



District Performance Report

February 2023

allhomes

Canberra at a glance

February 2023

Auctions

February saw clearance rates jump to a twelve-month high across the combined capitals. All capital cities recorded a monthly increase but clearance rates continue to trend lower annually across most cities.

The improvement in clearance rates aligns with the post-January jump as auction listings begin to pick up after the lull of the school holidays. At a time of declining property prices and worsening mortgage affordability, the performance of clearance rates will continue to be an important measure of the strength of the property market. Historically, clearance rates tend to bounce early in the year, and they are often higher than the previous year had closed. It is too early to use this as a measure of green shoots within the property market, given the normal seasonal bounce that occurs in February.

These higher results are being supported by low auction listings, consistent with this time of the year. However, it is unlikely that auction volumes will lift significantly in the autumn selling season. It is clear sellers are playing the waiting game and delaying decisions to see how the property market unravels in 2023.

Canberra's clearance rate increased in February to the highest rate since October 2022. However, it is seeing the largest annual decline out of all the capital cities, highlighting the impacts of a weaker property market.

Vacancy rates

The national vacancy rate remains at its lowest point on record in February, at 0.8%. This highlights the competitive nature of Australia's rental market and has shown no signs of improvement or further deterioration.

Dwindling supply across all capital cities are worsening the ongoing rental crisis in many parts of the country. The increased demand has been fuelled by the return of international and domestic travel, overseas migration, foreign students, and the recovery of temporary visa holder numbers. The shift in demand was highlighted recently after the announcement from China's Ministry of Education to stop acknowledging degrees gained online in January. This saw the number of searches from China for rentals jump 87% in January 2023 compared to December and 175% annually. It remains 125% higher annually in February 2023. This suggests the pressure on the rental market could continue, particularly for cities that traditionally see a higher intake of residents from overseas.

Canberra's vacancy rate remained steady in February but remains high historically, only 0.3 percentage points off the record high seen in 2019. The number of vacant rentals increased over the month and is seeing almost triple the number of listings compared to this time last year, the largest annual jump of the capitals. This indicates an easing of conditions and could signal a turning point for tenants.



