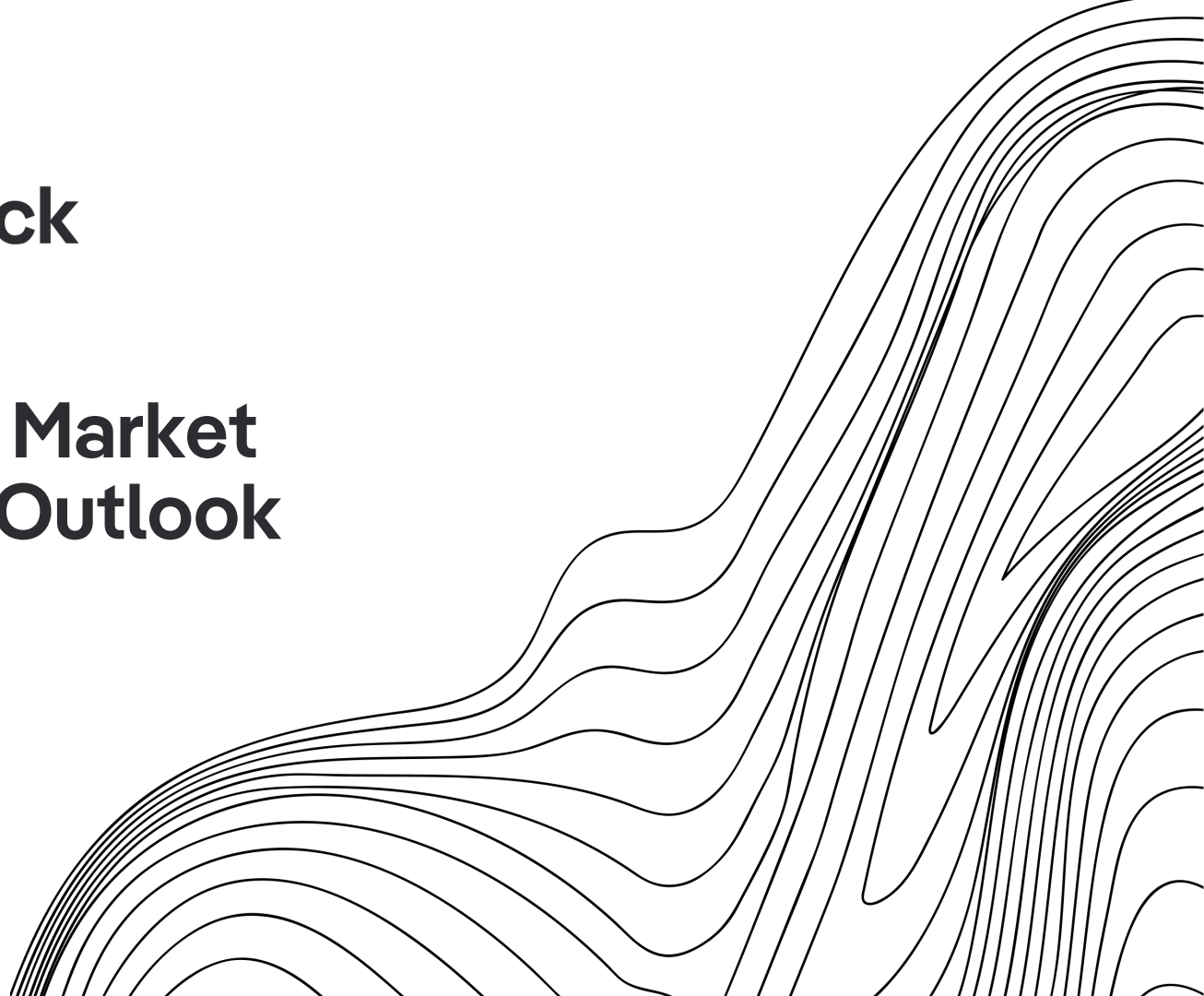




PropTrack

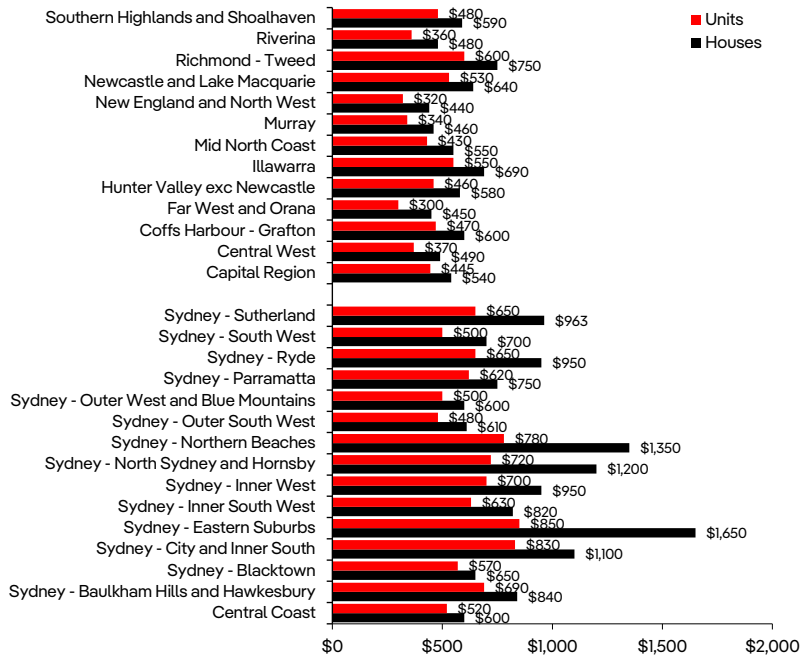
NSW Rental Market Update and Outlook

March 2024

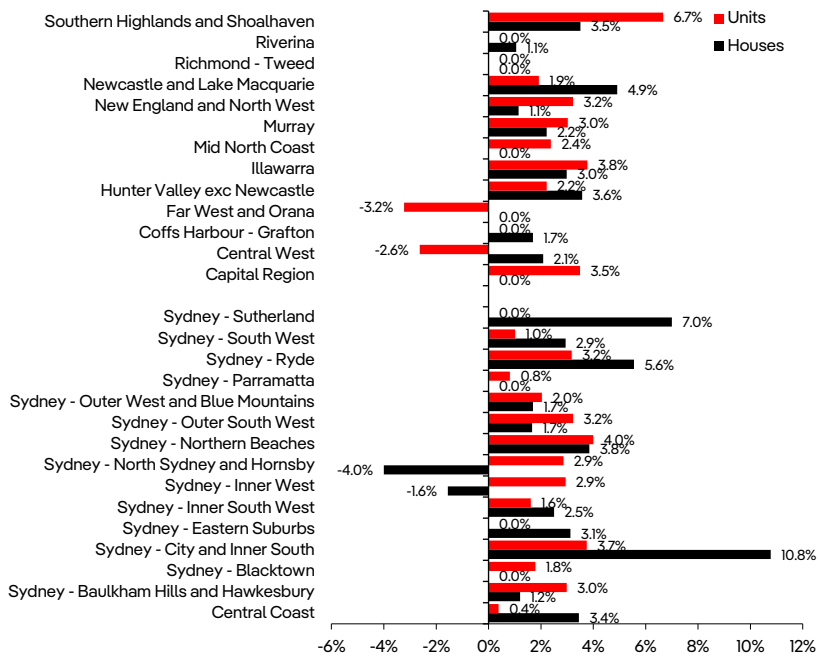


Over the three months to Feb 24, Sydney house rents were unchanged and unit rents were +3%

