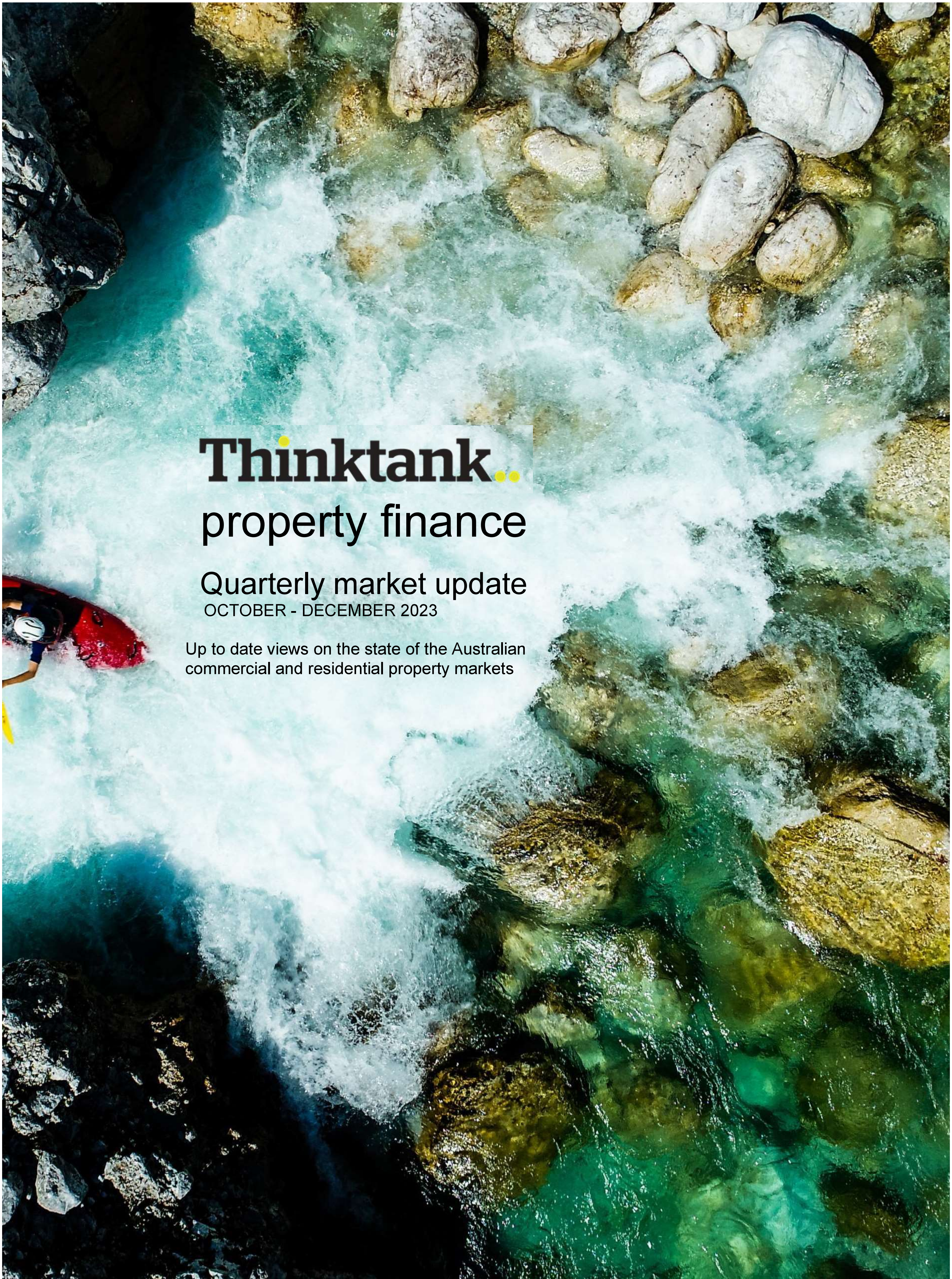

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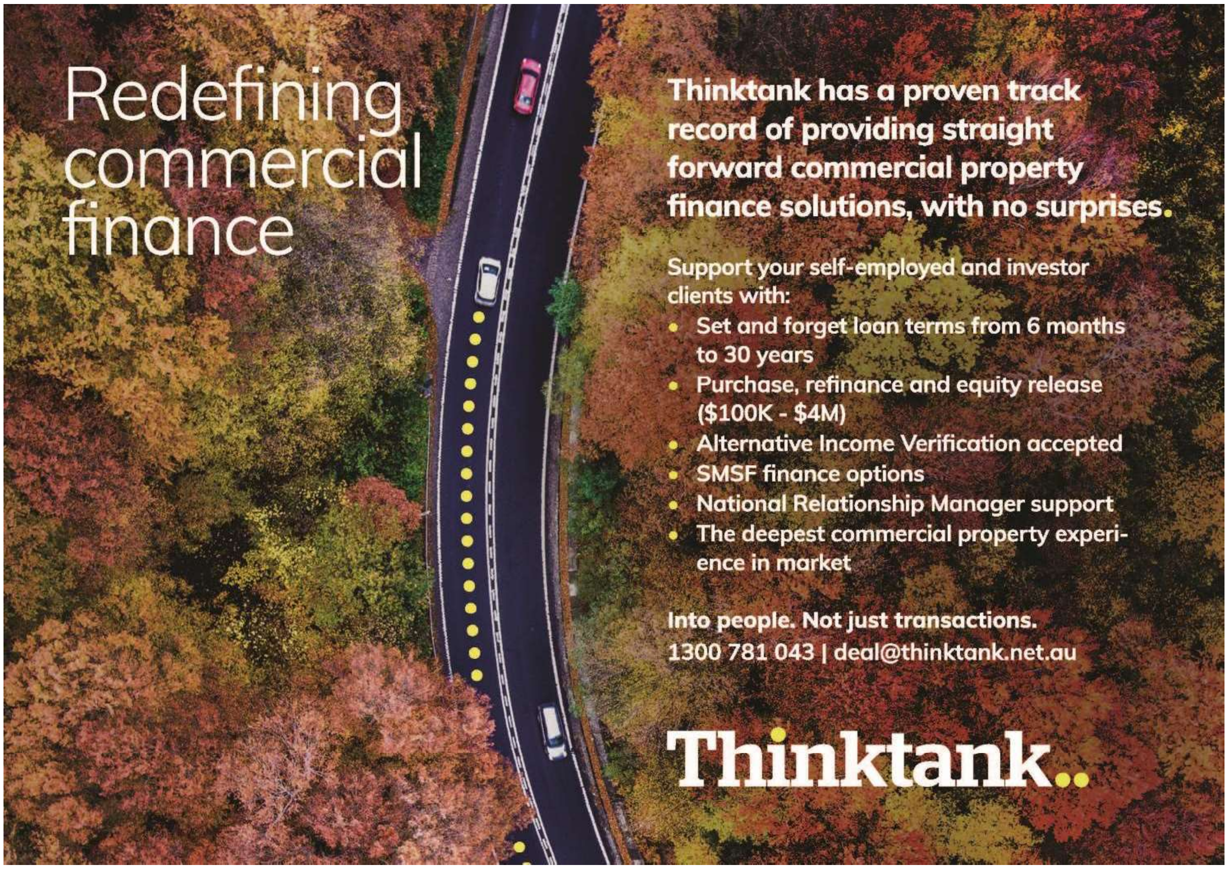
property finance

Quarterly market update

OCTOBER - DECEMBER 2023

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

The third quarter of 2023 saw further stabilisation of the recovery for Australia from the global coronavirus pandemic which was declared by the World Health Organisation over three years ago but now have to deal with new global events like the Ukraine War and most recently the Middle East Gaza dispute. 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 still the possibility 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 third quarter's Statement on Monetary Policy (SoMP) issued by the Reserve Bank of Australia in August as usual had some very pertinent comments on the issue of inflation as well as labour markets as did the Financial Stability Review published in October and discussed in more detail later in this report: "Inflation in Australia continued to decline in the June quarter from its peak at the end of last year, but it remains too high. Headline and trimmed mean inflation were around 6% in year-ended terms. Goods price inflation eased further in the quarter, and by more than had been expected, especially for consumer durables. An easing in global cost pressures and a slowing in domestic demand growth are flowing through to domestic goods price inflation. By contrast, services price inflation – especially for market services and rents – remained strong. The outlook for inflation is little changed from three months ago. CPI Inflation is forecast to continue to decline, to be around 3¼% at the end of 2024 and back within the 2–3% target range in late 2025. Further easing in goods price inflation is expected to drive the decline in inflation over the year ahead. However, demand continuing to exceed supply in parts of the economy and domestic cost pressures, due to the