RAY WHITE **NOW**

SEPTEMBER 2022

PROUDLY PRESENTING PROPERTY MARKET INSIGHTS IN REAL TIME

A MESSAGE FROM OUR **MANAGING DIRECTOR**

Our August results were keenly watched. As we approached spring, August promised us insights into how the traditionally busier months leading into Christmas might shape up.

When we look at the market, we consider both prices and liquidity. And of these two areas, for us, liquidity is the most important. It's the most important because it's the best indicator of future sales activity and price movements.

Liquidity is another word for the speed or efficiency of the market. It won't be surprising to our customers when we say that when the average number of days it takes to sell a property increases substantially, the total number of sales will drop, and it's also likely that property prices will likely decline in the short to medium term.

This is why we focus so much as a group on the days on market number. That's the average number of days it takes to sell a property. It's the best indicator of liquidity, and therefore an indicator of future price changes.

We've seen days on market steadily increase since the end of 2022. Days on market differ between auctions (lower days on market) and private treaty (higher days on market), but both have increased approximately 35 per cent from December 2022 to August 2022. This rise in days on market reflected an increasing disconnect between the expectations of sellers and buyers, amid rising interest rates and international volatility. The market shift highlighted by the increase in days on market was eventually picked up by the published price indexes from March 2022 onwards.

Over the past one to two months, we've seen a flattening out of the days on market metric. The gap between sellers and buyers has narrowed, with sellers reducing their price expectations and buyers staying relatively the same. We expect to see price indices reflect this trend when they're published in the next few months.

In August in Australia, we sold 4,934 properties, which was 10 per cent down on August 2021, but 10 per cent more than August 2020. Nearly 5,000 sales in August is a very strong number in historical terms, even if it's below the record highs of 2021. In dollar terms, we sold $4.2 billion of residential property in August, only six per cent below last year's record of $4.46 billion.

As we prepare for the spring markets, we're seeing strong numbers of sellers preparing their properties for sale. We'll be closely watching days on market as stock levels rise, and as the market continues to absorb volatile economic news. Whilst it's not possible for anyone to predict days on market, we suggest to all our seller customers that they carefully consider how they can minimise their own days on market in light of this volatility.

All of our data and insights shows that days on market are reduced when our customers choose the auction method of sale, combined with an investment into a property marketing campaign. This method ensures we maximise buyer competition, and by doing so, we create urgency amongst buyers. Nothing gives buyers more confidence than seeing other bidders in action, which is why for the past 120 years we've lived and breathed the auction process and believe that we're the Competition Creators® when it comes to achieving the best possible result for our customers.

Dan White
Managing Director
Ray White Group

RAY WHITE NOW
THIS MONTH

Interest rates are continuing their upward trajectory but there are some signs that the pace of inflation may be on the decline. Fuel prices are starting to come back, supply chains are unblocking and China's growth is slowing. It's unlikely to mean that interest rate increases will stop immediately but they're early signs that rates may peak earlier than expected and don't increase to levels predicted even a few weeks ago.

This change to the inflation outlook is coinciding with some signs that the property market is close to the bottom of the cycle. Clearance rates are now starting to stabilise and the number of properties coming to market is starting to climb as we head deeper into the spring selling season. Importantly, the number of average active bidders at auction appears to be back on the increase. It's still a buyers market but, like inflation, property market conditions seem to be improving from where we were in midwinter.