Median weekly advertised rents, houses vs units, NSW SA4 regions, Feb 24

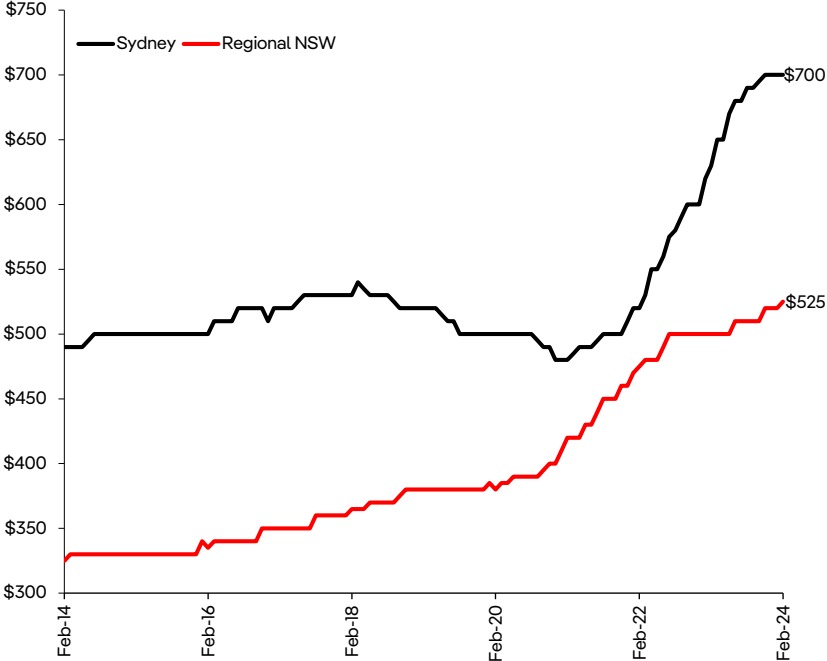


Quarter-on-quarter change in weekly advertised rents, houses vs units, NSW SA4 regions, Feb 24