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Canberra at a glance

Auctions

February 2023

Clearance Rate

58.2%

Auctions

SCHEDULED

429

SOLD

199

PASSED IN

108

SOLD PRIOR

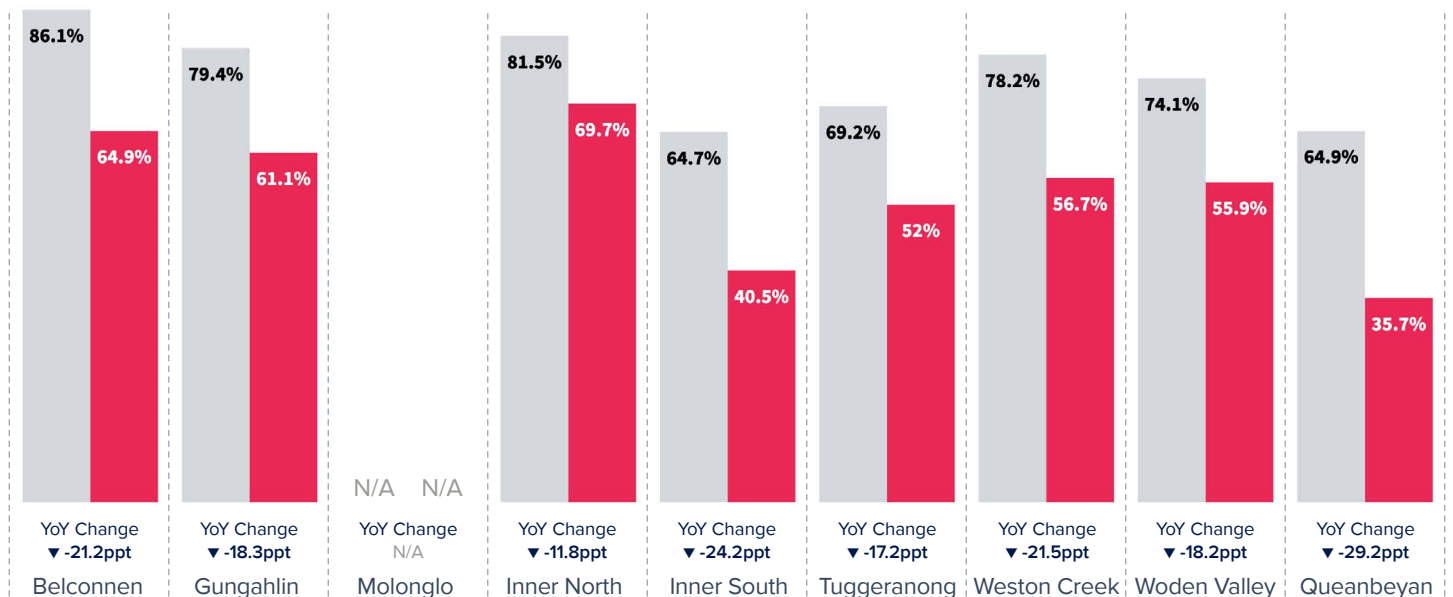
19.0%

WITHDRAWN

10.2%

District Clearance Rate

2021 2022



Methodology

Auctions: The Allhomes auction clearance rate is the percentage of properties successfully sold prior to, or at, an auction. The clearance rate is calculated by dividing auction sales by the number of reported auctions, including those withdrawn or postponed. **N/A:** Statistically not reliable. *Clearance rate displayed as percentage point (ppt).

Canberra at a glance

Vacancy
rates

February 2023

Vacancy Rate

1.5%

MoM

0.0ppt

YoY

1.0ppt

No. of Vacant Rentals

602

MoM

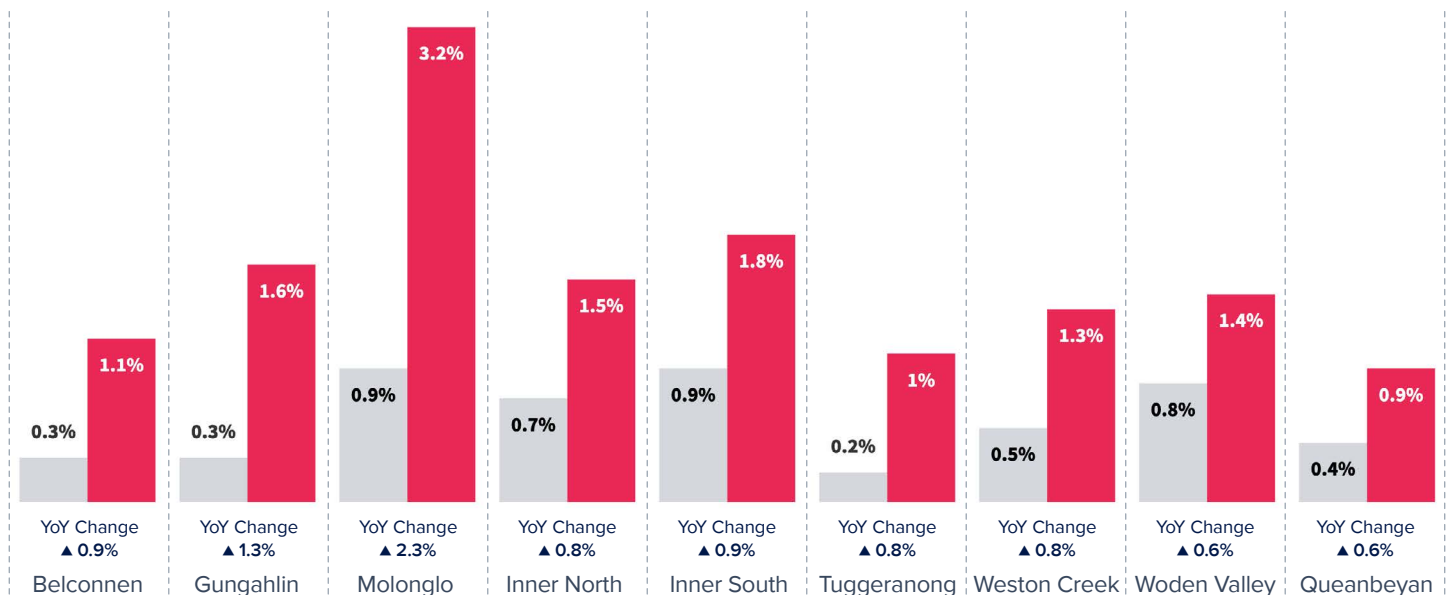
3.6%

YoY

171.2%

District Vacancy Rates

● 2021 ● 2022



Methodology

Vacancy Rates: The Allhomes Vacancy Rate is a percentage that indicates the proportion of estimated rental stock that is vacant over a month. This is derived from dividing the number of estimated vacant rental properties by the total number of estimated rental properties. An estimate of the rental stock across the geographical areas has been derived from census data and a forecast calculated to bring volume to current levels, to provide an estimate of current rental stock. A vacant rental property is defined as a property on the market for longer than 21 days. **N/A:** Statistically not reliable. *Vacancy rate displayed as percentage point (ppt).