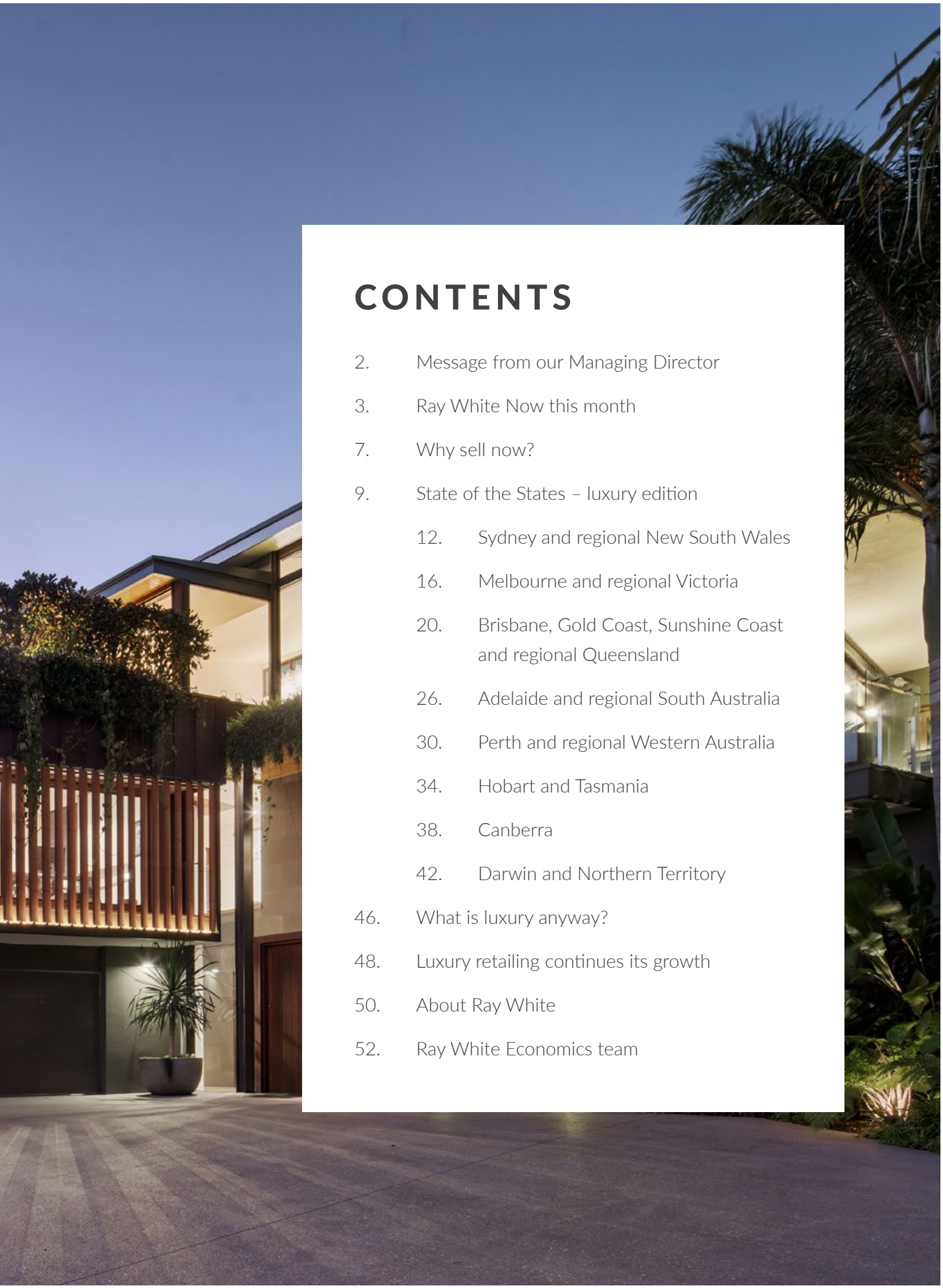
This month we take a look at the luxury property market, ranging from an investigation to exactly what is considered 'luxury property', to the state of the luxury retail market. Demand for the best properties in the most expensive suburbs skyrocketed through the pandemic. More properties came to market in places like Mosman, Toorak, Bowral and Cottesloe, and overall, the top one per cent of the market outperformed the rest.

While Australians wanted more luxury property, luxury goods were also keenly sought after. While shopping centres saw mixed performance over the past two years, anywhere stocking expensive brands like Gucci, Louis Vuitton and Chanel performed well. We take a look at what drove this.

We hope you enjoy reading this month's Ray White Now.

