

Intelligent Investment

# Residential Valuer Insights Q4 2024

REPORT

CBRE RESEARCH  
NOVEMBER 2024

CBRE





# Executive Summary

CBRE's Q4 2024 Residential Valuations Property Market survey received ~155 responses from CBRE Valuers around Australia. With the release of four consecutive quarters of insights from expert Valuers, we can now gain a nuanced understanding of the evolving trends within Australia's dynamic residential real estate landscape over the past year.

## Continued demand diversity between markets

47% of CBRE Valuers reported 'moderate' demand in their local markets, with 34% reporting 'strong' to 'very strong' demand, down from a peak of 54% in Q2. Demand to purchase is strong in Adelaide and Perth, while softer demand is evident in Melbourne Metro.

## Upgraders/First home buyers

Unlike previous quarters, the most active buyer type was reported as upgraders, followed by first home buyers. Local investors and down-sizers are also active, while developers and recent overseas migrants are less active.

## Renovated Properties and New Houses

Throughout 2024, recently renovated properties, new houses, and houses have experienced increased demand. Softer conditions prevail for unrenovated properties and properties in secondary locations.

## Future demand

Over the year, a declining number of Valuers expect demand to increase over the next 12 months, however 3x as many Valuers still expect demand to increase than decrease. The strongest demand is expected in Sydney Metro, Sydney Outer Metro, and Melbourne Metro.

## House values next 12 months

House value expectations have decreased throughout 2024. 55% of Valuers now expect house value growth in the next year, down from 78% in Q1. The highest growth is expected in Perth and Adelaide while 24% of Sydney Metro Valuers expect over 5% growth.

## Apartment values next 12 months

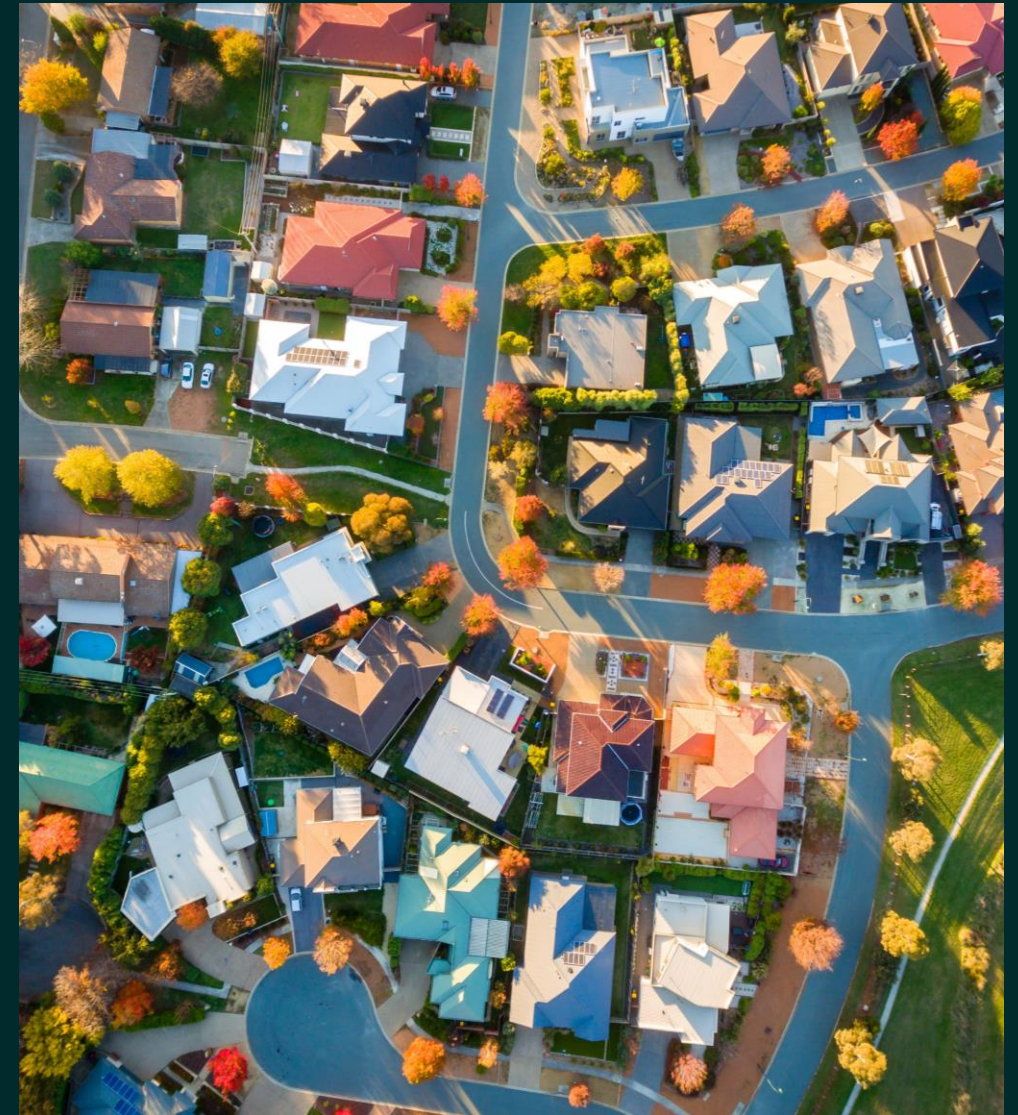
38% of Valuers predict an increase in apartment values, 45% anticipate prices will remain stable, and 18% expect a decrease. As in Q3, the highest growth is anticipated in Brisbane Metro, Perth, and the Gold and Sunshine Coasts.

## Vacant land values next 12 months

49% of Valuers anticipate an increase in vacant land values with 20% expecting an increase of more than 5%. Most growth is expected in Adelaide, Perth, and Brisbane Metro.

## Future supply (listings)

In the Q4 survey, 62% of Valuers expect stock available to increase in the next 12 months, the highest so far this calendar year. 34% expect supply to remain stable and 4% decrease. ACT and Sydney Metro is where the largest supply increase is anticipated.



