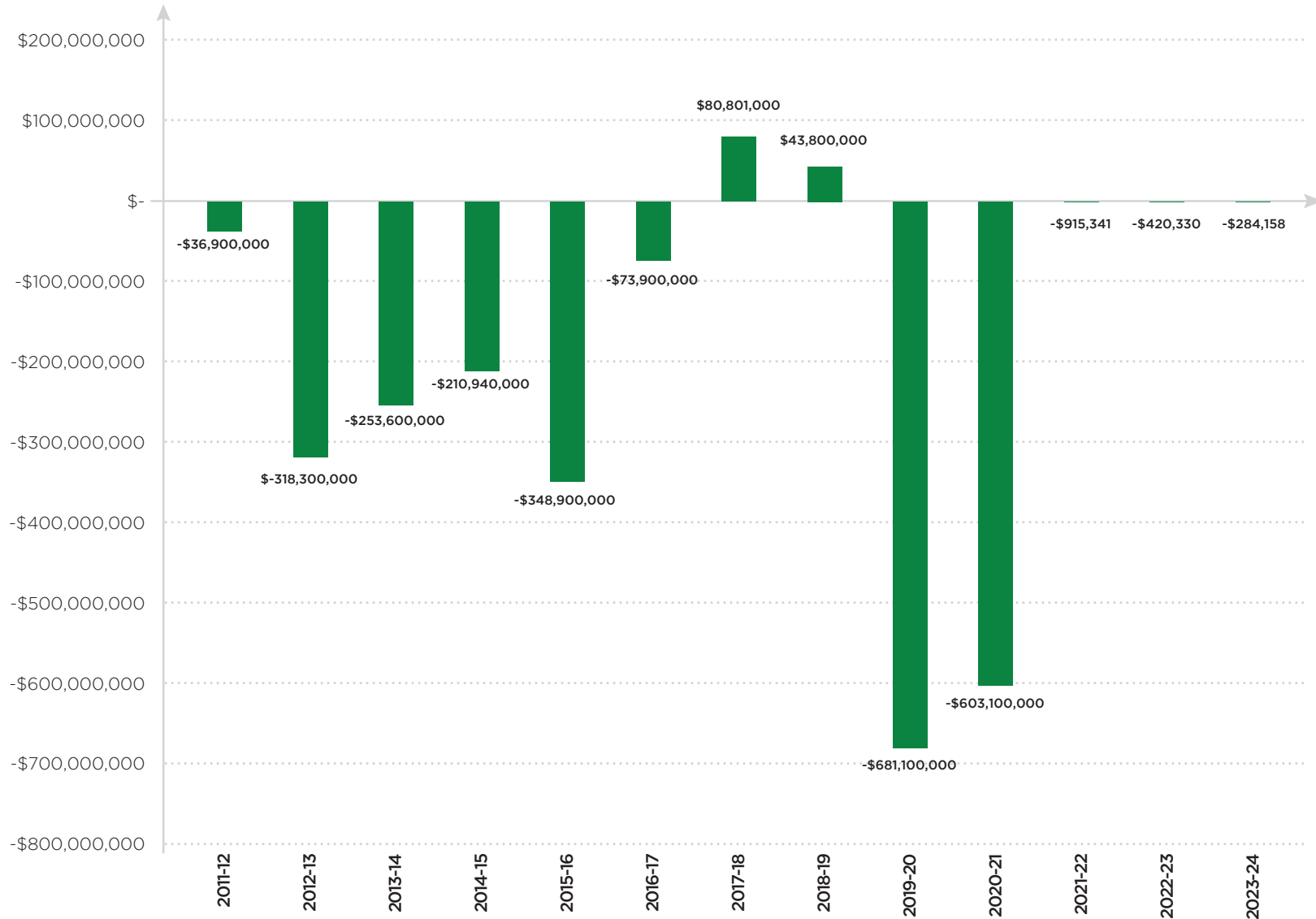
**SLIGHTLY
POSITIVE**

ACT JOB VACANCIES



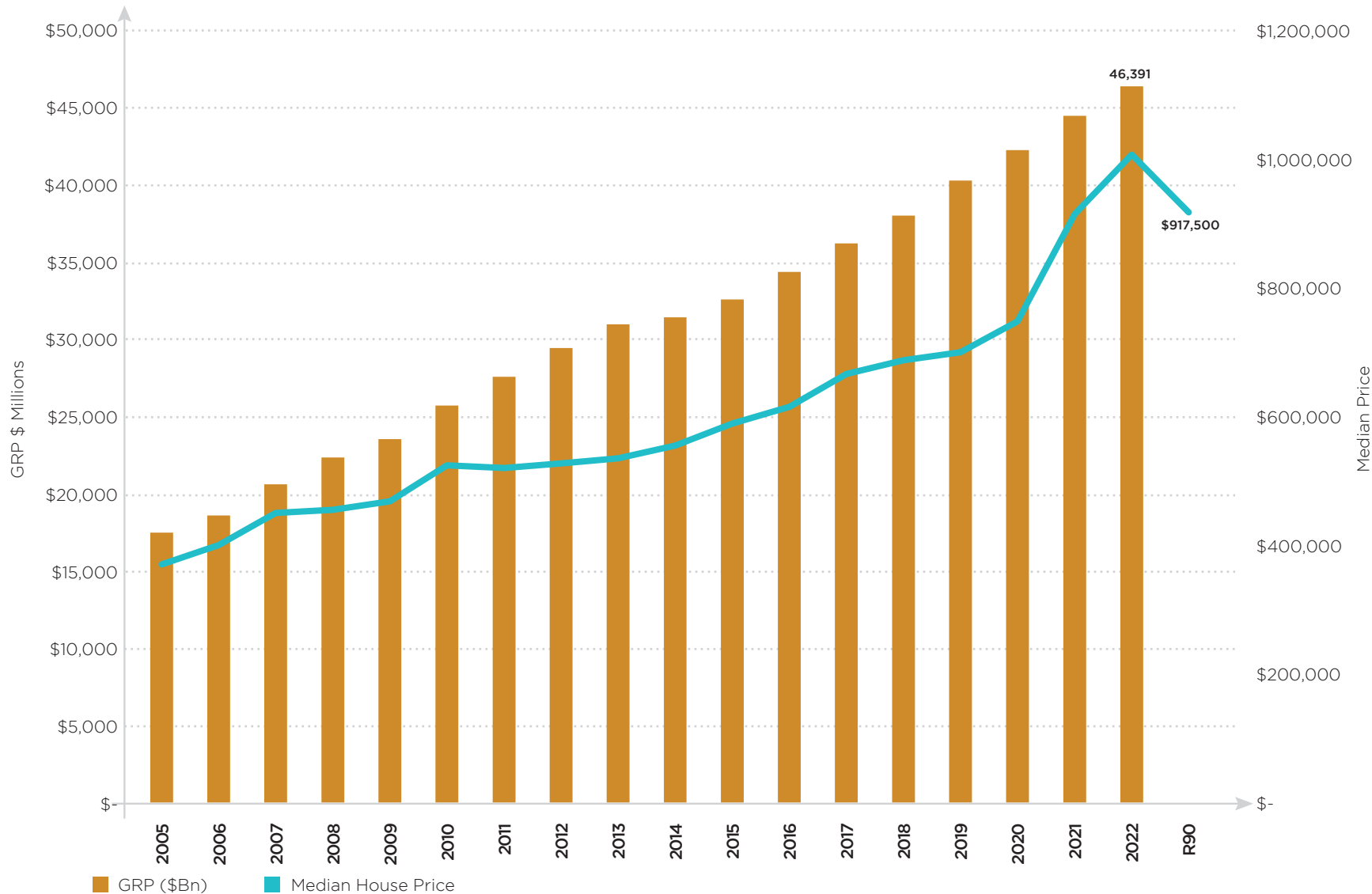