associated ongoing tightness in the labour market and rising energy costs, are expected to see inflationary pressures persist for a while, especially for services. At the same time, rent inflation will remain high, particularly as high population growth in recent quarters has added demand to an already tight rental market. The labour market is still tight, although conditions have eased a little. The unemployment rate has been close to 3½% for the past year, and strong population growth has continued to support employment growth over recent months. However, a range of indicators of labour demand, such as job vacancies, have declined from their peaks and the underemployment rate has risen a little over recent months. Firms in the Bank's liaison program have also reported an improvement in labour availability, supported by the arrival of foreign workers.."

In its latest World Economic Outlook released in early October by the International Monetary Fund (IMF) and entitled "Navigating Global Divergences" 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 down slightly at 2.9% with 2022 growth having come in at 3.5%. In its outlook, the IMF had this to say: ".The global recovery from the COVID-19 pandemic and Russia's invasion of Ukraine remains slow and uneven. Despite economic resilience earlier this year, with a reopening rebound and progress in reducing inflation from last year's peaks, it is too soon to take comfort. Economic activity still falls short of its prepandemic path, especially in emerging market and developing economies, and there are widening divergences among regions. Several forces are holding back the recovery. Some reflect the long-term consequences of the pandemic, the war in Ukraine, and increasing geoeconomic fragmentation. Others are more cyclical in nature, including the effects of monetary policy tightening necessary to reduce inflation, withdrawal of fiscal support amid high debt, and extreme weather events."