# Recent demand

Demand has moderated further in Q4, with 47% of CBRE Valuers indicating a balanced market in recent months. 34% of Valuers reported demand as ‘strong’ or ‘very strong’ in the last 3 months, the lowest so far this year, compared to 42% in Q3, 54% in Q2, and 49% in Q1. More Valuers, at 18%, report demand as ‘soft’ or ‘very limited’. In every quarter of 2024, Adelaide and Perth have experienced the highest demand. Melbourne Metro and ACT have continuously seen the lowest demand.

“There is limited supply combined with strong demand resulting in high prices being achieved.” – North West Perth, WA.

“High demand within the East and North Eastern suburbs.” – Adelaide Central, SA.

“Demand for A-grade properties continues to outstrip supply. B-grade properties are taking longer to sell.” – Northern Beaches, NSW.

“Demand is still strong with low supply levels driving prices.” – Ipswich, QLD.

“Very cautious market and buyers are willing to wait.” – Canberra, ACT.

“Demand has remained relatively stable for the majority of residential properties.” – Outer East Melbourne, VIC.

FIGURE 1: Demand in local markets in the last 3 months, Australia wide.

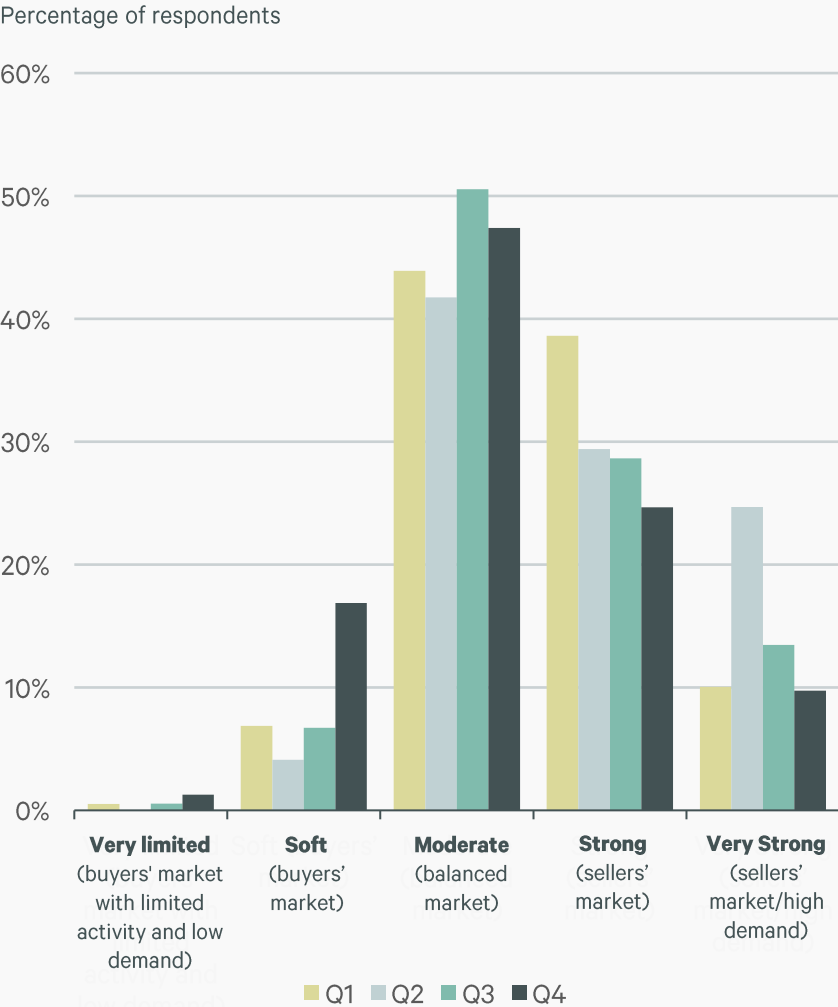
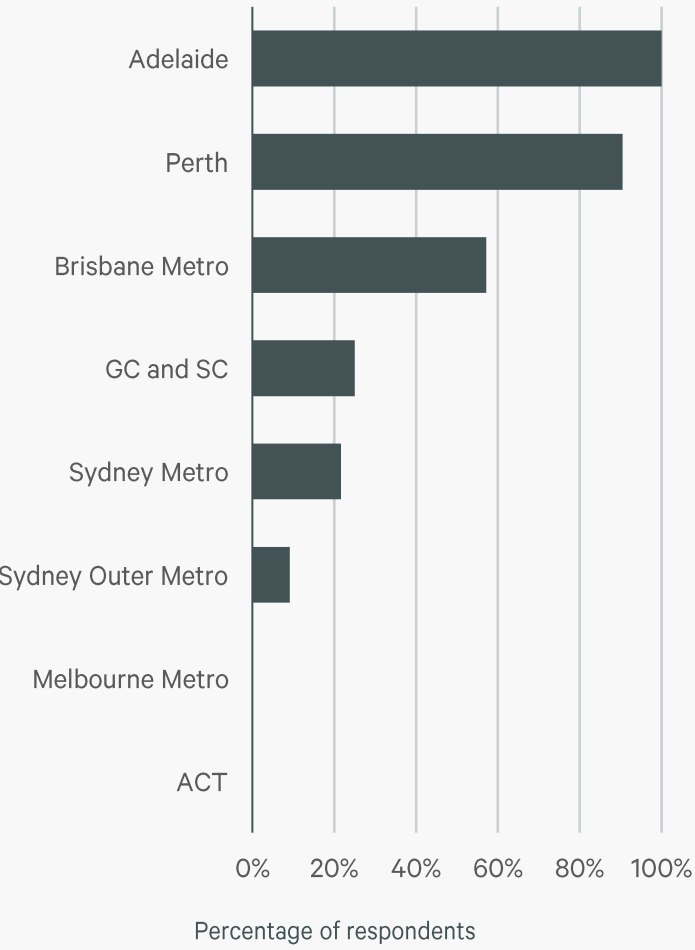


FIGURE 2: A closer look at responses for Q4 2024 indicating ‘strong’ or ‘very strong’ demand over the past 3 months.