POSITIVE

ACT STATE BUDGET POSITION



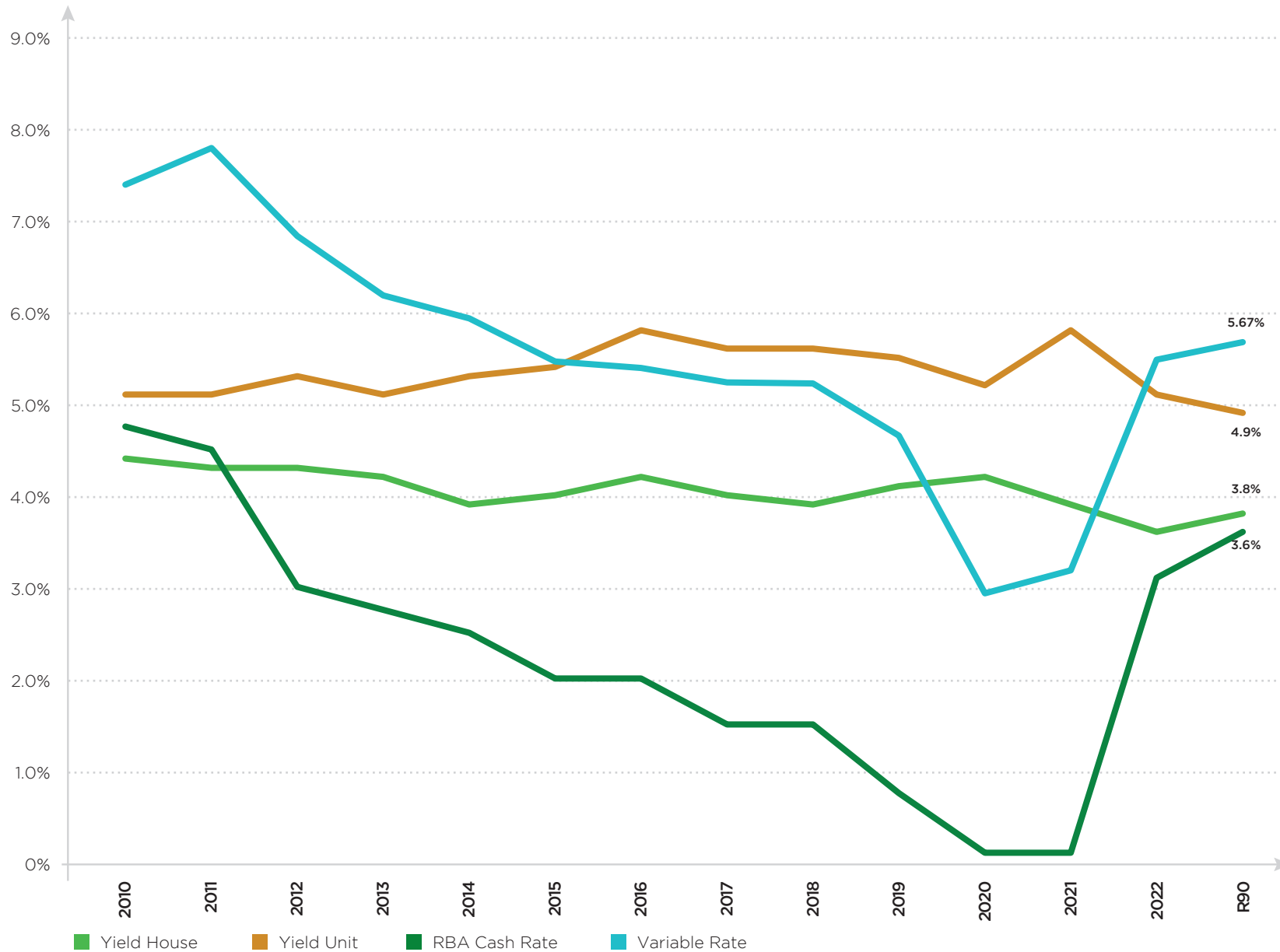
NEGATIVE