Nerida Conisbee
Chief Economist
Ray White Group

Cover photo - 22A Crescent Road, Hamilton, Qld 4007
Damon Warat and Nick Roche | Ray White - Ascot



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WHY SELL **NOW?**

If the last two years have taught us anything, it's that there really is no particular season, month or time of year that's better for selling.

That said, there's still a long held belief that it's hard to beat selling in spring!

Our winter selling months were interesting. Interest rates and auction clearance rates both went in the opposite direction to what most would like, but there was also a lot to celebrate this winter. International travel was well and truly back on the cards and many of us chose to take advantage of the travel bug and escape the winter chill.

This has given us a post-vacation flurry of activity in the real estate sector in the past few weeks, and we're seeing an increase in new listings coming to market. It seems selling in spring is back on the agenda for many homeowners.

Interestingly, our listing numbers for this time of year for the last three years have been very similar, hovering around 4,000 throughout the month of August all the way back to 2020.

Our auction listing numbers are up by 17 per cent and bidder numbers are holding at a decent 4.7 registered and 2.6 active bidders on average per auction across the country. This coupled with our Loan Market data which is showing a 28 per cent year-on-year increase in loan pre-approvals is indicating that there's still plenty of buyer interest and activity.

An important point to consider when selling your home in the current market is whether to sell by auction or private treaty sale.

Many people think about the spectacle of the auction day itself, although the process has a lot of benefits that don't always correlate to the event itself.

As our market reaches a more balanced state, we're seeing days on market growing - the number of days it takes from when it's launched on the market until the point it's unconditionally sold. The impact of this can mean that buyers start to see the listings that stay on the market for longer as 'stale', or start to become suspicious as to why it hasn't sold yet.

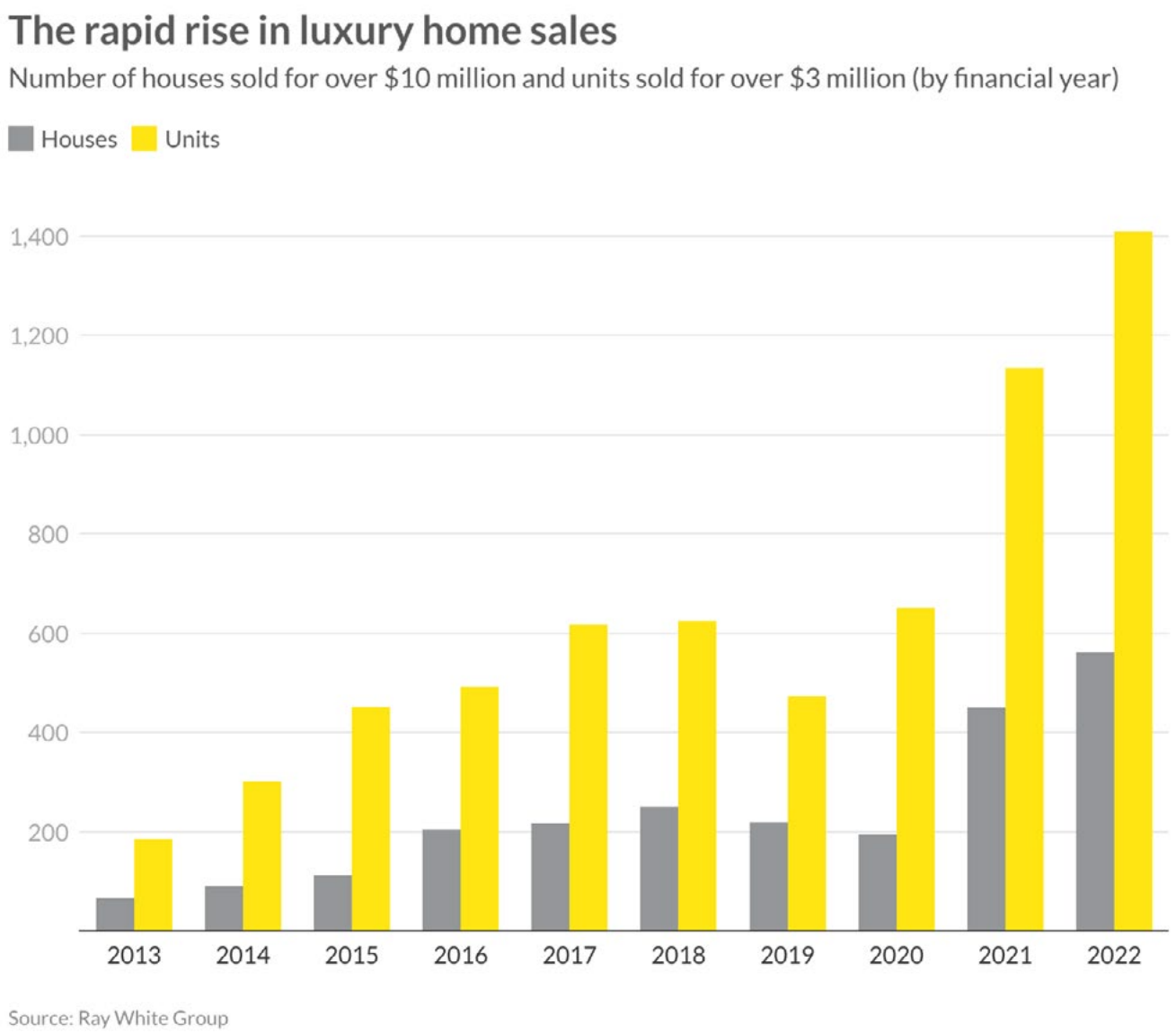
Our auction properties are selling on average 11 days sooner than private treaty, with an average of 28 days to sell an auction property and 39 days to sell by private treaty.