The IMF - World Economic Outlook, October '23
" Navigating Global Divergences"

The World Bank released its own Global Economic Prospects in June 2023. It described the global economy as being in a precarious state. 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 2.1% respectively by the IMF. For China the IMF is higher at 3.0% in 2022 and 5.0% in 2023 while the World Bank 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. The OECD September Economic Outlook, Interim Report entitled "Confronting inflation and low growth" showed GDP was expected to grow by 2.7% in 2024 down slightly from its June forecast after anticipating 3.0% growth in 2023.

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2nd quarter GDP +0.4%, +2.1% yoy

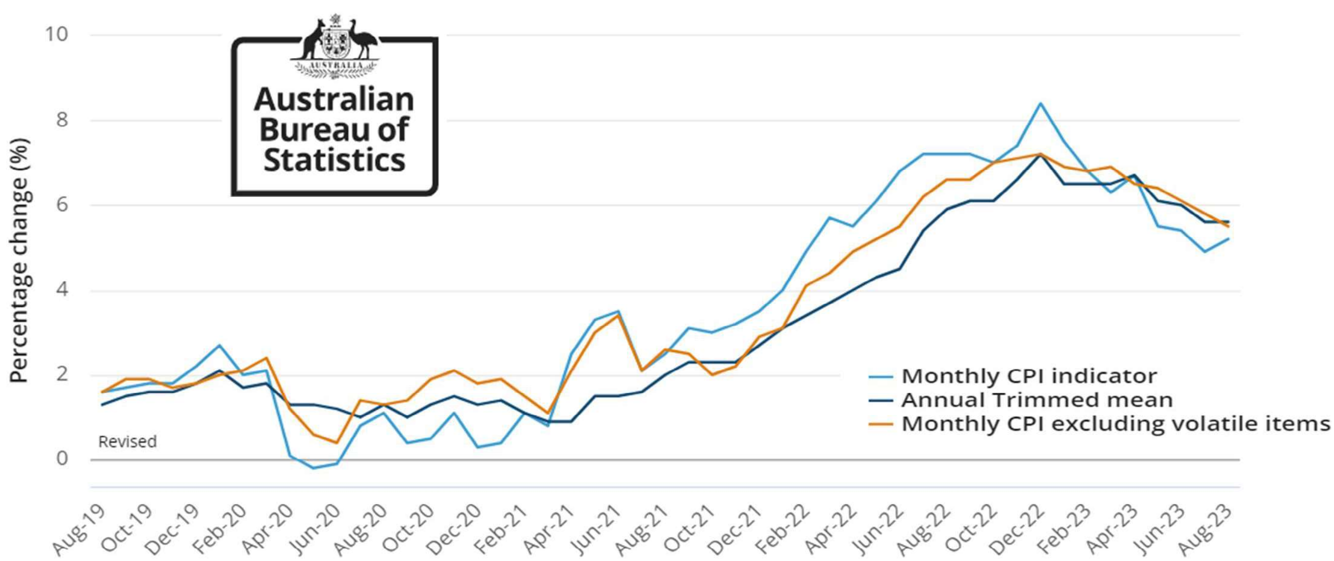
1st quarter CPI +0.8%, +6.0% yoy

September unemployment 3.6% down slightly

Second quarter national accounts released by the Australian Bureau of Statistics (ABS) on 6th September 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 3.6% 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.



Westpac surveys remain mostly negative. AiG's new format index is improving but still in contraction while the PCI construction subsector is now expanding

Three Westpac economic surveys were recently released. The quarterly Westpac – ACCI Survey of Industrial Trends index was nearly flat this quarter rising slightly from 51.1 last quarter to 51.3 in September. Westpac said in their report that the general business mood remains deeply pessimistic. The monthly Westpac – MI Leading Index moved up from -0.48% in August to -0.34% in September but continues to be viewed by Westpac as consistent with below trend growth. The October Westpac-MI Consumer Sentiment Index rose 2.9% to 82.0 from the deeply pessimistic 79.7 in September and stayed near historic lows as inflation and interest rate concerns continue to weigh on consumers.

The reformatted monthly Australian Industry Group (AiG) Performance Index was released in early October. The results for the Australian Industry Index saw an increase of 8.2 points to -3.5, and still in contraction as it has been for the past 17 months. The subsectors were mixed with PMI up 7.0 to -12.8 but PCI rising a strong 17.0 to +7.1 and into expansion.

Quarterly market update

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Capital Markets and Interest Rates

ASX 200 Industrials up 1.72% over the past 12 months but down 2.0% in the last quarter.