GROSS REGIONAL PRODUCT V. MEDIAN HOUSE PRICE



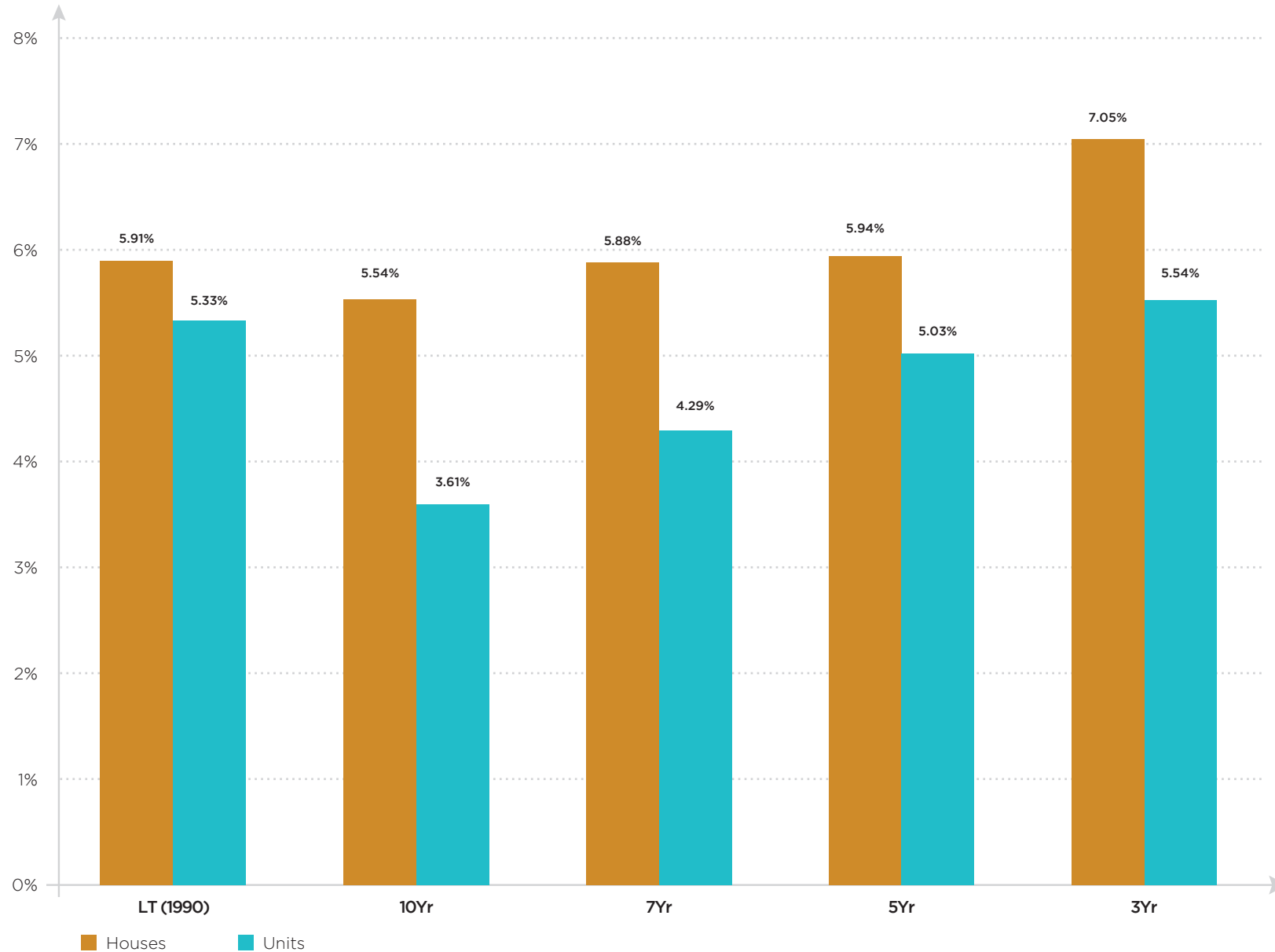
NEGATIVE