# Active buyers

In the first three quarters of 2024, first home buyers were the most active segment in the market. However, in Q4, upgraders took the lead, with 64% of Valuers reporting them as the most active buyer type, an increase from 53% in Q3. Upgraders were most prevalent in Sydney Outer Metro and Sydney Metro. 62% of Valuers still selected first home buyers this quarter, a similar level to the last three quarters. Local investors and down-sizers were also active, while recent overseas migrants and developers were the least active. Less local and interstate investors were active compared to the previous quarters, with 52% of Valuers reporting local investors as active (60% in Q3) and 23% reporting interstate investors as active (33% in Q3). Local investors and interstate investors were most active in Perth and Adelaide.

“We are seeing higher demand for the 'affordable' properties as first home buyers appear to be making up a majority of the market in this area.” – West Melbourne, VIC.

“The Tasmanian economy has slowed, while interstate migration and the number of incoming international students have both decreased.” – Hobart, TAS.

“Recent activity involves local buyers, upgraders and both local and interstate investors.” – Toowoomba, QLD.

“Developers are less active due to current market conditions and construction costs. There is good demand from first home buyers with the shared equity scheme.” – North West Melbourne, VIC.

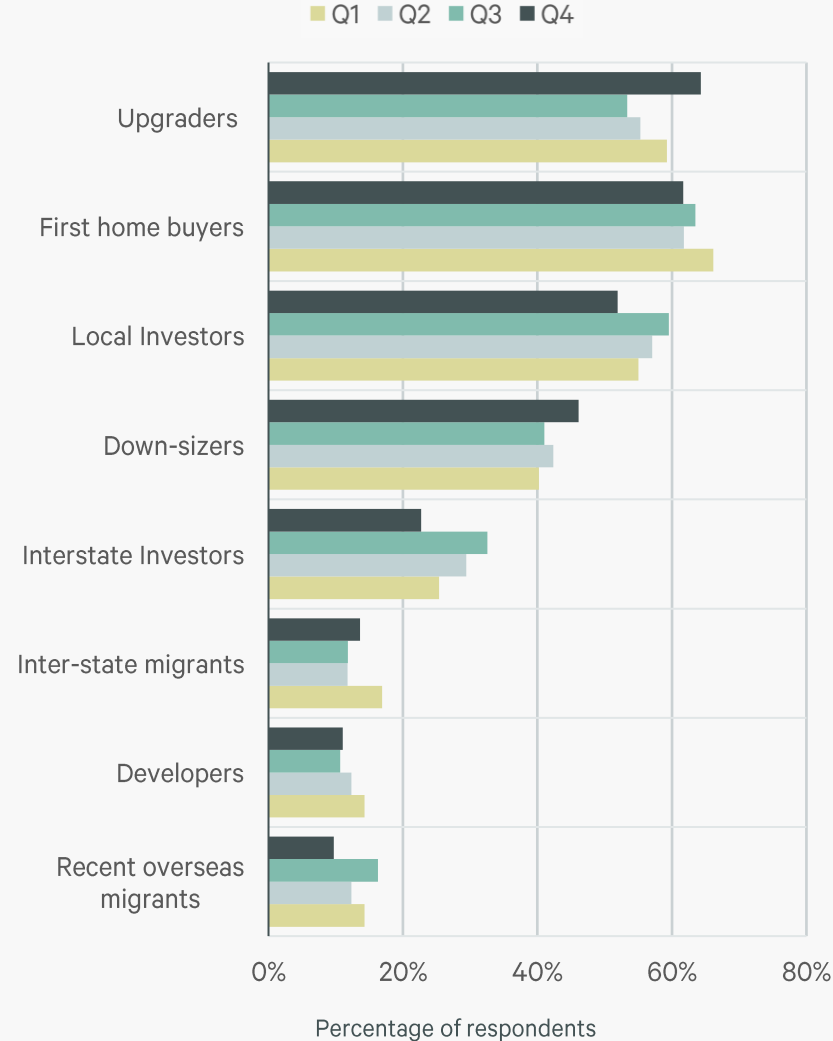
“It would appear that purchasers and investors are hesitant and waiting for interest rate cuts to take effect.” – South Brisbane, QLD.

“Development sites have started to become popular again with regained interest from investors and developers.” – South East Melbourne, VIC.

“The rural residential market remains attractive to interstate or out of area buyers seeking a rural lifestyle property within commuting distance of Canberra or Sydney.” – Goulburn, NSW.

“Interstate buyers have almost all but quit the local market given that values have been so strong into mid 2024.” – North East Perth, WA.

FIGURE 3: Most active buyers in the market in the last 3 months.



Note: respondents were able to select multiple options (up to 4)

# Change in demand

Throughout 2024, houses, new houses, and recently renovated properties emerged as the top three property types experiencing increased demand. Notably, houses were more frequently selected in the first half of the year. In Q4, 45% of Valuers reported increased demand for recently renovated properties, consistent with 44% in Q2 and Q3, and slightly lower than 48% in Q1. Meanwhile, 40% reported increased demand for new houses, and 37% for houses. Conversely, 43% of Valuers reported a decline in demand for unrenovated properties, similar to Q3's 44%. A decline in demand for vacant land was reported by 24% of Valuers, down from 31% in Q3.

“The Inner West has seen renovated and modern properties sell well.” – Inner West Sydney, NSW.

“There is strong demand for dwellings up to \$1.25 million, units up to \$800,000, and rural residential property.” – Gold Coast, QLD.

“Affordable established homes, villas and apartments are experiencing the strongest demand.” – Inner Perth, WA.

“The townhouse and unit market still strong due to the lower price point” – East Brisbane, QLD.

“There has been a reduction in vacant land demand due to increased construction costs.” – Blacktown, NSW.

“Higher end properties are selling prior to auction, and new builds are reflecting a premium paid.” – Adelaide Central, SA.

FIGURE 4: Properties that have experienced the biggest increase/decrease in market demand in the last 3 months.



Note: respondents were able to select multiple options (up to 4)



# House values

House value expectations have decreased throughout 2024. In Q4, 55% of Valuers expect house value growth in the next year, down from 59% last quarter, 70% in Q2, and 78% in Q1. Although, more Valuers are expecting modest price growth of up to 5%. 32% of Valuers expect values to remain stable, and 13% expect a decrease, the highest so far in 2024. The most growth is expected to be in Perth, Adelaide, and Brisbane Metro.