We're also still seeing a premium of 11 per cent more being achieved on our auction properties against the highest offer presented before auction day.

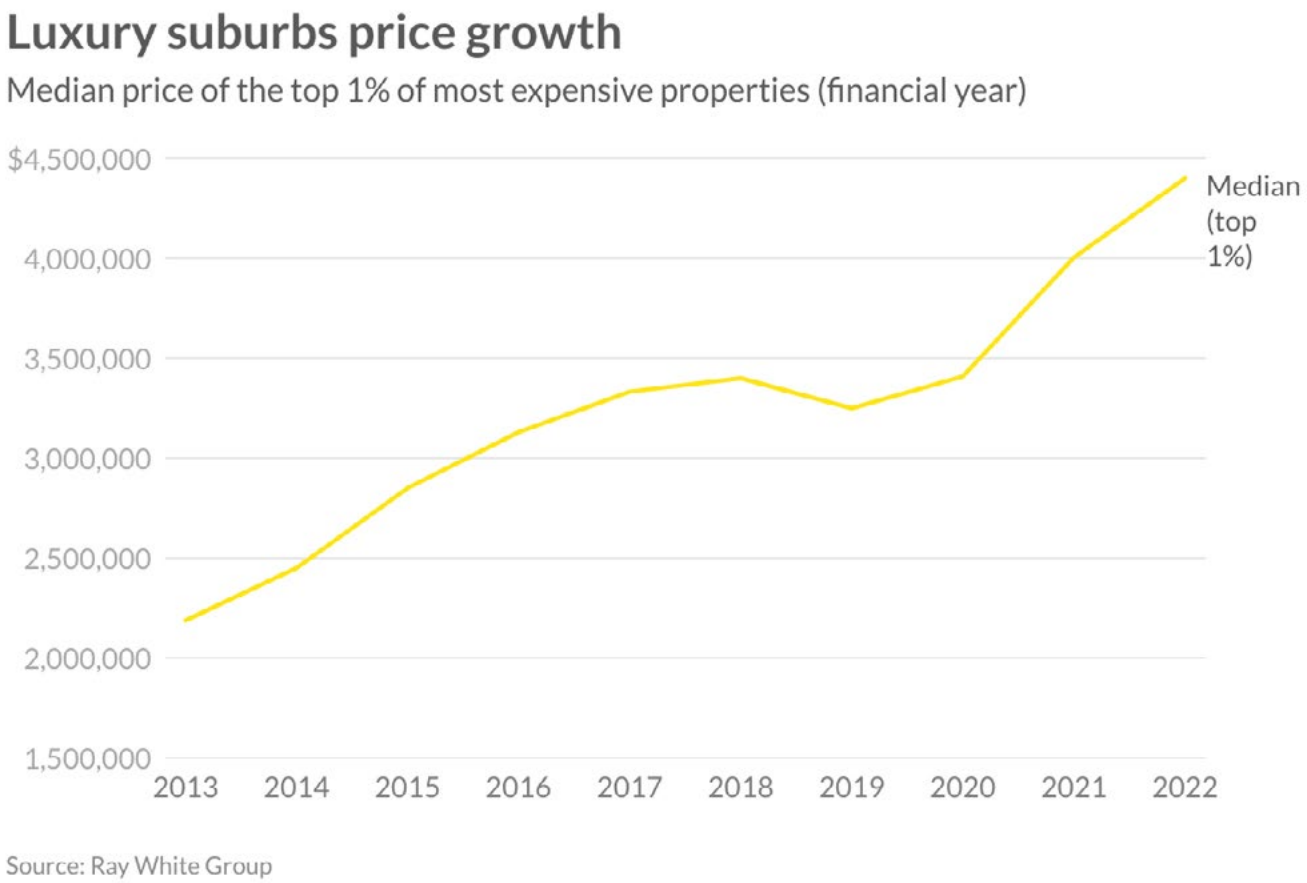
Bianca Denham
National Director
of Special Programs
Ray White Group