YIELD V. INTEREST RATES



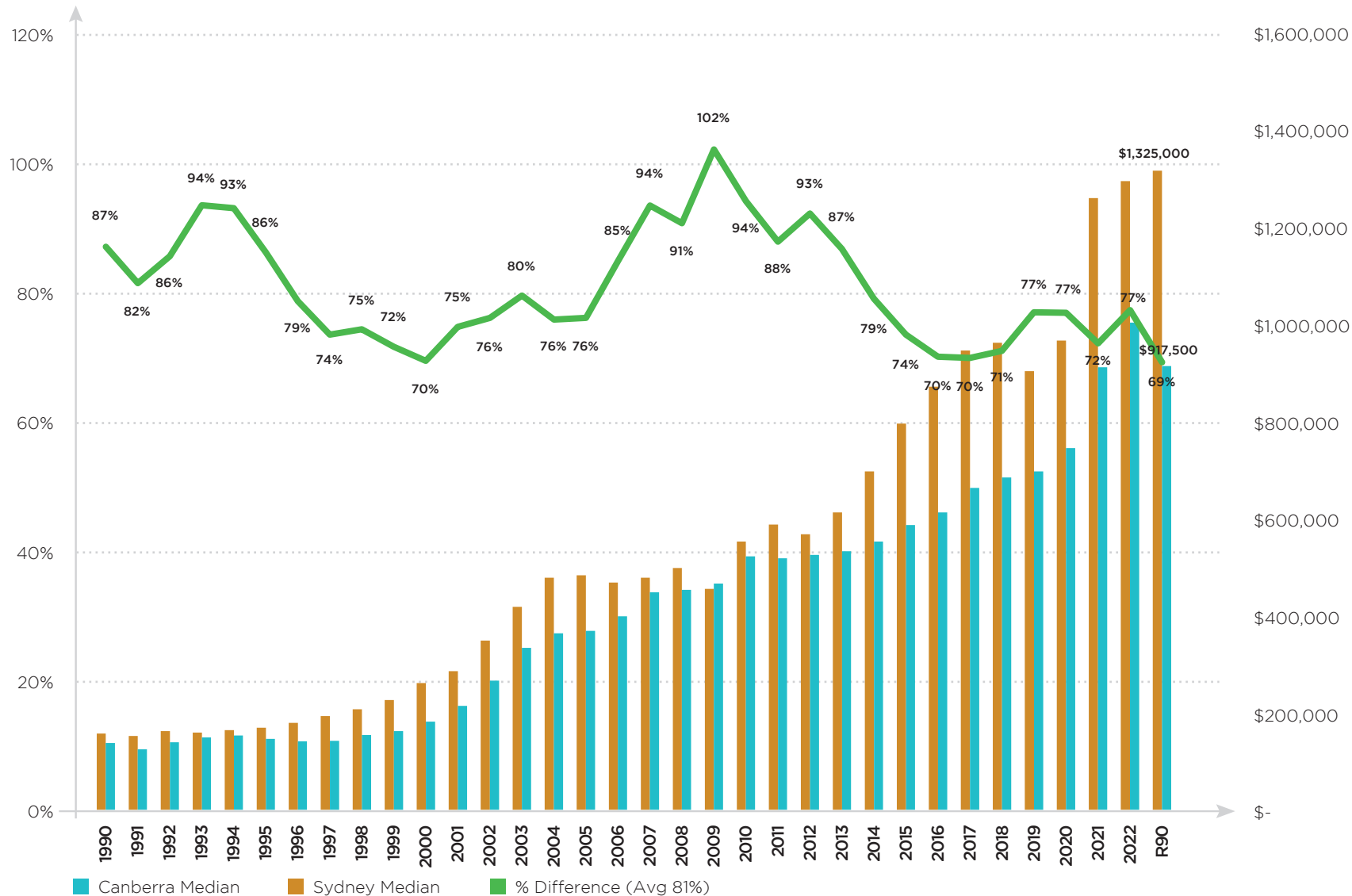
NEGATIVE

LONG TERM PERFORMANCE



**SLIGHTLY
NEGATIVE**

