RAY WHITE **NOW**

DECEMBER 2021

PROUDLY PRESENTING PROPERTY MARKET INSIGHTS IN REAL-TIME

A MESSAGE FROM OUR **MANAGING DIRECTOR**

Spring selling season started slow but ended with particularly strong conditions. For much of the year, buyers struggled with a lack of stock as lockdowns made sellers more cautious. In November, we saw the number of properties for sale catapult upwards by more than 21 per cent nationally. So much so that in the last week of the month, we saw the most properties going to auction we had ever recorded. Over the month we had a record 3,300 auctions scheduled and we sold 84 per cent of all of them. We had active bidding on 93 per cent of all our auctions too, also a record high for this metric. Registered bidders remain high at 5.9 per auction, well above our long term averages as buyer demand continues across the country despite what some pundits are calling the twilight of this boom.

The strong selling conditions led to solid conditions for our family of businesses and we helped more than 16,000 clients with their property ambitions. Not only did November's unconditional sales of more than $10 billion far exceed last year, we also saw a rise in our market share across both Australia and New Zealand. This was particularly apparent in the booming South Australian market but was also visible in Western Australia and Victoria. This lift in market share and growth in properties for sale led to a sharp rise in market value more than the year which increased by over 50 per cent over the year.

This year has also turned out to be the year of the super deal, across all sectors of our business. Our biggest residential sale was conducted by Ray White Double Bay where a property in Bellevue Hill sold for $30 million. While expensive, it was in fact topped by Ray White Marine which recently sold a $50 million new build 44m superyacht. Topping the list for the largest sale was Western Australia's Jandakot Airport by Ray White Commercial WA for $1.3 billion.

As we head into summer, we hope that all our members and customers have a wonderful holiday season with family and friends. And may 2022 be full of new adventures and good fortunes.

Dan White
Managing Director
Ray White

THIS MONTH IN
RAY WHITE NOW

With Australian house prices up almost 25 per cent, is the property boom set to continue? This month in Ray White Now, we take a look at the factors you should consider if you're looking to sell. While an interest rate increase may be off the cards for a while longer yet, restrictions to finance have started. In addition, a sharp rise in properties for sale are giving buyers more options. Both of these factors appear to already be slowing prices in some locations, although for now, this remains patchy.

As we head into the new year, we also provide an outlook for 2022. In this we'll address issues such as whether price growth will continue, what the outlook is for regional property and why the northern shift is likely to continue. Economic growth is set to be strong in 2022 but it's unlikely prices will grow at the same rate over the next two years as they have over the past two years. We also take a look at commercial property. The past two years have been a major disruption to the sector however for now prices don't appear to be adversely impacted.

Summer generally means a slower selling season and more time spent with family and friends. And while I don't know that many people that could afford to buy a yacht, we finish this month by looking at what you could afford to buy if you were in the market for one, and compare what sort of house you could get for the same amount of money.

We're looking forward to a strong start to 2022 and will be back for the new year edition of Ray White Now in February.

Nerida Conisbee
Chief Economist
Ray White

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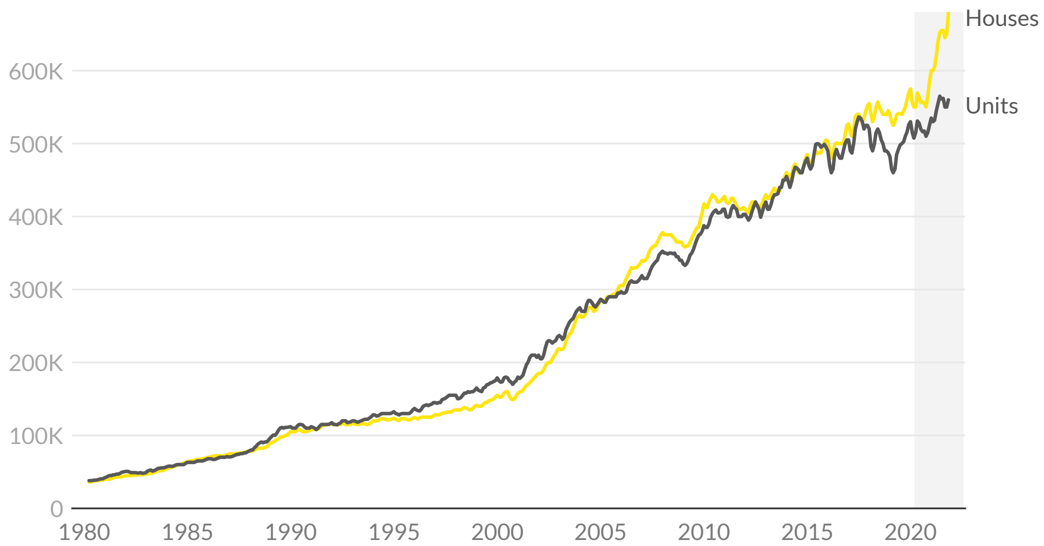
WHY SELL NOW?

