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property finance

Quarterly market update

APRIL - JUNE 2023

Up to date views on the state of the Australian commercial and residential property markets

Quarterly market update

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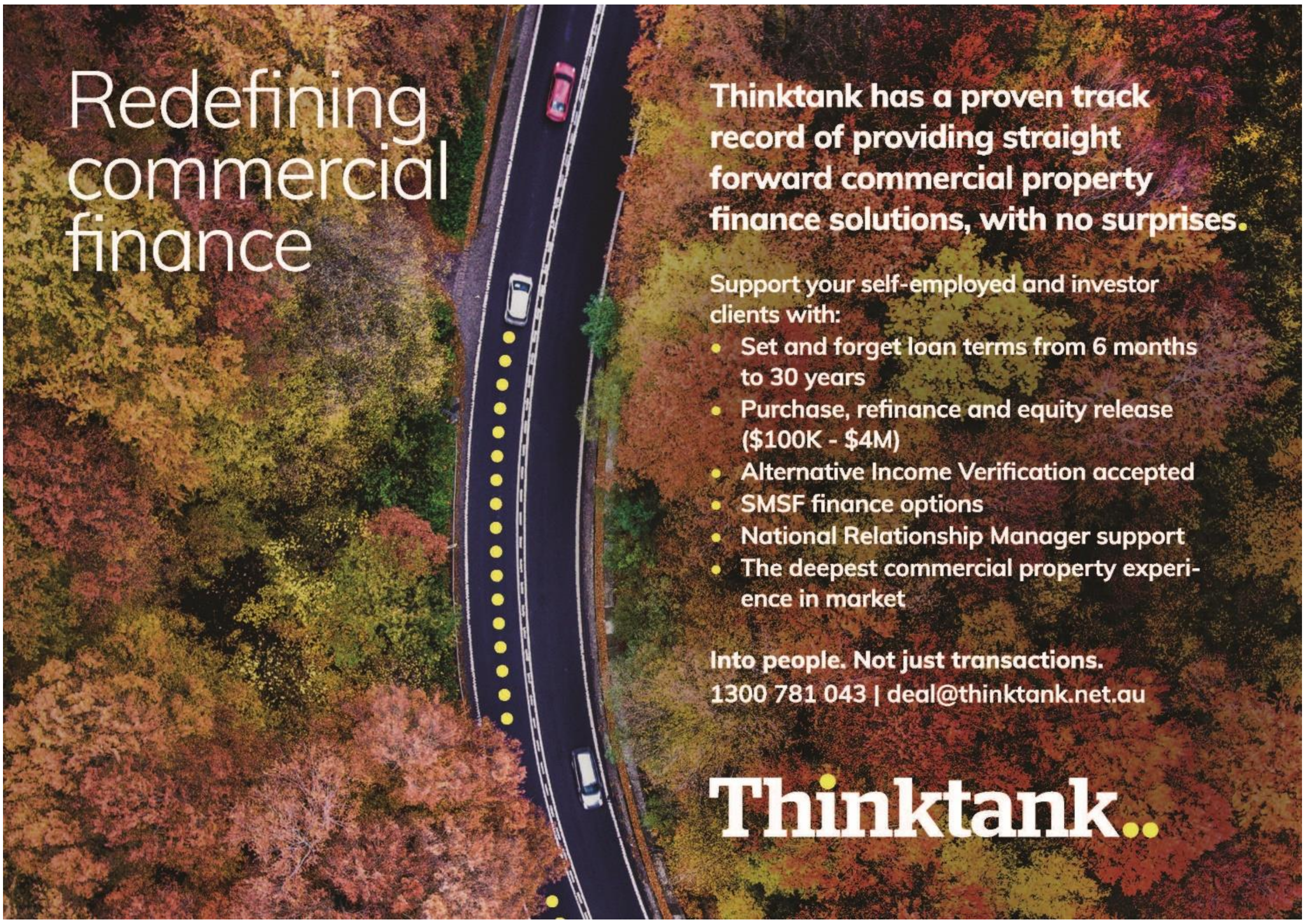

The Global and Australian Economies

The first quarter of 2023 saw further stabilisation of the recovery for Australia from the global coronavirus pandemic which was declared by the World Health Organisation at the end of the first quarter of 2020 on 11 March now just over three years ago. Domestically interest rates had been raised dramatically from all-time record lows until a pause took place in April 2023 but as discussed in more detail later in this update there is still an expectation that rates may see further increases. How the economy deals with the rising cost of debt (both business and personal) will be key to Australia's economic performance over the next two years. The first quarter's Statement on Monetary Policy (SoMP) issued by the Reserve Bank of Australia in February as usual had some very pertinent comments on that issue as well as recent world developments: "The Australian economy expanded strongly over 2022. After the initial impetus from reopening in early 2022 had passed, activity continued to grow at a solid pace over the second half of the year. The strong expansion supported large gains in employment, and measures of spare capacity in the labour market have been broadly steady at around multi-decade lows. Labour demand is strong, though it has moderated a little in recent months. Some of the demand for labour has been met by a sharp recovery in net arrivals from overseas, which is helping to alleviate shortages in some areas. Even so, the labour market remains tight and many firms continue to find it challenging to hire workers. The strong labour market continues to support growth in household incomes, as more people have jobs and others are receiving higher wages. At the same time, rising interest rates and living costs are reducing real spending power. Along with further declines in housing prices, this is weighing heavily on consumer sentiment and demand to purchase new housing. Timely indicators suggest consumption growth has slowed in recent months.." The RBA's Financial Stability Review also recently published in early April also had a number of interesting comment and coincided with the similar report issued by the International Monetary Fund which we note below as well as the World Economic Update. "Global financial stability risks have increased despite loan arrears remaining very low. Some regional banks in the United States failed in March because of weaknesses in their business models and risk-management practices. Australia is not immune from the deteriorating outlook for global financial stability; volatility in domestic financial markets picked up in March alongside developments abroad. However, the Australian financial system entered this more challenging period in a strong position and is well placed to continue supporting the domestic economy."