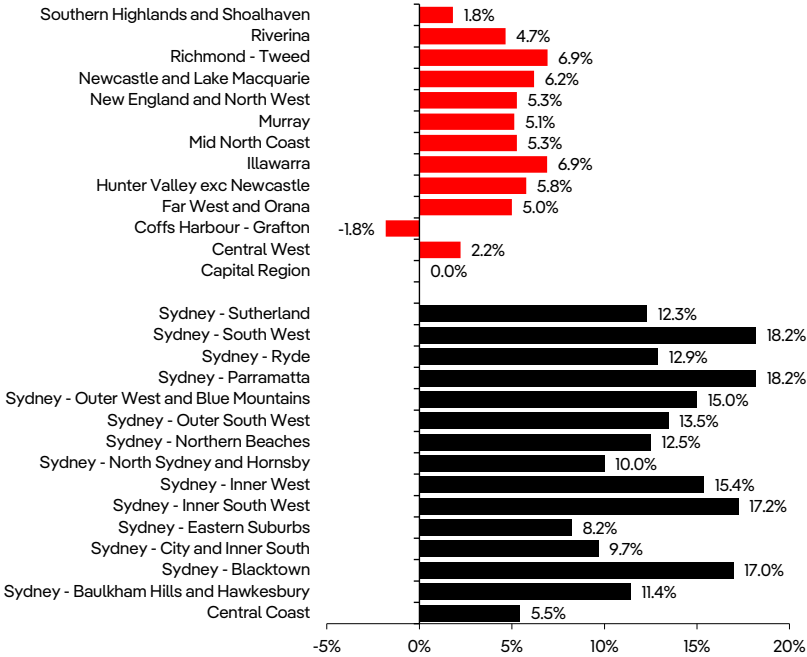


Over the past year, Sydney rents were +11.1% and regional NSW rents were +5%

Median weekly advertised rents, NSW

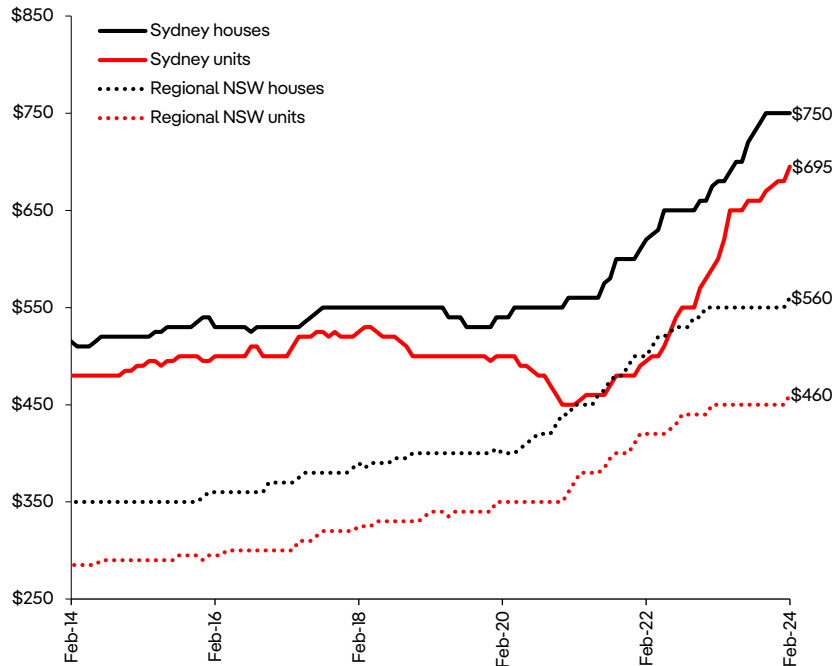


Year-on-year change in rents, NSW SA4 regions, Feb 24

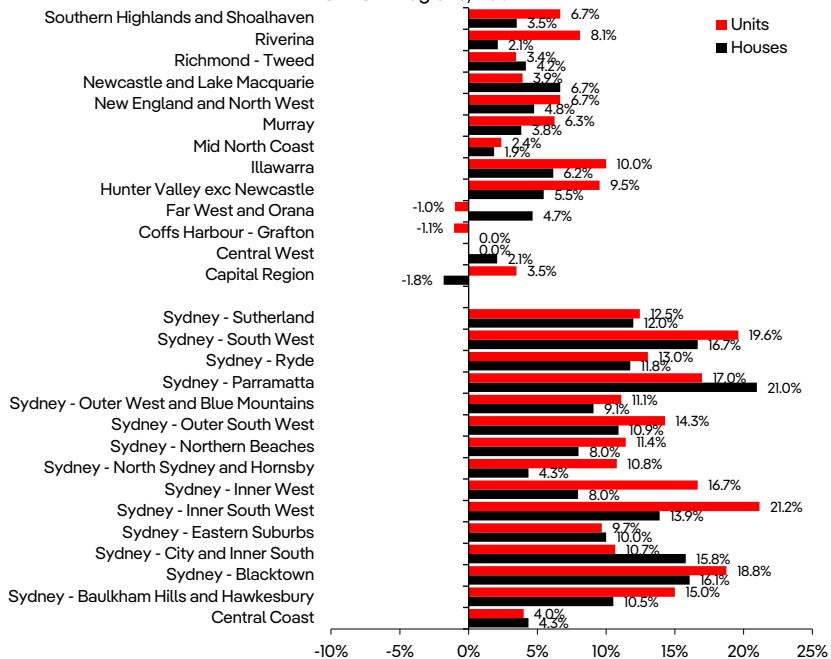


House rents were +10.1% & +1.8% YoY in Sydney and regional NSW and unit rents were +15.8% & +2.2% YoY