Since the start of the pandemic, Australian house prices have increased by almost 24 per cent and continue to be at record highs, and growth over the past three months has been higher than the previous three months.

While on most metrics there is little evidence of a significant slowdown, we're heading into a relatively uncertain 2022. Borders are reopening and the economy is bouncing back, but with it, rising inflation and the potential for an earlier than anticipated interest rate rise. Regulators have started to step in to control credit growth and there may be more restrictions on the horizon.

The market is still strong but with uncertainty rising, if you're looking to sell now, these are some of the factors that you should consider.

Australian house and unit median prices



Pandemic time period is highlighted

Source: Ray White, Corelogic

1. New Zealand has increased interest rates, and restricted finance, but in October saw another house price surge

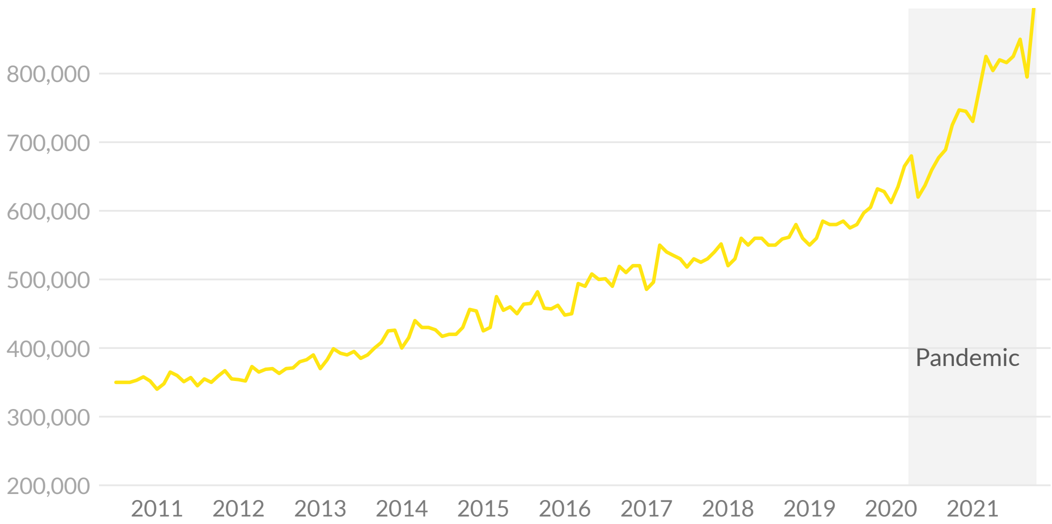
With house prices increasing quickly around the world, governments are grappling with how to ensure that debt levels don't get too high. One country that's made significant changes to lending since the start of the year is New Zealand.

The main change made in New Zealand has been to require bigger deposits when buying a property, with particularly restrictive requirements for investors. In addition to this, New Zealand has already had two interest rate increases this year.

The changes had an immediate impact on lending. Loan commitments declined from $10.4 billion in March, to $6.8 billion in September, a drop of 34 per cent. As a flow on, it also stabilised New Zealand's median house prices up until September.

It was therefore surprising that despite the slowdown, median prices took off again in October, jumping $NZ100,000 in just one month. While this could've been a one off bounce, it does show the resilience of the current property market upturn.

New Zealand's median house price surge



Source: REINZ, Ray White

2. Is a house price slowdown already occurring?

Nationally we're not recording a slowdown yet in pricing. Over the past three months, Australian median house prices have risen 3.8 per cent. This compares to the three months prior when they increased by 2.3 per cent. While on aggregate we're seeing increases, there are some cities where we're starting to see a slow down.

The two cities where this is most apparent are Perth and Darwin. Perth's housing market is highly sensitive to iron ore pricing. Iron ore prices have fallen significantly since June and house prices have closely tracked this. Darwin is still seeing price growth but the rate of growth is slowing. In Sydney, we're still seeing eye watering growth of 6.7 per cent over just three months but it's slightly slower than the previous three months when the median increased by 8.1 per cent.