In its latest World Economic Update released in April by the International Monetary Fund (IMF) and entitled "A Rocky Recovery" it has estimated that global gross domestic product (GDP) declining to 2,8% in 2023 from the 2.9% expected six months ago and 2024 also reduced to 3.0% with 2022 growth having been reduced by 0.1% at 3.4%. In its outlook, the IMF had this to say: "Tentative signs in early 2023 that the world economy could achieve a soft landing—with inflation coming down and growth steady—have receded amid stubbornly high inflation and recent financial sector turmoil. Although inflation has declined as central banks have raised interest rates and food and energy prices have come down, underlying price pressures are proving sticky, with labor markets tight in a number of economies. Side effects from the fast rise in policy rates are becoming apparent, as banking sector vulnerabilities have come into focus and fears of contagion have risen across the broader financial sector, including nonbank financial institutions. The baseline forecast, which assumes that the recent financial sector stresses are contained, is for growth to fall from 3.4% in 2022 to 2.8% in 2023, before rising slowly and settling at 3.0% five years out—the lowest medium-term forecast in decades. "

The IMF - World Economic Outlook, April '23 *"A Rocky Recovery" and "A Challenging Outlook"*

Earlier in the quarter the OECD released its own forecasts. The current divergence is shown in the various country forecasts compared to the current IMF numbers. OECD global growth of 3.2% was predicted for 2022 and 2.6% for 2023 compared to those just released by the IMF of 3.4% and 2.8%. For the United States they predicted 2.1% in 2022 and 1.5% in 2023 compared to 2.1% and 1.6% respectively by the IMF. For China the IMF is higher at 3.0% in 2022 and 5.2% in 2023 while the OECD was about the same but up from earlier forecasts at 3.0% and 5.1%. India is higher at 6.8% this year and 5.9% next year according to the IMF while the OECD now has growth at 6.9% in 2022 and down to 5.9% from 6.6% in 2023. In Australia the OECD report showed GDP was expected to grow by 3.6% in 2022 before slowing in 2023 to 1.8% down from 2.6%.

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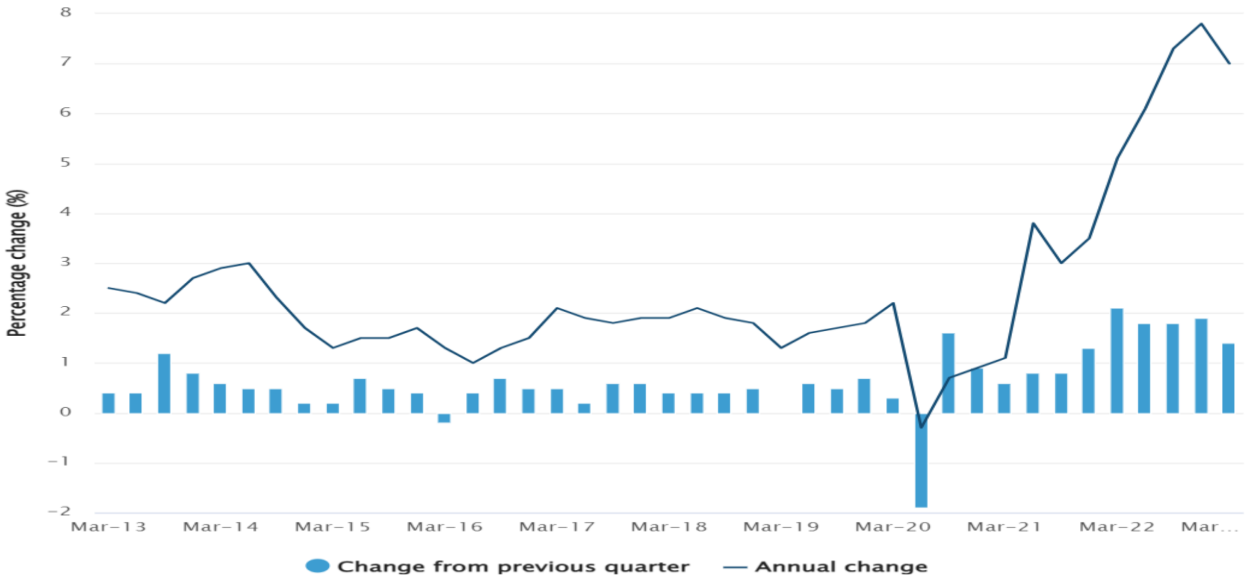
4th quarter GDP +0.5%, +2.7% yoy
1st quarter CPI +1.4%, +7.0% yoy

March unemployment 3.5% unchanged

Fourth quarter national accounts released by the ABS on 1st March 2023 recorded quarterly growth of 0.5% compared to 0.6% in the third quarter of last calendar year. Year on year growth was 2.7%. Unemployment has stayed steady down at 3.5% in March continuing a very favourable trend.