Median weekly advertised rents for houses and units, NSW

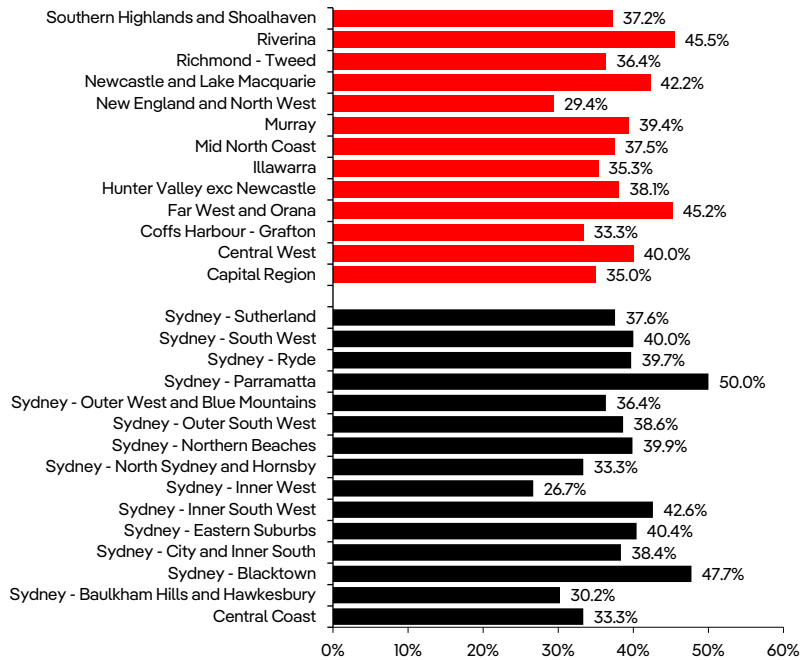


Year-on-year change in rents, houses vs units, NSW SA4 regions, Feb 24

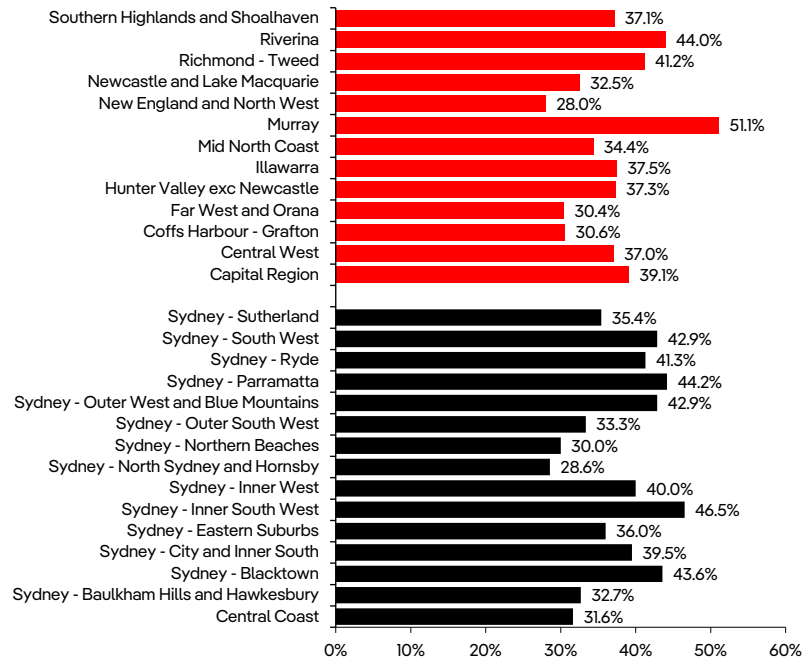


From Mar 20 to Feb 24, Sydney rents were +38.9% for houses and +39% for units

Change in median house rents, NSW SA4 regions, Mar 20 to to Feb 24

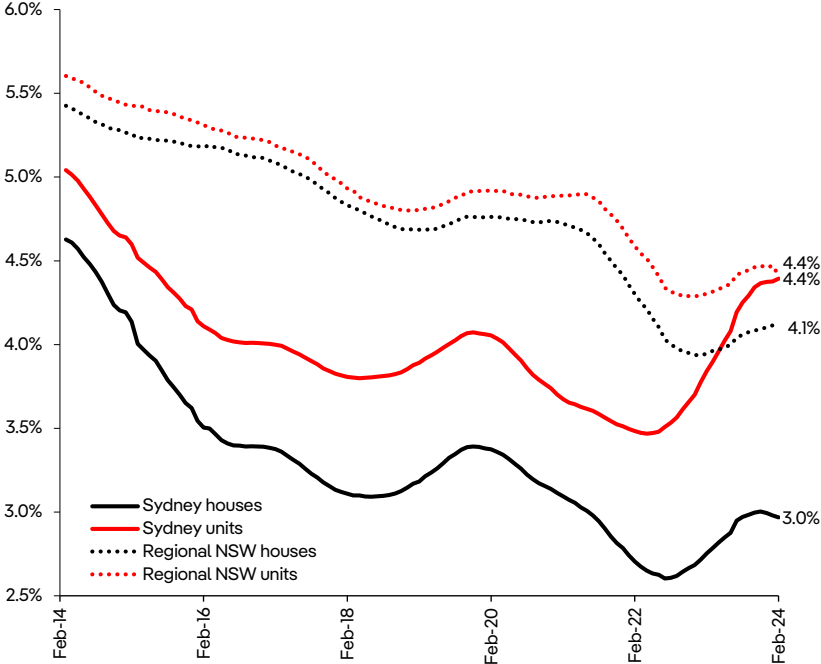


Change in median unit rents, NSW SA4 regions, Mar 20 to to Feb 24