- “Houses of a higher quality fit-out that are a bit more unique to the market are performing well.” – North East Melbourne, VIC.
- “Good quality homes in good locations are moving, although values are not.” – Hobart, TAS.
- “Since January 2024, house prices are up approximately 15%.” – Sunshine Coast, QLD.
- “New homes in the affordable market segment are doing well.” – Adelaide Central, SA.
- “Slightly more properties being offered for sale however prices are still increasing.” – South East Perth, WA.
- “Selling periods for houses are starting to lengthen and other contract conditions are being accepted.” – East Brisbane, QLD.

FIGURE 5: Expectations of house value movement in the next 12 months, Australia wide.

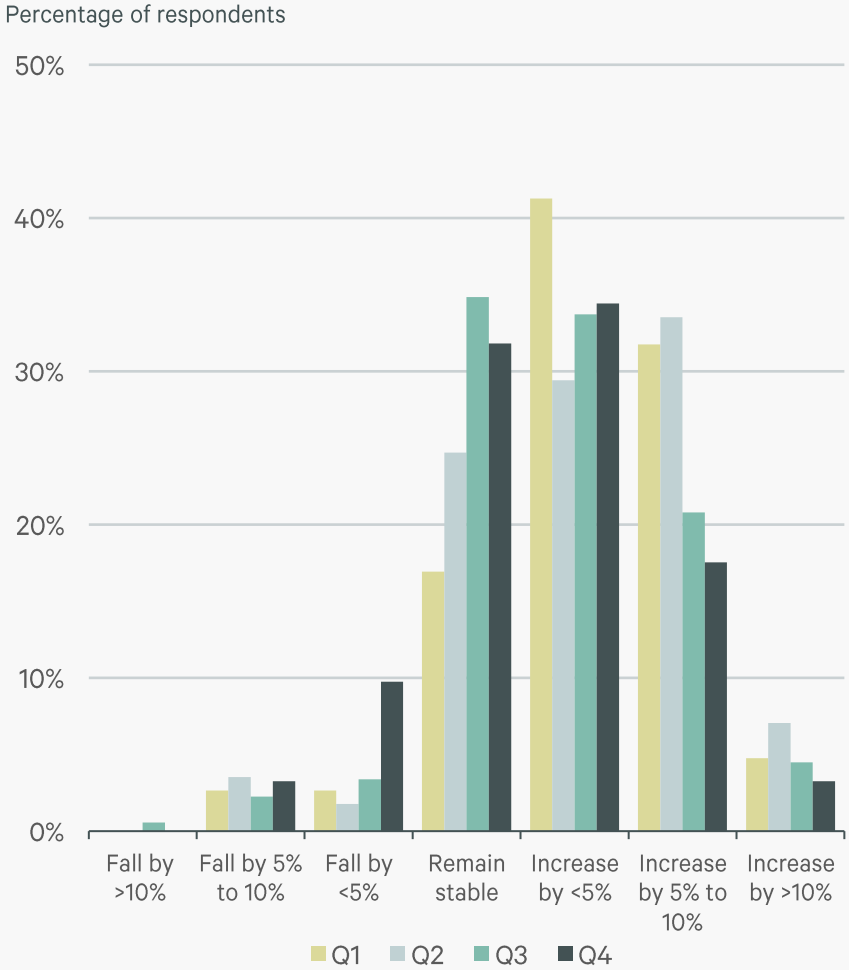
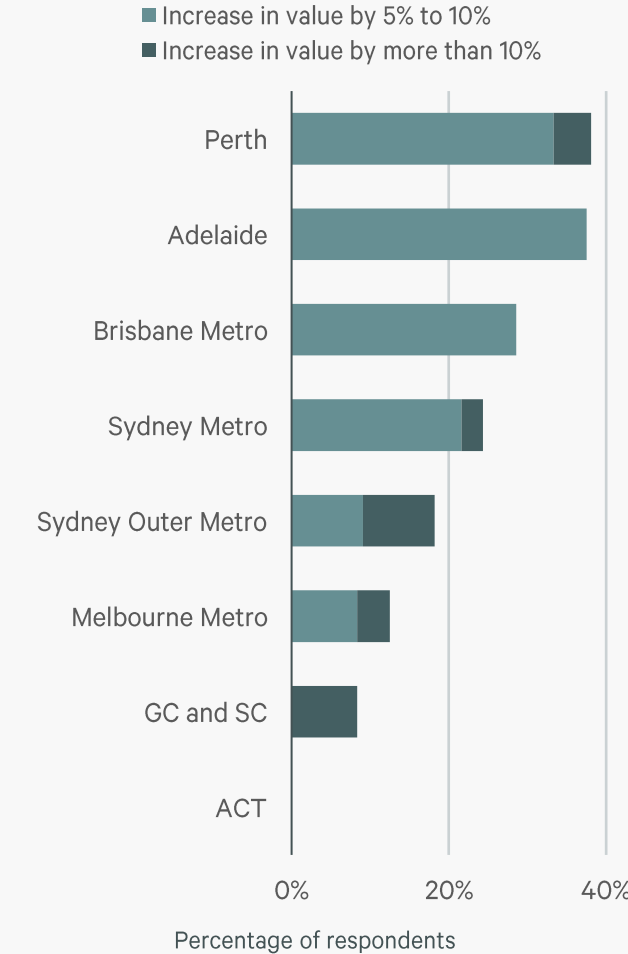


FIGURE 6: A closer look at responses for Q4 2024 indicating that house values are expected to increase by 5% or more.



# Apartment values

Apartment value expectations have varied over the course of the year. In Q4, 38% of Valuers predict an increase in apartment values in the next 12 months, a decrease from 44% in Q3, 52% in Q2, and 44% in Q1. 45% anticipate stable prices (41% in Q3), and 18% expect a decrease (15% in Q3).

As in the previous quarters, the majority of unit value growth is expected in Brisbane Metro, Perth, and the Gold and Sunshine Coasts. However, it is notable that in the previous two quarters over 50% of Perth Valuers expected growth of more than 5%. In Q4, this decreased to 19%.

“Unit prices have remained quite strong for older stock. New unit sales have slowed a little.” – Inner West Sydney, NSW.

