

PEXA Property Insights Report

CALENDAR YEAR 2023



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South Australia

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A strong Dec-23 Qtr led the property market out of the downturn

Mike Gill
Head of Research, PEXA



A total of \$613.0B worth of property exchanged hands in Australia in CY23. This was down 9.1% on the previous calendar year and represented 670,883 property transactions. Whilst the property market experienced a soft first half, green shoots emerged later in the year with over 188K sale settlements recorded nationally in the Dec-23 Qtr. Both the residential and commercial sectors enjoyed an uplift in settlement volumes during the final quarter of 2023. For residential property, the premium end of the market led the recovery, with significant growth in settlement volumes recorded in second half of CY23 for properties priced over \$1M, across the eastern states.

Residential Highlights

- > NSW recorded the highest spend on residential property in CY23 at over \$192B. This was down 6.9% on the prior year but remained ahead of second placed VIC on \$135.2B.
- > WA proved to be the most resilient state in the country, recording over 84K sale settlements in CY23. WA maintained the high volumes seen throughout the COVID period, with other mainland states returning to CY20 levels
- > QLD topped the country for the third year running on a volume basis. Nearly 176K sale settlements were recorded in the state in CY23 (down 9.7% on CY22).

Commercial Highlights

- > \$27.3B of commercial property settled in NSW in CY23. This was ahead of VIC with \$26.5B and QLD with \$19.9B
- > The aggregate value of commercial sale settlements was down across the eastern states in CY23 but remained substantially higher than CY20 levels. NSW was down 23.5% and VIC down 15.1% compared to CY22.
- > VIC recorded the highest volume of commercial sale settlements in CY23 at 10,469. QLD was just behind with 10,361 and NSW trailed with 8,578.

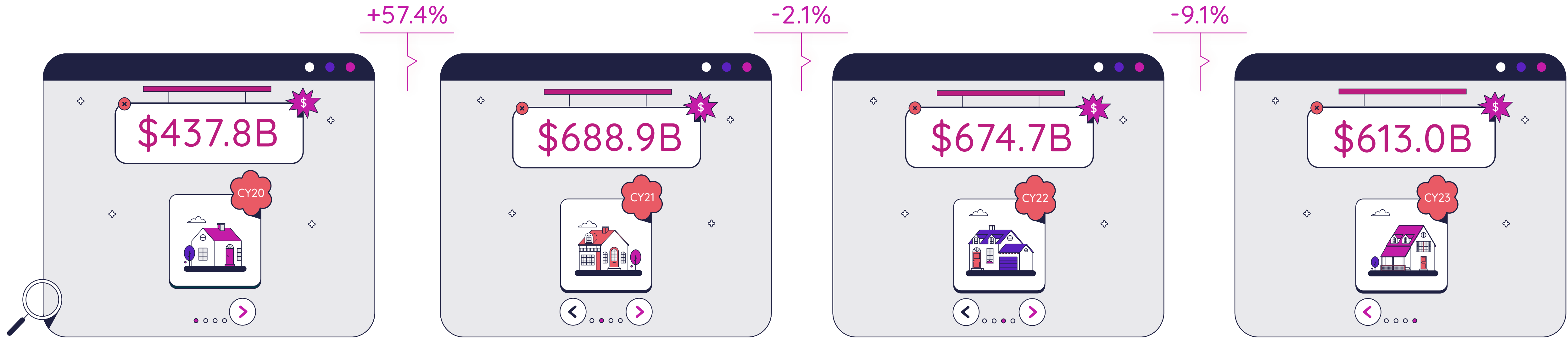
This report aims to provide a comprehensive view of property settlement trends in Australia. In this report 'national' is defined as the 5 mainland states: NSW, VIC, QLD, WA & SA (our analysis excludes TAS, ACT & NT, which combined made up less than 5% of the total property settlements in Australia in 2023). Settlement figures quoted are total settlements, they include all digital and paper-based settlements for residential and commercial property unless otherwise stated. Non-monetary settlements such as family transfers or gifts have been excluded.

We trust you will find the unique data and insights in this report valuable and we hope it delivers a new perspective on the health of the Australian property market. We always welcome your feedback – if you have any comments or ideas to contribute, please contact us at research@pexa.com.au.

\$613.0B worth of property was transacted nationally in CY23

Whilst this was lower than the record levels posted during the pandemic property boom, it remained well above the total observed in CY20

Aggregate value of sale settlements, National



The aggregate value of sale settlements nationally declined by 9.1% in CY23 to \$613.0B, driven by lower transaction volumes and median prices compared to CY22.

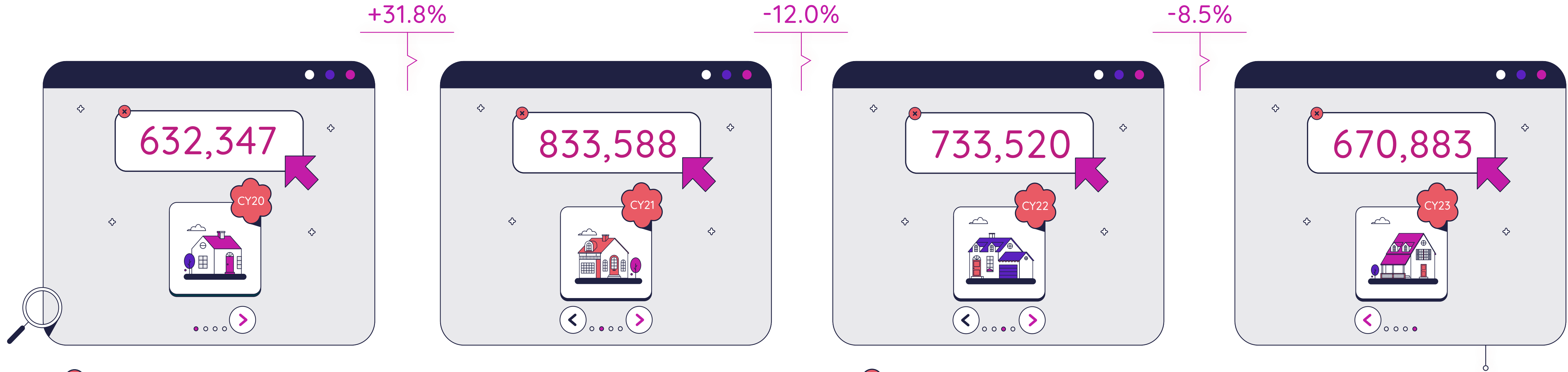


Note: Total sale settlements includes both residential and commercial property
Source: PEXA, QLD Government, NSW Land Registry Services, SA Office of the Registrar-General, Land Services SA

Nearly 671K properties changed hands in CY23

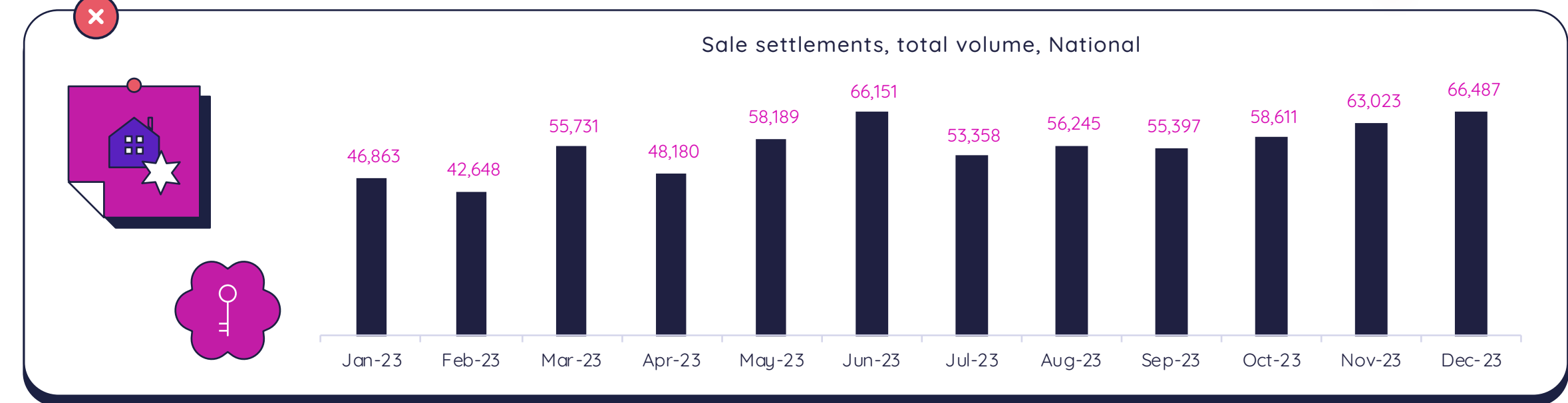
This was 8.5% lower than the prior year, as the property market returned to a more normal setting

Residential sale settlements, total volume - National, quarterly



Although CY23 saw less property transactions than the preceding 2 years, volumes trended upwards in the second half, culminating in a strong final quarter. The highest volume of sale settlements of any month during the year, was recorded in Dec-23 at 66,487.

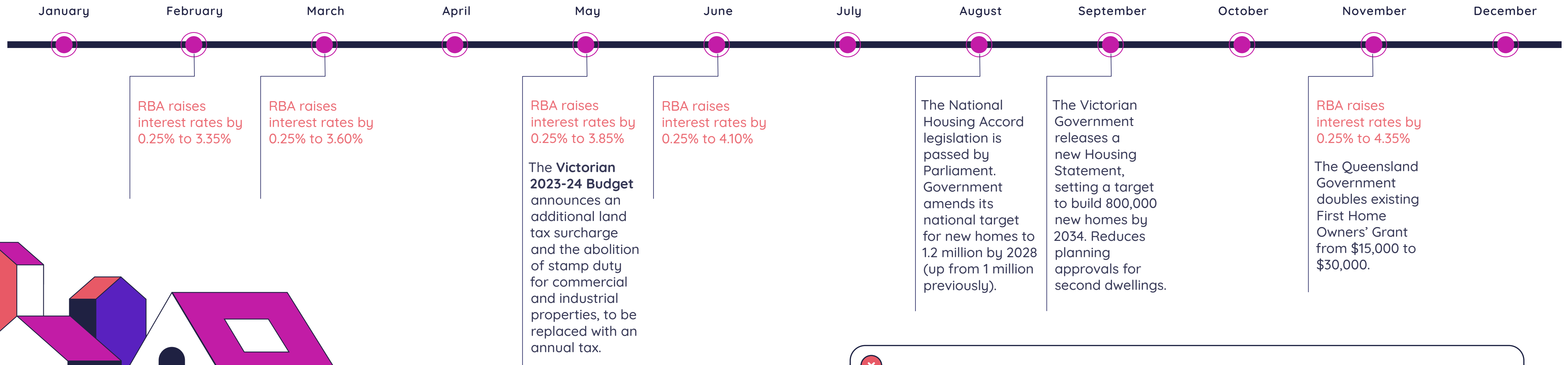
This momentum suggests buyers expect interest rates will stabilise in 2024, giving them more confidence in moving forward with property purchases.



Note: Total sale settlements includes both residential and commercial property
Source: PEXA, QLD Government, NSW Land Registry Services, SA Office of the Registrar-General, Land Services SA

Official interest rates rose to 4.35% by the end of CY23

Policy changes were also announced that affected Australia's property market in 2023



✘ Whilst increasing interest rates had the effect of reducing demand for property with the resulting tightening of credit, many of the policy changes announced at a state and federal level, were aimed at increasing housing supply. Specifically, these policies were designed to tackle the shortage of rental accommodation and ongoing housing affordability and accessibility concerns.