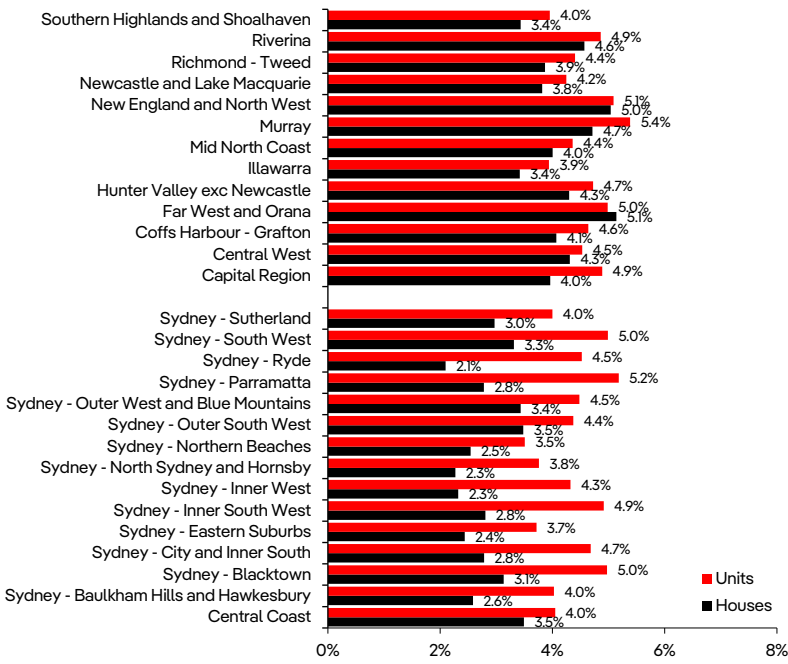


Gross rental yields for units in Sydney are the highest they've been since Jun 15

Gross rental yields, houses vs units, NSW

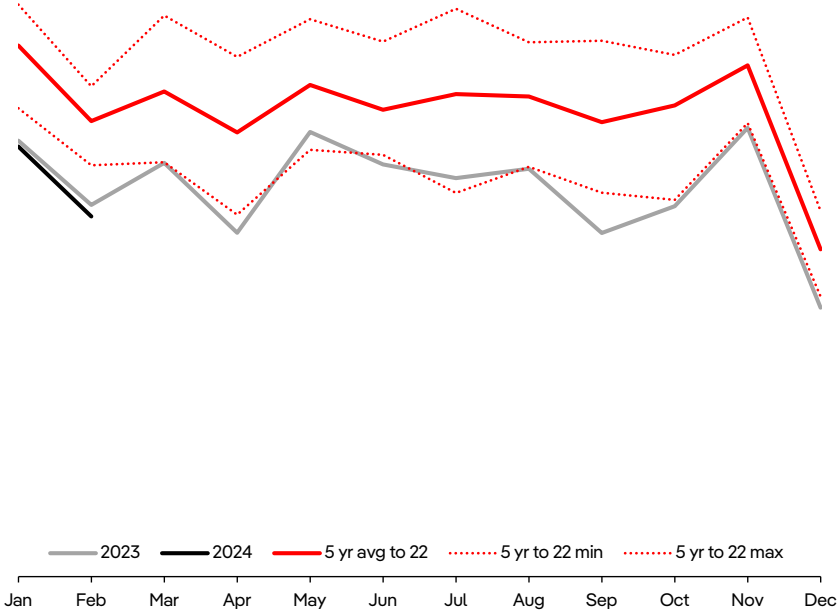


Gross rental yields, NSW SA4 regions, houses vs units, Feb 24

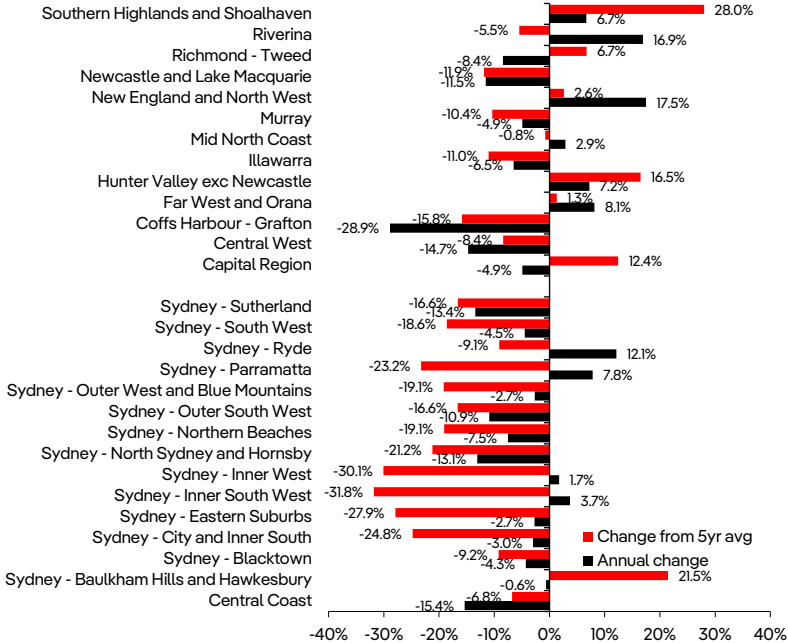


New rental listings in Sydney were -3.1% YoY in Feb 24 and were 20.9% compared to the Feb 5-year average to '22