STATE OF THE STATES
LUXURY EDITION

Always wanted a luxury home? It seems the pandemic was an ideal time for many people to buy one. And although homes sold at very high price points were partly lifted by extreme price growth, we did see record numbers of houses sold over $10 million. An increase in luxury homes wasn't just restricted to houses, with the number of apartments priced above $3 million also hitting record highs. If you wanted to sell a luxury home, the last 12 months was certainly the time to do it, with enough buyer demand to assure that homes have sold.



While the pandemic resulted in a rush of high end sales, it also resulted in an above average price lift. The price growth of the top one per cent of homes sold showed above average performance. While high end sales didn't do particularly well in 2018 and 2019, this completely turned around by 2020. Over the past 12 months, the median price of the top one per cent of properties sold has increased by 10 per cent, easily outperforming the rest of the market.



Where are the most luxury homes being sold? If by luxury, you mean the most expensive, it's by far Sydney and more particularly in the North Shore suburb of Mosman. Every city, however, has different thresholds for how luxury can be defined. As a result, our list of most popular luxury suburbs also includes Toorak and Brighton in Melbourne, Dalkeith and Cottesloe in Perth, Torquay in regional Victoria and Hope Island on the Gold Coast.

The outlook for luxury property remains positive despite the general slowdown in the market currently occurring. The most popular luxury suburbs are short on land and as a result, it's going to continue to be difficult to secure a home within them. And despite inflation woes, there are still a lot of people making a lot of money who will be looking to buy beautiful properties.

Sydney and regional New South Wales

Sydney contains some of the most expensive properties in the world and continued to hold this reputation through the pandemic. However, a big change that occurred over this time has been the increase in luxury apartment sales, as well as the rise of regional luxury. Right now, the most expensive suburb in Sydney is Darling Point. Although Point Piper is generally considered to be the most expensive, it didn't record enough sales to quote a median. For units, Barangaroo continues to hold the top position while in regional New South Wales, Glenquarry in the Southern Highlands now has a median of $5 million.

Sydney and regional New South Wales - Most expensive suburbs

Median - 12 months to August 2022

Sydney Houses	Median	Sydney Units	Median	Regional NSW Houses	Median
Darling Point	$8,550,000	Barangaroo	$9,750,000	Glenquarry	$5,000,000
Vaucluse	$8,319,250	Point Piper	$4,330,000	Newrybar	$4,500,000
Bellevue Hill	$8,217,500	Dawes Point	$3,350,000	Ewingsdale	$3,550,000
Tamarama	$7,750,000	Darling Point	$3,100,000	Byron Bay	$3,150,000
Duffys Forest	$7,055,000	Tamarama	$2,790,000	Myocum	$3,050,000

Source: Ray White Group, Corelogic

While Darling Point is the most expensive suburb right now, Stanley Avenue in Mosman is the most expensive street with a median price of $33 million. Newcastle's Bar Beach, however, has the most expensive street in regional New South Wales. Memorial Drive has a median of almost $7 million, quite a bit above Sproules Lane in Glenquarry.