At present, three cities have started to show a slow down in growth. In comparison, five cities are continuing to see accelerating growth. The most extreme are Canberra and Hobart where house price growth was double digit over a three month time period, and significantly higher than what we saw in the previous three months.

Is Australian house price growth tapering? Yes in some places

Price growth comparison (past 3 months compared to previous 3 month)

	May-Jul	Aug-Oct	Difference
Perth	−1.9%	−3.8%	−1.9%
Darwin	3.4%	1.5%	−1.9%
Sydney	8.1%	6.7%	−1.4%
Adelaide	6.2%	6.4%	0.2%
Melbourne	2.9%	3.8%	0.8%
Brisbane	4.3%	5.7%	1.4%
Canberra	7.8%	10.6%	2.8%
Hobart	6.0%	13.0%	7.0%

Source: Corelogic, Ray White

While a slow down is yet to occur in pricing, there are two measures which are starting to show that we're unlikely to see the very rapid rate of growth in 2022 that we saw in 2021. The first is that days on market have increased from an average of 20 days in March to 28 days in October. This likely reflects the beginning of a mismatch between what buyers want to pay compared to what sellers are wanting for their properties. The second is that average active bidding at auction has pulled back as more properties come to market.

3. Affordability is sizing up to be a hot issue at the next federal election

With sharp rises in house prices comes growing concern about affordability. At a global level, Australia now has some of the most expensive housing. Because of this, federal Treasurer Josh Frydenberg launched an inquiry into housing affordability mid this year. Solving housing affordability is a complex issue and doesn't just include people's ability to buy homes, but also to rent them.

The federal election is expected to be held in the first half of 2022 and housing affordability is likely to feature as an election issue. Unlike the last federal election, investor activity is unlikely to be the main discussion point, but rather how housing can be made more affordable for buyers and renters.

For now, the focus of the inquiry into housing affordability is on the supply of housing. In markets that are well supplied for housing, we don't generally see the same rapid rises in rents and pricing. The challenge with supply however is to ensure it's provided in areas where people want to live.

4. Interest rates to remain on hold for now, despite higher inflation

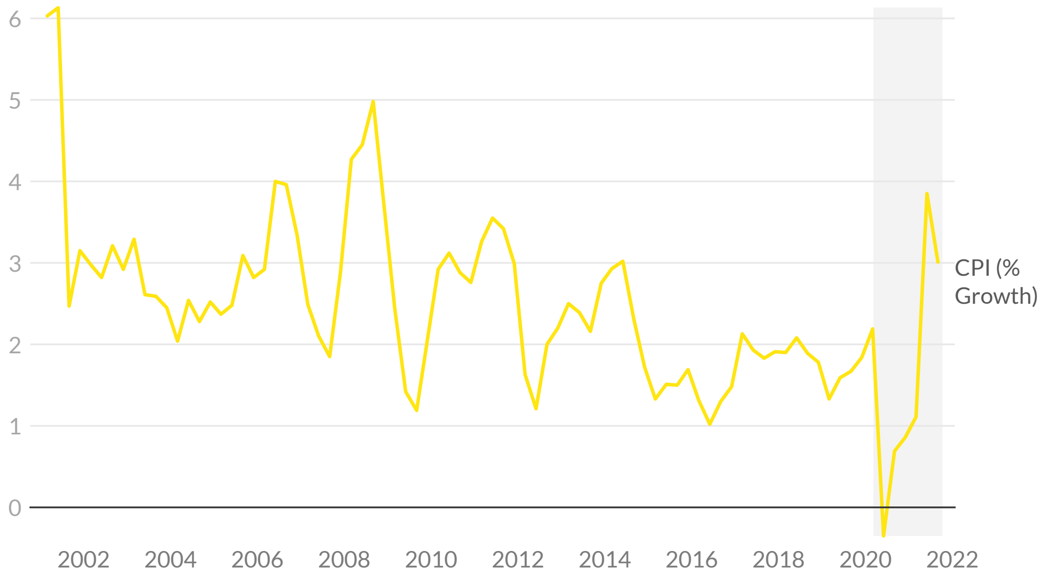
It was no surprise that the Reserve Bank of Australia (RBA) are yet to move on interest rates, despite inflation coming in at three per cent for the September quarter. The RBA aims to keep inflation between two per cent and three per cent using monetary policy, hence why speculation ramped up that they would move early.

The high inflation we're currently seeing is not surprising to anyone, let alone the RBA and was in fact widely predicted. As we get back to living more normally, we're spending more. At the same time, it's taking a bit of time for business to get back to full capacity. This is creating problems in supply chains particularly but is also exacerbating challenges like energy shortages. High inflation is not just an Australian problem, its a global issue.

