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Property Finance

Quarterly market update

JULY - SEPTEMBER 2023

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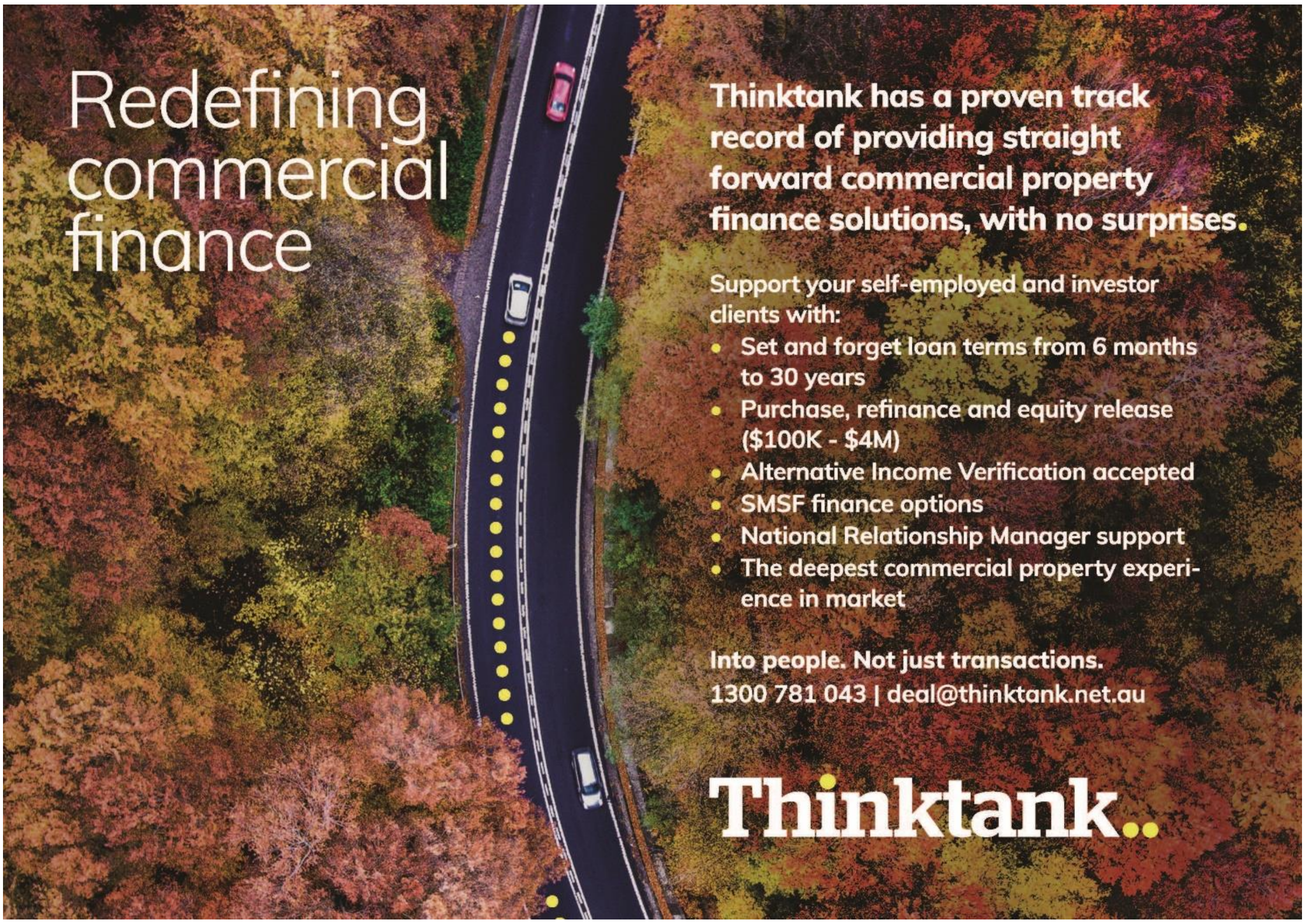
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The Global and Australian Economies