Sydney and regional New South Wales luxury streets

Most expensive streets, three years to September 2022

Street	Suburb	Median
Sydney		
Stanley Av	Mosman	$33,000,000
Kambala Rd	Bellevue Hill	$20,775,000
Lang Rd	Centennial Park	$20,500,000
Elamang Av	Kirribilli	$18,700,000
Iluka Rd	Palm Beach	$17,950,000
Regional New South Wales		
Memorial Dr	Bar Beach	$6,850,000
Sproules Lane	Glenquarry	$6,112,500
Warren Av	Avoca Beach	$5,500,000
Riversdale Av	Burradoo	$5,100,000
Shirley St	Byron Bay	$4,750,000

Restricted to suburbs where more than three sales have taken place over the past three years

Source: Ray White Group

In terms of number of sales, Mosman, Vaucluse and Manly remain in strong demand but so too do Bar Beach, Bowral and Byron Bay. Topping the list for luxury sales is the apartment market in Manly. A total of 74 apartments have been sold for over $3 million in this suburb over the past 12 months. No surprises that Byron Bay tops the list for sales over $5 million given how quickly the median has risen over the past 12 months.

Sydney and regional New South Wales luxury home sales

Number of sales over the past twelve months

Sydney Houses	Number	Sydney Units	Number	Regional NSW Houses	Number
Mosman	38	Manly	74	Byron Bay	15
Vaucluse	36	Mosman	37	Burradoo	14
Bellevue Hill	25	Bondi Beach	30	Bowral	7
Woollahra	17	Bellevue Hill	42	Newrybar	6
Bronte	12	Rose Bay	34	Bar Beach	5

Luxury defined as Sydney house sales over $10 million, Sydney unit sales over $3 million, Regional NSW house sales over $5 million

Source: Ray White Group

Melbourne and regional Victoria

No surprises that Toorak tops the list as the most expensive suburb in Melbourne. However, what is surprising is that Portsea and Flinders are now in the top five, driven by some particularly strong pandemic-driven price growth. While Toorak tops the list for houses, Deepdene and Beaumaris are the most expensive apartment markets. In regional Victoria, Fairhaven tops the list with a median of almost $2.5 million. This is followed by Lorne where the median is now close to $2 million.

Melbourne and regional Victoria - most expensive suburbs

Median - 12 months to August 2022

Melbourne houses	Median	Melbourne units	Median	Regional houses	Median
Toorak	$5,275,000	Deepdene	$1,580,000	Fairhaven	$2,482,500
East Melbourne	$3,850,000	Beaumaris	$1,417,500	Lorne	$1,906,250
Portsea	$3,810,000	Black Rock	$1,300,000	Aireys Inlet	$1,830,000
Canterbury	$3,665,000	Ashburton	$1,285,000	Barwon Heads	$1,805,750
Flinders	$3,500,000	Toorak	$1,277,500	Anglesea	$1,677,500

Source: Ray White Group, Corelogic

The most expensive streets in Victoria are located in the most expensive suburbs, something that's unusual when compared to other states. Hopetoun Road in Toorak is among the most expensive streets in Australia with a median of $13.6 million. Banool Road in Fairhaven is the most expensive regional street in the state with a median of $4.3 million.