“Townhouses and units are receiving high levels of demand, short selling periods, and showing strong growth due to the affordability of detached housing.” – South Brisbane, QLD.

“The value of older apartments in secondary locations is dropping due to new stock coming to the market.” – Canberra, ACT.

“There seems to be a slight slowdown of apartment sales however new homes and development sites are still performing well.” – Liverpool, NSW.

FIGURE 7: Expectations of apartment value movement in the next 12 months, Australia wide.

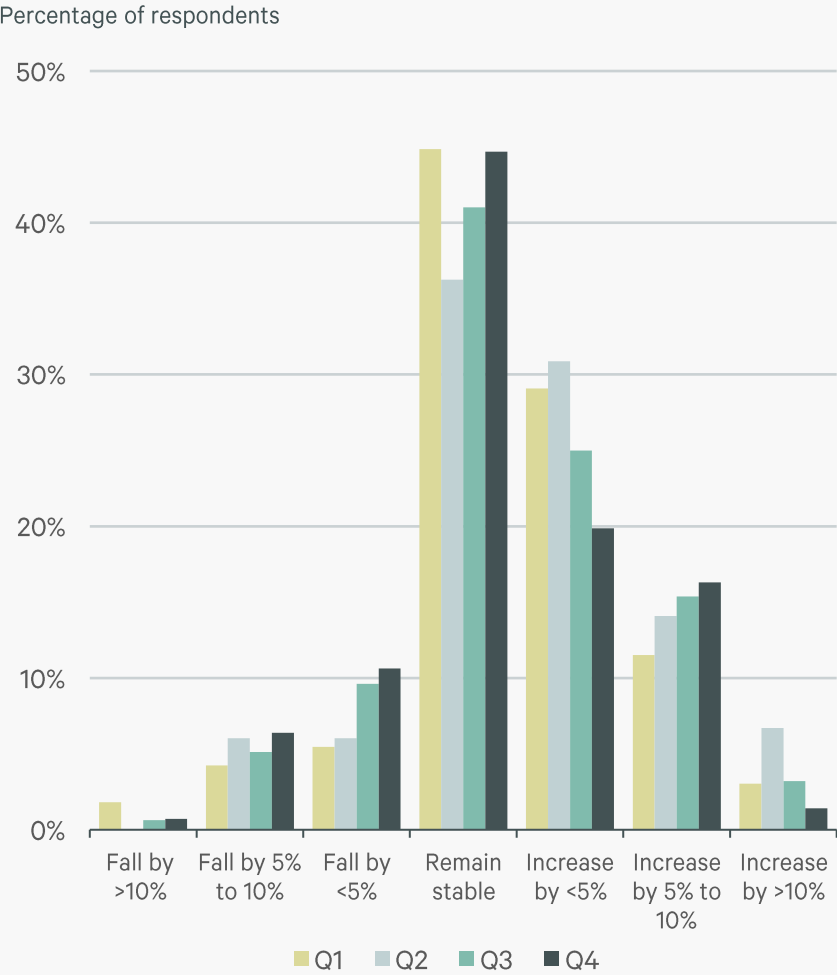
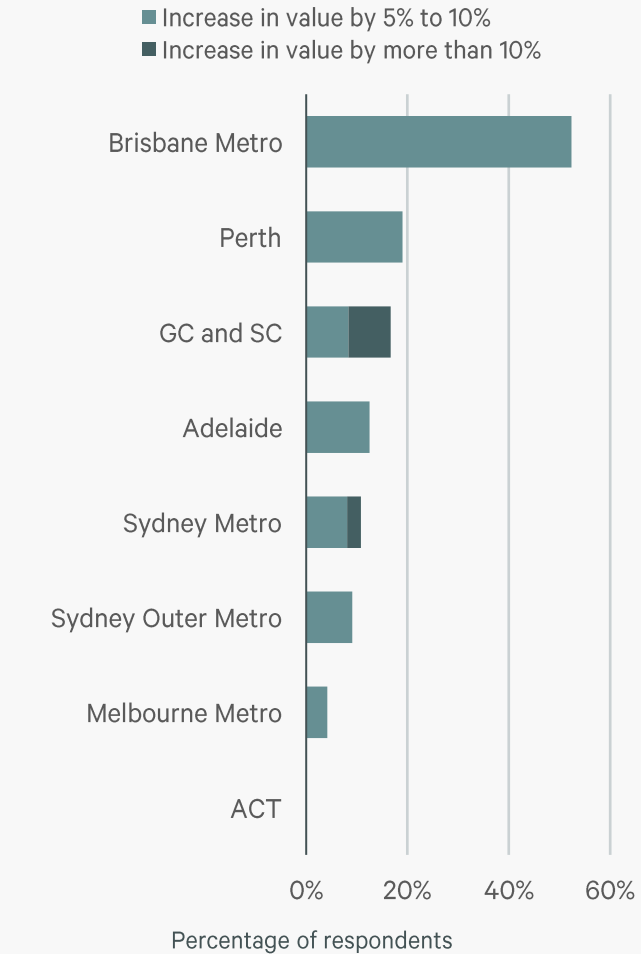


FIGURE 8: A closer look at responses for Q4 2024 indicating that apartment values are expected to increase by 5% or more.



# Vacant land values

This quarter, vacant land value expectations are similar to Q3 expectations. 49% of Valuers expect vacant land values to rise over the next 12 months, down from a peak of 57% in Q2, but similar to Q1 (51%) and Q3 (47%). Likewise, 35% of Valuers expect values to remain stable (39% in Q3), while 16% expect a decrease (14% in Q3). The most growth is expected in Adelaide, Perth, and Brisbane Metro. Like apartment values, less Perth Valuers are expecting growth of over 5% in Q4 (29%), compared to the previous two quarters (70% in Q3 and 59% in Q2).

- “Demand for vacant land remains strong with several new developments under way.” – Kangaroo Island, SA.
- “Vacant land, which remained stable over the period, is now starting to show slight upward movement in values.” – Central Coast, NSW.
- “The vacant land market has slowed significantly due to high construction costs.” – Hobart, TAS.
- “The SA North is experiencing a sewerage treatment capacity problem, leading to a surge in values for vacant land with all services readily available for connection.” – North Adelaide, SA.
- “The vacant land market is underperforming due to increased supply.” – Southern Highlands, NSW.
- “There has been a reduction in vacant land sales due to limited new large land developments under construction.” – South East Melbourne, VIC.