Canberra at a glance

**Private
treaty days
on market**

February 2023

 Houses

Days on Market

55

MoM

10.0%

YoY

52.8%

 Units

Days on Market

64

MoM

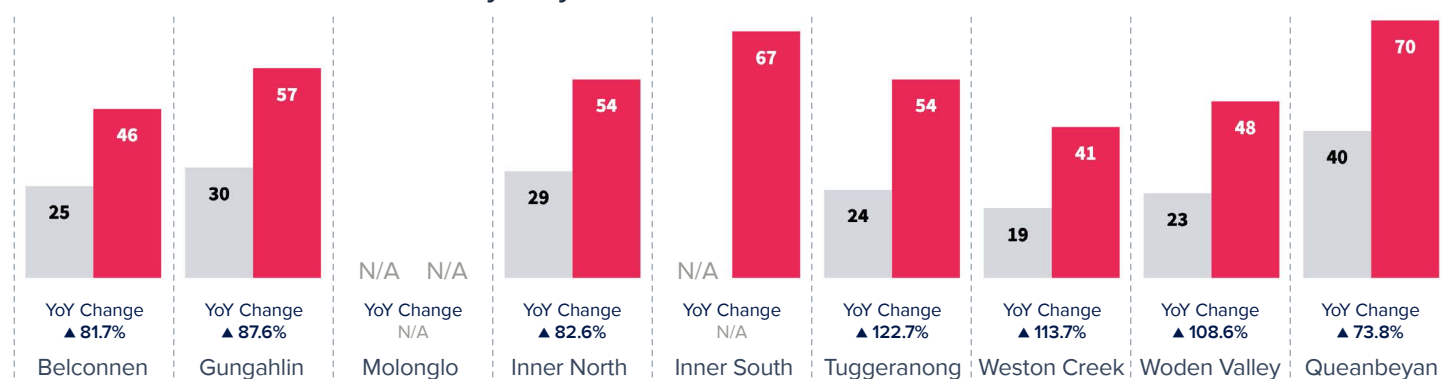
4.9%

YoY

0.0%

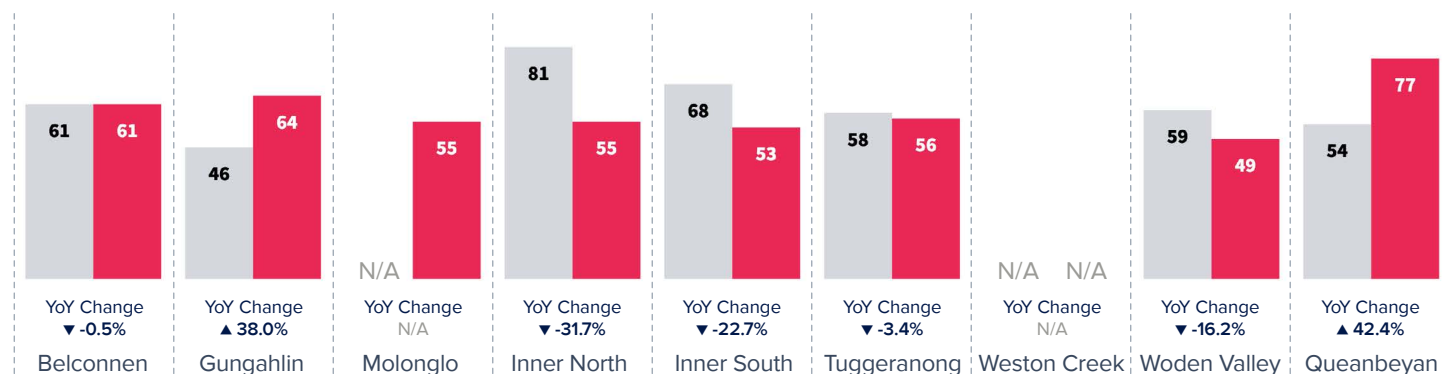
Houses - District Private Treaty Days on Market

● 2021 ● 2022



Units - District Private Treaty Days on Market

● 2021 ● 2022



Methodology

Days on Market: The average number of days advertised for sale over the immediate preceding six-months, this excludes sales by auction and includes only private treaty sales. **N/A:** Statistically not reliable.