Forecasts for unemployment varied widely last year and some had been in the area of a peak of 10% but these have since been pulled back considerably with the latest figure of 3.5% following 12 months of improvement. Unemployment had been a key factor in keeping interest rates at their record low prior to last year and the change in the treatment of inflation by the RBA to actual from forecast has also been very important. The outlook for employment remains positive.

The CPI for the first quarter was up 1.4% and 7.0% in the past year down from last quarter as shown in the ABS graph below. The first quarter 2023 CPI has been released the week before the RBA May meeting and is expected to have a major impact on its decision to extend the April pause in interest rate increases. In the meantime, indicative monthly CPI figures had been released earlier for February showing a decrease to 6.9% from 7.5% in January on an annual basis and 6.8% from 7.4% on a monthly basis. The chart below shows the recent decline and although the monthly indicative CPI is not relied upon to the same extent as the quarterly data it is still a good guide and the quarterly data just released is key.



Three Westpac economic surveys for were recently released. The quarterly Westpac – ACCI Survey of Industrial Trends index was up this quarter, rising from 49.0 in December to 55.0 in March. The monthly Westpac – MI Leading Index moved slightly from -0.79% in February to -0.75% in March. This was continued to be viewed by Westpac as consistent with below trend growth well into 2023. The April Westpac-MI Consumer Sentiment Index stayed near historic lows as inflation and interest rate concerns continue to weigh on sentiment. This after reversing a surprising January gain in February.

Westpac surveys remain mostly negative. AiG has changed its index having released a new format in February

The newly revised monthly Australian Industry Group (AiG) Performance Index was released for the first time in early February. All of the three were in contraction below 50. The results for the AiG Manufacturing Index saw a large decrease of 4.9 points to 44.7, well into contraction. The PCI Construction index however rose by 4.9 points to 48.2 not far from moving into expansion with the commercial sector remaining positive. The PSI Services index fell by 2.1 points to 45.6 also remaining in contraction below 50.

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Capital Markets and Interest Rates

We look at capital markets for the quarter ended 31 March 2023 as part of our regular summary of economic and financial conditions in Australia. The first quarter of calendar 2023 saw world and domestic markets continue to display a high degree of volatility with much of this continuing to be related to rising interest rates in the United States and around the world despite signs that these increases may be levelling off. Along with listed equity markets we look at listed Australian Real Estate Investment Trusts (A-REITs). The ASX and equity markets globally continue to feature daily volatility well beyond what might normally be expected. The ASX 200 Industrials fell 3.2% in the past year but mostly in 2022 and has actually risen in the first quarter 2023. The decline in the Bank index was even more but largely in the last three months but also down overall in the past three months. The uncertainty about future bad debts continues and is likely to remain until interest rates stabilise with fixed rate loans maturing and making up a significant portion of Bank mortgages. Listed Real Estate as shown above by the ASX A-REIT 200 Index has fallen the most in the past year but has stabilised so far in 2023 although concerns persist about rising yields and capitalisation rates as discussed in other parts of this update.

ASX 200 Industrials down 3.2% over the past 12 months but have recovered in the first quarter by 1.4%.

A-REITs has fallen 14.0% in the past year but has now been stable so far in 2023.

ASX 200 Banks have fallen 5.6% in the 1st quarter of 2023 and are down 8.9% for the past year.

ASX 200 Indices (ex income)

RBA SoMP:

The RBA in its March quarterly Statement on Monetary Policy (SoMP) had its usual set of economic forecasts which were updated from the November edition but with no major adjustments with the largest shift being in inflation which is up from previous forecasts. The forecasts in the SoMP were still quite conservative with unemployment only expected to be 4.00% by June 24 up from 3.75%. The new forecasts are mostly down to June 24 being 1.50% for GDP down from 1.75%, 3.75% and CPI at 4.25%, up from 3.50% and up slightly more for Trimmed Mean Inflation at 3.50% from 3.25% with both expected to fall to 3.25% by Dec '24. Specifically, it had this to say about unemployment: "A broad range of measures suggest that the labour market is very tight. The unemployment rate is forecast to remain around 3½% until mid-2023; broader measures of labour underutilisation are also anticipated to remain around their lowest levels in decades as firms have increased the hours of workers in response to strong demand. With subdued economic growth expected through 2023 and 2024, the unemployment rate is forecast to gradually increase and reach 4½% by mid-2025." And then this about retail spending: "Growth in household spending moderated over the second half of 2022. Spending related to overseas travel rose sharply, but other categories (such as discretionary goods) were softer as the recovery from the pandemic mostly ran its course. The tight labour market and resulting strong growth in labour incomes has to date supported solid growth in nominal household spending. However, real growth in consumption has been much slower, reflecting strong growth in prices; the volume of retail sales declined in the December quarter."