NSW recorded the highest spend on residential property in CY23 at over \$192B

However, all states posted declines in aggregate value during the year

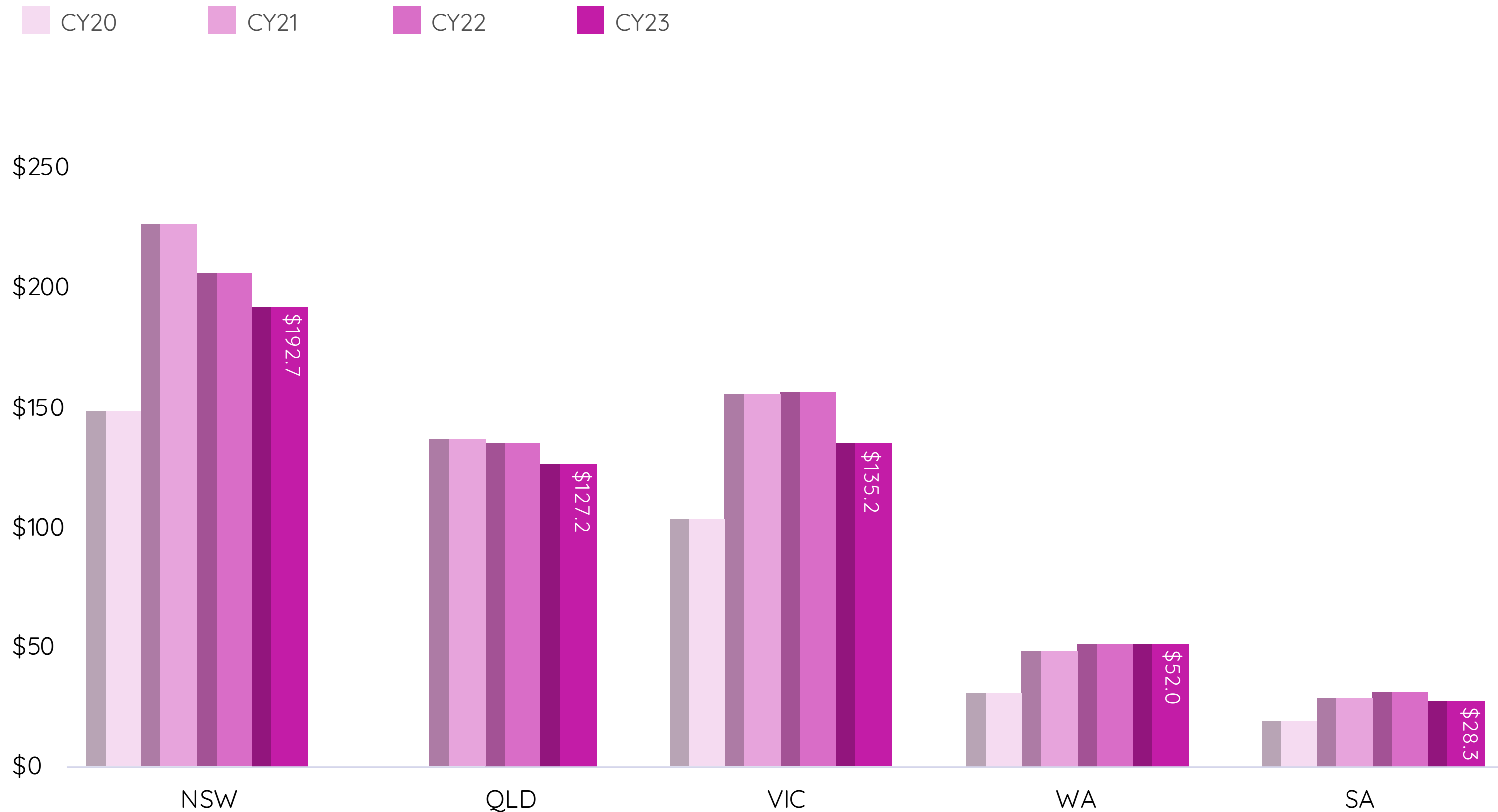
Year-on-year growth

	NSW	QLD	VIC	WA	SA
CY22-CY23	(6.9%)	(4.3%)	(13.9%)	(0.2%)	(10.8%)
CY21-CY22	(9.0%)	(0.3%)	0.6%	5.9%	9.1%
CY20-CY21	52.6%	NA	50.7%	56.5%	52.6%

Note: Data not available for CY20 in QLD.

Source: PEXA, QLD Government, NSW Land Registry Services, SA Office of the Registrar-General, Land Services SA

Aggregate value of residential sale settlements (\$B)



Although the aggregate value of sale settlements dropped in all states in CY23, they remained well above levels recorded in CY20. VIC recorded the largest fall in aggregate value in CY23, down 13.9% in CY23 with WA relatively unchanged from the year prior, showing the strength in that market.

QLD topped the country for the third year running

Nearly 176K residential sale settlements were recorded in the state in CY23

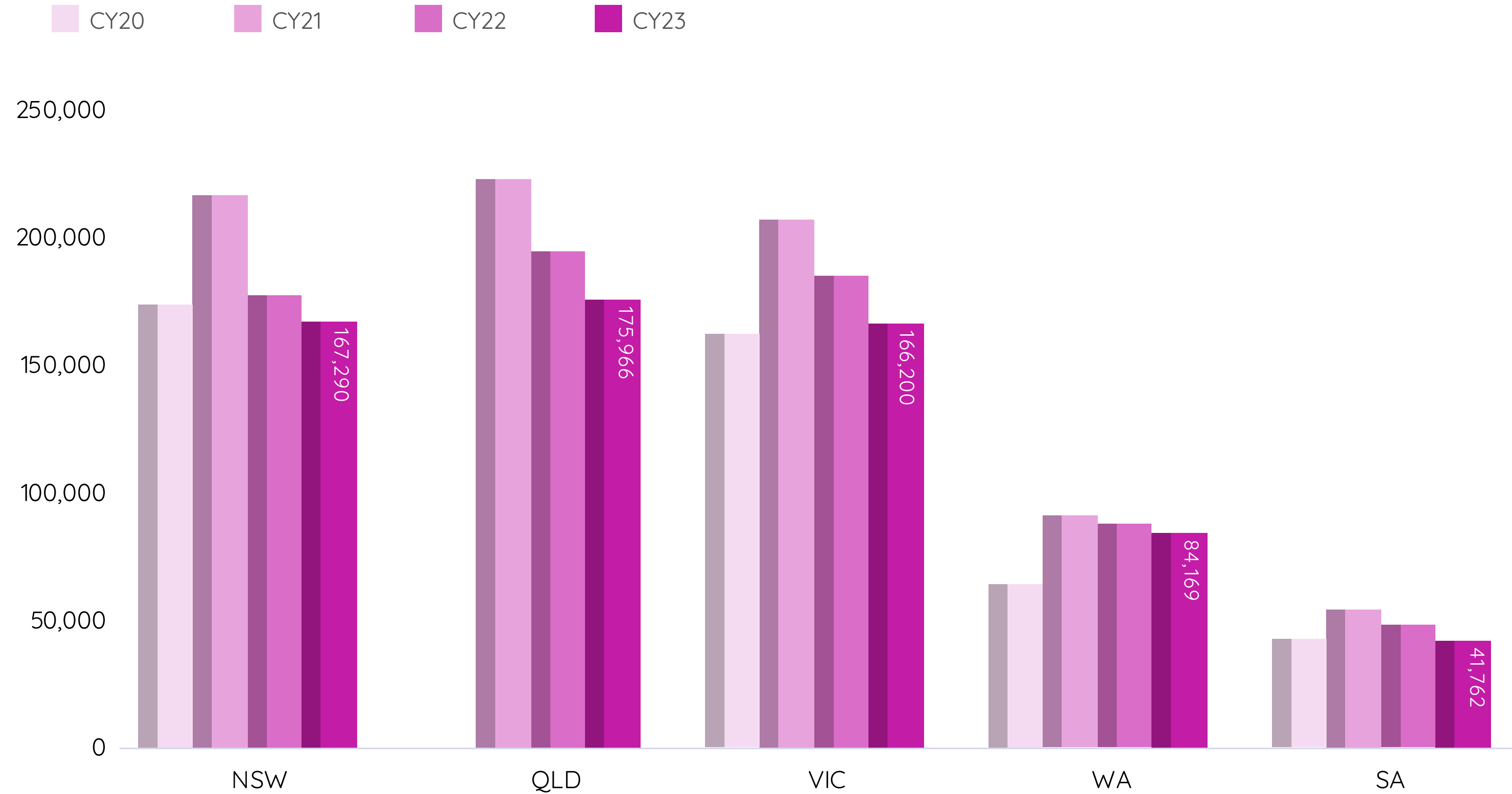
Year-on-year growth

	NSW	QLD	VIC	WA	SA
CY22-CY23	(5.8%)	(9.7%)	(13.3%)	(10.2%)	(4.0%)
CY21-CY22	(18.1%)	(12.6%)	(10.8%)	(10.6%)	(3.6%)
CY20-CY21	24.7%	NA	27.1%	27.1%	41.1%

Note: Data not available for CY20 in QLD.

Source: PEXA, QLD Government, NSW Land Registry Services, SA Office of the Registrar-General, Land Services SA

Residential sale settlements, total volume



WA proved to be the most resilient state in the country, maintaining the high sale settlement volumes seen throughout the COVID period. All other states returned to the volumes last seen in CY20.

WA's economy benefitted from the resurgence in the mining and agricultural sectors. This saw continued strength in the property market, which had not been experienced since the last mining boom in 2013.

NSW continued to lead the country with the highest total value of commercial transactions

\$27.3B of commercial property settled in NSW in CY23, ahead of VIC with \$26.5B

Year-on-year growth

	NSW	QLD	VIC
CY22-CY23	(23.5%)	(0.3%)	(15.1%)
CY21-CY22	2.5%	(4.3%)	5.2%
CY20-CY21	65.4%	NA	48.6%

Note: Commercial sale settlements not available for WA & SA and in CY20 for QLD.
Source: PEXA, QLD Government, NSW Land Registry Services

Aggregate value of commercial sale settlements (\$B)



Like the residential sector, the aggregate value of commercial sale settlements was down across the eastern states in CY23 but remained substantially higher than CY20 levels.