Melbourne and regional Victoria luxury streets

Most expensive streets, three years to September 2022

Street	Suburb	Median
Melbourne		
Hopetoun Rd	Toorak	$13,550,000
Trafalgar Rd	Camberwell	$10,180,000
St Georges Rd	Toorak	$10,037,500
St Vincent Pl	Albert Park	$9,825,000
Huntingfield Rd	Toorak	$9,100,000
Regional Victoria		
Banool Rd	Fairhaven	$4,260,000
Melba Pde	Anglesea	$3,800,000
Point Lonsdale Rd	Point Lonsdale	$3,750,000
Aquarius Av	Torquay	$3,675,000
Wendouree Pde	Lake Wendouree	$3,600,000

Restricted to suburbs where more than three sales have taken place over the past three years

Source: Ray White Group

While Toorak tops the list as the most expensive suburb, over the past 12 months, the most luxury homes have sold in Brighton. In regional Victoria, Torquay has been home to the most $2 million plus sales, followed by Ocean Grove.

Melbourne and regional Victoria luxury home sales

Number of sales over the past 12 months

Melbourne houses	Number	Melbourne units	Number	Regional Victoria houses	Number
Brighton	67	Toorak	31	Torquay	38
Toorak	62	Melbourne	12	Ocean Grove	31
Hawthorn	29	Brighton	20	Point Lonsdale	27
Malvern	25	Port Melbourne	10	Anglesea	23
Kew	24	South Yarra	14	Barwon Heads	21

Luxury defined as Melbourne house sales over $5 million, Melbourne unit sales over $3 million, Regional Victoria house sales over $2 million

Source: Ray White Group

Brisbane, Gold Coast, Sunshine Coast and regional Queensland

The luxury market in Queensland is the most diverse in Australia. The Brisbane suburbs of Teneriffe, New Farm and Ascot contain some of the most expensive homes in the city and all have medians well over $2 million. This is a distinct change from less than two years ago when there were no $2 million plus suburbs in Brisbane. Outside South East Queensland, Castle Hill in Townsville is the most expensive suburb and a comparative luxury bargain to the rest of the country with a median of just $1.15 million.

While the Brisbane luxury market has been a strong performer, growth on the Sunshine Coast and Gold Coast has been much stronger. In both regions, the median price for a house is well over $1 million, and Sunshine Beach on the Sunshine Coast is now one of the most expensive regional locations in Australia with a median price of $3.5 million. Gold Coast's most expensive suburb is now Mermaid Beach.

Brisbane and regional Queensland - Most expensive suburbs

Median - Twelve months to August 2022

Brisbane houses	Median	Brisbane units	Median	Regional houses	Median
Teneriffe	$2,800,000	Tennyson	$1,295,000	Castle Hill	$1,150,000
Willawong	$2,575,000	Bardon	$742,500	Mowbray	$1,105,000
Burbank	$2,230,000	New Farm	$720,000	Seventeen Seventy	$1,100,000
New Farm	$2,230,000	Kenmore	$717,500	Erakala	$1,027,500
Ascot	$2,150,000	Highgate Hill	$715,000	Tamborine	$962,500

Source: Ray White Group, Corelogic

Gold Coast - Most expensive suburbs

Median - twelve months to August 2022

Gold Coast houses	Median	Gold Coast units	Median
Mermaid Beach	$2,355,000	Hollywell	$1,285,000
Broadbeach Waters	$1,862,500	Paradise Point	$1,055,000
Surfers Paradise	$1,790,000	Main Beach	$940,000
Tallebudgera Valley	$1,720,000	Bilinga	$930,000
Clear Island Waters	$1,710,000	Burleigh Heads	$905,000