The big question now is as to whether high inflation will continue and the RBA have to move earlier than the 2024 date they predicted for an interest rate rise. There are two schools of thought. The first is that high inflation is temporary and will calm down once businesses get back to full capacity, supply chains work through the backlog and energy problems lessen. The second is that high inflation is here to stay for some time and to pull it back, interest rates will have to move upwards prior to the 2024 date.

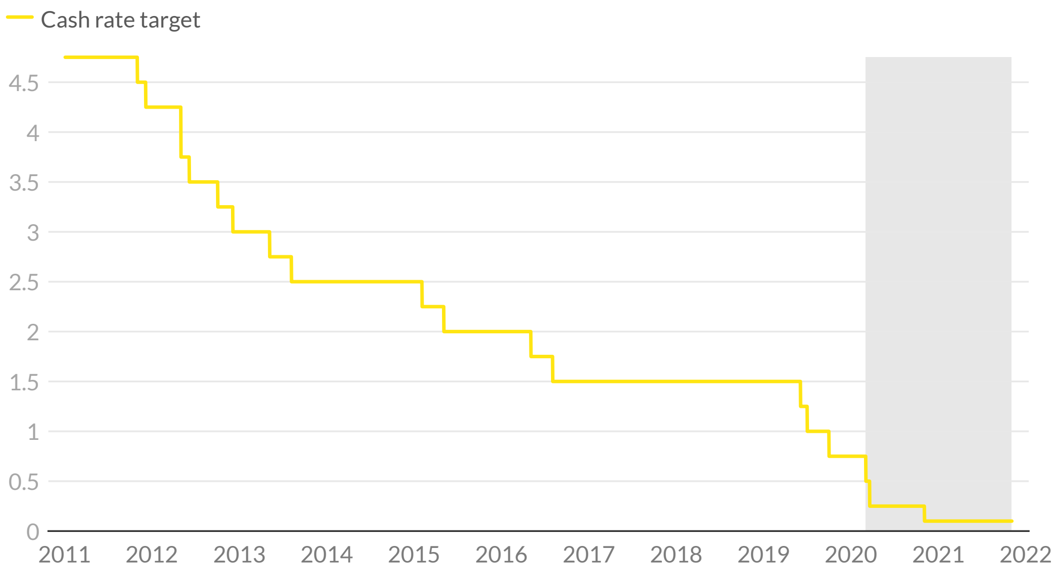
For now, we need to watch and wait, particularly given how closely house prices tend to move with interest rate movements. December inflation will be high, particularly given the run up to Christmas and the end of border closures. It's unlikely that the RBA will move in the first half of next year however pressure may start to build in the second half.

Inflation pushed up in the March and September quarters



Source: ABS

Cash rate remains at record lows (for now)



Source: RBA, Ray White

5. Finance is likely to be further restricted next year

Home loan lending has accelerated during the pandemic and is the main driver of house price growth. In May, total lending peaked at $32.6 billion. This was almost double what was recorded the year before and was $10 billion more than the previous peak.

This high rate of growth raised concerns about risky lending and on 1 November, the first set of restrictions were put in place to reign in the increase. The changes were relatively soft-touch; the Australian Prudential Regulation Authority (APRA) increased the minimum interest rate buffer on home loan applications from 2.5 to three percentage points, estimating the increase will reduce maximum borrowing capacity for the typical borrower by around five per cent.

Lending to owner occupiers has started to moderate, dropping from $23.4 billion in May to $20.7 billion in September. However, investor lending continues to increase. It isn't quite back where is was in 2015 but it is likely to hit that level in coming months. If it doesn't start to slow in early 2022, it's likely we will see further restrictions.

For now, the Chairman of APRA has stated they're looking at a range of variables and don't want to "throw the whole toolkit" to reduce lending. This is good news as finance restrictions take time to flow through and moving too quickly could have a far more negative impact on lending than anticipated.

SEVEN PREDICTIONS **FOR 2022**

It's been an interesting year for residential property with prices accelerating, many of us in and out of lockdowns and a population shift out to regional areas and to northern New South Wales and South East Queensland. With the start of restrictions to finance now in place, and continued talk of interest rate rises, what are the key influences for 2022?

1. More price growth

While the commentary around price falls is again ramping up, the reality is that at this stage it's looking unlikely that prices will see a sharp decline in 2022. We're heading into a period of strong economic growth, rather than a recession, and business and consumer confidence is high. Nevertheless, it's unlikely that we will continue to see the same rate of growth over the next two years that we have seen over the past two years.