FIGURE 9: Expectations of vacant land value movement in the next 12 months, Australia wide.

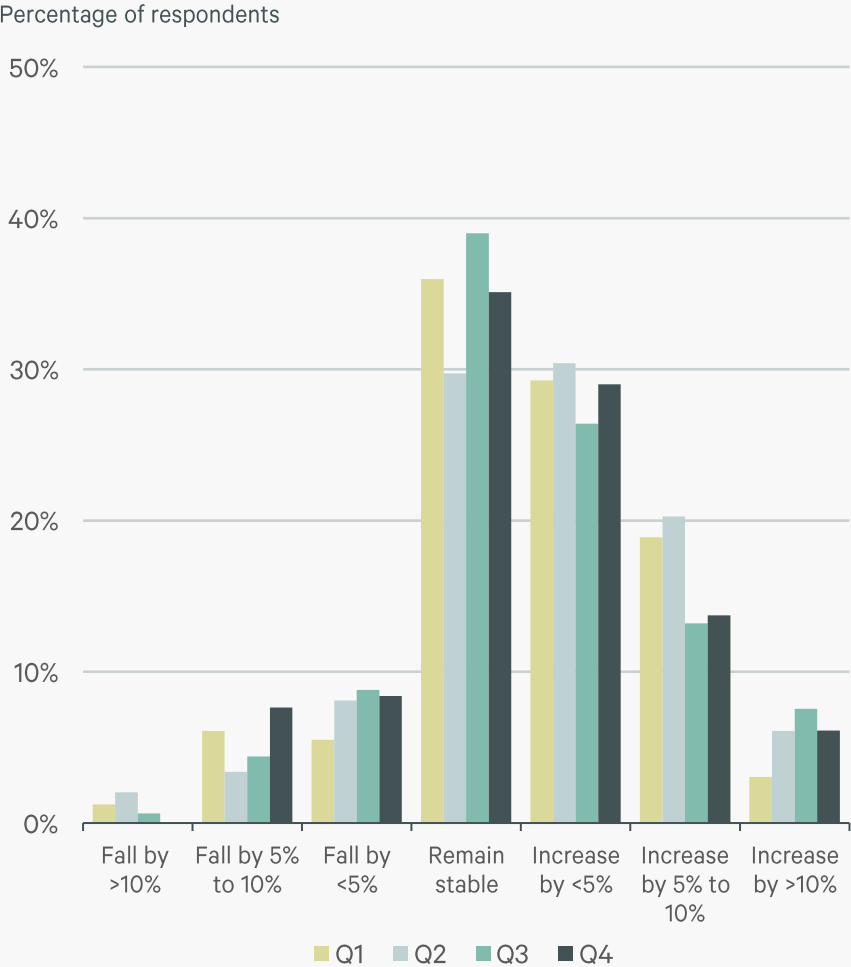
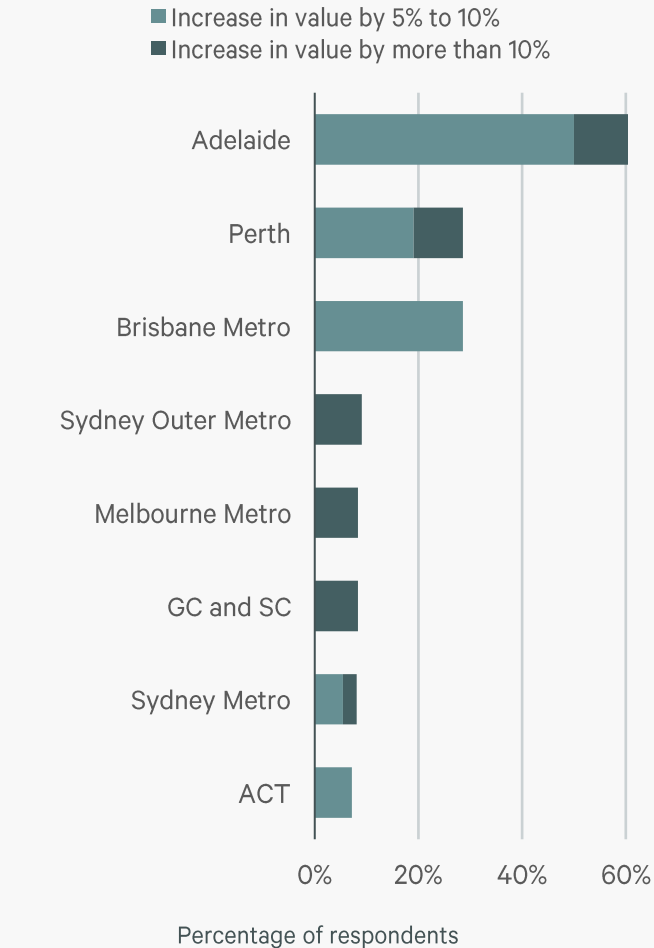


FIGURE 10: A closer look at responses for Q4 2024 indicating that vacant land values are expected to increase by 5% or more.





# Future demand

Throughout 2024, a declining number of Valuers have expected an increase in demand over the next 12 months. A similar percentage of Valuers expect demand to remain the same compared to Q3, changing from 53% to 51%, with those expecting a decrease rising from 8% to 12%. Sydney Metro, Sydney Outer Metro, and Melbourne Metro are projected to see the most demand growth. Notably, fewer Valuers in Gold and Sunshine Coast anticipate increased demand, while more Sydney Outer Metro Valuers do.