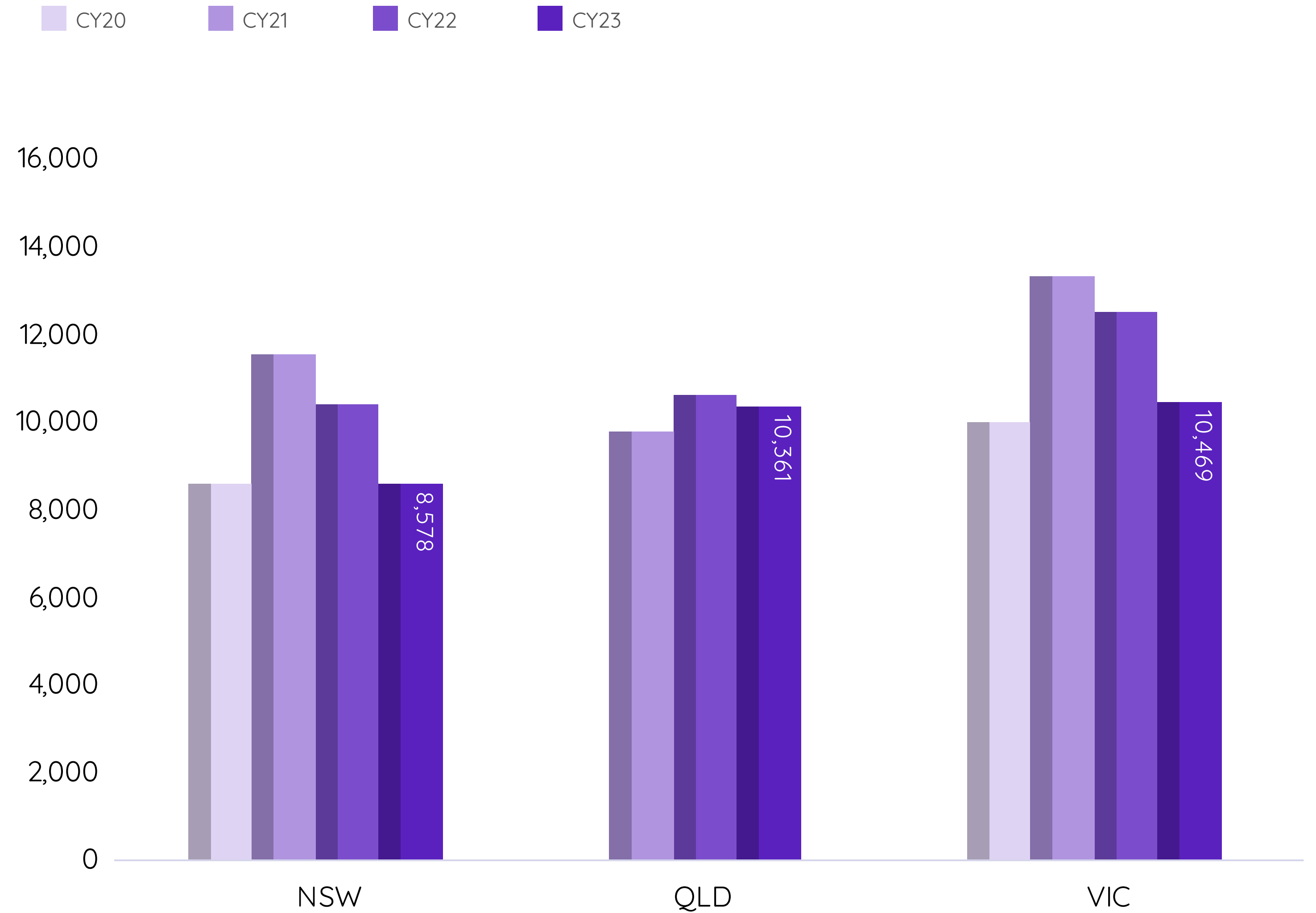
VIC and NSW posted large declines in commercial property transactions

NSW was down 17.5% and VIC down 16.4% on a volume basis in CY23, as the commercial property market softened in the high interest rate environment

Year-on-year growth

	NSW	QLD	VIC
CY22-CY23	(17.5%)	(2.5%)	(16.4%)
CY21-CY22	(10.1%)	8.5%	(6.1%)
CY20-CY21	34.7%	NA	33.2%

Commercial sale settlements, total volume



Note: Commercial sale settlements not available for WA & SA and in CY20 for QLD.

Source: PEXA, QLD Government, NSW Land Registry Services

Residential Property Insights

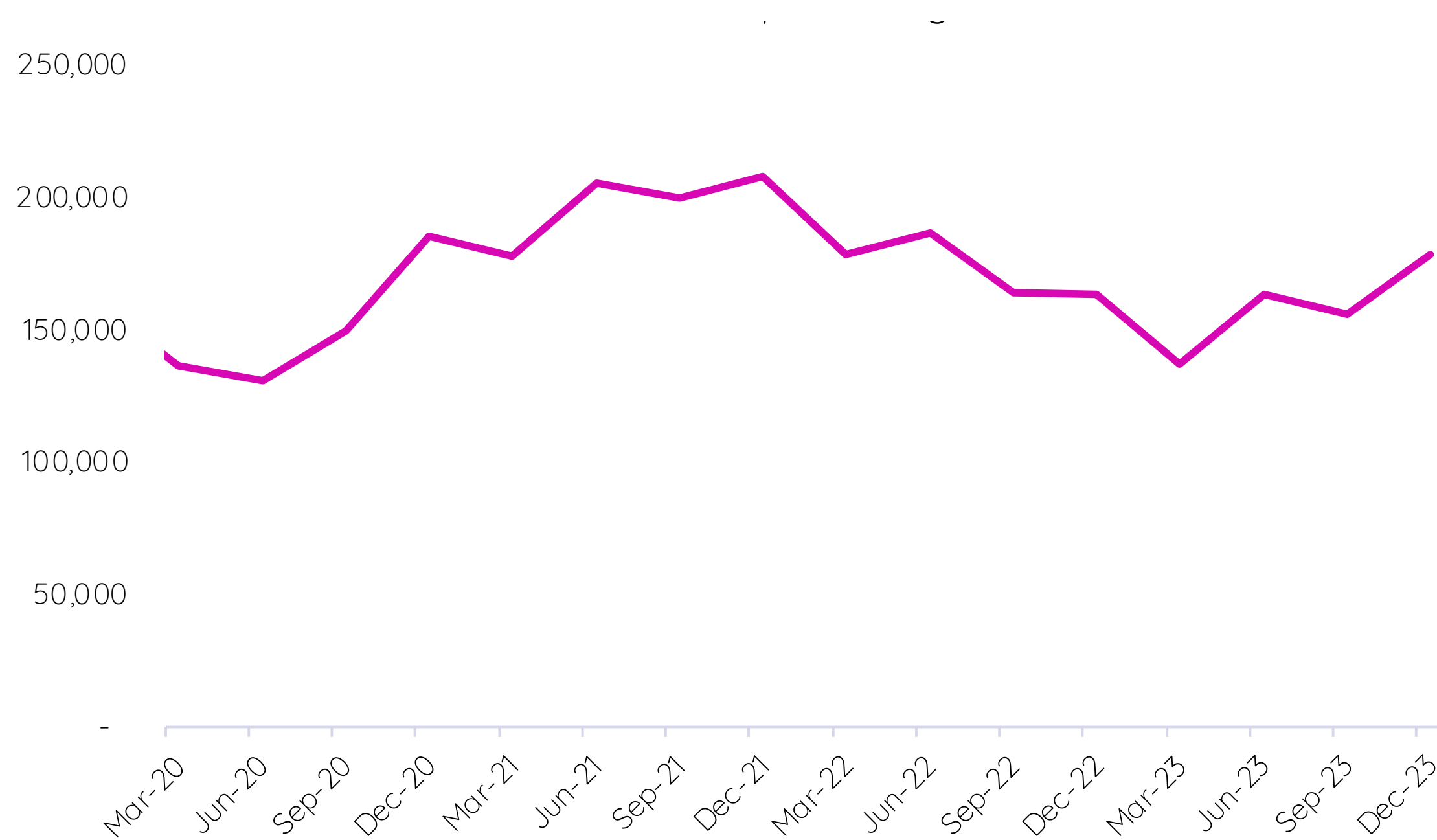


Nationally, over 178K residential sale settlements were recorded in the Dec-23 Qtr

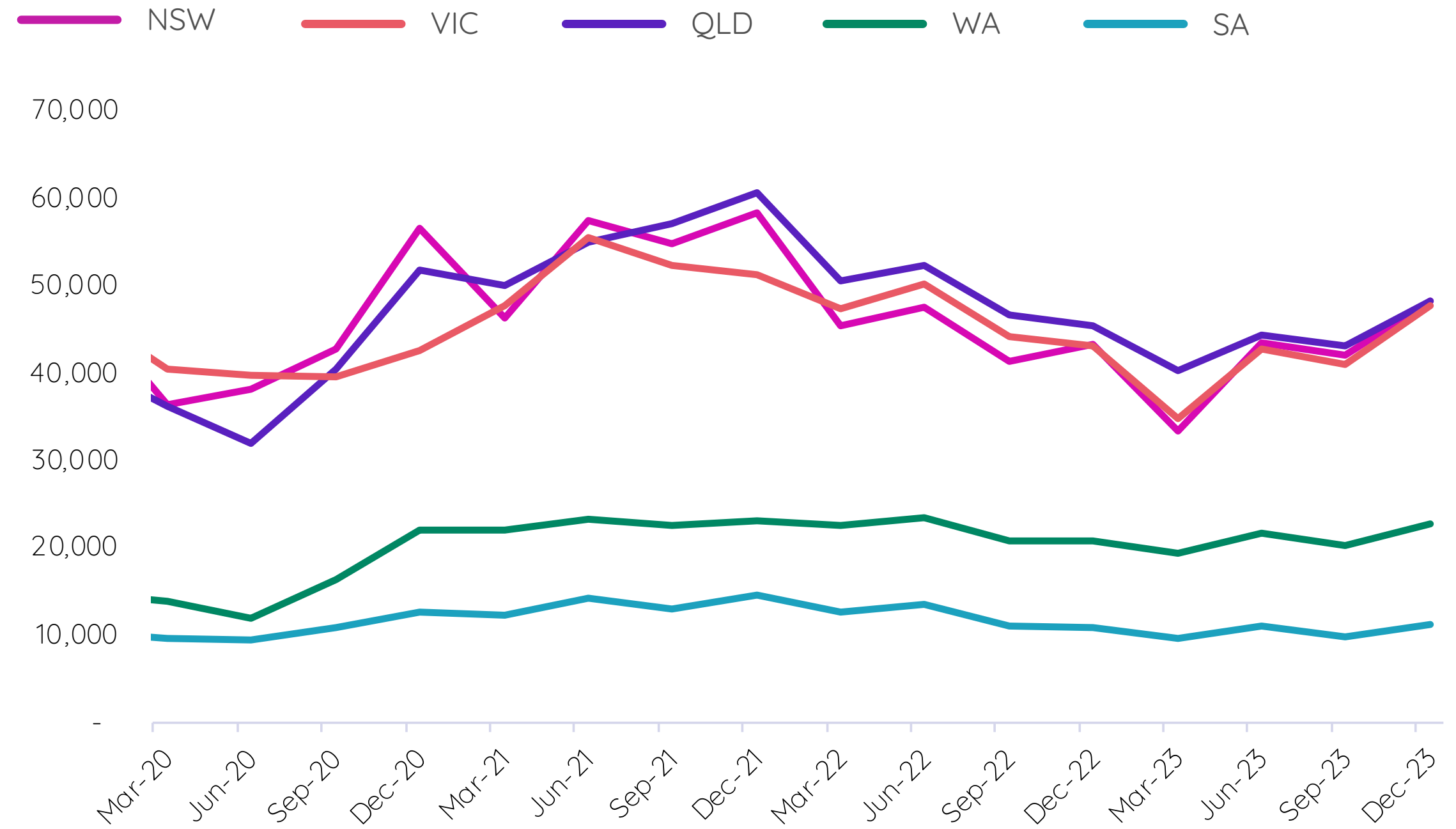
This was the highest quarter of the year, and well ahead of the Dec-22 Qtr (with just over 163K)