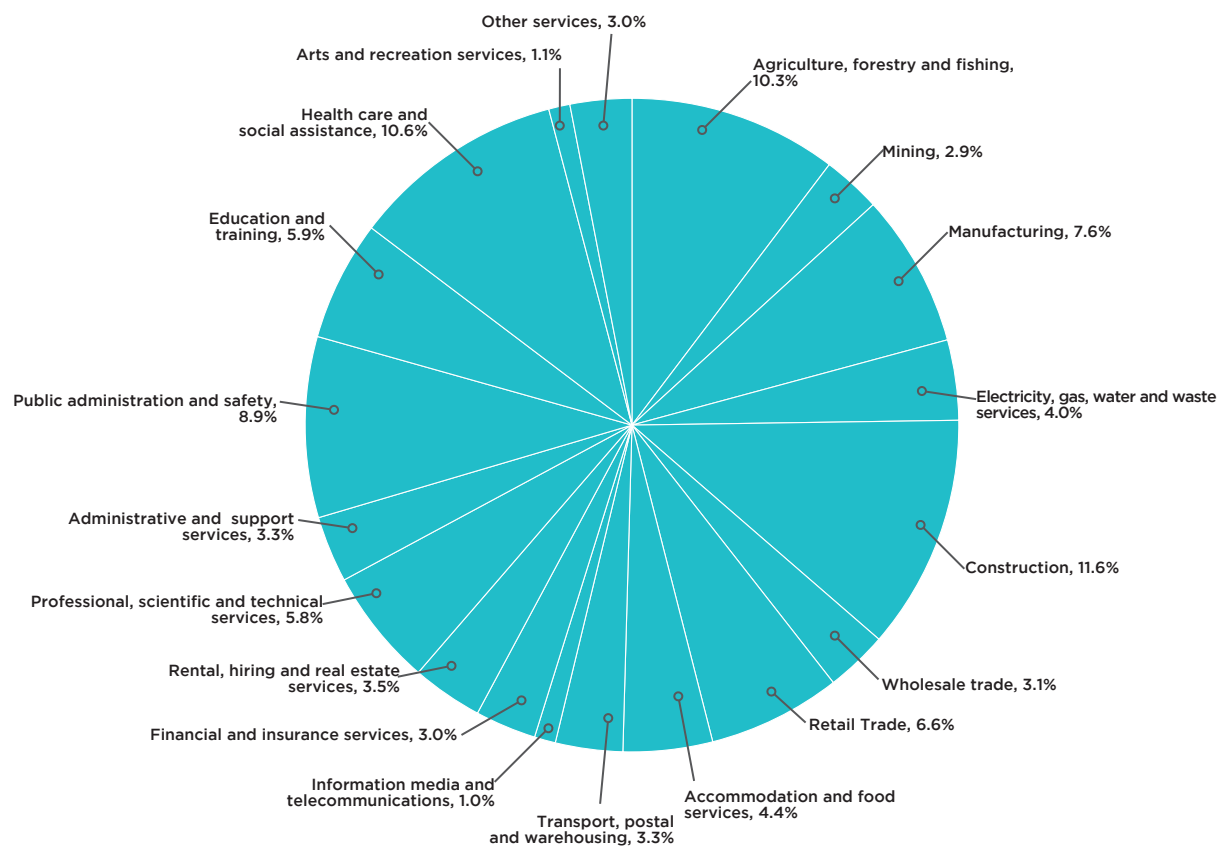
CANBERRA V. SYDNEY PRICE MOVEMENT



**SLIGHTLY
POSITIVE**