Barring an unforeseen event, there are three things that could slow the market. The first is an increase in the number of properties for sale, the second is an interest rate rise and the third are heavy restrictions on finance.

The number of properties for sale has picked up over the past few months, primarily because lockdowns have now ended. Already this appears to be slowing the market - days on market have increased and we've seen a slight drop in average active bidders at auction. While this will slow down pricing, this will not be a factor driving down prices.

An interest rate rise may occur however it's still too early to tell whether there will be one before the date expected by the RBA of 2024. The key indicator to watch is inflation - this is expected to be higher than usual in coming quarters but this is widely expected to be temporary. If that's the case, then there won't be an interest rate rise in 2022.

Finally, restrictions to finance have started however at this stage are relatively light touch. It's likely that further restrictions will be put in place early next year, particularly if investor lending does not slow. Positively, APRA are moving carefully with regards to this.

With prices continuing to rise, albeit at a slower rate, a strong focus by the government on affordability will continue. This is shaping up to be a major issue leading up to the federal election next year.

2. Regional shift to continue but at a less rapid rate

Since the start of the pandemic, we've seen the biggest move of Australians to regional areas ever recorded. The largest increases in population as a result of this shift were seen in regional Queensland (mainly Gold Coast and Sunshine Coast), New South Wales and Victoria.

The shift was driven by strong mining and agricultural conditions, a lifestyle shift that came about from changes to the way people work, greater demand for second homes and the search for space. Many of these will change in 2022 and as a result, it's unlikely we'll see the same strong conditions we saw over the past two years in regional areas continuing over the next two years.

While this is the case, it's likely that the regional shift will continue, primarily because it was already occurring prior to COVID-19. In the five years prior to the pandemic, regional areas like Geelong and Southern Highlands and Shoalhaven saw some of the strongest price growth in Australia. It's likely that these areas, plus others that are within commuting distance to capital cities, will continue to see population movement, and by extension, price growth.

Migration to regional Australia

12 months to March 2021

	Arrivals	Departures	Net internal migration
Regional QLD	101,524	85,187	16,337
Regional VIC	63,624	49,612	14,012
Regional NSW	98,258	84,408	13,850
Regional TAS	10,663	8,935	1,728
Regional SA	16,104	14,438	1,666
Regional NT	5,828	6,851	-1,023
Regional WA	22,236	24,132	-1,896

Source: ABS, Ray White

3. Northern migration to continue

If you could live anywhere, where would it be? It appears that during the pandemic, many people's wishes came through. Freed from the constraints of an office commute, cashed up with high savings rates and able to access cheap finance, people and money flowed northwards. It culminated in very strong conditions in South East Queensland, as well as northern New South Wales.

It's likely that the northern migration will continue into 2022. Even with closed borders and extended lockdowns, we saw very high levels of movement of people from Sydney and Melbourne up to the Gold Coast, Sunshine Coast and Brisbane. Open borders will enable people to move up there more easily. Add to this positivity off the back of employment growth and the Olympics, as well as tougher economic conditions in Melbourne particularly, and this part of Australia is looking particularly positive.

While South East Queensland will possibly do even better as a result of open borders, it's likely that flows up to northern New South Wales will slow. This part of Australia has benefited particularly from changes to the way that people work, as well as strong demand for holiday homes. More people are likely to be called back into the office next year and holiday home demand is likely to moderate with international borders opening again.

4. Luxury property to continue to be a strong performer

Demand for luxury property hit record highs in 2021, driven by the same factors that drove the rest of the property market, as well as some sectors of the economy that benefited from the pandemic.

It's unlikely that any part of the residential property market will do better in 2022 than it did in 2021 and luxury property is no exception. It's however less likely to be influenced by restrictions to finance which is set to be the main driver of a slowdown in early 2022.

5. Revitalisation of our CBDs

Property markets in our CBDs have been the hardest hit of all as a result of the pandemic. Office, retail and residential vacancies rose in many CBDs as office workers stayed home, overseas students were locked out of the country and some of our vibrant and exciting CBDs became ghost towns.

The CBD residential markets were our biggest - Melbourne and Sydney CBDs. Over the past 12 months rents have fallen over 25 per cent in Melbourne CBD and nine per cent in Sydney CBD. Both cities were hit with longer lockdowns than other cities, and also have many more apartments.