A-REITs have risen by 4.1% in the past year but have fallen 2.1% so far in 2023.

ASX 200 Banks are up in the 3rd quarter of 2023 after falling 5.6% in the first half but are still down 2.5% for the past year.

ASX 200 Indices (ex income)

We look at capital markets for the quarter ended 30 September 2023 as part of our regular summary of economic and financial conditions in Australia. The third 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 interest rate concerns in the United States and around the world despite signs that these increases have levelled 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 2.0% in the last quarter but actually rose 2.7% in the first half 2023. The decline in the Bank index was even more but largely in the first six months of the year before some recovery 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 recovered the most in the past year but has fallen again so far in 2023 as concerns persist about rising yields and capitalisation rates as discussed in other parts of this update.

RBA Statement on Monetary Policy (SoMP):

The RBA in its August quarterly Statement on Monetary Policy (SoMP) had its usual set of economic forecasts which were updated from the May 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 4.25% by June 24 which is unchanged. The new forecasts are mostly down to June 24 being 1.25% for GDP down again from 1.50%, and CPI unchanged at 3.50% and also unchanged for Trimmed Mean Inflation at 3.25% with both expected to fall 0.25% by Dec '24. Specifically, it had this to say about unemployment: "Employment growth is forecast to moderate over the remainder of this year as a result of a period of subdued economic growth and an associated softening of labour demand. In addition, hours worked have been a key margin of adjustment to labour demand and have grown by more than employment since the start of the pandemic; average hours worked are forecast to decline from now onwards as part of the expected labour market downturn." And then this about retail spending: ": Household consumption growth is forecast to remain subdued over coming quarters. This reflects weak growth in real disposable incomes as the strong growth in labour incomes is being more than offset by high consumer price inflation, the earlier tightening in monetary policy and higher tax payable. Consumption growth is forecast to pick up to around its pre-pandemic average by late 2024 and remain around that rate over 2025. The increase in consumption growth is expected to be supported by a fading in the current headwinds to real income growth as inflation declines, interest rates are assumed to be past their peak and growth in household wealth picks up."

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, as the lagged effects of monetary policy tightening continue to weigh on demand. The central forecast for growth in Australia's major trading partners has been revised down, partly because China's post-COVID-19 recovery has been weaker than expected. Growth in economic activity in Australia is forecast to remain subdued over the rest of the year as cost-of-living pressures and the rise in interest rates continue to weigh on domestic demand. It is expected that growth will then increase gradually over the remainder of the forecast period, supported by an easing in these headwinds and a pick-up in household wealth. Labour market conditions have been very tight but these are forecast to ease, with an increase in both the unemployment and underemployment rate over coming years as a result of subdued economic growth."

RBA REVIEW:

The Review of the Reserve Bank of Australia structure which we discussed in last Quarter's Update becomes effective in January 2024. Key amongst the changes adopted 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 experts in this field than currently fill the roles of RBA Board members. This has received some adverse comment that a majority of six members will be part-times (seven independents in total) in contrast to the current arrangements. 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.

NEW RBA GOVERNOR TAKES OFFICE:

Sometime ago the Treasurer announced that the term of RBA Governor Phillip Lowe would not be extended past its expiry in September 2023 and Deputy Governor Michele Bullock would be appointed for a similar seven year term to replace him. This took place as planned and Governor Bullock presided over her first RBA Board meeting in that role on 3 October 2023.

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. Much of this we think comes from the different mortgage markets in both Canada and Australia which are quite similar, and we expect will be recognised in due course.

RBA FINANCIAL STABILITY REVIEW (FSR):

The RBA also issued its semi-annual Financial Stability Review in early October and provided these remarks: "The increase in inflation and interest rates since 2021 has put pressure on household and business finances in Australia and around the world. It has also exposed vulnerabilities in parts of the international banking system, in some non-bank financial institutions (NBFIs) and in segments of global financial markets. Periodic episodes of stress in some economies, including the banking stress in the United States and Switzerland in March 2023, have required intervention by policymakers to support financial stability. Households and businesses in advanced economies have been largely resilient to date, despite a challenging set of economic conditions that includes high inflation, restrictive monetary policy settings and slowing growth. Low levels of loan arrears and high levels of capital and liquidity continue to support stability in the global banking system. However, global financial stability risks remain elevated."

On Loan Arrears it had this to say: "While budget pressures have led to an uptick in arrears and personal insolvencies, the vast majority of households continue to service their debts. Lenders in the Bank's liaison program have reported that borrowers have been more resilient than expected in their ability to service their debt, given the sharp rise in interest rates. While almost all borrowers have been able to make adjustments that have allowed them to continue servicing their debts and cover essential spending, the share falling behind on their mortgage payments has begun to pick up from a low level. Before reaching this stage, households often contact their lender to enquire about options to restructure their loan or apply for temporary hardship, turn to alternative sources of finance or seek other forms of help. A growing share of households have sought financial counselling; the National Debt Helpline (NDH), for instance, has seen demand for its services increase by around one-quarter from the low level experienced during the COVID-19 pandemic."