Residential sale settlements, total volume - National, quarterly



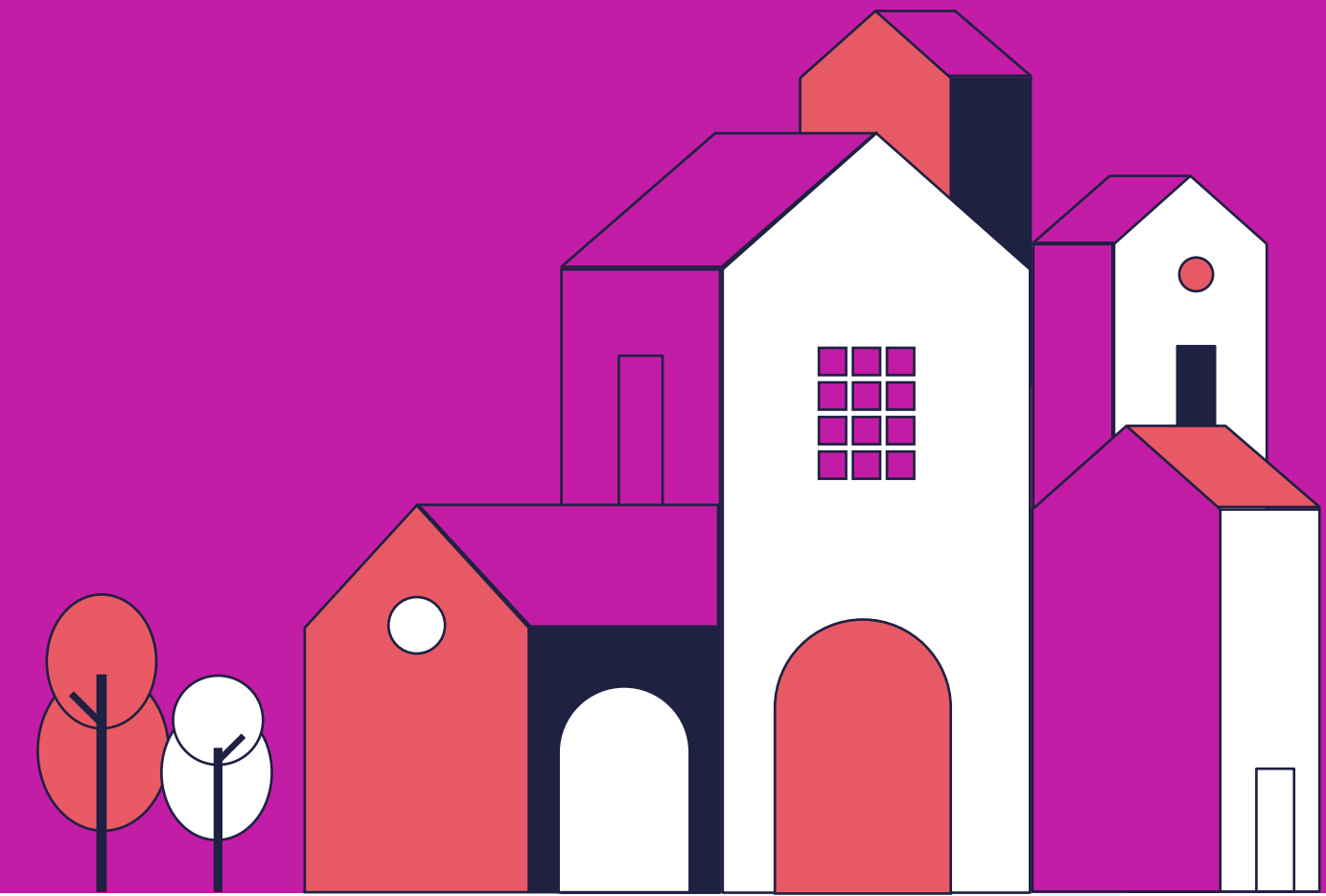
Residential sale settlements, total volume, quarterly



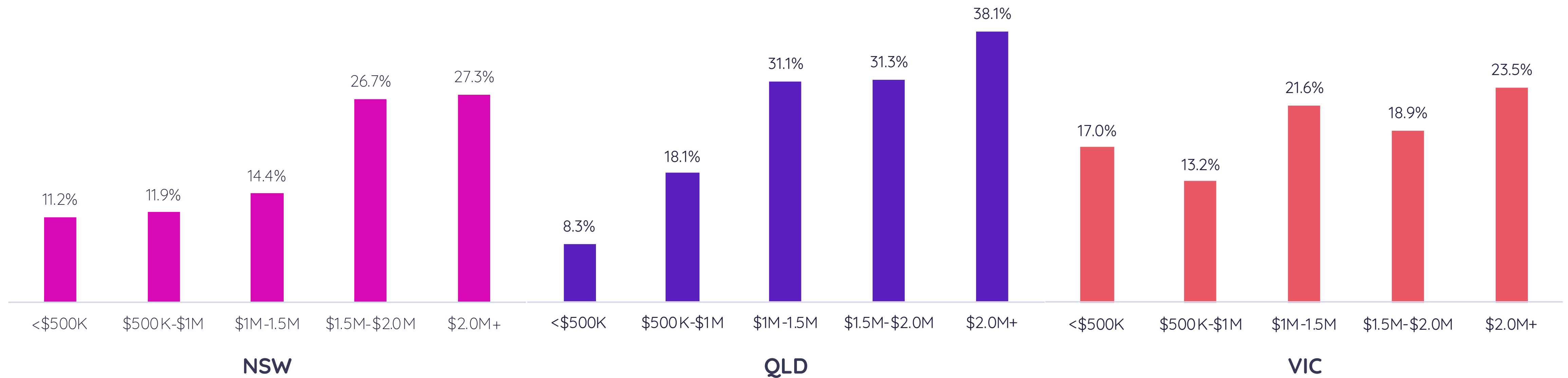
Source: PEXA, QLD Government, NSW Land Registry Services, SA Office of the Registrar-General, Land Services SA

Settlement volumes grew across all price bands in the second half of CY23

This was most apparent for \$1M+ property transactions which led the market out of the downturn



Residential sale settlement volume growth by price band, H1-CY23 vs. H2-CY23, % growth



Source: PEXA, QLD Government, NSW Land Registry Services
 Note: Analysis not available for WA & SA

Fewer affordable properties transacted throughout CY23

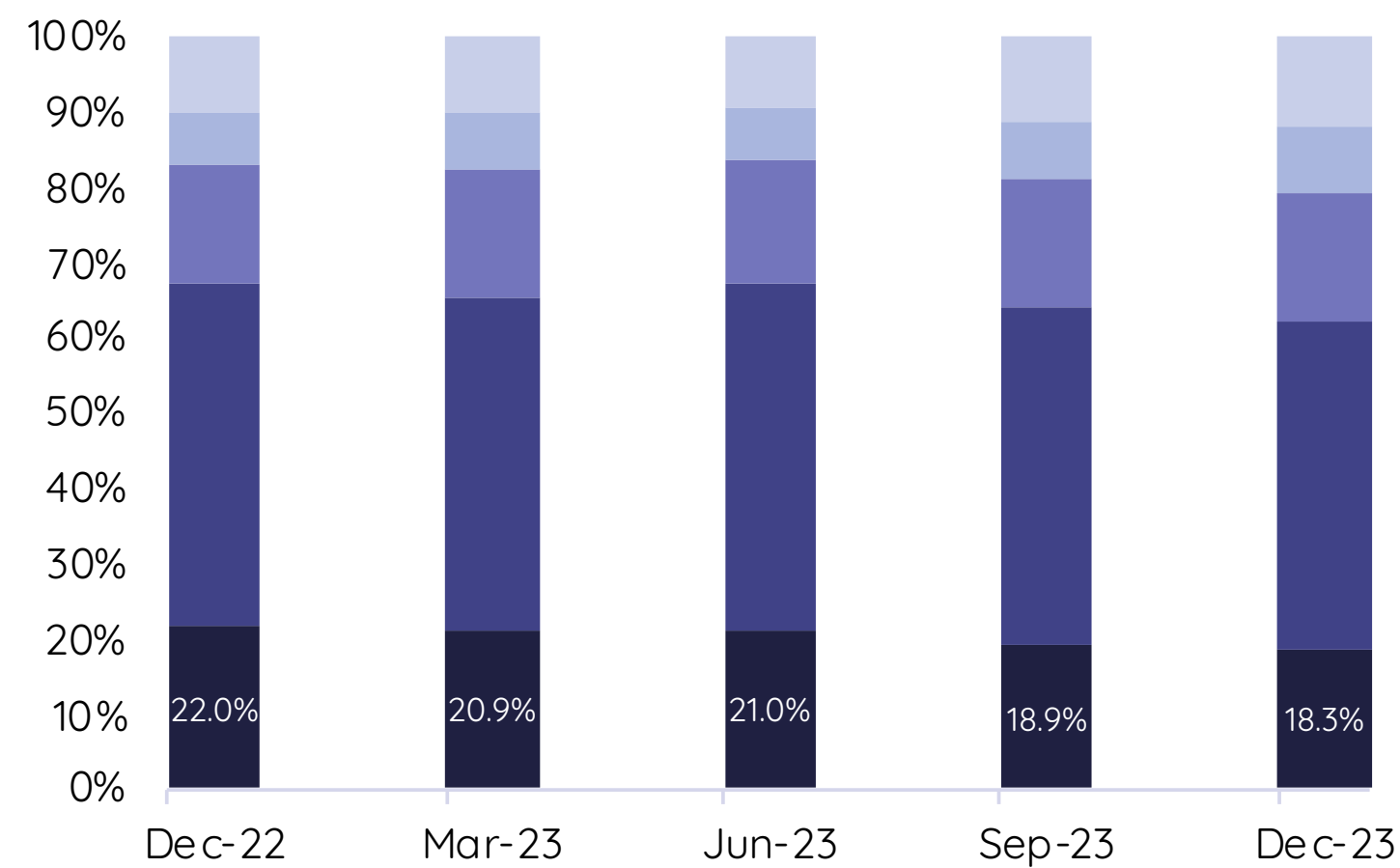
Particularly in NSW and QLD, the proportion of properties that settled valued <\$500K declined