Meanwhile in Perth, which was rarely locked down and is also seeing one of the strongest rental growth markets in Australia saw a 12.5 per cent increase in CBD unit market rents.

In 2022, we are going to see a return of our CBDs. Much of the return will be driven by market factors - office workers will return, retail and entertainment venues can now reopen and foreign students are coming back. It will however be helped along by a strong focus by local councils in getting activity back into our central areas

The pandemic has been bad news for some of our CBDs

Median unit rents and growth rates, 12 months to October 2021

	Median Unit Rents	% change
Melbourne	$360	-25.2%
Sydney	$590	-9.2%
Canberra City	$570	-3.4%
Adelaide	$440	-2.2%
Brisbane City	$475	0.0%
Hobart	$513	0.5%
Perth	$450	12.5%

Source: Corelogic, Ray White

6. Rental acceleration to gather pace as borders reopen

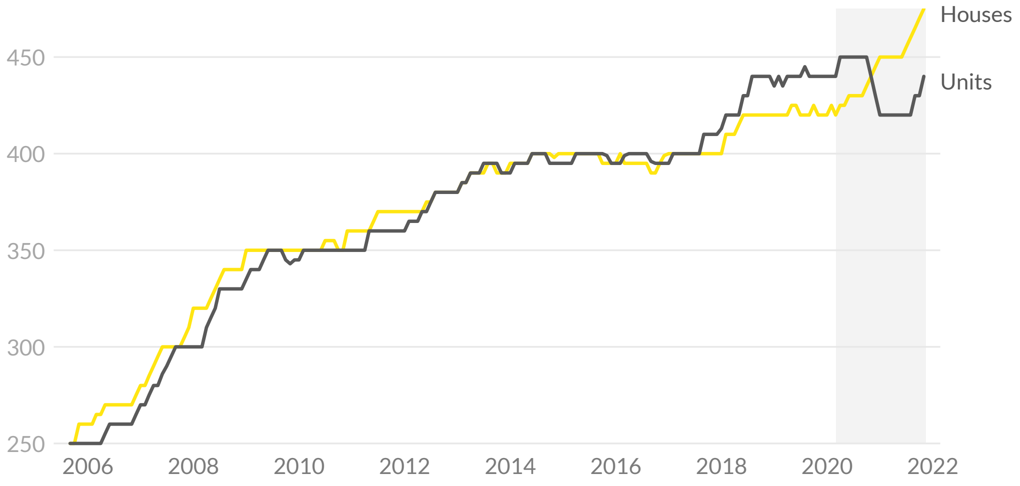
One of the more surprising impacts of the pandemic, given that we have seen more people leaving Australia than arriving, has been the sharp rise in rents in some locations. While international migration was paused during the pandemic, we did see high levels of interstate and intrastate migration to regional areas and to South East Queensland. The areas that attracted people saw high rental demand, and a flow on from this was strong growth in rents.

In addition to this, it does appear that rental markets also benefited from high savings rates, a factor that also drove up house prices. This showed up particularly in house rents which stabilised early in the pandemic but have now hit record highs. In contrast, unit markets have only recently begun to climb and are still falling in some central locations.

Borders reopening will increase demand for rental housing. When people move to a country or region, most rent first. In addition, foreign students are returning which will also increase pressure on unit rents close to education facilities. As to how much, it will depend on the pace of international migration, as well as how interstate migration trends change.

Rents for houses have continued to climb through the pandemic and now unit rents are also climbing

Median rental growth - Australia



Source: Corelogic, Ray White

7. Construction costs to moderate as supply blockages become unstuck

Construction costs were a major component of high inflation in the September quarter. While prices rose by 3 per cent overall, new dwelling purchases rose by 3.3 per cent with the higher than average increase driven by supply disruptions and a shortage of materials.

It's likely that these higher costs will continue in the first half of 2022 and may also be exacerbated by high wages costs and stockpiling of materials. By the second half of the year, it's likely that many of the supply disruptions will have flowed through and construction costs will start to moderate.

WOULD YOU LIKE A HOUSE **OR A YACHT FOR YOUR MILLIONS?**

It's certainly something I have never asked myself but I am sure there are people that have considered the question - "I have a spare $10 million, should I buy a house or a yacht?"

With summer arriving, still so much cash out there and the return of international travel, this month we take a look at different yacht types for sale through Ray White Marine and compare the house you could sell for the same amount of money. Like there is a huge divergence between house prices across Australia, it is also the case for yachts.