The second 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 over three years ago. Domestically interest rates have 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 the possibility of further pauses. 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 second quarter's Statement on Monetary Policy (SoMP) issued by the Reserve Bank of Australia in May as usual had some very pertinent comments on the issue of inflation as well as labour markets: "Inflation has passed its peak in Australia but remains very high. Headline inflation declined to 7% in year-ended terms in the March quarter; trimmed mean inflation was 6.6% over the same period. The decline was driven by goods prices, consistent with, but a little later than, the pattern in other economies. Somewhat offsetting this, cost pressures (both labour and non-labour) and strong demand continued to contribute to strong price increases for many services. CPI rent inflation has been picking up, consistent with tight rental markets. Inflation is expected to return to the 2–3% target range, but it will take some time. The central forecast is for headline inflation to decline to 4½% by the end of 2023 and to reach 3% by mid-2025.Goods price inflation is expected to decline further as the easing seen in global price pressures continues to be passed through in Australia. Services inflation is expected to be more persistent, although it is expected to ease in the latter part of the forecast period as interest rates weigh on demand and, in time, growth in unit labour costs eases. Energy costs are expected to increase in coming quarters, although government policy measures are expected to limit the increases. The labour market remains tight. The unemployment rate continues to be at its lowest level in almost 50 years, at 3½%; measures of underemployment are also low relative to history. Employment growth remained solid through the March quarter, driven entirely by full-time employment. While job vacancies have declined a little, they remain at high levels. Even so, reports of difficulty finding suitable labour have become less pervasive. Wages growth continues to pick up in line with the tight labour market. A range of timely indicators suggest private wages growth was running at around 3½ to 4% in the March quarter." The emphasis on inflation and employment is hard to miss in the opening Overview to the May SoMP.

In its latest World Economic Update released in July by the International Monetary Fund (IMF) and entitled "Near-Term Resilience, Persistent Challenges" it has estimated global gross domestic product (GDP) declining to 3.0% in 2023 but up from the 2.8% expected six months ago and 2024 flat at 3.0% with 2022 growth having come in unchanged at 3.5%. In its outlook, the IMF had this to say: "The balance of risks to global growth remains tilted to the downside. Inflation could remain high and even rise if further shocks occur, including those from an intensification of the war in Ukraine and extreme weather-related events, triggering more restrictive monetary policy. Financial sector turbulence could resume as markets adjust to further policy tightening by central banks. China's recovery could slow, in part as a result of unresolved real estate problems, with negative cross-border spillovers. Sovereign debt distress could spread to a wider group of economies. On the upside, inflation could fall faster than expected, reducing the need for tight monetary policy, and domestic demand could again prove more resilient."

The IMF - World Economic Outlook Update, July'23
"Near-Term Resilience, Persistent Challenges"

Earlier in the quarter the World Bank released its own forecasts. The current divergence is shown in the various country forecasts compared to the current IMF numbers. World Bank global growth of 3.1% was predicted for 2022 and 2.1% for 2023 compared to those just released by the IMF of 3.5% and 3.0%. For the United States they predicted 2.1% in 2022 and 1.1% in 2023 compared to 2.1% and 1.8% respectively by the IMF. For China the IMF is higher at 3.0% in 2022 and 5.2% in 2023 while the World Bank was about the same but up from earlier forecasts at 3.0% and 5.6%. India is higher at 7.2% this year and 6.1% next year according to the IMF while the World Bank now has growth at 7.2% in 2022 and down to 6.3% from 6.6% in 2023.

For Australia the OECD June update showed GDP was expected to grow by 1.8% in 2023 before slowing in 2024 to 1.4%. Global growth is forecast to be 2.7% in 2023 with a modest improvement to 2.9% in 2024.