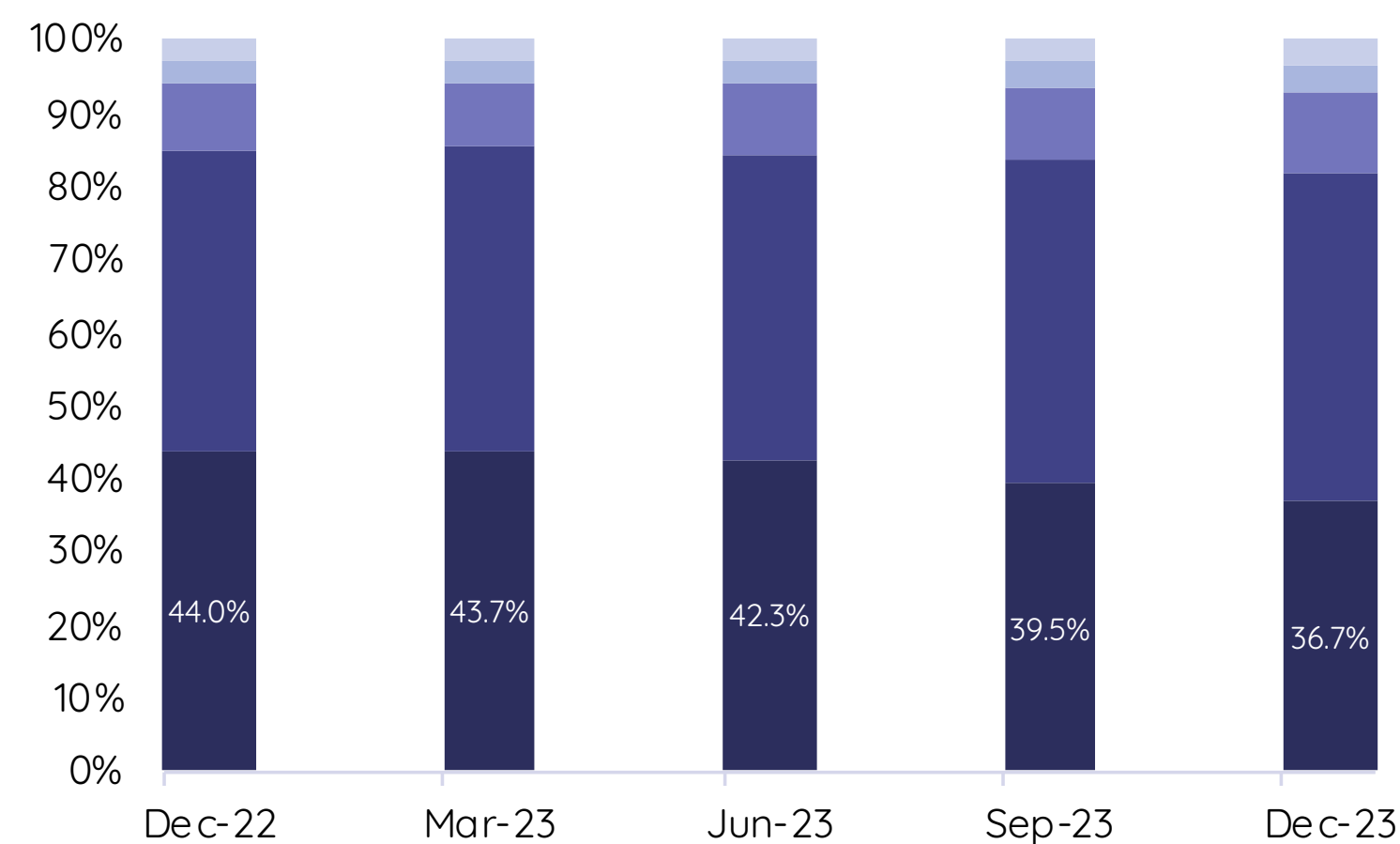
In NSW, the proportion of properties that settled valued <\$500K dropped from 22.0% in the Dec-22 Qtr to 18.3% in the Dec-23. In QLD, the proportion dropped from 44.0% to 36.7% during the same period. This was mainly driven by property prices increasing, particularly in the second half resulting in fewer affordable properties available for sale in the lower price bands. VIC bucked the trend with a similar proportion of affordable properties settled across each quarter of CY23.

Residential sale settlements by price band, total volume

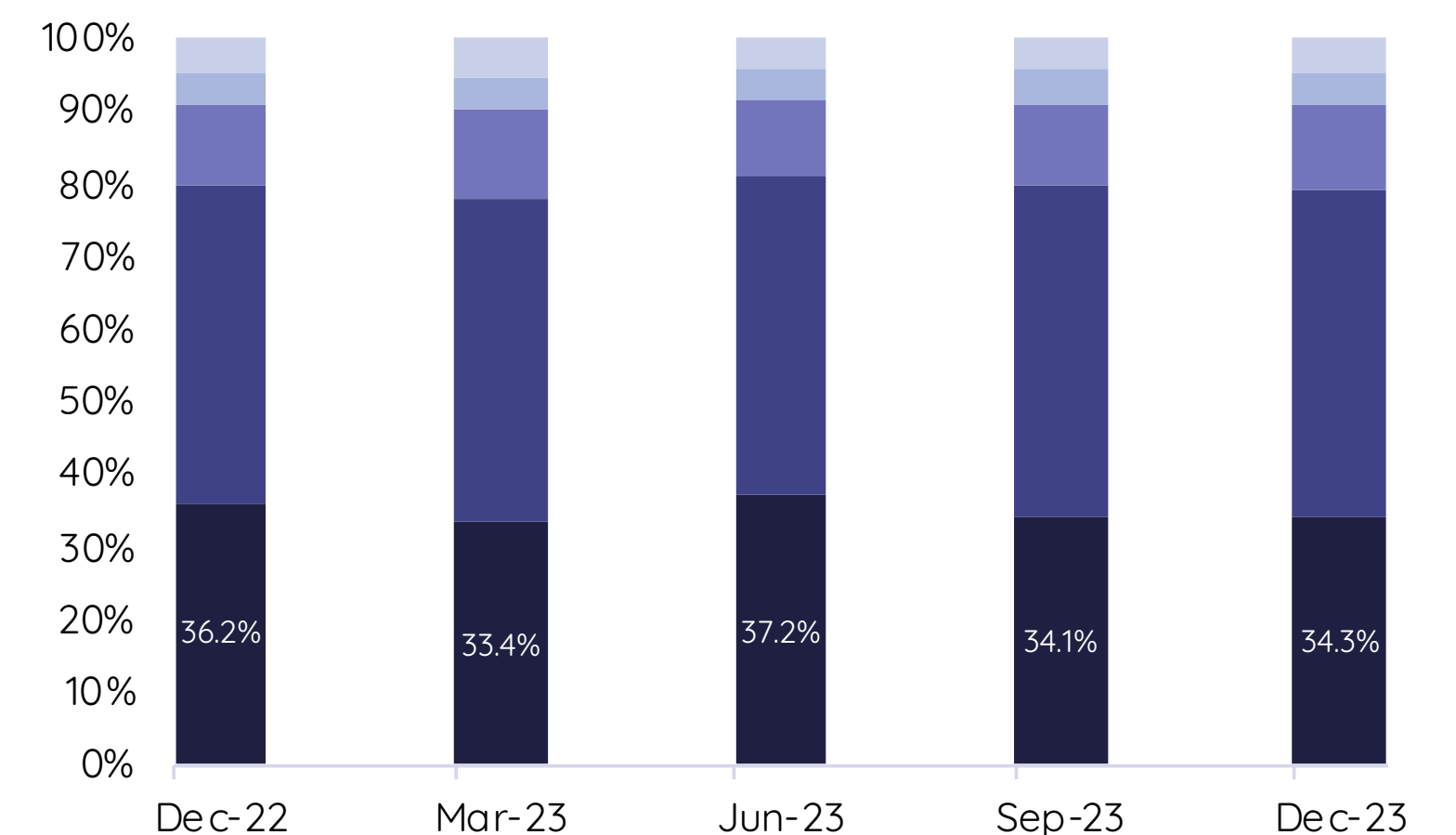
■ <\$500K
 ■ \$500K—\$1M
 ■ \$1M—\$1.5M
 ■ \$1.5M—\$2M
 ■ \$2M+



NSW



QLD



VIC

Source: PEXA, QLD Government, NSW Land Registry Services

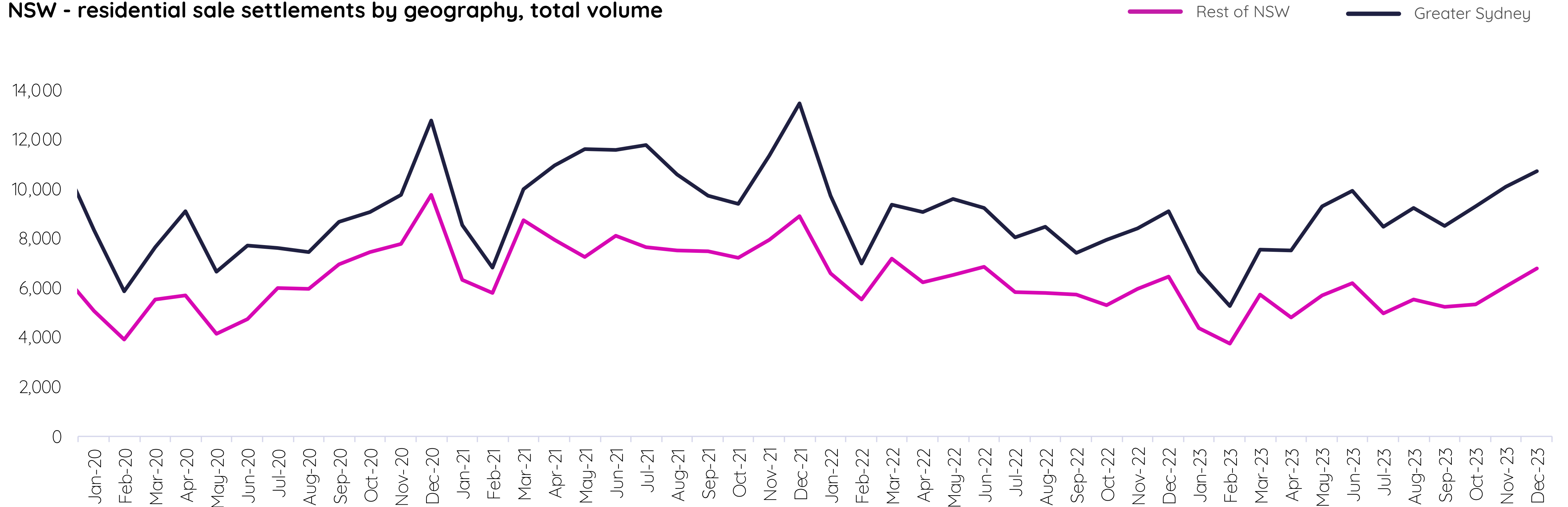
Note: Analysis not available for WA & SA

Both Sydney and regional NSW experienced a strong finish to CY23

The month of Dec-23 recorded the highest settlement volumes of the year



NSW - residential sale settlements by geography, total volume



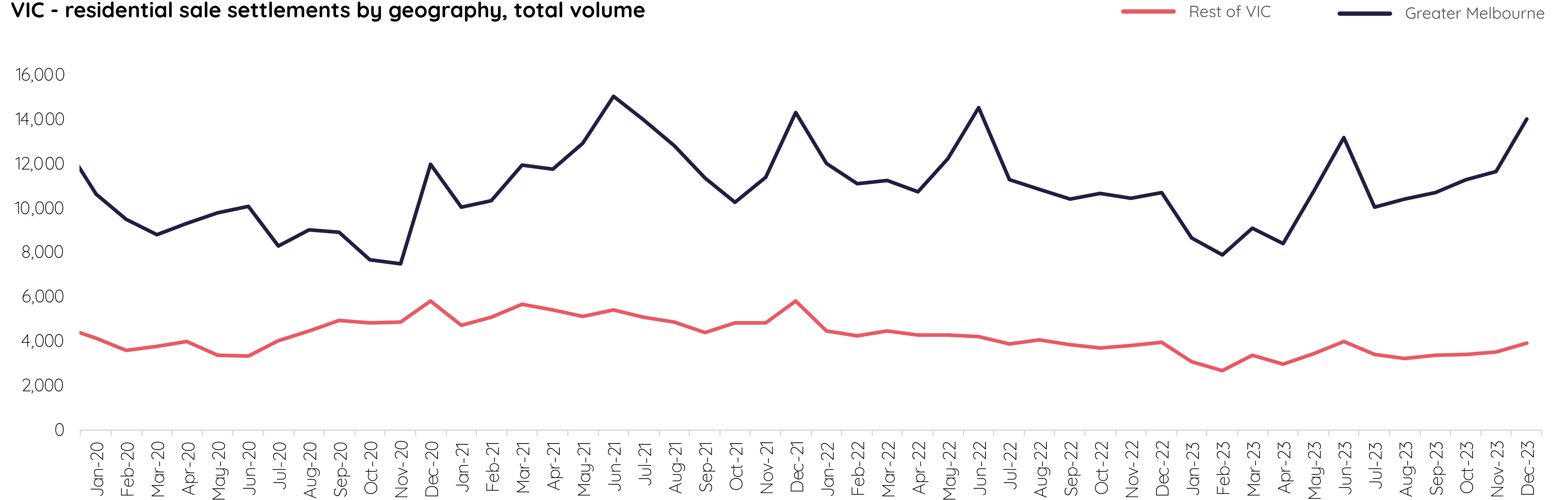
Source: PEXA, QLD Government, NSW Land Registry Services