The starter yacht or the starter home

New to yachting? A super yacht out of your price range? Or perhaps you just like a smaller boat. For $1.2 million you could purchase the Riva Aquariva through Ray White Marine. It may not be able to accommodate you for the ultimate two week cruise but you would certainly attract a lot of attention cruising around Sydney Harbour.

If small and glamorous isn't your thing, you could instead spend your $1.2 million on something a bit more practical. Recently sold in Blacktown, 2 Ironwood Crescent was exactly the same price. Located in Western Sydney this recently built home can accommodate a large family with its four bedrooms and three bathrooms.

Riva Aquariva

2 Ironwood Crescent, Blacktown

A family home or a yacht suitable for a family

Right now, it does appear that Brisbane is Australia's investment hot spot with a quarter of properties sold at auction in the last week of November being sold to interstate buyers. And some of the most popular properties with these buyers are in some of the city's best suburbs such as New Farm, Ascot and Teneriffe. And while 21 Bailey Street in New Farm sold some time ago, it does give you an idea of the types of properties you can get under $3 million - a property suitable for a family on a big block in a prestigious suburb.

21 Bailey Street, New Farm

Ferretti 500

Perhaps however your family doesn't care too much about space on land and instead prefers space on the water. For the same amount of money, you could buy a Ferretti 500. You may not get the same value when it comes to bedrooms but it certainly will give you some pretty nice conditions out at sea.

A home on the sea or a home by the sea

Byron Bay has been hot property this year with median prices up over $1 million since the start of the pandemic. One of the most expensive homes sold this year was at 33 Marine Parade for $16.5 million.

While the Byron Bay property is in an incredible location, its likely that you would want to build your dream home which could add several million dollars to the total cost of the property. For the same amount of money you could buy a 90 foot Riva Argo. Unlike the knockdown property on Marine Parade, the Riva Argo is good to go, has plenty of room to live in and once you get bored of Byron, you could easily sail up to Noosa.

Riva Argo

Melbourne's summer playground or a playground for all cities

The Mornington Peninsula has always been a popular holiday destination for Melbourne residents. And as a result, has a large number of luxury homes perfect for entertaining over summer. Since the start of the pandemic, it's also been one of Melbourne's strongest price growth areas as more people became keen to make it their permanent home.

For around $25 million, you're able to buy one of the peninsula's nicest home and although prices have shot up, it will still buy you luxury including something like this home at 5 Kildrummie Court, Sorrento. With four bedrooms and four baths, it's also perfect for holding parties with all your friends who are also holidaying in the region over summer.

But perhaps you don't want to hang out with Melbourne's elite all summer and would prefer to drop in quickly, say hi, drink some champagne and head off to the next beachside playground at Palm Beach for a taste of Sydney. If so, your money may be better spent on a Customline Navetta 33.

Like the house in Sorrento, it has plenty of space to accommodate up to 10-12 people in five staterooms. There is also plenty of room for the crew, with four cabins available for them. It also moves pretty quickly, able to hit a maximum speed of 15 knots which would allow you to spend Christmas in Portsea, and then move up to Whale Beach for New Year's Eve.

One of the most expensive properties in Australia or one of the most expensive yachts

It sold a little while ago but Elaine in Point Piper is one of the expensive properties in Australia in the most expensive suburb, selling for $71 million in 2017 to one of Australia's wealthiest men. While it is in an incredible location, it did need some work according to the media at the time with rumours that a $5 million renovation was planned for the property.

While $71 million will get you a pretty nice property in a very nice suburb, likely with an amazing view, it will also get you a yacht that is equally as impressive. The Riva 50 METRI is a 50 metre superyacht that can accommodate up to 12 guests in six staterooms, with nine crew members. Unfortunately if you are in a hurry to get one before summer, you are likely out of luck. The superyacht is currently being built in Italy and will be available in 2022.

'Elaine' 550 New South Head Road, Point Piper, NSW

Harbour views from 'Elaine' Point Piper

Riva 50 METRI

Inside the Riva 50 METRI

WHAT'S THE OUTLOOK IN **2022 FOR COMMERCIAL PROPERTY?**

This year we've witnessed unprecedented levels of investment activity across the commercial property market buoyed by a combination of low interest rates, weight of money in the marketplace and the appetite for private investors (many of which first-time buyers) seeking to diversify their investment portfolio. Given these robust results in sales turnover, investment yields have fallen to historic lows for many asset classes while vacant assets continue to transact and set new benchmarks in capital and land values. This flurry of investment activity has been countrywide with buyers focused on asset type rather than the adage of location, location, location. While for many this has been a successful formula but as we move into 2022 will this trend continue?