Monthly new rental listings, Sydney

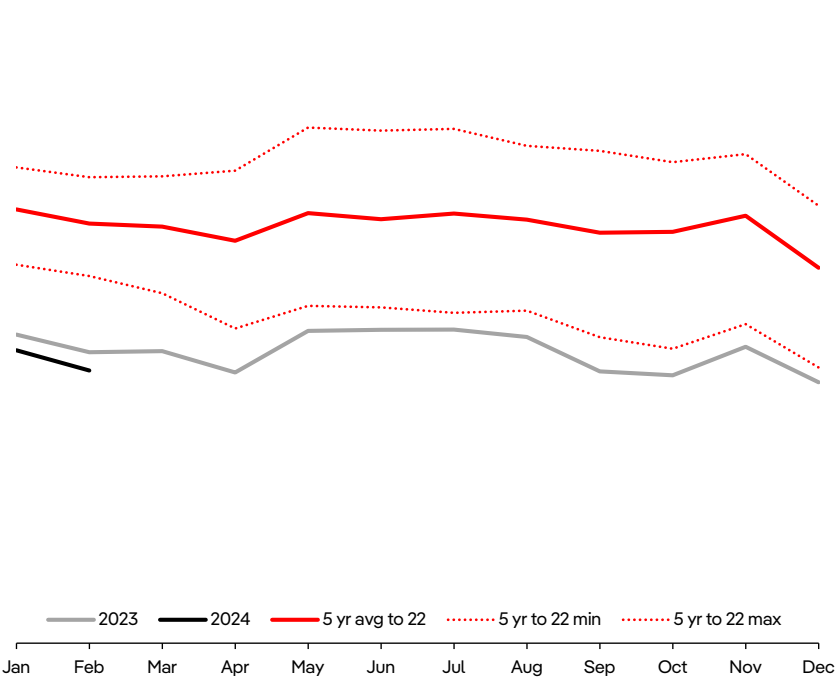


Year-on-year change and change from 5 yr to '22 average, new rental listings, NSW SA4 regions Feb 24

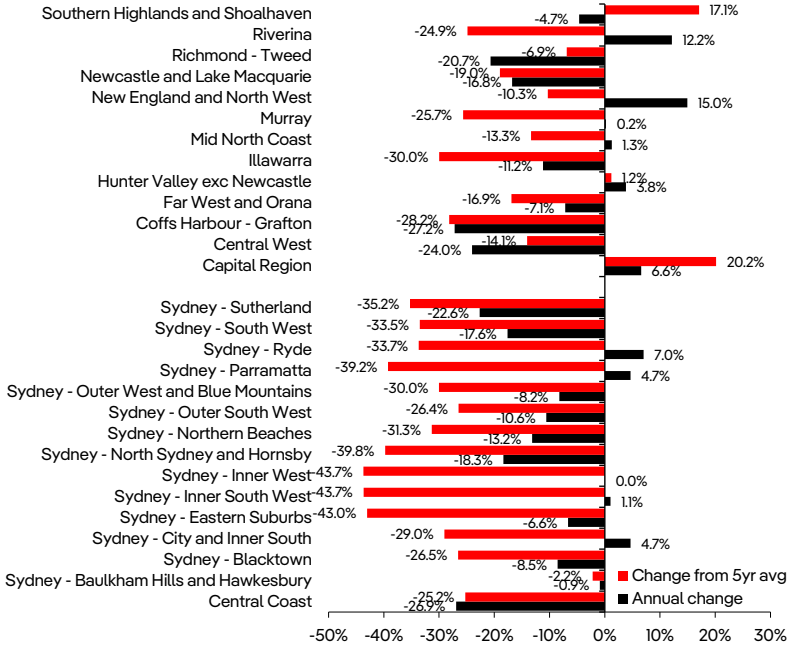


Total rental listings in Sydney were -6.3% YoY in Feb 24 and were 35% compared to the Feb 5-year average to '22

Monthly total rental listings, Sydney

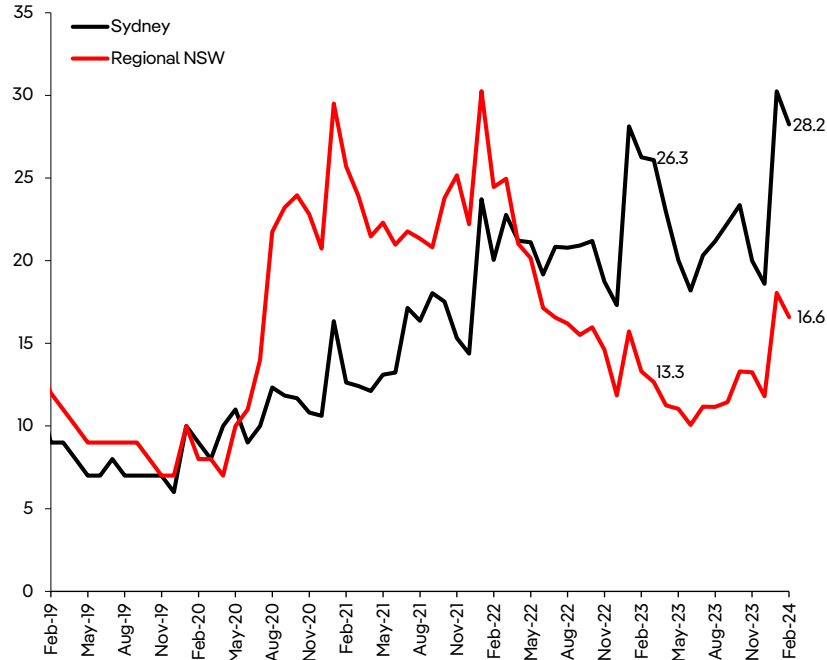


Year-on-year change and change from 5 yr to '22 average, total rental listings, NSW SA4 regions Feb 24