The RBA has continued to pause its cycle of interest rate increases during the third quarter as well as at its most recent October meeting, the first for new Governor Michele Bullock. There are still some signs that further increases may take place, and this was noted in the October Board minutes with a focus on inflation. Some commentators have described the November Board meeting as "live" even with the lower monthly 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 where it is currently. 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 5.16% compared to 2 year Treasuries at 4.99% and AUS 10 year Gov't Bonds at 4.81% with the 3 year Government bond yield at 4.25%.

Residential

CoreLogic Home Value Index: National home values up 0.8% in September and 2.2% for the quarter:

Sydney up 1.0% for the month and 2.5% for the quarter
Melbourne up 0.4% for the month and 1.3% for the quarter
CoreLogic RP Data

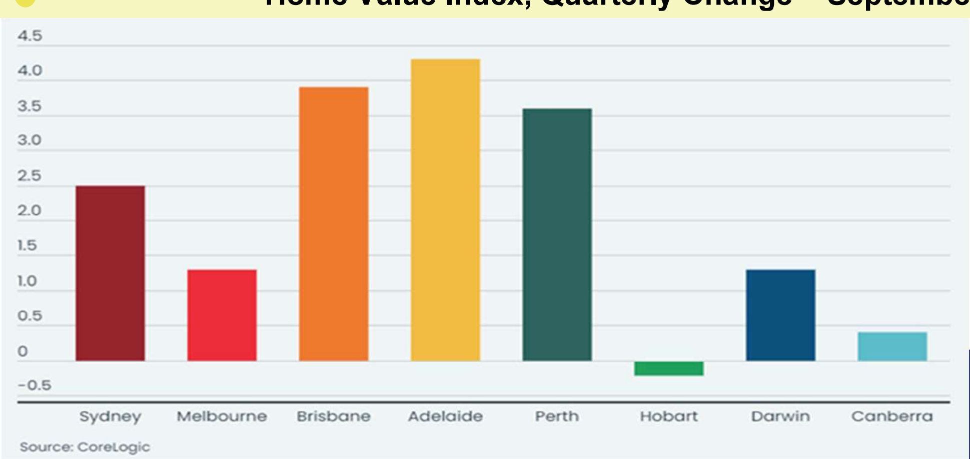
Residential markets continued to strengthen over the past few months during the third quarter of 2023 as prices for housing rose nationally. Overall, the capital cities were up 2.5% for the quarter and also up nationally by 2.2% as regional performance was also positive by 1.1%. For the third quarter ended in September, Sydney was up 2.5% and Melbourne up 1.3%. Nationally, housing was up by 0.8% for the month, slightly more than the 0.7% gain recorded in August.

Houses: Houses in Sydney were up 2.6% for the past 3 months and in Melbourne they were up 1.2%, both slightly less than last quarter. For the nation as a whole, they were up 2.2% and up by 0.8% for the past month; also down slightly. Overall capital cities' houses are up in price on an annual basis 5.3% while including the regions the national increase was 3.9%; overall a strong result.

Units: Unit prices as reported by Core Logic were even with Houses for the month, up 0.8% nationally. For the quarter they were up 2.1% nationally and 2.7% for the capitals and 1.0% for the regions. Sydney was up 2.0% last quarter and Melbourne was also up 1.6%. Adelaide was up 1.4% for the month, 3.9% for the quarter and 7.6% for the year. Brisbane and Perth were also up for all three periods however Brisbane topped the annual increase at 8.0%. The annual growth trend in rents was recorded at 8.4% across combined capital cities for all housing, vacancy rates dropped to 1.0% across capital cities and 1.2% across regional Australia.

The RBA had a number of comments about housing in their August SoMP: "The rebound in housing prices is supporting household wealth. National housing prices have increased over recent months, following an 8% decline from the April 2022 peak. These increases have been broadly based across capital cities and most regional areas and have provided support to household wealth. The rebound in housing prices reflects a combination of stronger demand, partly due to the pick-up in population growth, and ongoing limited supply of new and established dwellings. Other measures of housing market activity have been mixed in recent months. Housing turnover and residential listings are at low levels, although new listings have increased in some capital cities in recent months and auction clearance rates are higher than at the start of the year. Survey measures of housing price expectations have risen to be above their long-run average. Rental vacancy rates remain below their longrun average levels in Melbourne and Sydney and are around record lows in most other capital cities. Strong population growth has added to demand for rental properties, particularly in Sydney and Melbourne. Average household size has increased over recent months in capital cities, likely reflecting tight rental market conditions; this partially unwinds the decline in average household size observed since the onset of the COVID-19 pandemic. Average household size outside of capital cities has already returned to pre-pandemic levels."