Greater Melbourne recorded a particularly strong Dec-23

Nearly 14K residential sale settlements were lodged in the month



VIC - residential sale settlements by geography, total volume

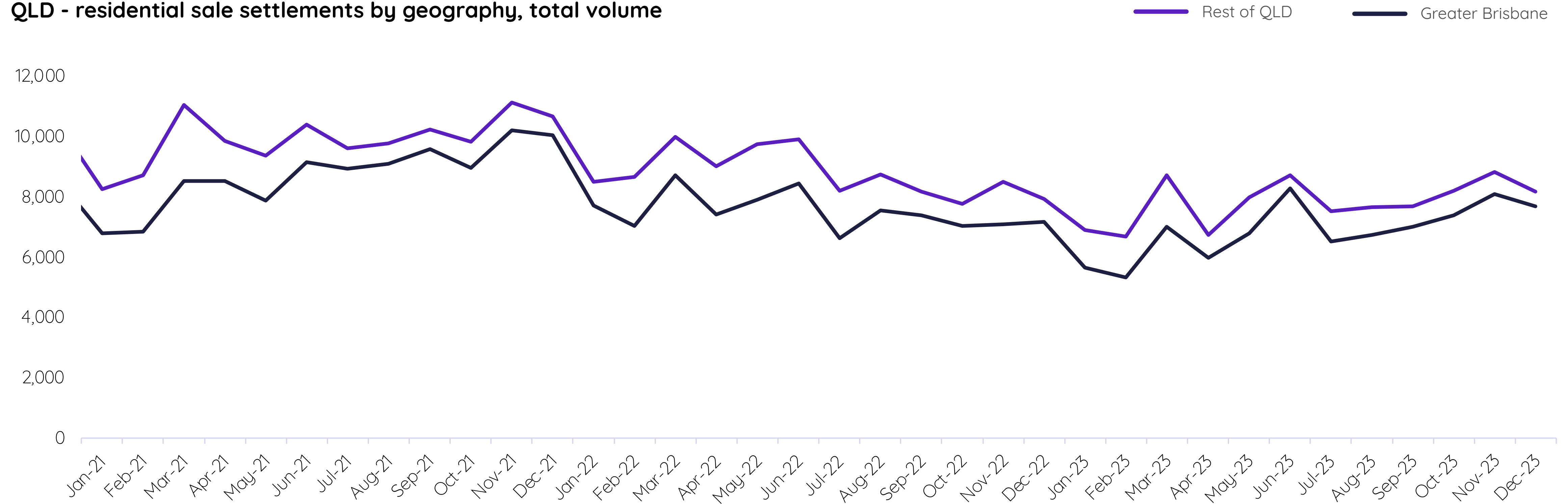


Source: PEXA

Regional QLD continued to observe higher volumes than Brisbane

8,161 residential sale settlements were recorded in Dec-23 in regional QLD, slightly ahead of Brisbane

QLD - residential sale settlements by geography, total volume

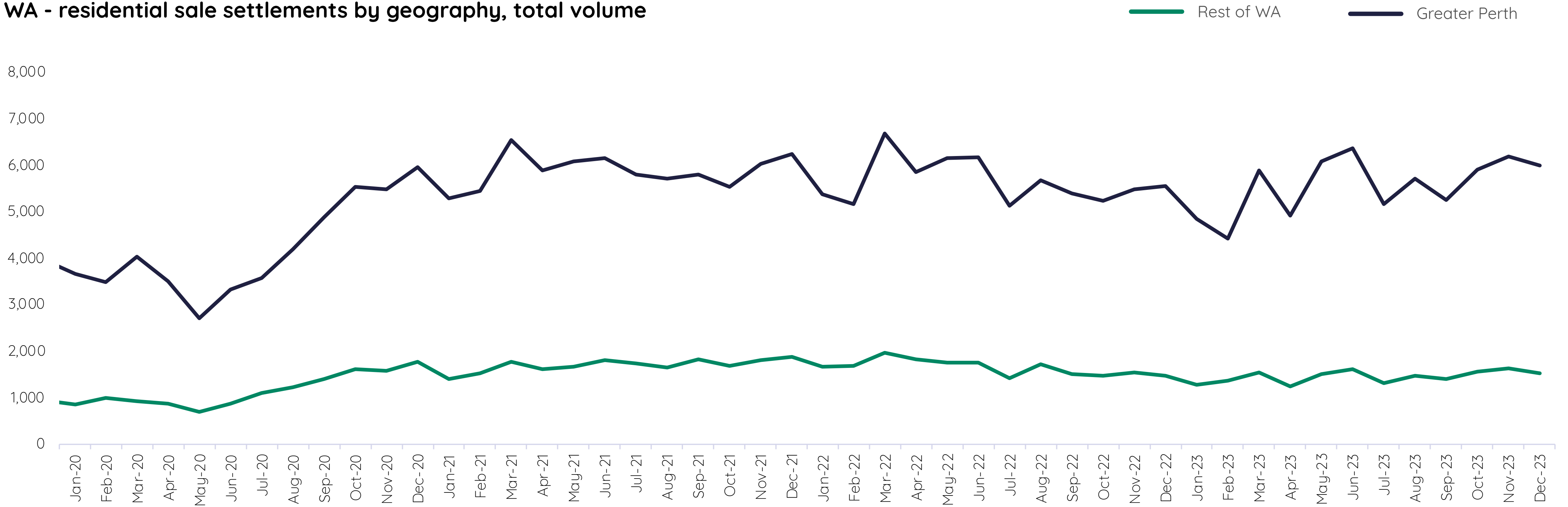


Source: PEXA, QLD Government

Perth recorded consistently high settlement volumes throughout CY23

These high levels had been maintained since the pandemic property boom that commenced in late 2020

WA - residential sale settlements by geography, total volume



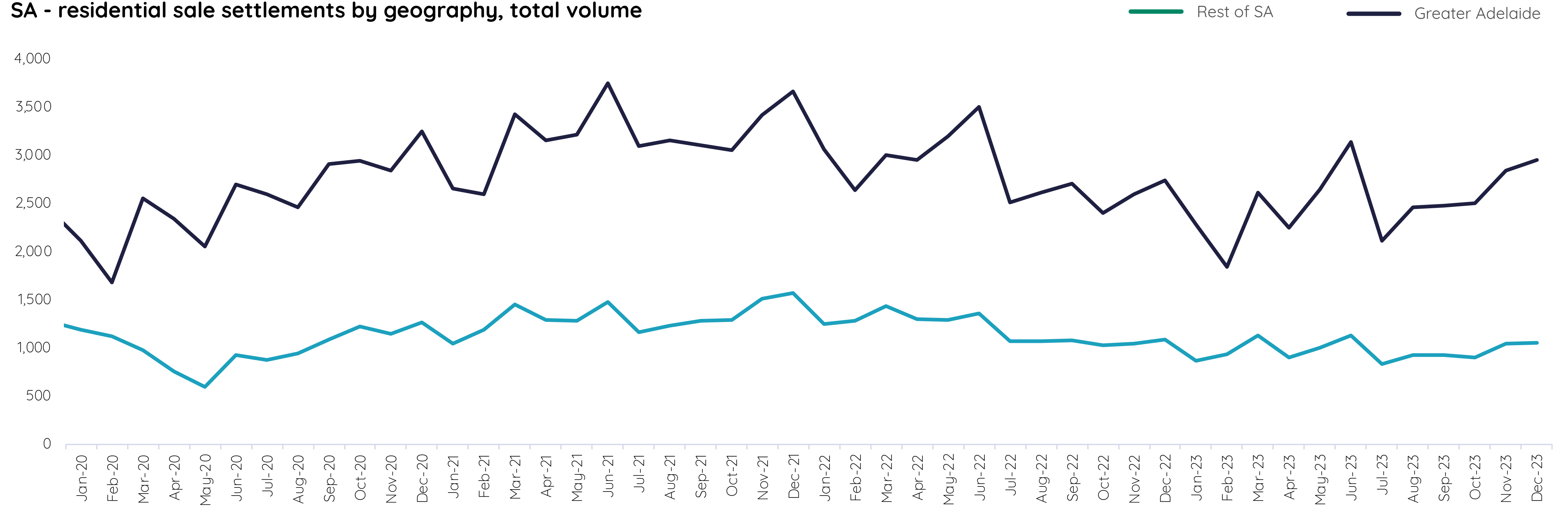
Source: PEXA

Adelaide finished CY23 on a high with a strong December

Nearly 3K residential sale settlements were recorded in the month



SA - residential sale settlements by geography, total volume



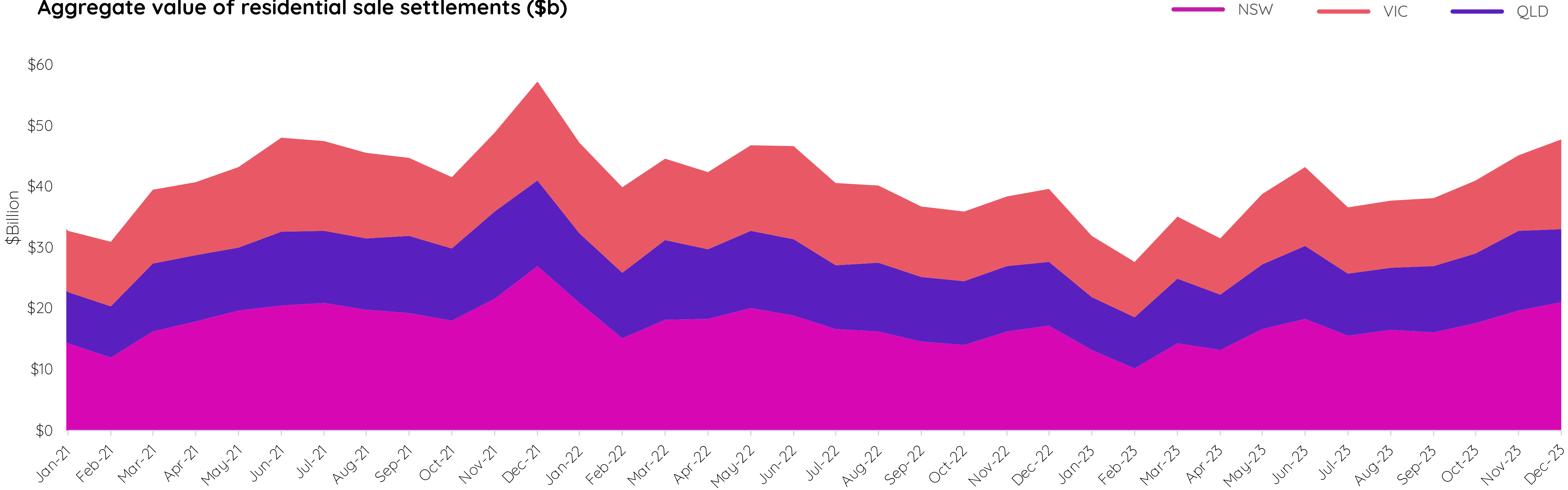
Source: PEXA

The total spent on residential property increased in the latter stages of CY23

A total value of nearly \$50B worth of residential property settled in Dec-23



Aggregate value of residential sale settlements (\$b)