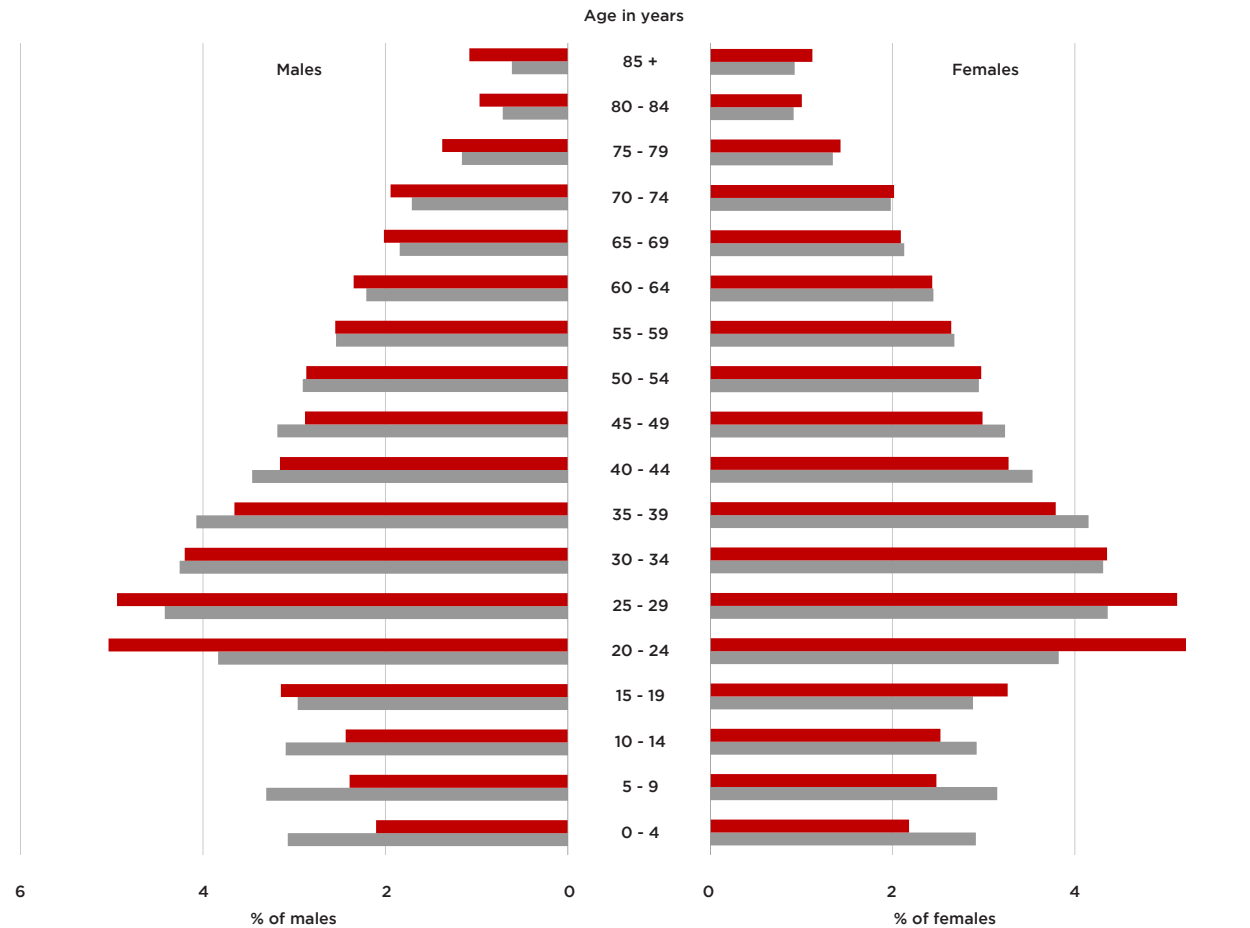
INDUSTRY VALUE ADDED

INDUSTRY BREAKDOWN



POSITIVE

POPULATION PYRAMID



Source: Australian Bureau of Statistics, Census of Population and Housing, 2021 (Usual residence data).