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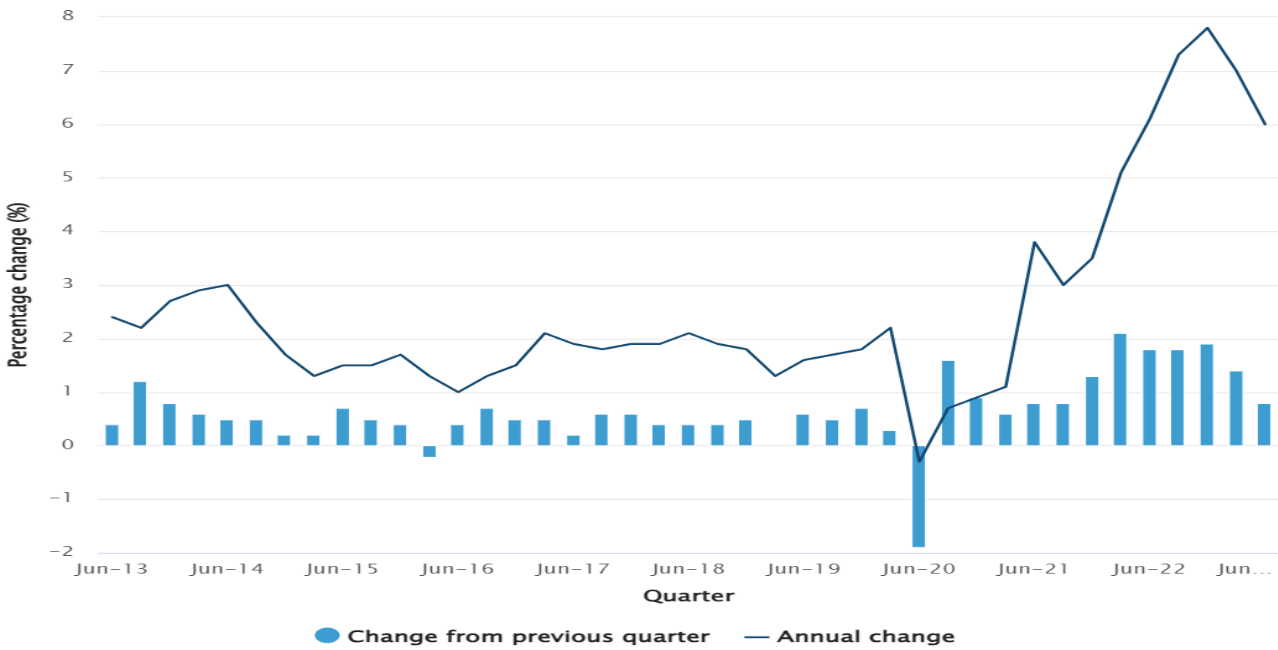
First quarter national accounts released by the ABS on 1st March 2023 recorded quarterly growth of 0.5% compared to 0.6% in the third quarter of last calendar year. Year on year growth was 2.7%. Unemployment has stayed steady down at 3.5% in June continuing a very favourable trend.

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 second quarter was up 1.4% and 7.0% in the past year down from last quarter as shown in the ABS graph below; its lowest level since September 2021. The second quarter 2023 CPI has been released the week before the RBA August meeting and is expected to have a major impact on its decision to extend the July pause in interest rate increases. In the meantime, indicative monthly CPI figures have also been released for June showing a decrease to 5.4% from 5.5% in May on an annual basis and 6.1% from 6.4% 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 were recently released. The quarterly Westpac – ACCI Survey of Industrial Trends index was down 3.2 this quarter from 53.9 in March to 50.7 in June. The monthly Westpac – MI Leading Index moved up from -1.01% in May to -0.51% in June. This was the 11th negative print for the growth rate and continued to be viewed by Westpac as consistent with below trend growth. The July Westpac-MI Consumer Sentiment Index rose 2.7% to 81.3 from the deeply pessimistic 79.2 in June and stayed near historic lows as inflation and interest rate concerns continue to weigh.

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

The revised monthly Australian Industry Group (AiG) Performance Index was released in early July. The results for the Australian Industry Index saw a decrease of 1.1 points to -11.9, and remaining well in contraction as it has been for the past 14 months. The subsectors were mixed with PMI down 14.7 to -19.8 but PCI rising a strong 17.2 to +10.6.

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Capital Markets and Interest Rates

ASX 200 Industrials up 10.6% over the past 12 months and 2.3% in the first half of 2023.

A-REITs have risen by just 1.4% in the past year and have been stable so far in 2023.