The SoMP also had this to say about general economic conditions: "Global growth is forecast to remain well below its historical average over the next two years. Real incomes have declined as the cost of living has escalated, in part due to Europe's energy crisis. The highly synchronised global monetary policy tightening is also expected to weigh on demand. Economic growth in Australia is forecast to slow this year as rising interest rates, the higher cost of living and declining real wealth weigh on growth. The outlook for GDP growth is little changed from three months ago. down slightly, reflecting downward revisions to energy price increases in 2023/24. GDP growth is expected to have slowed during 2022 to be around 2¾% over the year – a little slower than expected three months ago – as the initial bounce-back from pandemic-related restrictions has mostly run its course. Economic growth is forecast to slow further this year, with recent declines in household real wealth and real disposable income expected to weigh on consumption growth over 2023."

RBA REVIEW:

The long awaited Review of the Reserve Bank of Australia structure conducted independently on the instructions of the Federal Treasurer was released on 31 March 2023 and is entitled An RBA Fit For the Future. It contains 51 recommendations over 282 pages of comment and data, all of which have been accepted by the Government and supported by the Opposition. Many of the recommendations are quite minor but several key changes will definitely affect the operation of the RBA in regard particularly to the setting of Monetary Policy. Key amongst these is to be the establishment of a separate nine person Board to administer Monetary Policy (and set interest rates). The objective is to have more skilled economists and expert in this field than currently fill the roles of RBA Board members. The number of meetings will also be changed from monthly on the first Tuesday of each month excluding January so 11 times a year to eight times a year with the objective of giving the new Board more time to assess the impact of decisions that are made. There will also be a press conference to be held after each meeting and a record of the votes cast although not naming the individual Board members. These key changes are in fact similar to the way in which the Central Banks of Canada and the United Kingdom operate and as such carry with them little controversy. Some of the changes are subject to legislation and are not expected to become effective until 2024.

MORTGAGE STRESS:

The IMF World Economic Outlook had a special section dealing with Mortgage Stress which it introduced as follows: “As central banks raised borrowing costs to fight inflation in 2022, real house price growth turned negative in both advanced and emerging market economies. If mortgage rates continue to rise, demand for borrowing is likely to weaken, further depressing house prices. Economies with elevated house prices and high levels of household debt issued at floating rates are particularly vulnerable to any ensuing financial sector stress.” The accompanying chart included five measurements of risk in 27 individual countries and rated them from Highest Risk to Lowest Risk in seven different rankings. The total of these risk ratings determined the individual country’s position on the table with the surprising outcome that Canada and Australia ranked first and second followed by several Scandinavian countries and the USA in the top 10. Debt as a % of household income and the pre-crisis increase in house prices together with the % of households owning a home with a mortgage were key determinants of overall risk. While an interesting analysis the conclusion with respect to Canada and Australia as well as many of the other top ranked countries appears a bit extreme to us.

RBA FINANCIAL STABILITY REVIEW:

The RBA also issued its semi-annual Financial Stability Review in early April and provided these remarks: “Australia is not immune from the deteriorating outlook for global financial stability; volatility in domestic financial markets picked up in March alongside developments abroad. However, the Australian financial system entered this more challenging period in a strong position and is well placed to continue supporting the domestic economy. Banks are well regulated, strongly capitalised, profitable and highly liquid. This leaves them well positioned to continue lending to Australian households and businesses.”

On Loan Arrears it had this to say: “An increase in the share of households and firms falling into arrears on their loans is anticipated by lenders, but any increase in non-performing loans will be occurring from a very low level. Further, the share of banks’ loans in or close to negative equity is negligible, which helps limit the losses to both borrowers and banks in the case of default. This reflects the generally sound lending standards and the large run-up in housing prices over recent years. The decline in national housing prices over the past year has only partially reversed the earlier gains, and even if housing prices were to fall by as much again, the share of loans in negative equity would remain very low.

The RBA decided to pause its cycle of interest rate increases last quarter at its April meeting after steady increases from a record low 0.10% at the start of last year. There are signs that further increases may take place but the terminal rate may not be far off. Some commentators had shifted to this slower pace of tightening and with the lower CPI data just released for the first quarter this may lead to a further pause at the May RBA meeting. The AUD/USD exchange rate has now fallen from 0.72USD earlier last calendar year to as low as 0.63USD but now up to just below 66 US cents. 10 year US and AUS bonds/treasuries have also moved up very closely with little change in the spreads between them despite an inverted US yield curve with US 10 year Treasury yields most recently at 3.45% compared to 2 year Treasuries at 3.99% and AUS 10 year Gov’t Bonds at 3.35% with the 3 year Government bond yield at 2.98%.

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Residential

Residential markets continued to stabilise over the past few months during the first quarter of 2023 as prices for housing steadied nationally and more so in Melbourne and Sydney. Overall, the capital cities were down 0.4% for the quarter and also down nationally by 0.6% as regional performance was also negative by 1.0%. For the first quarter ended in March, Sydney was up 0.4% and Melbourne down 0.9%. Nationally, housing was up by 0.6% for the month for the first time in almost a year. The relationship of Regions to Capitals is shown clearly in the chart below with almost all states negative on a quarterly basis for both but SA and WA bucking that trend as they have before.