We've seen interest rates movements by many of the large banks, independent of the RBA. While these are tipped to move upwards next year, is the money available in the marketplace looking for a home enough to keep investment demand at this high rate? The expectation is that sales volumes will moderate in 2022, not only due to the increased cost to funding but the underlying availability of quality stock coming to market. Many owners continue to ask the question, "if I sell, what do I do with the money?" and with bond rates still low many potential sellers will continue to hold assets.

It's hard to predict the future for commercial property given the underlying shift which has occurred due to COVID-19 and the various lockdowns. The way in which we interact in commercial real estate has changed. From your local shop, working from home impacting our relationship with office space, to the continued increase in online shopping making demand for warehousing greater than ever before. Similarly, the population movements either interstate or regionally have changed the demand fundamentals in locations, however this may be a short term shift or a longer term repositioning for some locations.

Despite the unknowns, demand for commercial assets by occupiers will remain, which suggests that investment into commercial property will continue to be lucrative for investors not afraid to move up the risk curve. Into 2022 there are a few markets that are worth keeping an eye on and may continue to yield good results.

Industrial remains a hot sector

The demand for industrial stock by occupiers is not anticipated to wane over the next few years. This will result in continued high occupancy levels which will pressure rents up and keep yields competitive. In some markets the vacant land shortage will keep resulting in land values appreciating while the growing costs of construction will be passed on, either by way of increased rents or capital values. Metropolitan markets with good population growth fundamentals as well as major road locations with good access will continue to be in greatest demand.

Growing popularity of "set and forget assets"

While assets like service stations and childcare centres have been popular for the last five to eight years, 2021 saw a dramatic increase in demand given their long-term returns on offer. Regarded as "set and forget" assets, these also include fast food and stand alone supermarkets and are often secured by a national brand with long leases with options. With tenants taking on all outgoings, this is considered a secure and low risk option which provides a consistent, long-term income stream. This year we saw many assets hotly contested via auction and achieve new lows in yield, the demand for these will continue into 2022. However, greater consideration on fundamentals such as location will be key to ensure you have a saleable asset upon the end of the lease term. Early identification of your exit strategy will be important for these assets to ensure you maximise your gains.

A focus on health is good news for medical property

The medical sector has quietly grown over the past five years. The increased demand for sports and cosmetic medicine has seen more floor space taken up with medical use; we have seen adaptive reuse of retail assets breathing new life into local strips also. Purpose built facilities such as medical centres and day hospitals have attracted new levels of investment demand, and with COVID-19 shining a new spotlight on healthcare, tenanted investments will continue to be highly sought after. For many investors these assets have a somewhat future proof occupier which have high standards in regard to hygiene and safety giving buyers certainty of not only income but upkeep and maintenance.

Queensland confidence to continue to soar

While this may be a broad prediction, you cannot discount the strong levels of interstate migration which Queensland have been enjoying over the past 18 months. While Sydney and Melbourne continue to lose residents to the warm climate and COVID-19 strict state, the growth in new business starts has been robust. A growing population fuels the need for all commercial property from retail, office space, childcare, medical etc. making it a key area to consider investing in. While Western Australia has also seen good levels of population migration, the volatility associated with the mining sector must be considered. This year we have recorded strong gains for the Perth industrial, retail and residential sectors which should not be dismissed.

Interest in convenience based retailing to continue

This segment of the market has also been growing over the past five years. Open air, small retail centres which offer the convenience of a supermarket and speciality stores have grown in popularity with investors as trade levels increase. The ability to park and access retailers with limited touch surfaces was appreciated during COVID-19 and supporting local businesses is important in many communities. These assets have seen yield compression, however often need to be repositioned to keep occupancy levels up given the difficulty some local retail markets have had. These assets often sit on large land parcels on major roadways which have attracted development interest further enhancing their value.

ABOUT **RAY WHITE**

Ray White is a fourth generation family owned and led business. It was established in 1902 in the small Queensland country town of Crows Nest, and has grown into Australasia's most successful real estate business, with more than 930 franchised offices across Australia, New Zealand, Indonesia and Hong Kong.

Ray White today spans residential, commercial and rural property as well as marine and other specialist businesses. Now more than ever, the depth of experience and the breadth of Australasia's largest real estate group brings unrivalled value to our customers. A group that has thrived through many periods of volatility, and one that will provide the strongest level of support to enable its customers make the best real estate decisions.

Ray White's first auction house, 'The Shed' Crows Nest, Queensland.

RAY WHITE **ECONOMICS TEAM**

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