Home Value Index, Quarterly Change – September 2023



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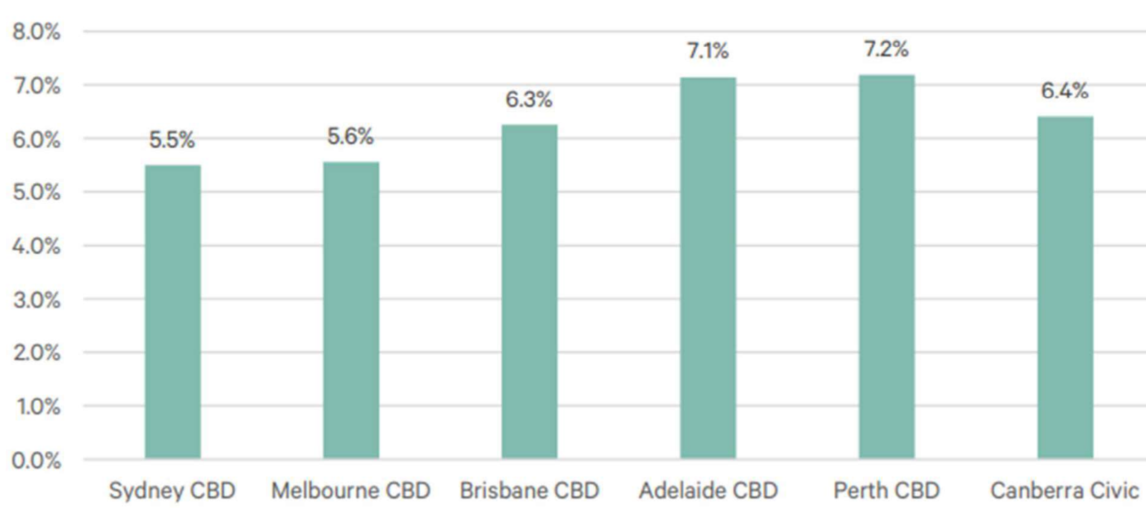
HTW in their latest Capital City Residential Property Market research continue to reflect the views in our ratings with capital cities showing a severe shortage of Houses in all locations and only fair demand except for Perth which is strong. Units are also experiencing severe shortages in all capitals. 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. "We have already seen dwelling values reach new record highs in Perth and Adelaide. Brisbane looks set to reach a new record high in October, with homes values only 0.6% below their previous peak. The three capitals recording the highest capital gain each have advertised supply levels that are around 40% below their previous five-year average.

Office

Rents continue to grow but at a slower rate in Q3 2023. Incentives largely stable while vacancy rises across most markets and yields are up in all capitals

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 5.5% up from sub 5% at 4.9% last quarter. The situation in Melbourne is similar, where the vacancy rate has climbed to 12.9% and incentives are at 41% and yields have risen by 0.5% to 561%. 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 up at 7.1% with a positive outlook on SA.

Prime Yields, Office Market Report Q3, 2023, CBRE



Source: CBRE Research

HTW in their July 2023 Month in Review covering Offices understandably had most markets facing oversupply with only Adelaide showing a balanced rental market. Sydney is still described as declining while Melbourne and Perth were considered to be at the bottom of the market. Adelaide was shown as experiencing a rising market while Brisbane was approaching the bottom. Yields are continuing to soften 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 continue to rate 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 continue to reassess a return to the office which has now started in most CBDs.

Industrial

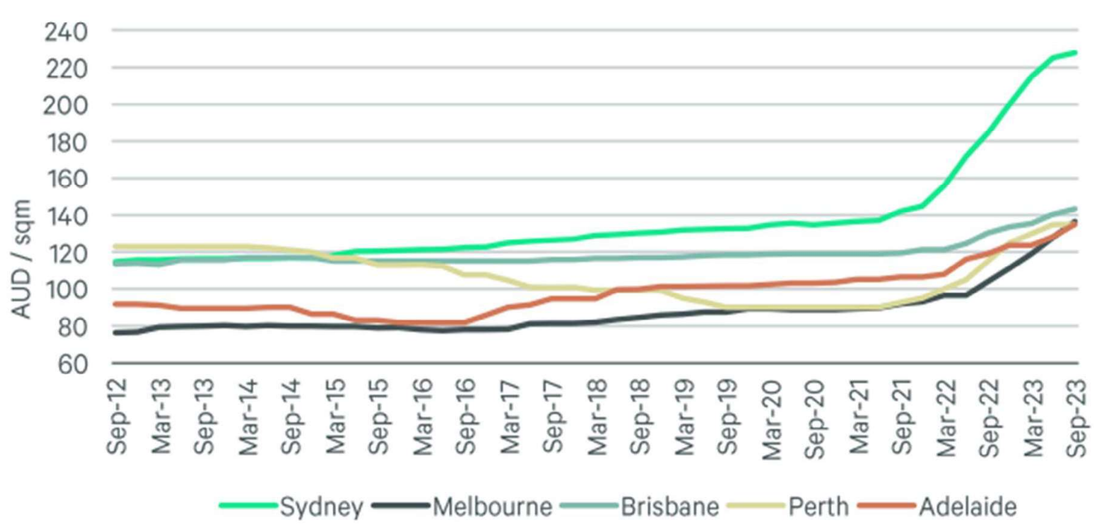
The ACCI – Westpac Survey of Industrial Trends for the quarter ending September rose slightly by 0.2 points to 51.3. The Westpac – MI Leading Index which had stayed positive all through the pandemic has stayed in negative territory at -34 in September up strongly from -48 in August but still viewed as indicating below trend growth. From other surveys we follow we saw some different trends with the new AiG Index launched in February up by 8.2 points in September but staying in Contraction at -3.5 as it has been for the past 17 months. The PMI manufacturing sub-index rose also rose by 7.0 points but still in contraction at -12.8 points.