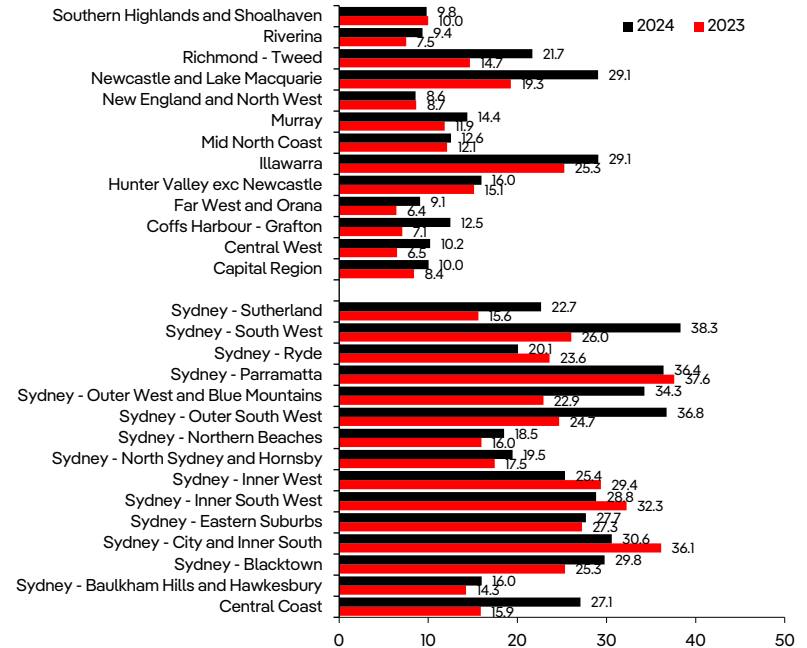


Rental enquiry per listing in Sydney was +7.6% yoy and in regional NSW it was +24.7%