Source: PEXA



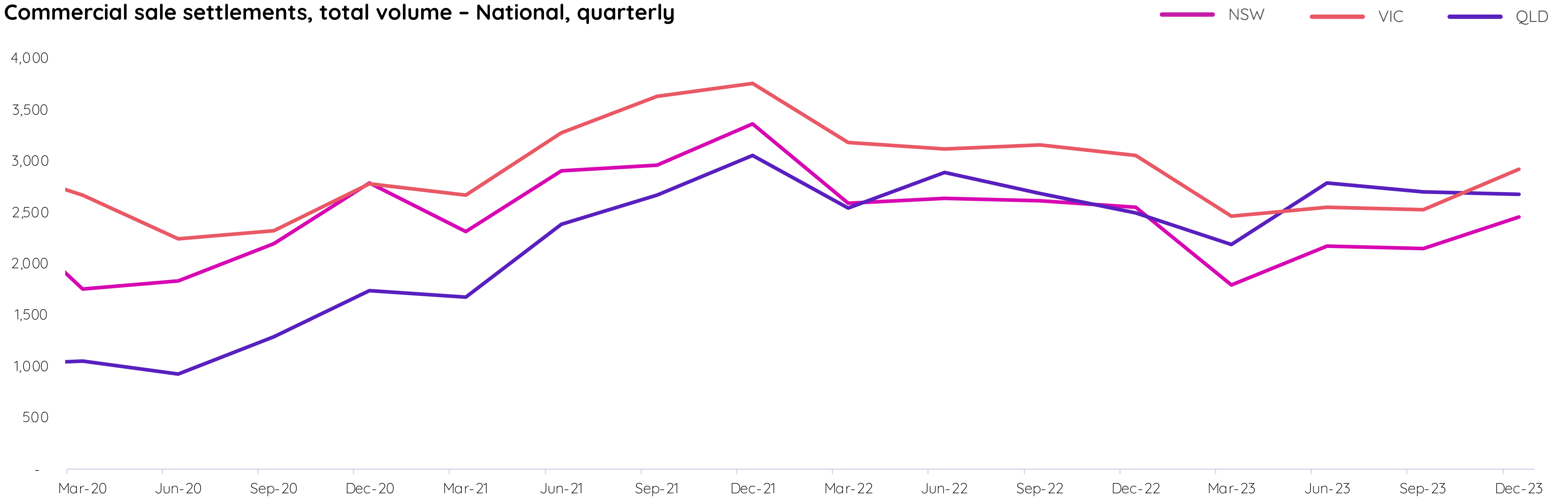
Commercial Property Insights

NSW and VIC finished CY23 strongly with both states experiencing a spike in transactions

2,927 commercial settlements were recorded in VIC in the Dec-23 Qtr , with 2,455 in NSW



Commercial sale settlements, total volume - National, quarterly

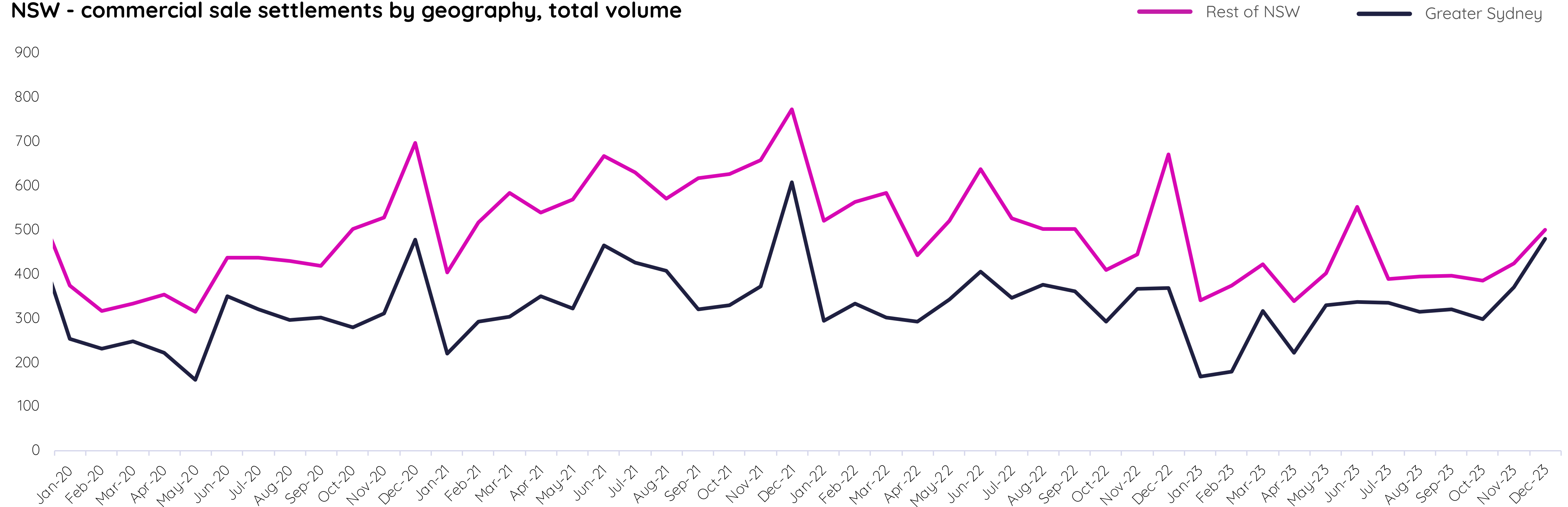


Source: PEXA, QLD Government, NSW Land Registry Services
 Note: not available for WA and SA

Similar settlement volumes were recorded in metro and regional NSW in Dec-23

Nearly 500 commercial transactions settled in Sydney and regional NSW during the month

NSW - commercial sale settlements by geography, total volume



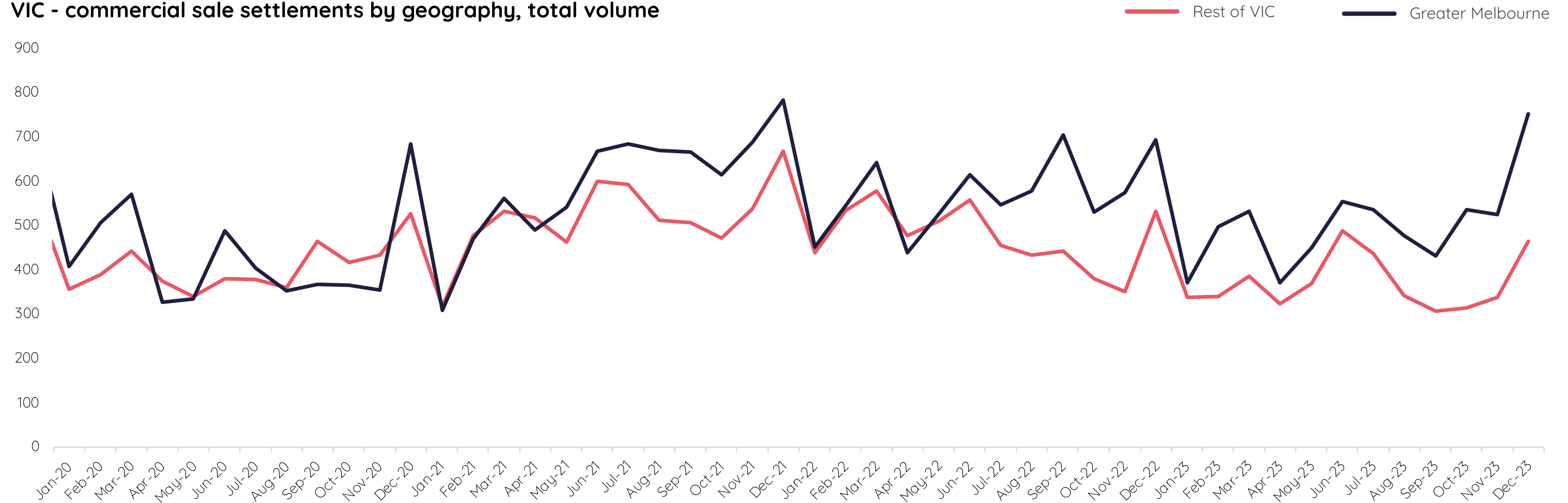
Source: PEXA, NSW Land Registry Services

Melbourne had a particularly strong month in Dec-23

751 commercial sale settlements were lodged during the month in the city



VIC - commercial sale settlements by geography, total volume



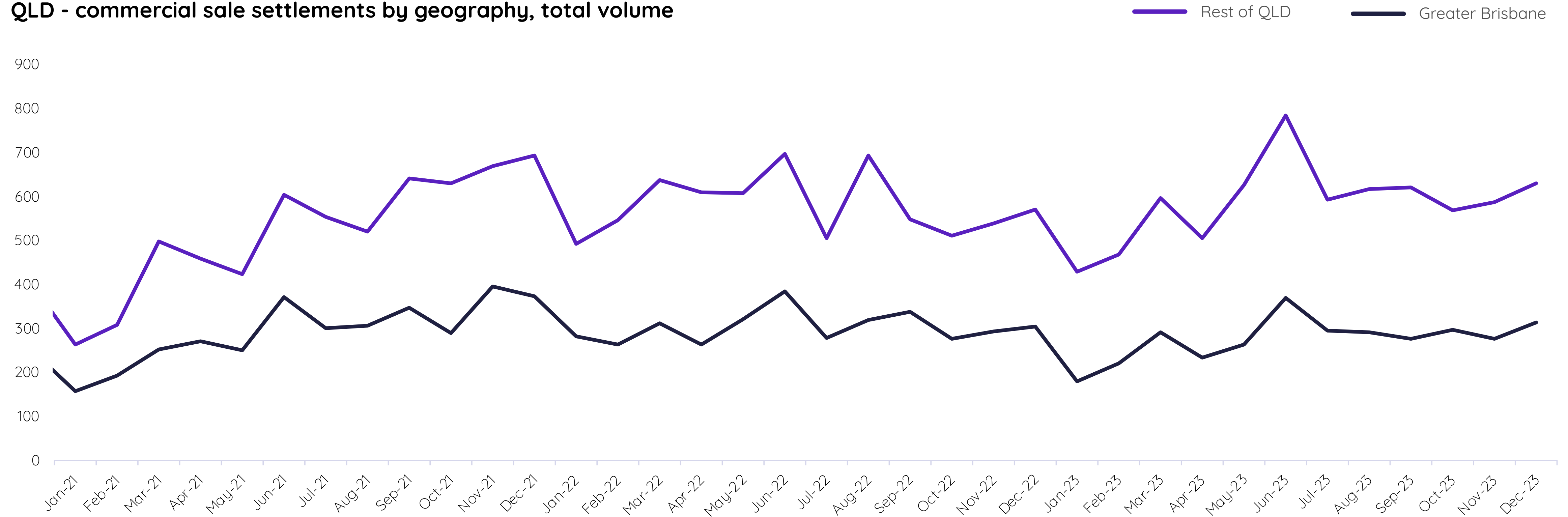
Source: PEXA

A greater proportion of commercial settlements were recorded in regional QLD

Nearly double of the volume of settlements occurred in regional QLD each month compared to Brisbane