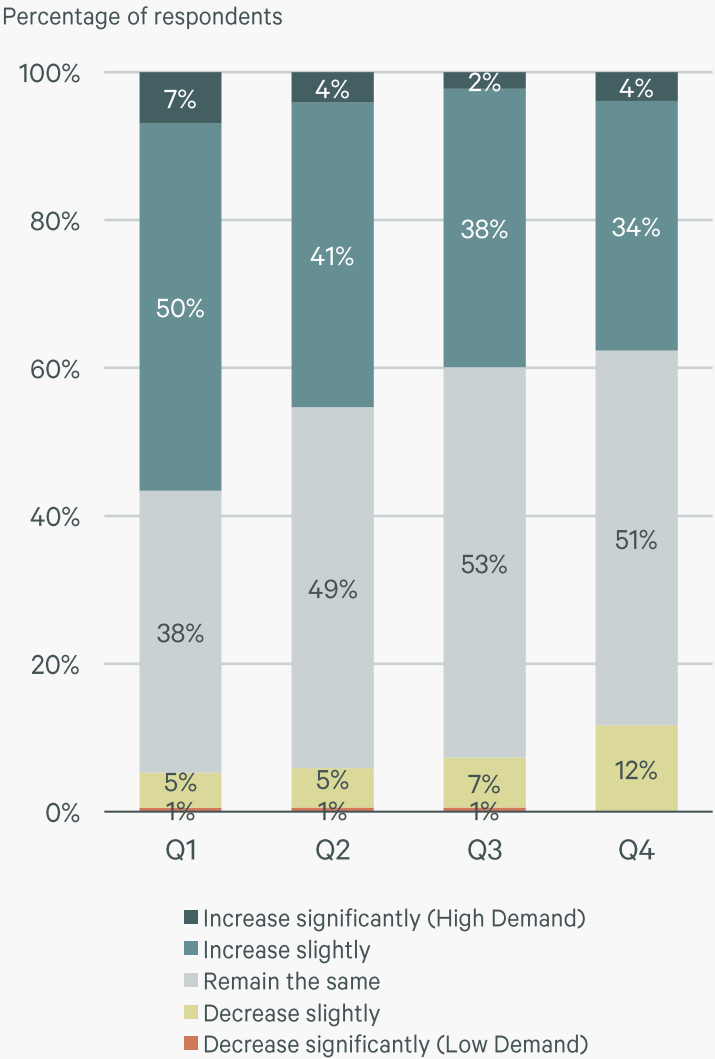
“Many investors in Victoria are selling properties due to rising costs, uncertainty in the building sector, and less appealing property returns. While I don’t expect a complete collapse, I do foresee fluctuations in demand and supply in the coming months.” – West Melbourne, VIC.

“Demand in the Rockingham area is influenced by the proposed AUKUS submarine to be based in Garden Island (Rockingham). Many locals expect the Rockingham property sector to benefit in the long run.” – South West Perth, WA.

“Buyers are displaying more diligence in transactions with less urgency being observed.” – Goulburn, NSW.

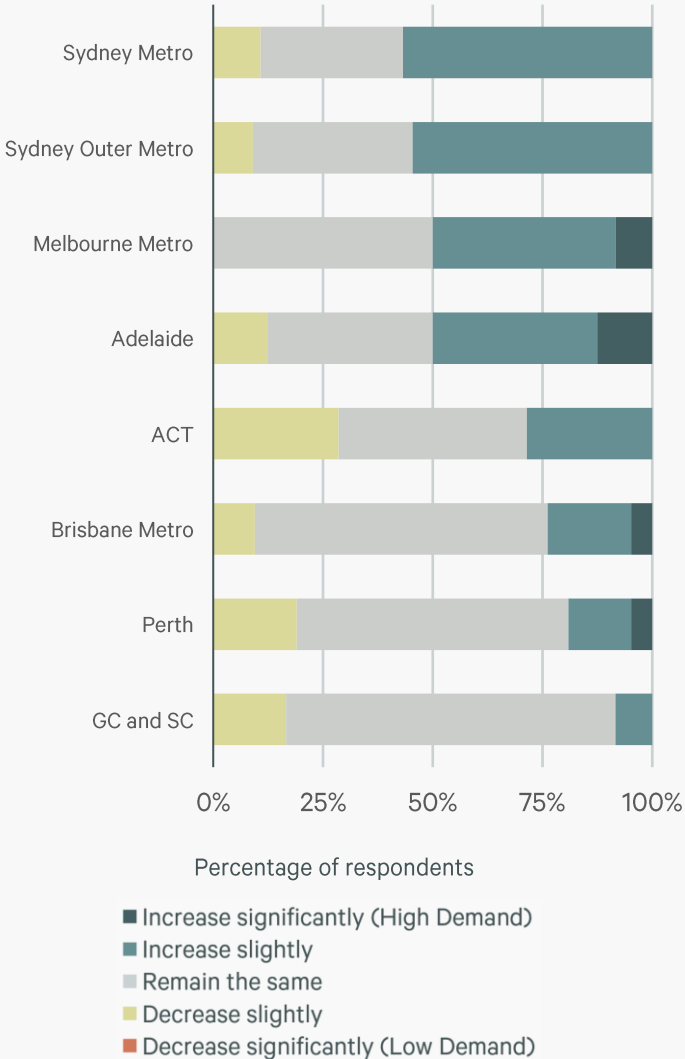
“The stability of the market going forward will largely depend on inflation, cost of living pressures, immigration policies, and interest rates.” – Sunshine Coast, QLD.

FIGURE 11: Demand in local markets in the next 12 months, Australia wide.



Note: percentages may exceed 100% due to rounding.

FIGURE 12: A closer look at Q4 2024 expectations for demand in the different markets.