Average enquiry per listings, properties for rent, NSW

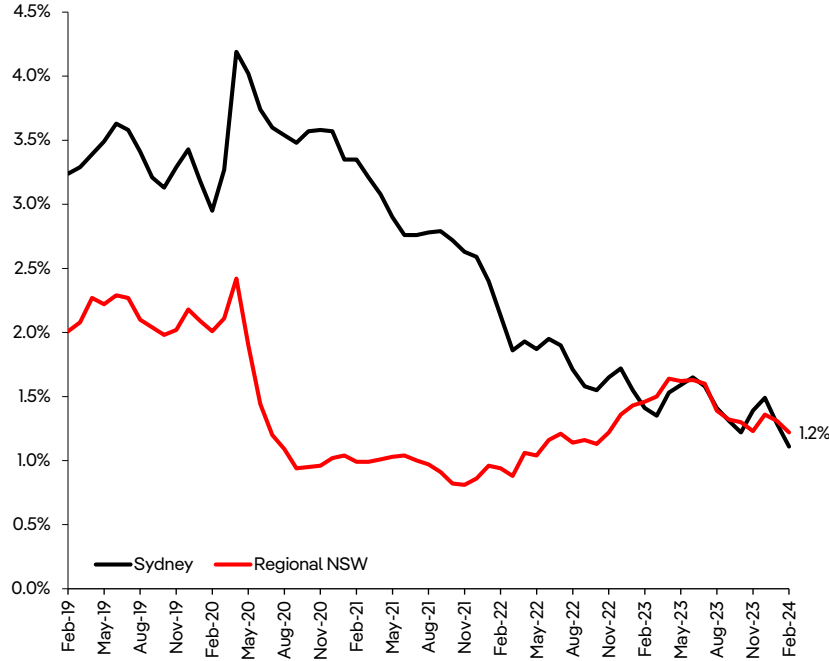


Enquiry per listing, NSW SA4 regions, Feb 23 vs Feb 24

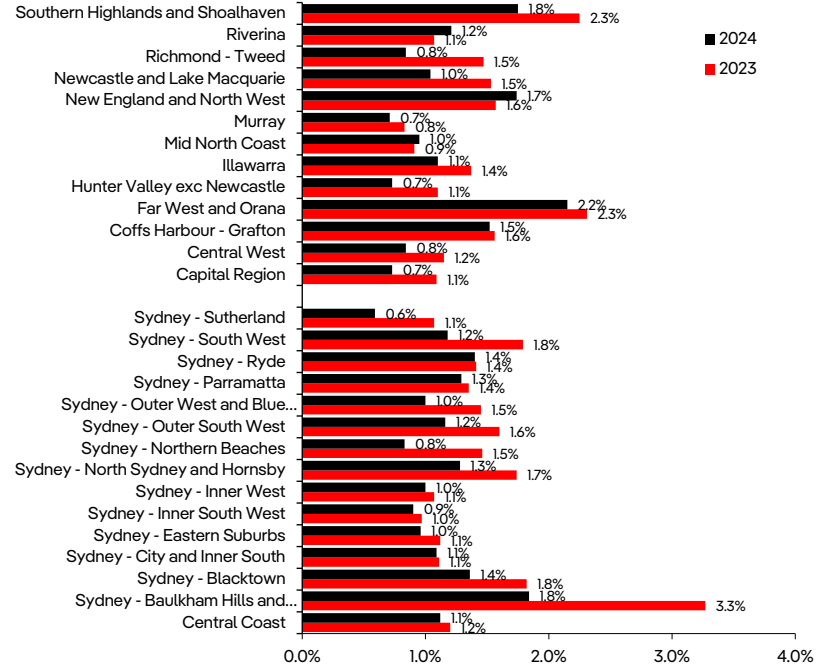


Rental vacancy rates across NSW are sitting at near record-lows

Rental vacancy rates, NSW

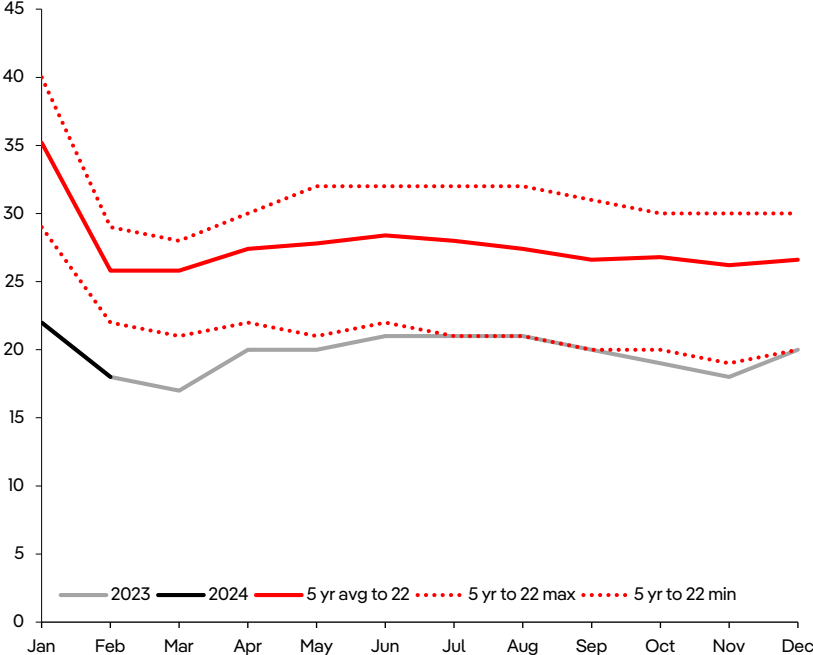


Rental vacancy rates, NSW SA4 regions, Feb 23 vs Feb 24

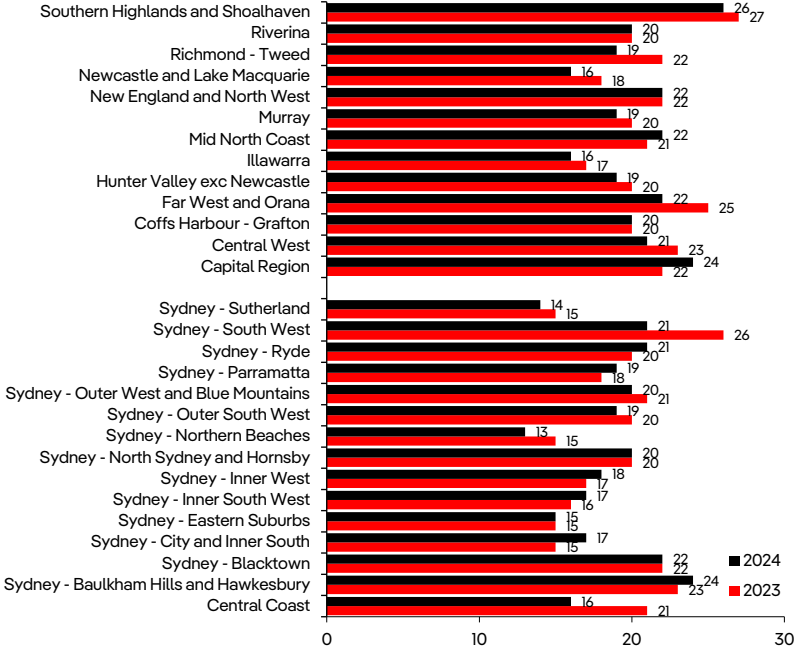


The median days on site in Sydney (18) is unchanged over the year and lower than the 5-year average to '22

Median days on site, properties for rent, Sydney



Monthly median days on site for properties that leased, NSW SA4 regions, Feb 23 vs Feb 24



Where to from here?

- Rental prices are climbing due to several factors, reduced household size through the pandemic, low levels of new housing construction due to labour costs and shortages and financing costs and rapid population growth, mostly from migration.

- Rents have increased rapidly over the past year, capacity to pay for stock is likely becoming an issue but we expect the cost of renting to continue to climb.

- As rental costs get increasingly expensive, people will choose to rent in less ideal locations, in smaller properties or shift back to share housing (a trend we're already seeing).

- The solution to the shortage of rental properties on the supply side is more housing (which takes time) or more people investing in residential property

- Solutions to rental shortages on the demand side are lowering rates of migration (difficult to implement), increasing CRA or assisting/encouraging more people to become FHB.