ASX 200 Banks are unchanged in the 2nd quarter of 2023 after falling 5.6% in the past 6 months but are up 6.4% for the past year.

ASX 200 Indices (ex income)

We look at capital markets for the quarter ended 30 June 2023 as part of our regular summary of economic and financial conditions in Australia. The second 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 2022 but has stabilised so far in 2023 and risen slightly although concerns persist about rising yields and capitalisation rates as discussed in other parts of this update.

RBA SoMP:

The RBA in its May 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:

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Residential

The Review of the Reserve Bank of Australia structure was released on 31 March 2023. Many of the 51 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 has also been changed from monthly on the first Tuesday of each month excluding January so 11 times a year to eight times a year with four quarterly meetings to determine any change to the Cash Rate. 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. Although the make-up of the Monetary Policy Board will contain a majority of seven independent members with only the Governor and Deputy Governor being RBA officers.

NEW RBA GOVERNOR ANNOUNCED:

More recently the Treasurer announced that the term of RBA Governor Phillip Lowe would not be extended past its current expiry in September 2023 and Deputy Governor Michelle Bullock would be appointed for a similar seven year term to replace him. The appointment was viewed as uncontroversial with Ms Bullock considered very well qualified having forty years' experience at various levels with the central bank.

MORTGAGE STRESS:

The IMF World Economic Outlook from last quarter had a special section dealing with Mortgage Stress. The report included the surprising outcome that Canada and Australia ranked first and second followed by several Scandinavian countries and the USA in the top 10. As we noted at the time, 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 and so far there has been no further follow-up analysis. We expect Mortgage Stress and Loan Arrears to peak at slightly higher levels before showing steady improvement once interest rates have stabilised of which there already appear to be encouraging signs.

RBA FINANCIAL STABILITY REVIEW:

The RBA also issued its semi-annual Financial Stability Review in early April and provided these remarks which while three months old remain very relevant. The next FSR is issued in October: "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 paused its cycle of interest rate increases again at its July meeting after steady rises from a record low 0.10% in May 2022. There are signs that further increases may take place but the terminal rate may not be far off. Some commentators have shifted to this view with the lower CPI data and Retail Sales recently released. 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 67 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 3.95% compared to 2 year Treasuries at 4.90% and AUS 10 year Gov't Bonds at 3.98% with the 3 year Government bond yield at 3.79%.

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Residential markets continued to strengthen over the past few months during the second quarter of 2023 as prices for housing rose nationally and more so in Melbourne and Sydney. Overall, the capital cities were up 3.3% for the quarter and also up nationally by 2.8% as regional performance was also positive by 1.1%. For the second quarter ended in June, Sydney was up 4.9% and Melbourne up 1.8%. Nationally, housing was up by 1.1% for the month, slightly less than the 1.2% gain recorded in May. The relationship of Regions to Capitals is shown clearly in the chart below with NSW and Victoria standing out.

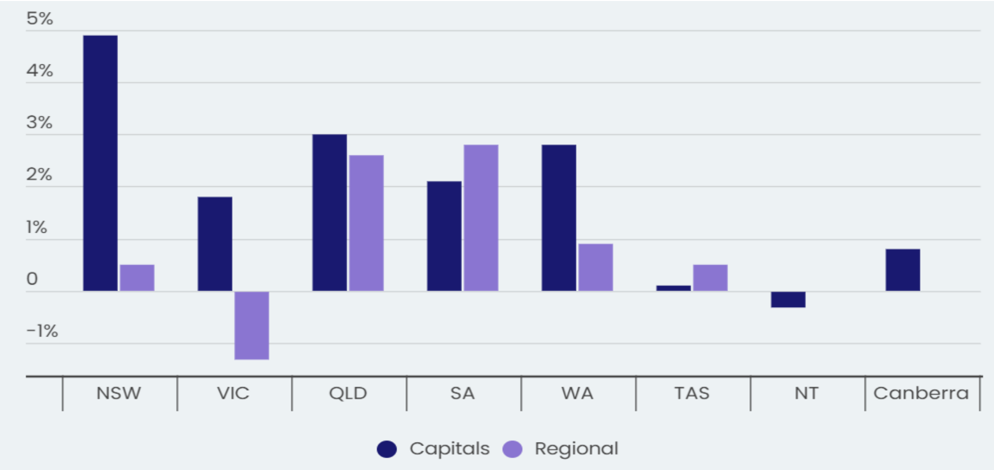
CoreLogic Home Value Index: National home values up 1.1% in June, continuing a 4-month run of increases:
Sydney up 1.7% for the month and 4.9% for the quarter
Melbourne up 0.7% for the month and 1.8% for the quarter
CoreLogic RP Data