Rents continue to rise amid near zero vacancy. Yields are also rising.
CBRE Q2 Research

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 26 basis points nationally 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 yields up from 8 to 33 bps and as shown below rents are rising across the country.

HTW in their August monthly review of the Industrial sector remains not quite as enthusiastic as last quarter and has Adelaide still in a rising market but with Sydney joining Melbourne and Brisbane as starting to decline with Perth still 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.

Super Prime Weighted Average Industrial (net face) Rents, September 2023 – CBRE



Source: CBRE Research Q3 2023

Retail

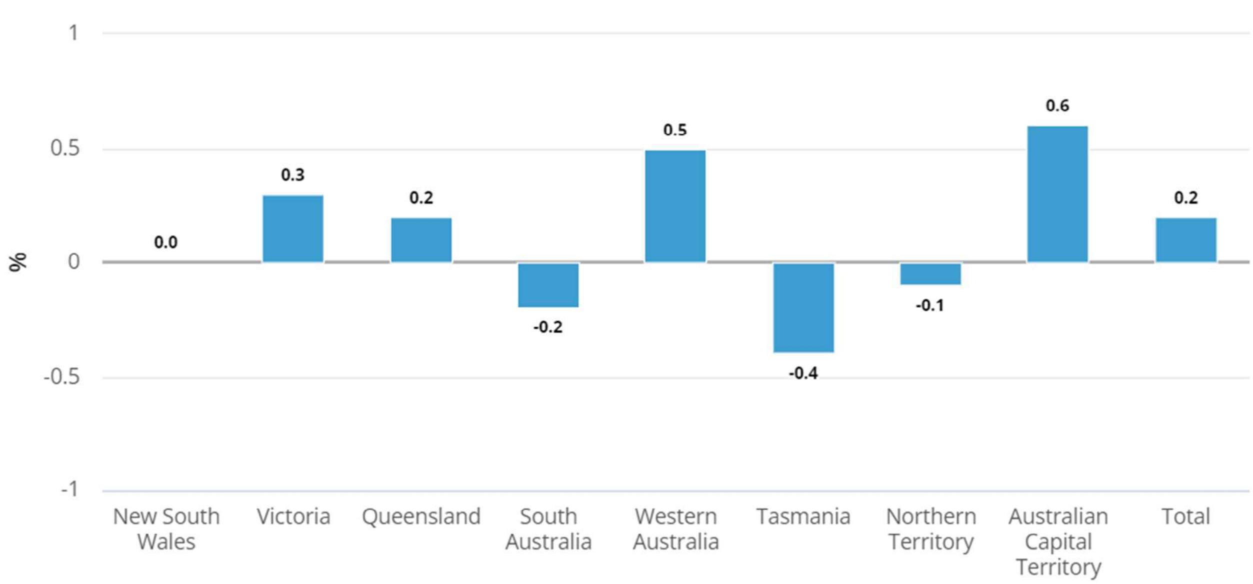
Retail sales data reflect overall little change from recent months; up 0.2% for the month of August and up 1.5% yoy.
Australian Bureau of Statistics

ABS figures for retail sales for August, released on 28 September, had the seasonally adjusted estimate for Australian turnover recording a monthly increase of 0.2% with a 1.5% increase for the year. The variances by State were once again quite wide as shown below but with most rising including WA which again recorded the best performance at 0.5%. NSW was flat but Victoria was up at 0.3%. South Australia was only down slightly at 0.2% while Queensland rose by 0.2%. Tasmania was down by 0.4% and amongst the Territories, the NT was down slightly by 0.1% but ACT was up by the most of all at 0.6%. Sector/Industry performance was more varied but still mostly positive with Takeaway Food including Cafes and Restaurants up by 0.7% while Food Retailing was down 0.3%. Department Stores were up by 0.4% with Household Goods down -0.4.Clothing, footwear and personal accessory retailing were well up ay 1.3% the best of the categories with Other retailing also up by a good 0.7%.