■ Canberra Region ■ ACT

POSITIVE

INVESTMENT PHILOSOPHY

PERFORMANCE
PROPERTY ADVISORY
IS A DYNAMIC PROPERTY
FIRM PROVIDING
PROPERTY ACQUISITION
SERVICES ACROSS
AUSTRALIA. OUR
FIRM IS COMPLETELY
RESEARCH DRIVEN AND
WE APPLY A SOUND
COUNTERCYCLICAL
INVESTMENT APPROACH.

www.performanceproperty.com.au

Each property must pass our stringent investment criteria and is subject to a thorough due diligence and price analysis process. This low risk approach excludes 99% of all properties currently on the market or for sale off market. We provide quality ethical and personalised advice, exceptional customer service, and pride ourselves on delivering successful outcomes.

Our objective is not to buy you a property. Purchasing a property is the last step in our considered and thorough process.

Our mission is to understand and satisfy your needs – financial or emotional, in a low risk and efficient manner. Our objective is to build your wealth through sophisticated property investment. We believe in everything we do because we treat your investment portfolio like it was our own.

OUR PROCESS

RESEARCH

Macro Micro Property

ACQUIRE

Find Assess Negotiate

MANAGE

Property Management

REVIEW

Annual Portfolio Review

ADVISE

Hold Improve Dispose

PERFORMANCE PROPERTY ADVISORY SERVICES

- Property Acquisition
- Property Management
- Portfolio Review
- Sales Advisory / Vendor Advocacy

DATA SOURCES:

- Australian Bureau of Statistics
- BIS Shrapnel
- Residex
- SQM Research
- CoreLogic RP Data
- Foreign Investment Review Board
- Australian Trade & Investment Commission

IMPORTANT INFORMATION



This Report contains information that has been supplied by third parties. While such information is published with the necessary permission, to the extent permitted by law we do not accept any responsibility or provide any warranty in relation to the accuracy, reliability, completeness or suitability of the information contained in this Report. You acknowledge that the information, figures and projections have been provided by various sources and have not been verified by us and as such and may not be relied on in any way. We have no belief one way or the other in relation to the accuracy of such information, figures and projections. You should therefore conduct your own enquiries about these matters.

This information is therefore provided as general information only, current as at the time of publication and does not constitute financial advice, whether in relation to valuation or otherwise, and may not be relied on in any way.

To the full extent allowed by law we exclude, and you release us from, liability in contract, tort or otherwise, for any loss, costs or damage sustained by you, or by any other person, howsoever caused, arising from or in connection with the supply or use of the whole or any part of the information in this report.

INTELLECTUAL PROPERTY RIGHTS

- This Report is comprised of matter (including copyright works and other subject matter) in which various intellectual property rights exist, including without limitation copyright, patents, designs, trade marks, goodwill, rights in computer programs and databases and any other similar rights of a proprietary nature ("Intellectual Property").
- All Intellectual Property in this Report or any Content (including if it is licensed to us) is the exclusive property of PPA IT Pty Ltd or our licensors (as the case may be).
- Subject to our right to terminate permission for you to use any Intellectual Property in the Report or any Content, you may use the Intellectual Property only to the extent necessary to enable you to browse this Report (in the form it is available to the public) for your own personal use and to provide registrations of interest and Feedback. We reserve all other rights with respect to the Intellectual Property. For the avoidance of doubt, you may not use this Report or any Content for any commercial purpose and you may not reproduce, publish, communicate, transmit or incorporate into any other document or thing the whole or any part of this Report or the Content without the prior written permission of the Intellectual Property owner.
- We reserve the right to revoke at any time, with or without cause, your permission to use any copyright, trade mark or any other Intellectual Property in this Report or any Content.
- Access to this Report does not, unless and only to the extent expressly stated otherwise, confer on you any license or other rights in respect of the Intellectual Property in this Report or any Content.

HEAD OFFICE

Level 10, 30 Collins St
Melbourne VIC 3000
Phone: (03) 8539 0300

Email: info@performanceproperty.com.au

Capital Cities and Regions Median House Price