Houses: Houses in Sydney were up 5.5% for the past 3 months and in Melbourne they were up 1.7%, both better than last quarter. For the nation as a whole, they were up 2.9% and up by 1.1% for the past month; strong improvements from last quarter. Overall capital cities' houses were still down in price on an annual basis 5.6% while including the regions the national decrease was 6.0%.

Units: Unit prices as reported by Core Logic were a little less than Houses for the month, up 0.9% nationally. For the quarter they were up 2.5% nationally and 2.7% for the capitals and 1.4% for the regions. Sydney was up a strong 3.5% last quarter and Melbourne was also up 1.9%. Adelaide was up 0.5% for the month, 1.2% for the quarter and 5.8% for the year. Brisbane and Perth were also up for all three periods however Adelaide topped the annual increase. The annual growth trend in rents was recorded at 11.5% across combined capital cities, down from a record high of 11.7% over the 12 months ended April 2023.

The RBA had a number of comments about housing in their May SoMP: "National housing prices have stabilised in recent months, as indicated by a range of data sources, following a decline of around 8% since their peak in April 2022. Prices remain 16% above their pre-pandemic level. Strong underlying fundamentals for housing, such as population and income growth, have offset the effects of the higher cost of credit on housing prices nationally. The combination of stronger demand, limited supply of properties and changes in the interest rate outlook has led to an earlier stabilisation in housing prices than expected by many market commentators; if maintained, this stabilisation will support the outlook for household wealth and consumption. Housing price growth has been led by Sydney recently, driven by increases in the more expensive segments of the market. Housing market activity has picked up in recent months, as measured by auction clearance rates and housing turnover, but remains well below levels seen at the start of 2022. Survey measures of housing price expectations have also increased. Rental vacancy rates have declined in most capital cities and regional areas over the past year. Declines have been largest in Melbourne and Sydney, where vacancy rates are now below long-run average levels. In other capital cities, vacancy rates are at historical lows."

Home Value Index, Quarterly Change – June 2023



CoreLogic

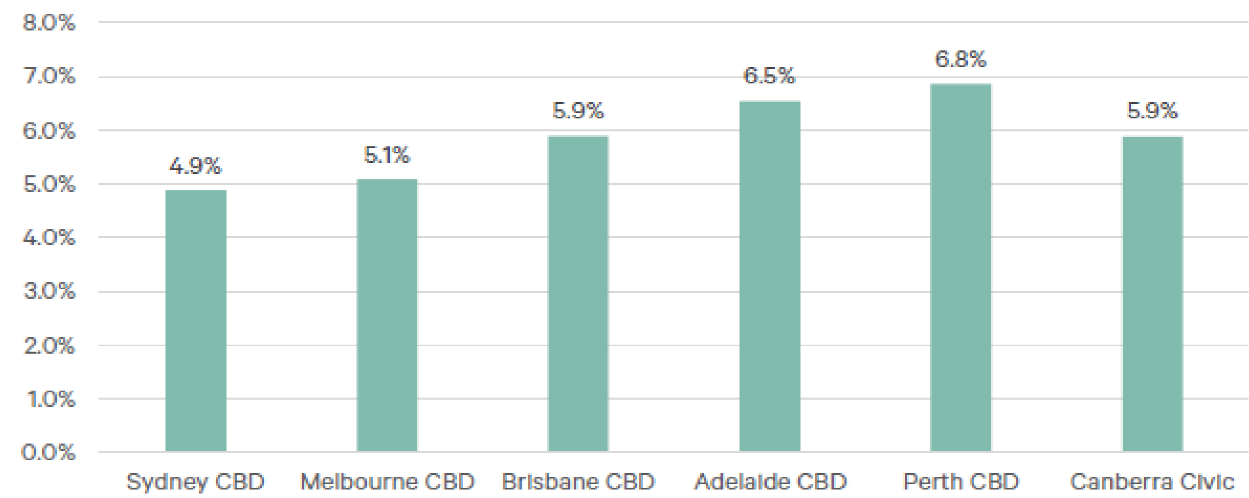
HTW in their latest Capital City Residential Property Market research continue to reflect the views in our ratings with capital cities showing a severe shortage of Houses in all capitals and only fair demand except for Perth which is strong. Units are also experiencing severe shortages in all capitals except for Melbourne which is balanced. Demand is fair except for Perth and Brisbane where it is strong. A lack of available supply continues to be the main factor keeping upwards pressure on housing values, Mr Tim Lawless CoreLogic's Research Director said. "Through June, the flow of new capital city listings was nearly -10% below the previous five-year average and total inventory levels are more than a quarter below average. Simultaneously, our June quarter estimate of capital city sales has increased to be 2.1% above the previous five-year average."

