

NSW

Property demand remained strong in New South Wales over the past six months, with inner-ring Sydney performing well.

OVER THE FIRST HALF OF 2023, PROPERTIES IN THE INNER-RING REGIONS OF SYDNEY and those priced in the upper quartile have seen growth stronger than those in the more affordable range.

The Property Curator principal buyer's agent Brendan Clark said the continued lack of supply has seen prices in most parts of the city rise over the first six months of the year.

"The combination of very low building activity and a sharp increase in immigration will continue to put pressure on the local property market," he told *Your Investment Property Magazine*.

CoreLogic's home price index for June 2023 showed the median dwelling value in Sydney was at \$1.07m — while this represents a 5.1% decline from last year, it still stands higher by 1.7% monthly and 4.9% quarterly.

Mr Clark said the rental market in the state was also able to perform strongly due to the demand from the surge in immigration.

"Rents have increased dramatically, however, there are indications that the rapid rise may be starting to taper off," he said.

"There's anecdotal evidence that more people are considering sharing a house or perhaps moving back home to save money.

"Landlords shouldn't expect the double-digit percentage increases to continue throughout the remainder of 2023."

Mr Clark said the most obvious impact of rate hikes is the reduction of how much buyers can pay for a particular property.

However, another less obvious impact evident in the first half of 2023 was the rush of buyers to purchase before the end of their pre-approval, possibly to avoid having their borrowing capacities reduced.

"This has had a real impact in terms of increasing fear-of-missing-out in the market," he said.

"In the coming months, I expect the cumulative impact of the successive interest rate increases to start becoming more noticeable — while Sydney as a whole is not showing a marked increase in mortgage stress or distressed listings, there are



certain pockets that are of more concern."

For Mr Clark, a sustained pause or the end of rate hikes might see more investors tempted to enter the Sydney market, as well as nearby regions of Illawarra and Central Coast.

"The spring selling market is likely to present more opportunities for homebuyers, with more stock coming online," he said.

"Buyers who are prepared and have their finance ready will be offered more options compared to the winter months — however, with demand remaining high in most markets, it's unrealistic to expect the market to shift to being a buyer's market."

Overall, affordability pressures will likely remain an issue for both property and rental markets.

There will also be continued pressure on newer estates on the city fringes, as well as in areas in the traditional "mortgage belt".

"These areas have many households who have only recently entered the property market and haven't had a chance to build up financial buffers to help them withstand higher mortgage payments," he said.

"Whilst large-scale contagion isn't expected, these areas are nonetheless expected to face more headwinds than other parts of Sydney.

"In general, I expect the Sydney market to consolidate and likely see modest price increases at a city-wide level — I expect the premium market to outperform the more affordable areas."

NSW PRICE PERFORMANCE

AREA	TYPE	MEDIAN VALUE	QUARTERLY GROWTH	12 MONTH GROWTH	WEEKLY MEDIAN ADVERTISED RENT	GROSS RENTAL YIELD
Sydney	H	\$1,300,000	-1.90%	-1.50%	\$660	2.60%
Sydney	U	\$759,000	-0.70%	-3.80%	\$575	4.00%
NSW Country	H	\$695,000	-0.10%	7.50%	\$530	3.90%
NSW Country	U	\$589,000	0.00%	5.00%	\$445	4.00%

Source: CoreLogic. Data reported to the period ending April 2023. Median values account for sales transactions over three months.

NSW'S HIGHEST YIELD SUBURBS

SUBURB	TYPE	MEDIAN PRICE	QUARTERLY GROWTH	12 MONTH GROWTH	WEEKLY MEDIAN ADVERTISED RENT	GROSS RENTAL YIELD
Lightning Ridge	H	\$85,000	10%	10%	\$250	15%
Broken Hill	H	\$175,000	0%	9%	\$320	10%
Moree	U	\$150,000	-12%	-14%	\$250	9%
Warren	H	\$200,000	2%	23%	\$330	9%
Berrigan	H	\$220,000	-6%	5%	\$350	8%
North Lismore	H	\$290,000	-5%	-36%	\$460	8%
Tralee	H	\$457,500	-1%	23%	\$700	8%
Woodburn	H	\$360,000	0%	NA	\$550	8%
Hillston	H	\$230,000	-1%	-14%	\$350	8%
Narrabri	U	\$184,000	0%	-40%	\$280	8%

Source: CoreLogic. Data reported to the period ending April 2023. Median values account for sales transactions over 12 months.

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Brendan Clark
Property Curator
principal buyer's agent

SUBURB SPOTLIGHT

Glebe

Vibrant inner suburb ticking along

GLEBE, LOCATED IN THE INNER-WESTERN PART OF SYDNEY, NEW SOUTH WALES, is a vibrant and eclectic suburb. Glebe boasts tree-lined streets, beautiful Victorian-era architecture, and a diverse community. Its vibrant atmosphere is fueled by its lively markets, trendy cafes, and thriving arts scene. Glebe's proximity to Sydney University adds an intellectual vibe, attracting students and academics alike.



source: realestate.com.au

GLEBE HOUSES

MEDIAN PRICE	12 MONTH GROWTH	3 YEAR GROWTH	5 YEAR GROWTH	INDICATIVE GROSS RENTAL YIELD
\$2,300,000	-2%	29%	28%	2%

Source: CoreLogic. Data reported to the period ending April 2023. Median values account for sales transactions over 12 months.

GLEBE UNITS

MEDIAN PRICE	12 MONTH GROWTH	3 YEAR GROWTH	5 YEAR GROWTH	INDICATIVE GROSS RENTAL YIELD
\$950,000	-23%	8%	-12%	3%

Source: CoreLogic. Data reported to the period ending April 2023. Median values account for sales transactions over 12 months.



Amenities
Glebe is in close proximity to Sydney University.



Transport
The Inner West Light Rail has two stations in Glebe.