Canberra at a glance

Discount
rates

February 2023

Houses

Discount Rate

5.7%

MoM

0.0ppt

YoY

1.5ppt

Units

Discount Rate

4.5%

MoM

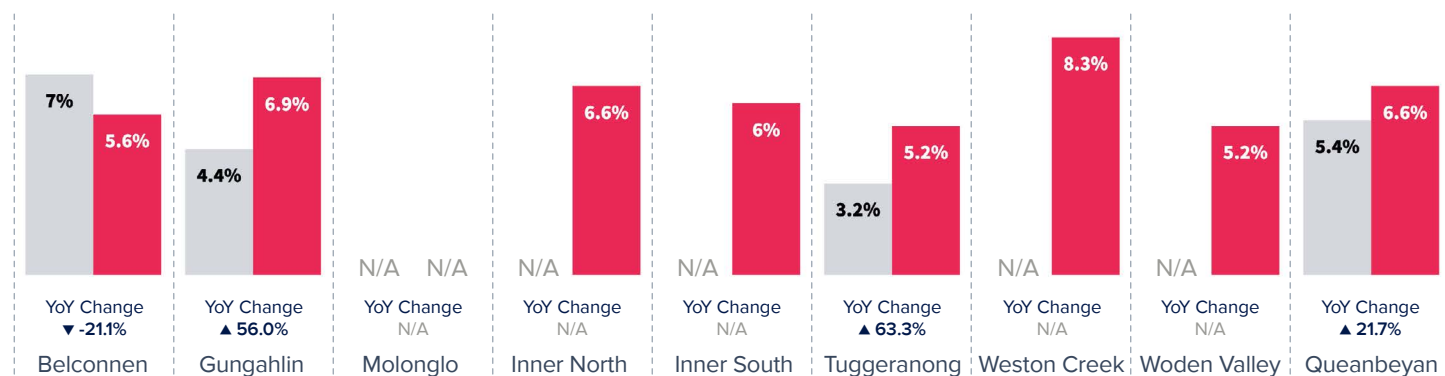
0.1ppt

YoY

-1.2ppt

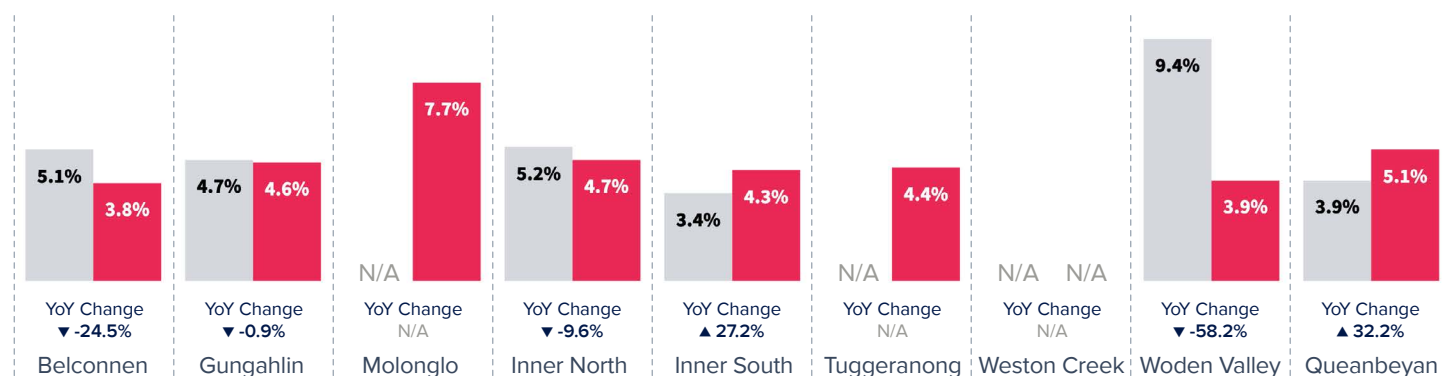
Houses - District Discount Rates

2021 2022



Units - District Discount Rates

2021 2022



Methodology

Discount Rate: The average difference between the advertised price and the sale price of a property, over the immediate preceding three-months. **N/A:** Statistically not reliable. *Discount rate displayed as percentage point (ppt).