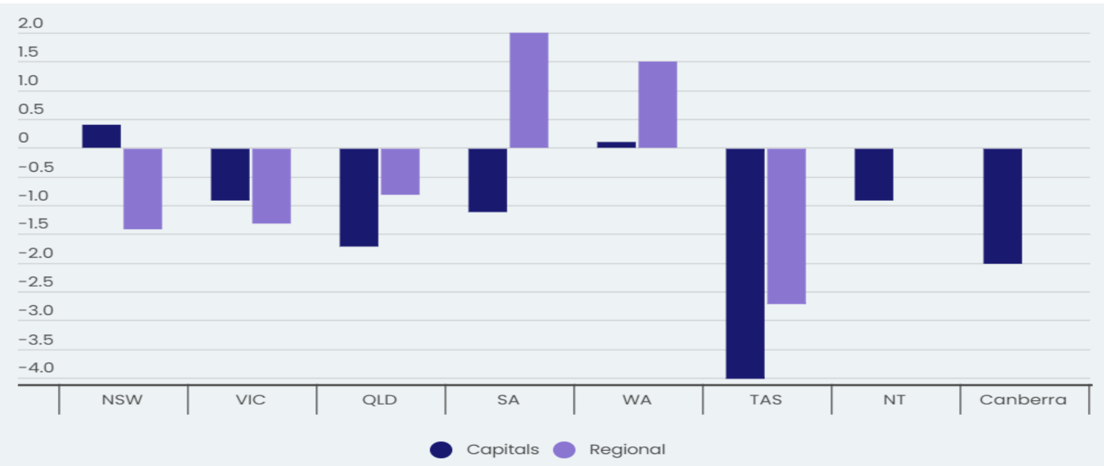
CoreLogic Home Value Index: National home values up 0.6% in March, breaking a 10-month streak of falls:
Sydney up 1.4% for the month and 0.4% for the quarter
Melbourne up 0.6% for the month but down 0.9% for the quarter
CoreLogic RP Data

Houses: Houses in Sydney were up 0.5 for the past 3 months and in Melbourne they were down 0.9%, both better than last quarter. For the nation as a whole, they were down 0.6% but up by that amount for the past month. Overall capital cities' houses were down in price on an annual basis 9.6% while including the regions the national decrease was 8.7%; regions by themselves were down by 6.2% for the past 12 months.

Units: Unit prices as reported by Core Logic were the same as Houses for the month, up 0.6% nationally. For the quarter they were down 0.4% nationally and 0.3% for the capitals and 0.5% for the regions. Sydney was flat last quarter and Melbourne was down 0.9%. Adelaide however was up 0.2% for the month, 0.2% for the quarter and 9.7% for the year; the only capital up for all three periods however Brisbane and Perth were also up for the year by 2.0% and 0.2% respectively. Alarmingly capital city house rents are up 24.8% since the start of the pandemic in March 2020 and unit rents are up only slightly less at 19.7%.

The RBA had a number of comments about housing in their February SoMP: "Demand to purchase new detached housing has fallen considerably in recent months. This reflects a range of factors, including rising interest rates, higher prices for land and construction, falling established home prices (making them a more attractive alternative to building a new home) and poor buyer sentiment stemming from construction delays. Building approvals – along with leading indicators of approvals, such as new greenfield land sales and new home orders – have all continued to decline. National housing prices have declined by 8% since their peak in April 2022, alongside rising interest rates and poor market sentiment. Price declines have been broadly based across most market segments and geographic areas, though the pace of decline has varied. Housing market turnover has also declined in most capital cities over the past year." Since the SoMP various comments are more positive and we include some of those such as from Core Logic's Eliza Owen on the following page. It is also interesting to note that very recently both Westpac and ANZ have revised their housing forecasts for 2023 reversing previous predictions of falls of 11% for the combined capital cities and now expecting a nationwide increase of 3% in house prices.

Home Value Index, Quarterly Change – March 2023



CoreLogic

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HTW in their April Capital City Property Market research continue to reflect the views in our ratings with capital cities showing a severe shortage of Houses in all capitals and fair demand except for Brisbane which is soft. Units are also experiencing severe shortages in all capitals Melbourne which is balanced, and demand is fair except for Perth where it is strong. Eliza Owen, CoreLogic's head of research for Australia, said that several data sets in recent weeks have pointed to stronger demand for housing as advertised supply continued to be at low levels. The expert highlighted several key indicators, collectively suggesting a rebound in the property market. The combined capital city clearance rate, for instance, has held above the decade average for six of the past eight weeks. Furthermore, she noted that sales volumes had seen a 10.4% increase in March, indicating a surge in market activity.