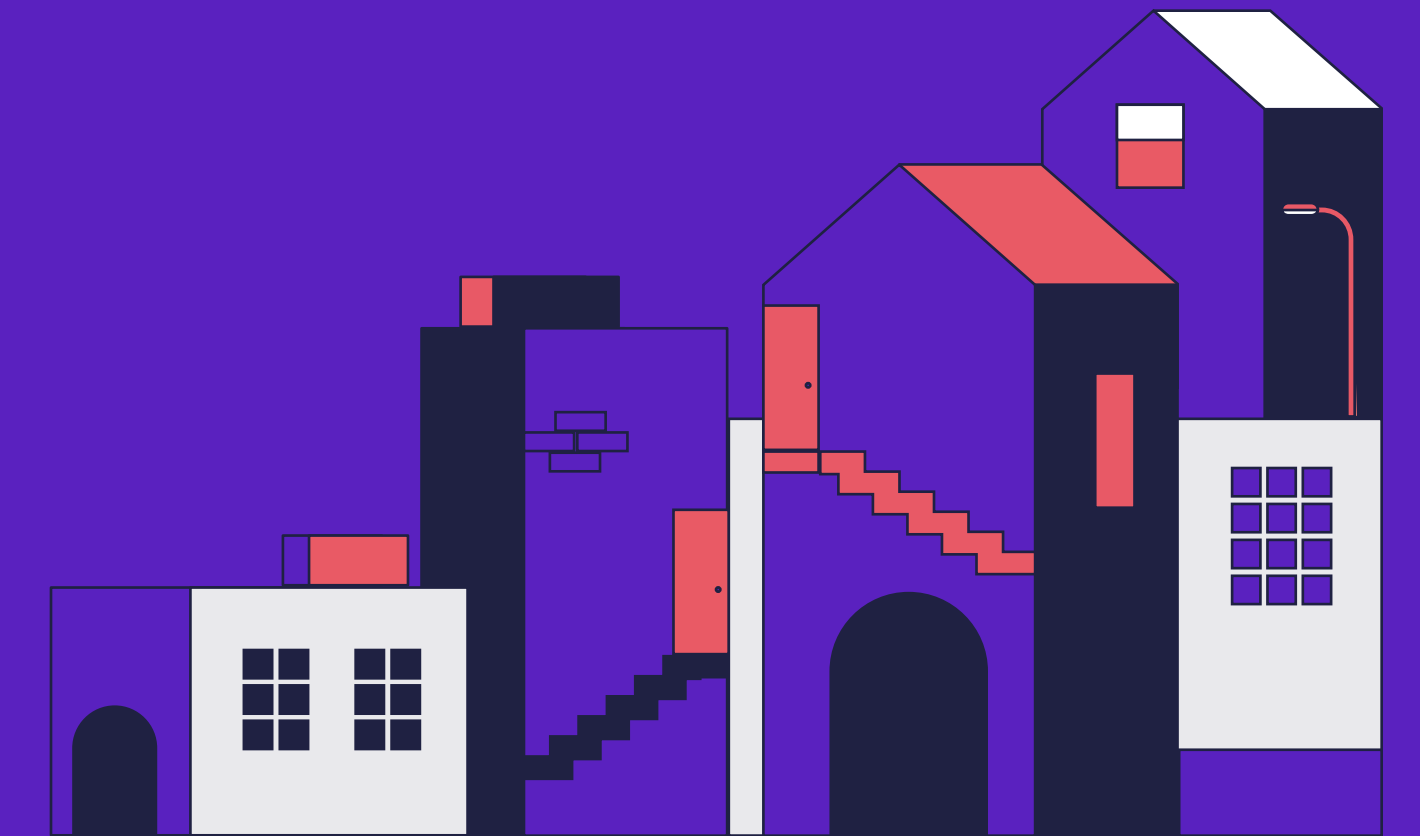
QLD - commercial sale settlements by geography, total volume



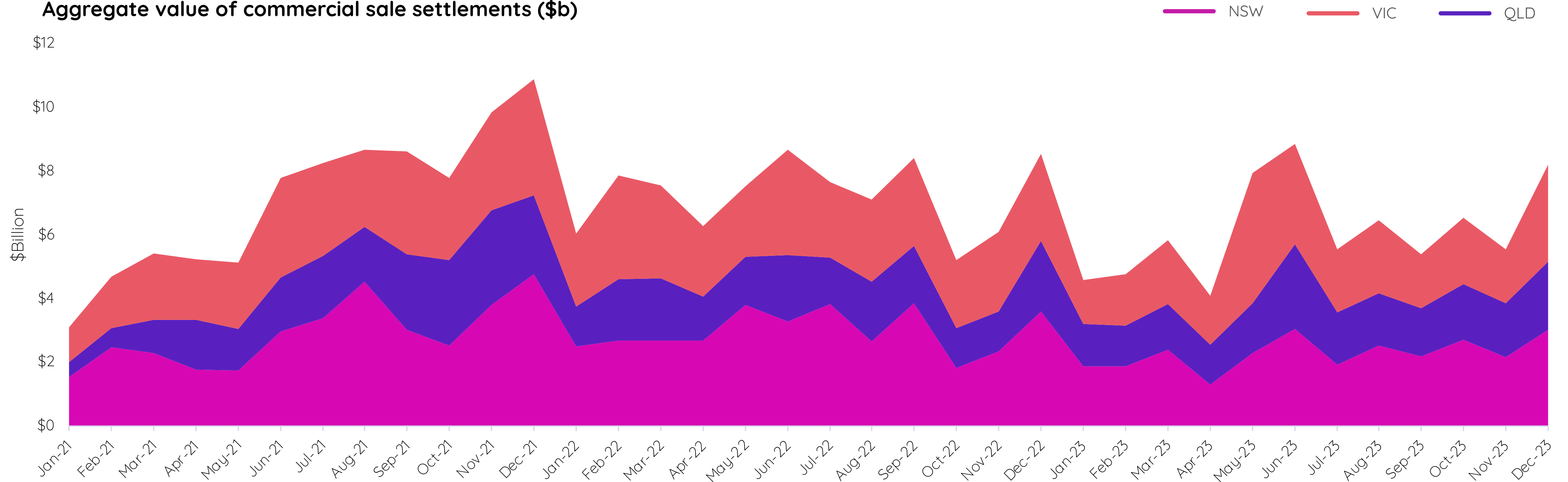
Source: PEXA, QLD Government

Like the residential sector, the total spend on commercial property spiked in Dec-23

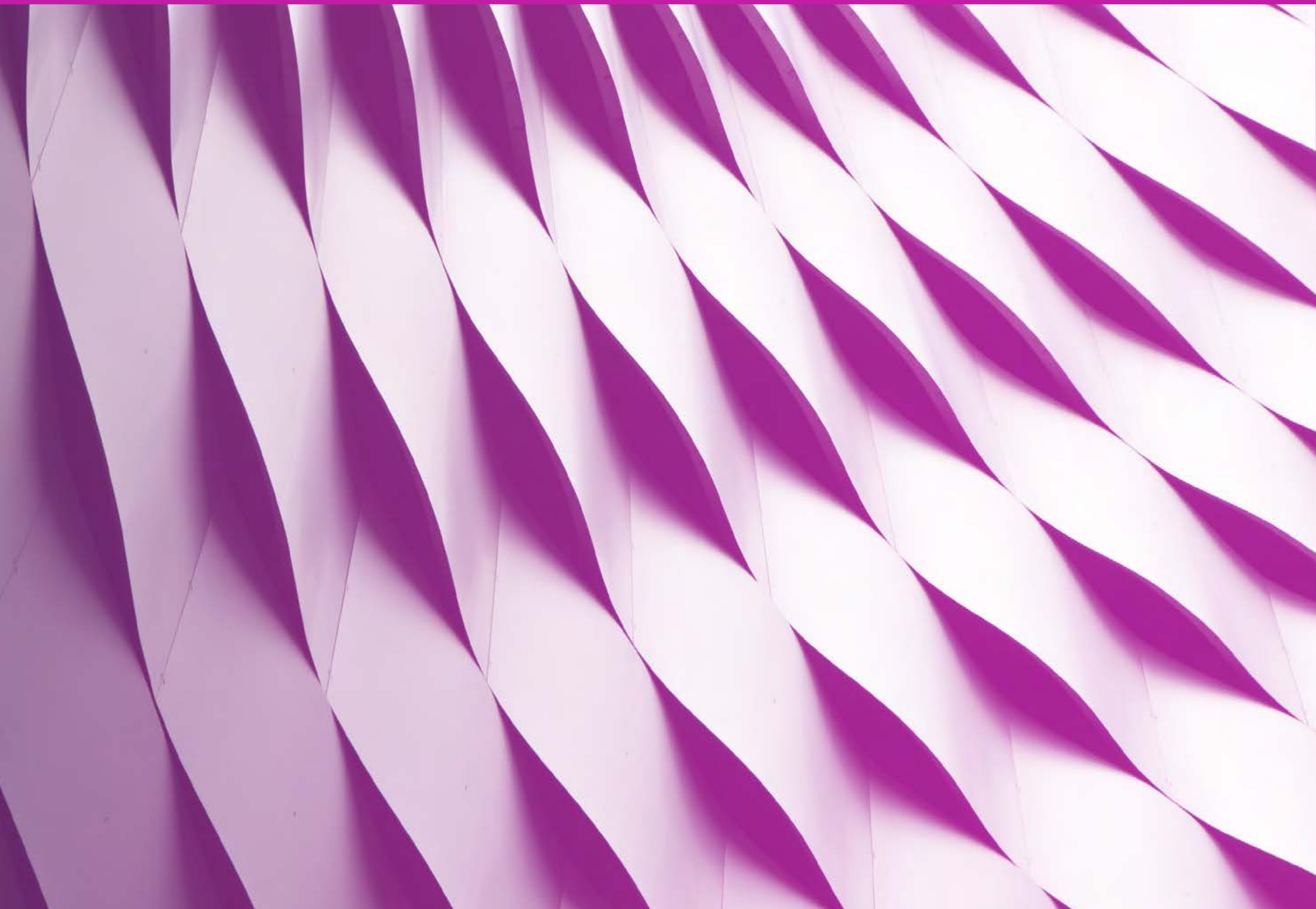
Just over \$8B was spent on commercial property in the eastern states in the month



Aggregate value of commercial sale settlements (\$b)



Source: PEXA, QLD Government, NSW Land Registry Services
 Note: not available for WA and SA



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