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 4.9%. The situation in Melbourne is similar, where the vacancy rate has climbed to 12.9% and incentives are at 41% but yields just above 5% at 5.1%. Perth vacancy also remains high at 15.8% but with a wide difference between Prime and Secondary and still good yields at 6.8% and reporting 6.6% annual rental growth with Brisbane at 4.5%. Adelaide continues to enjoy reduced vacancy in new generation prime buildings as well as incentives staying steady an average of 34% for prime offices. Prime yields are reported at 6.5% with a positive outlook on SA. We will cover the Property Council of Australia's (PCA) upcoming Office Market Report in the News and Views section of our August Monthly Market Focus.

Rental growth mixed across markets in Q1 2023. Incentives largely stable while vacancy rises across most markets.
CBRE Research, Australian Office

Prime Yields, Office Market Report 1st quarter 2023, CBRE



Source: CBRE Research

HTW in their most recent 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 and particularly as sales that are in process complete.

Industrial

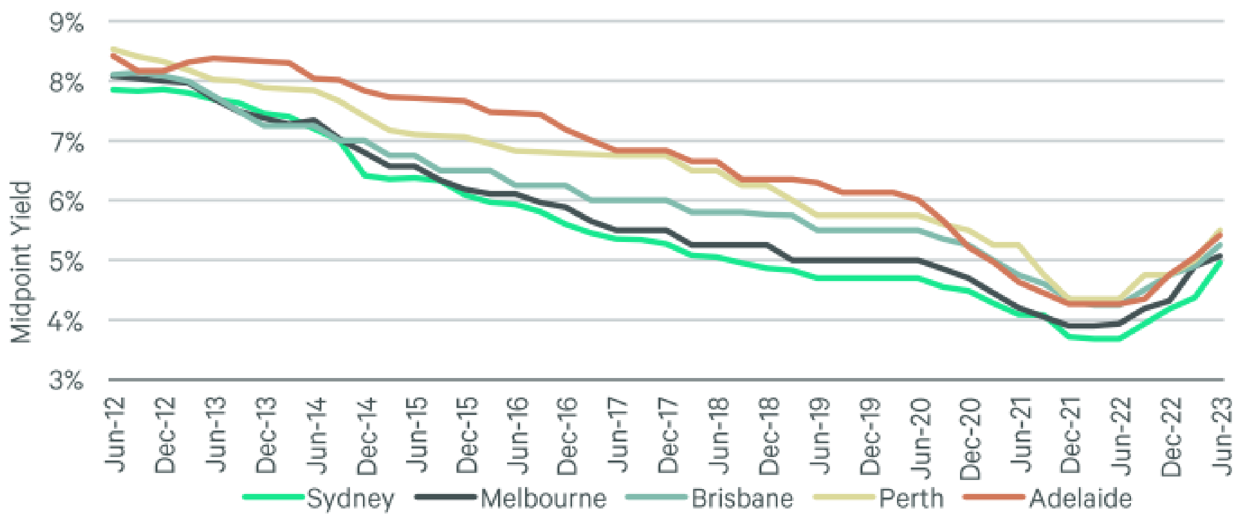
Rents continue to rise amid near zero. Prices expected to adjust in 2023.