The RBA had this to say about Household Consumption in their August SoMP: "Sentiment of retailers in the Bank's liaison program has continued to deteriorate over recent months alongside declines in sales volumes. While most retailers have recorded modest declines in sales, a small number of household goods and clothing retailers have reported large falls in recent months. Firms report that low consumer confidence and cost-of-living pressures, including from higher interest rates, have led to more cautious spending. This has included households, particularly those on lower incomes, trading down to cheaper products and reducing basket sizes. Sales volumes at some retailers that target value-conscious shoppers have been relatively resilient, while other similar stores have reported large declines in their sales."

HTW featured the Retail sector in their September Review and had it declining in Sydney, Melbourne and Brisbane and at the bottom of the market in Perth and with oversupply in all but Brisbane which is now in a balanced market but in contraction. Adelaide's market was balanced and flat after last quarter having been 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. Adelaide has now joined Brisbane and Perth which are Fair with all Stable.

August 2023, Monthly Change in Retail Trade Volumes by State & Territory – ABS



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Market Focus

The third quarter of 2023 saw Australian interest rates continue their pause following the rapid increase from record lows of over 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. 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 very recent Middle East turmoil has not yet been factored in but is sure to have some impact.

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 monthly pauses we can hope the worst is over and can look forward to the continuation of stability in the rest 2023 even if the forecast by some major economists on further increase proves correct. The longer-term outlook into 2024 is positive and is not far off. Global political factors may have an unexpected negative factor but that remains to be seen.

The positive performance of national housing values has continued in all Capitals in the past quarter. Our Residential ratings and trends reflect this and we expect this to continue if interest rates have stopped rising as we expect they have. 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 definitely continue to shake market confidence. That now leaves 10 markets of 25 rated as Good &/or Strong which is one down 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 one 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	Fair	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
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OECD
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World Bank

Quarterly market update

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Thinktank

Susan Kennedy
Residential Account Manager
QLD/NT/WA
0420 340 619
skennedy@thinktank.net.au

Mitch Shaw
Commercial Account Manager
QLD/NT/WA
0405 815 287
mshaw@thinktank.net.au

Claire Byrne
Senior Relationship Manager
NSW
0414 235 478
cbyrne@thinktank.net.au

Robyn Hadlow
Relationship Manager NSW/ACT
0406 857 708
rhadlow@thinktank.net.au

Heather Noonan
Regional Sales Executive
VIC/TAS/SA
0435 960 646
hnoonan@thinktank.net.au

Cath Ryan
Regional Sales Executive
NSW/ACT
0433 862 944
cryan@thinktank.net.au

Adam Hutcheson
Regional Sales Executive
QLD/WA /NT
0434 609 239
ahutcheson@thinktank.net.au

Rob Anderson
Residential Account Manager NSW/ACT
0416 229 246
randerson@thinktank.net.au

Matthew Veloso
Commercial Account Manager NSW/ACT
0468 989 444
mveloso@thinktank.net.au

Ella Reynolds
Commercial Partnerships Manager
NSW/ACT
0450 642 995
ereynolds@thinktank.net.au

Ranei Alam
Senior Relationship Manager NSW
0434 609 240
ralam@thinktank.net.au

Sam Dobbins
Relationship Manager NSW
0414 010 365
sdobbins@thinktank.net.au

Joel Harrison
National Manager - Commercial Partnerships
0410 861 540
jharrison@thinktank.net.au

Tony Zaccari
Senior Relationship Manager VIC/SA
0403 758 514
tzaccari@thinktank.net.au

Dev De
Senior Relationship Manager
VIC/TAS
0466 576 338
sde@thinktank.net.au

Matt Petering
Residential Account Manager
VIC/TAS/SA
0405 994 824
mpetering@thinktank.net.au

Rosie Yardley
Commercial Account Manager
VIC/TAS/SA
0405 994 824
ryardley@thinktank.net.au

Gabby Destratis
Commercial Partnership Manager
VIC/TAS/SA
0414 523 209
gdestratis@thinktank.net.au

Paul Burns
Senior Relationship Manager
NSW
0434 609 241
pburns@thinktank.net.au

Robert Ilov
Relationship Manager QLD/NT
0424 685 008
rilov@thinktank.net.au

Kirsty Hannam
Relationship Manager QLD/NT
0405 815 287
khannam@thinktank.net.au

Stephanie Stritch
Senior Relationship Manager WA
0410 938 283
sstritch@thinktank.net.au

Amod Mahatme
Relationship Manager VIC
0466 632 212
amahatme@thinktank.net.au

For additional information, please contact:

Publications & Market Update
Per Amundsen
Company Secretary
(02) 8669 5515
0417 064 252
pamundsen@thinktank.net.au

Partnerships & Distribution
Peter Vala
GM Partnerships & Distribution
(02) 8669 5512
0468 989 555
pvala@thinktank.net.au

Residential Partnerships
Belinda Wright
Head of Distribution
(02) 8669 5577
0452 616 915
bwright@thinktank.net.au

Investor Relations
Lauren Ryan
BDM – Investments
(02) 8669 5532
0401 974 839
lryan@thinktank.net.au