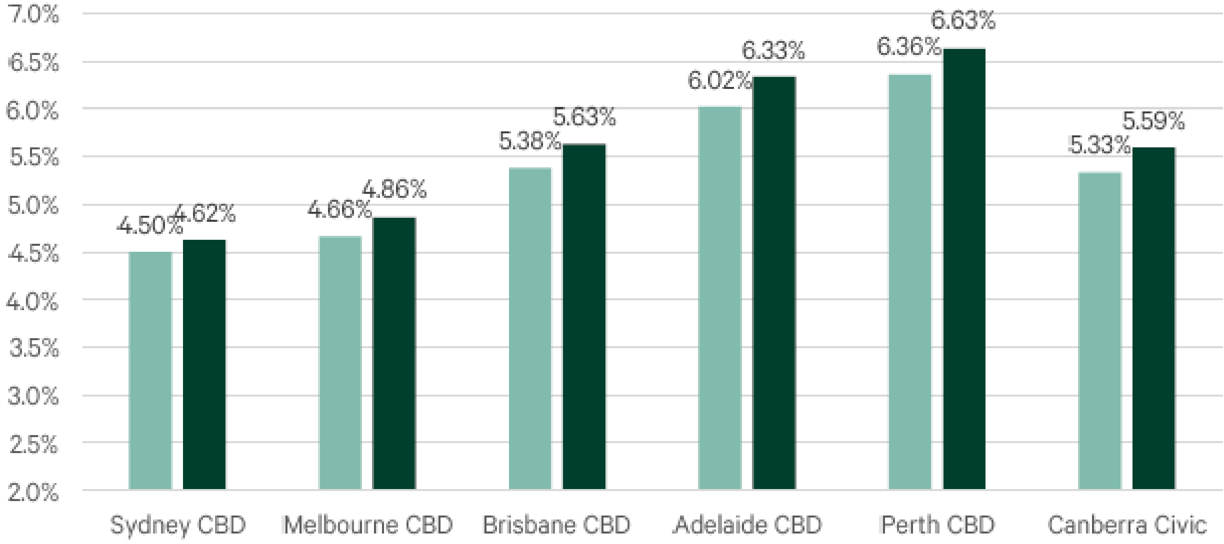
Office

Overall demand eases, but prime net absorption and rental growth robust.

CBRE Research, Australian Office

CBRE once again covered the Australian Office market in their national research with comments on trends in all Capitals. Despite slightly higher vacancy rates in most capitals (Brisbane and Adelaide are the exceptions) and high incentives, demand for prime offices assets has remained stable. Prime office yields had compressed over the past 12 months across all major markets, but are now rising even though there is good demand from domestic and cross border investors. The Prime Yields as shown below by CBRE have Sydney on a low of sub 5% at 4.5%. The situation in Melbourne is similar, where the vacancy rate has climbed to 12.9% and incentives are at 37% but yields also sub 5% at 4.7%. Perth vacancy also remains high at 15.8% but with a wide difference between Prime and Secondary and still good yields at 6.4% and reporting 4.7% annual rental growth beaten only by Brisbane at 5.4%. Adelaide continues to enjoy reduced vacancy in new generation prime buildings as well as incentives coming down to an average of 31.3% for prime offices. Prime yields are reported at 6.0% with a positive outlook on SA.

Prime & Secondary Yields, Office Market Report 4th quarter 2022, CBRE



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HTW in their April Month in Review covering Offices understandably had most markets facing oversupply with only Adelaide showing a balanced rental market. Sydney was described as declining while Melbourne and Perth were considered to be at the start of recovery. Adelaide was shown as experiencing a rising market while Brisbane was starting to decline. Yields are now softening slightly in most locations, but relatively low interest rates which are expected to last for years despite short-term increases, are offsetting lower returns. We are more optimistic than these comments might suggest and as a result we have rated Sydney, Melbourne and Brisbane as Fair while Adelaide and Perth are Good. All five enjoy a Stable trend but subject to rapid change as businesses reassess a return to the office which has now started in most CBDs and should progress further over the next few months.

Industrial

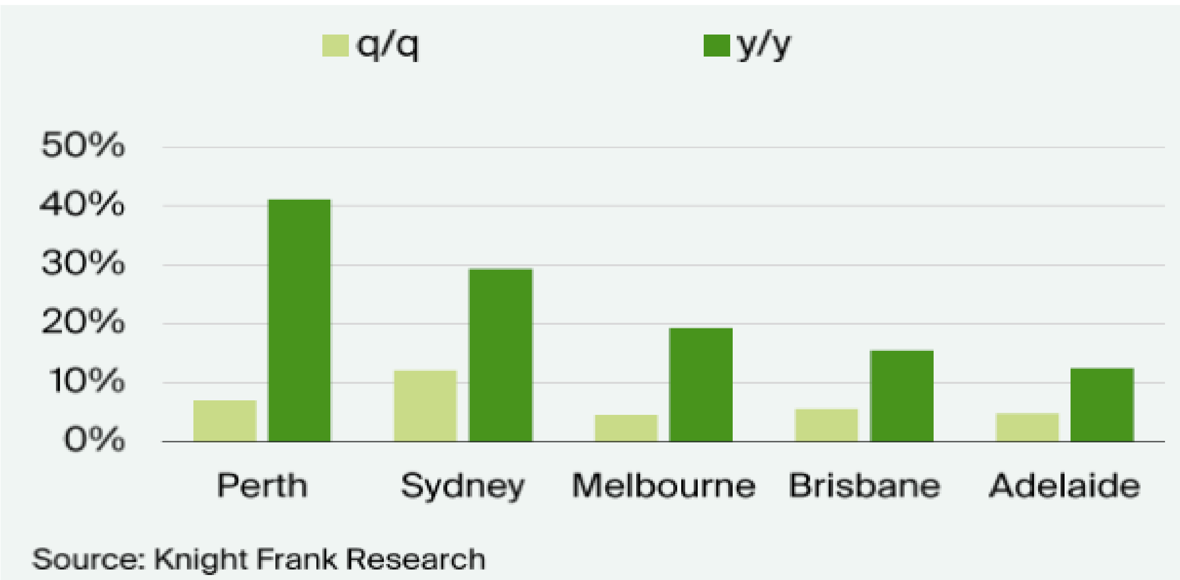
The ACCI – Westpac Survey of Industrial Trends for the March rose to a positive 55.0 from the negative 49.0 reported in December. The Westpac – MI Leading Index which had stayed positive all through the pandemic has stayed in negative territory at -0.75 in March up slightly from -0.79 in February. From other surveys we follow we saw some different trends with the new AiG Index launched in February down by 4.4 points to -6.1 and staying in Contraction under AiG new scale. The PMI manufacturing sub-index however rose strongly by 11.9 points to an expansionary 5.6, continuing its recovery.