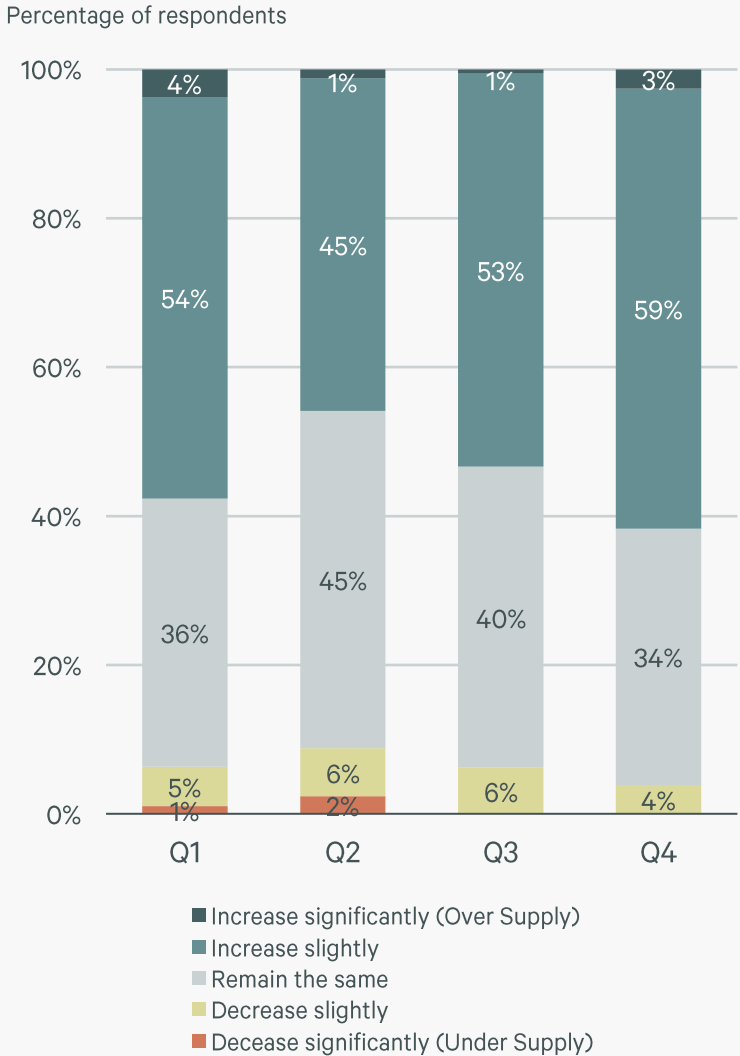


# Future supply (listings)

There has been more variation in supply expectations over the course of 2024 when compared to demand, but generally they have settled at a similar level to Q1. In Q4, 62% of Valuers anticipate a slight or significant increase in local stock available, the highest this year, up from 53% in Q3, 46% in Q2, and 58% in Q1. This quarter, 34% predict stable supply and 4% expect listings to decline, both the lowest they have been this calendar year. Similarly to Q3, increased supply is expected in ACT, Sydney Metro, and Sydney Outer Metro. No Valuers expected supply to decrease significantly (Under Supply).

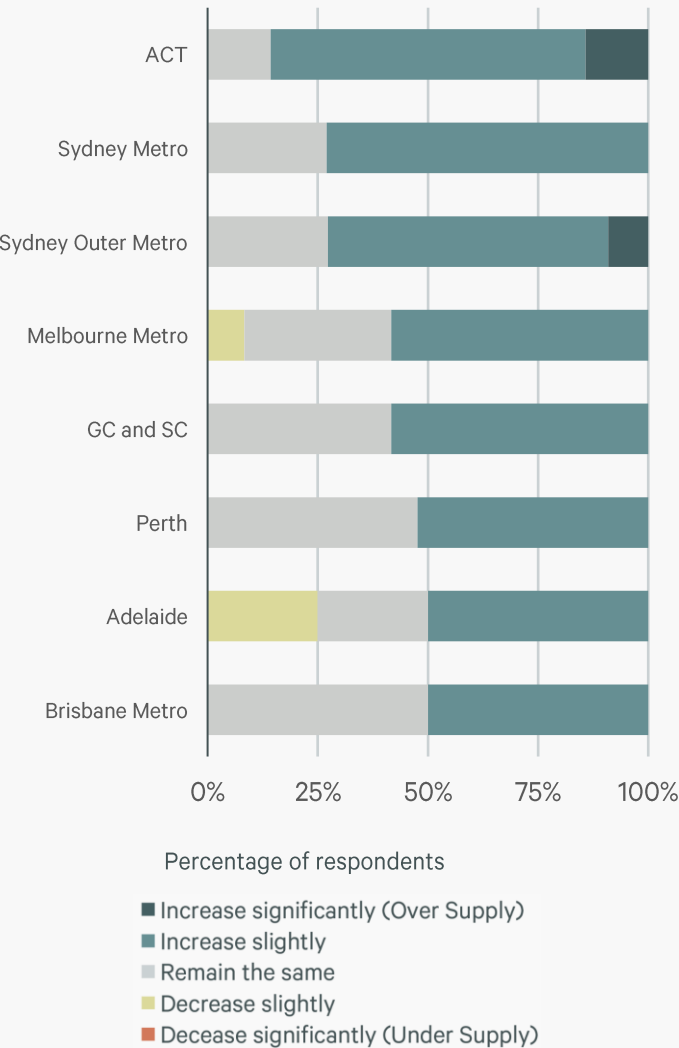
- “Increasing stock levels remain a concern in certain sectors of the market.” – Northern Beaches, NSW.
- “Average selling periods have remained relatively stable, though there is a noticeable increase in listings.” – Sunshine Coast, QLD.
- “There is still good detectable demand with increased stock levels.” – North East Perth, WA.
- “An increase in stock levels has slowed the pace of growth giving buyers more options and bargaining power.” – Inner West Sydney, NSW.
- “Demand has slowed a small amount as more listings come to market and buyers have the luxury of some choice.” – North Adelaide, SA.
- “The observed decline in approvals and commencements is likely to have a ripple impact on future housing stock.” – Canberra, ACT.

FIGURE 13: Supply in local markets in the next 12 months, Australia wide.



Note: percentages may exceed 100% due to rounding.

FIGURE 14: A closer look at Q4 2024 expectations for supply in the different markets.



# Survey Profile

The CBRE Research Q4 2024 Residential Valuations Property Market Survey was conducted in early–November of 2024. A total of 154 responses were received. Valuer locations:

## NSW

- Sydney Metro
- Sydney

### Sydney Outer Metro

- Hawkesbury
- Wollondilly
- Newcastle
- Central Coast
- Illawarra
- Hunter
- South Coast
- Southern Highlands

## ACT

- Canberra
- Queanbeyan NSW

## VIC

- Melbourne Metro
- Melbourne

## QLD

- Brisbane Metro
- Brisbane

Gold Coast  
Sunshine Coast

## WA

- Perth
- Margaret River
- South West

## SA

- Adelaide





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