The ACCI – Westpac Survey of Industrial Trends for the month of June fell 3.2 points from a robust 53.9 to be at a positive 50.7 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 -51 in June up slightly from -1.01 in May. From other surveys we follow we saw some different trends with the new AiG Index launched in February down by 1.1 points to -11.9 and staying in Contraction as it has been for the past 14 months. The PMI manufacturing sub-index rose also fell by 14.2 points to be further in contraction at -19.8 points.

CBRE 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 May monthly review of the Industrial sector remains nearly as enthusiastic as last quarter and has Adelaide still in a rising market and Sydney at the peak but with Melbourne and Brisbane starting to decline with Perth approaching the peak of the market. We have kept our ratings for Sydney, Melbourne and Adelaide as Strong and Stable while Brisbane is Good and Stable with Perth the same but Improving.

Prime Industrial Yields – CBRE



Source: CBRE Research Q2 2023

Retail

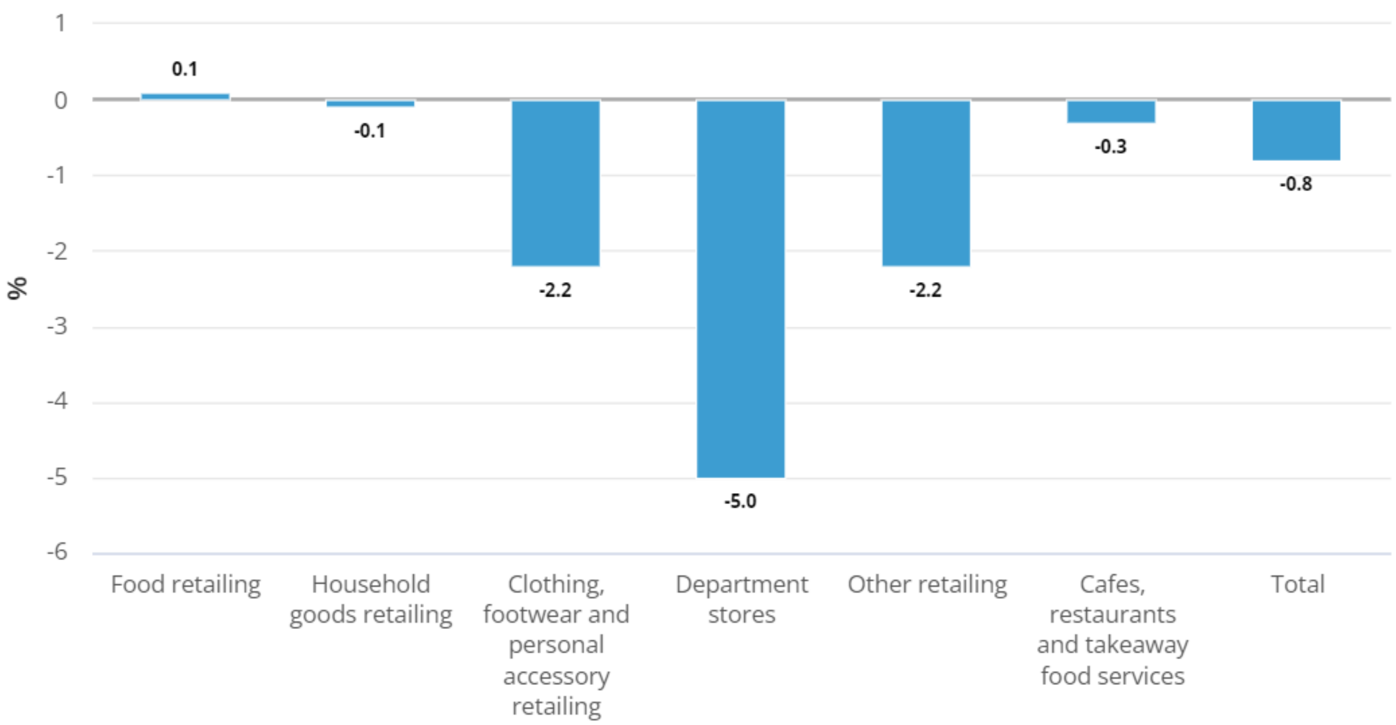
Retail sales data reflect overall a negative swing from recent months; down in June 0.8% for the month while up 3.2% yoy.
Australian Bureau of Statistics