“Supply shortages driving rapid rental escalation”
Knight Frank

Knight Frank reported in their recent National Industrial report much the same positive opinion as others regarding the sector but with yields on average rising a further 20 - 25 basis points nationally with interest rate increases while rents are offsetting this and continuing to rise due to lack of supply and strong demand. According to the report, yields are softening in all locations and for both Prime and Secondary properties. Rents are however rising in all Capitals and most strongly in Perth. Last quarter we showed you the Capital City Yields graph and this quarter we feature the graph of Capital City Prime Rents. For both rents and yields all capitals are showing increases with yield up 20 to 25 bps and as shown below rents are rising across the country.

HTW in their February monthly review of the Industrial sector remains as enthusiastic as last quarter and has Perth and Adelaide in rising markets with Melbourne remaining at the peak of the market but Brisbane starting to decline with Sydney are approaching the peak. We have kept our ratings for Sydney, Melbourne and Adelaide as Strong and Stable while Brisbane is Good with Perth the same and showing Improving trends.

Industrial Average Prime Rents – Knight Frank Research



Retail

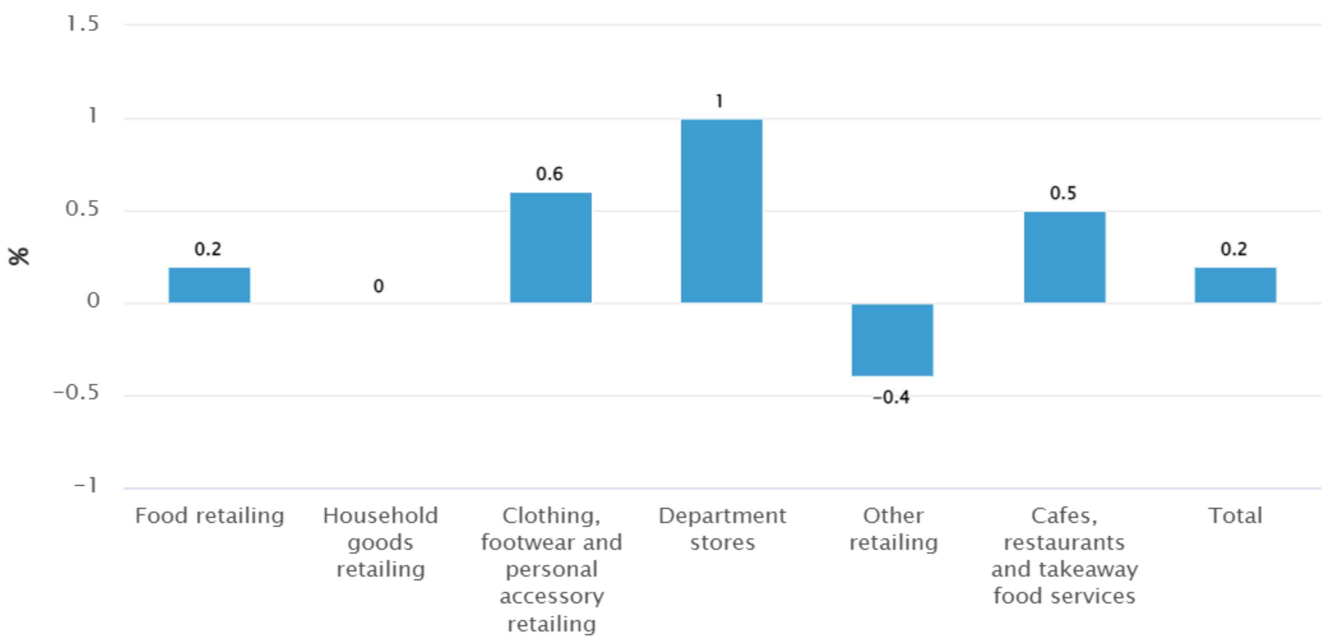
Retail sales data continues to reflect overall a slightly positive trend; up again in February 0.2% for the month and 6.4% yoy.

Recently released ABS figures for retail sales for February, in current prices, had the seasonally adjusted estimate for Australian turnover recording a small monthly increase of 0.4%after the Christmas and New Year's sale periods although the annual increase was a better 6.4%. The annual increase was better. The variances by State were once again quite wide but with all rising except Queensland. WA recorded the best performance at 0.8%. NSW rose 0.3% and Victoria just behind at 0.2%. South Australia was also up strongly at 0.6%. Amongst the Territories, the NT was up the best at 1.0% and the ACT not far behind at 0.7%. Sector/Industry performance was also all positive but more varied as shown below with Food Retailing up just 0.2% but up 0.5% for Takeaway Food including Cafes and Restaurants. Department Stores were up 1.0% with Household Goods flat. However, clothing, footwear and personal accessory retailing was not far behind, up 0.6%.

The RBA had this to say about Household Consumption in their February SoMP covering the December quarter: "A range of timely indicators suggest that growth in real household spending continued to moderate in the December quarter. Growth in retail sales values slowed, with declines in household goods, department stores, and clothing and footwear. Retail prices increased strongly and the volume of retail sales declined in the quarter. This weakness was concentrated in discretionary goods categories and was partially offset by solid growth in spending on food and at cafes and restaurants."

HTW featured the Retail sector in their March Review and had it declining in Sydney and Melbourne and at the bottom of the market in Perth and with oversupply in all three. Brisbane was declining with some oversupply and Adelaide's market was balanced and at the start of recovery. We had previously moved our Sydney and Melbourne Retail ratings and trends from Weak and Deteriorating to a Stable trend and improved retail sales appear to support this. Adelaide is Good while Brisbane and Perth are Fair with all Stable.

February 2023, Monthly Change in Retail Trade Volumes by Industry – ABS



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Market Focus

The first quarter of 2023 saw Australian interest rates eventually pause in March and the rapid increase from record lows of almost a year ago. Economically we technically had recovered well from a period of below trend growth domestically after Australia faced significant volatility due to the ongoing impact of the COVID19 pandemic. The rapid rise of interest rates globally arrived in Australia in the second quarter of last year and continued through all of the last 12 months. While fiscal policy helped greatly through the COVID-19 crisis, many policies such as JobKeeper which saved us from a devastating rise in unemployment has left us with very large deficits for years to come with the May budget set to address this major issue. The global challenge as highlighted by the IMF in this update is the Russia-Ukraine war which will have a significant impact on the global economy although gratefully less so on Australia than many others. The IMF update remains negative but we think overly so for Australia despite mentioning our housing mortgage sector as one of the riskiest in the world together with Canada. We do not agree fully and the RBA's comments present a different picture.

The past quarter has still been challenging for many businesses and individuals. Despite our various States and Capitals coming out of lockdowns and other restrictions there is still a long way to go. Current research and statistics as noted in earlier sections of this Quarterly Update are starting to reflect our recovery and the strong employment environment remains a very big positive. While Office Buildings and Departments Stores are still not yet once again full of office workers and shoppers the recovery has started and this is being reflected in the property sectors that have been most affected. The interest rate increases that have occurred were larger than we had expected but with the recent April pause we can hope the worst is over and can look forward to the return of stability in 2023 even if the consensus of at least on further increase proves correct.

The performance of national housing values has continued to stabilise and improve in most Capitals. Our Residential ratings and trends reflect this and we expect this to continue especially if interest rates stop rising after the current pause as expected. Ratings are Fair and trends Stable for Sydney and Melbourne Homes and Units with other capitals now the same showing an improvement right across the country. Industrial remains positive in all capitals as well and Retail has improved in several capitals as noted earlier in this update but remains Weak in Melbourne and Sydney. Consumer sentiment remains negative as noted in our earlier comments and likely to remain so until interest rates show further evidence of flattening out and this may not be far off. The Office sector remains unchanged but in time we believe will be more positive than many others currently think. That now leaves 6 markets of 25 rated as Good &/or Strong which is down from last quarter. Only two remain Weak which is an improvement from last quarter and both are in Retail. All Residential sectors are Fair and Stable while the five Industrial are either Strong or Good and two of five are Improving.

	SYDNEY		MELBOURNE		ADELAIDE		BRISBANE (SEQ)		PERTH	
Resi- Homes	Fair	Stable	Fair	Stable	Fair	Stable	Fair	Stable	Fair	Stable
Resi- Units	Fair	Stable	Fair	Stable	Fair	Stable	Fair	Stable	Fair	Stable
Office	Fair	Stable	Fair	Stable	Fair	Stable	Fair	Stable	Fair	Stable
Retail	Weak	Stable	Weak	Stable	Good	Stable	Fair	Stable	Fair	Stable
Industrial	Strong	Stable	Strong	Stable	Strong	Stable	Good	Improving	Good	Improving

Sources and References

ACCI – Westpac
Australian Industry Group
ANZ Research
Australian Bureau of Statistics
Commonwealth Bank
CBRE Research
Colliers International Research
CoreLogic RP Data
Cushman & Wakefield
Dun & Bradstreet
Herron Todd White
International Monetary Fund
JLL
Knight Frank Research
MSCI
OECD
PCA / IPD Research
Preston Rowe Patterson
Reserve Bank of Australia
Rider Levett Bucknall
Savills Research
Westpac Economics
World Bank

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Think Tank Group Pty Limited specialises in property finance in Australia.
Thinktank offers a wide range of tailored mortgage product options for SMSFs including:

- ✓ Finance for the purchase and refinance of commercial and residential property;
- ✓ Set and forget loan terms up to 30 years with no ongoing fees or annual reviews
- ✓ Limited Recourse Borrowing Arrangement (LRBA) loans with terms up to 30 years with no ongoing fees or annual reviews