Just released ABS figures for retail sales for June, in current prices, had the seasonally adjusted estimate for Australian turnover recording a monthly decrease of 0.8% with a 3.2% increase for the year. The variances by State were once again quite wide but with all falling except WA which recorded the best performance at 0.5%. NSW fell 1.1% and Victoria just behind at 1.3%. South Australia was only down slightly at 0.2% while Queensland fell by 0.7%. Tasmania did better up 0.6% and amongst the Territories, the NT was up 0.5% but ACT fell 1.0%. Sector/Industry performance was almost all negative but more varied as shown below with Food Retailing up just 0.1% but down 0.3% for Takeaway Food including Cafes and Restaurants. Department Stores were down the most at -0.5% with Household Goods almost flat at -0.1%. However, Clothing, footwear and personal accessory retailing were well behind, down -2.2% as was Other retailing.

The RBA had this to say about Household Consumption in their May SoMP: " A range of timely indicators suggest that household consumption growth remained subdued in the last quarter. Nominal retail sales values has continued to slow; this slowing was broadly based but was particularly pronounced in discretionary goods categories such as household goods and clothing and footwear. Retail prices increased in the quarter, and the volume of retail sales is estimated to have continued to decline. These data are consistent with information from the Bank's liaison program that spending has continued to moderate and retail volumes have declined since the start of the year."

HTW featured the Retail sector in their June 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 at the peak of the market 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 appeared to support this; this past month may bring this into question but we will await further data. Adelaide remains Good while Brisbane and Perth are Fair with all Stable.

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



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Market Focus

The second quarter of 2023 saw Australian interest rates eventually pause following 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 most 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 had left us with very large deficits for years to come with the May budget addressing this major issue. The global challenge as highlighted by the IMF in their most recent update is the Russia-Ukraine war which will continue to have a significant impact on the global economy although gratefully less so on Australia than many others.

The past quarter has still been challenging for many businesses and individuals. 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 started at the beginning of 2023 appears to be weakening and is impacting those sectors that have been most affected. The interest rate increases that have occurred were larger than we had expected but with the recent July pause we can hope the worst is over and can look forward to the return of stability in 2023 even if the consensus by major economists on further increase proves correct. The outlook into 2024 is positive and is not far off now.

The performance of national housing values has continued to improve in all Capitals in the past quarter. Our Residential ratings and trends reflect this and we expect this to continue if interest rates stop rising as we expect they will. 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 especially in Perth and Brisbane. Industrial remains positive in all capitals as well but Retail has fallen in several capitals as noted earlier in this update and remains Weak in Melbourne and Sydney. Consumer sentiment remains negative and is likely to remain so until interest rates show actual evidence of flattening but 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; however Office sales of sub-prime properties are definitely shaking market confidence. That now leaves 11 markets of 25 rated as Good &/or Strong which is up from last quarter. Two remain Weak which is unchanged from last quarter and both are in Retail. Most Residential sectors are Fair and Stable with three Good and two Improving 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	Good	Improving
Resi- Units	Fair	Stable	Fair	Stable	Fair	Stable	Good	Stable	Good	Improving
Office	Fair	Stable	Fair	Stable	Good	Stable	Fair	Stable	Good	Stable
Retail	Weak	Stable	Weak	Stable	Good	Stable	Fair	Stable	Fair	Stable
Industrial	Strong	Stable	Strong	Stable	Strong	Stable	Good	Stable	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

Quarterly market update

JULY - SEPTEMBER 2023

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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
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