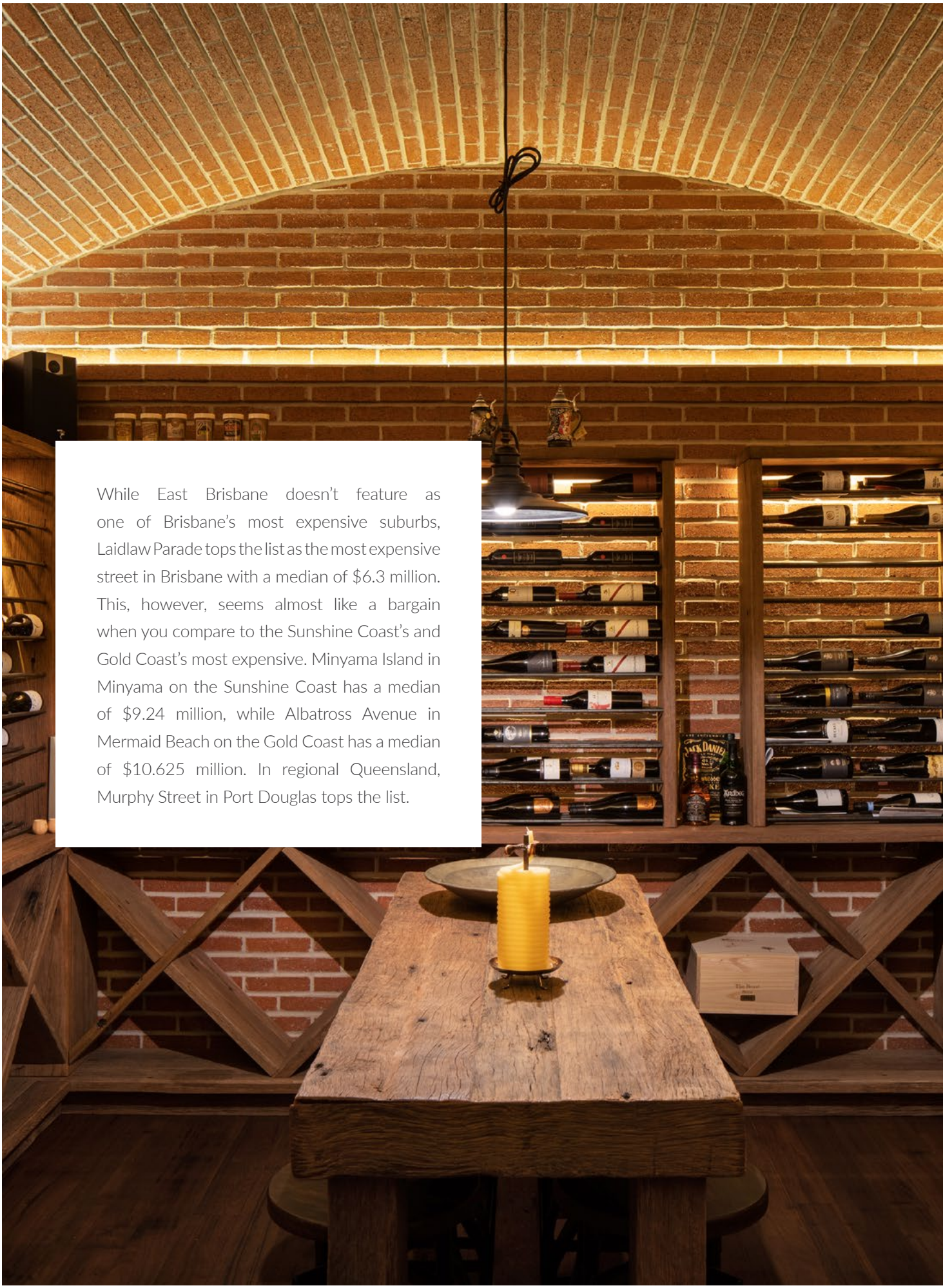
Source: Ray White Group, Corelogic

Sunshine Coast - Most expensive suburbs

Median - twelve months to August 2022

Sunshine Coast houses	Median	Sunshine Coast units	Median
Sunshine Beach	$3,500,000	Sunshine Beach	$1,487,500
Noosa Heads	$2,027,000	Noosa Heads	$1,300,000
Minyama	$2,012,500	Twin Waters	$1,100,000
Alexandra Headland	$2,007,500	Peregian Beach	$971,000
Marcus Beach	$2,000,000	Sunrise Beach	$967,500

Source: Ray White Group, Corelogic



While East Brisbane doesn't feature as one of Brisbane's most expensive suburbs, Laidlaw Parade tops the list as the most expensive street in Brisbane with a median of $6.3 million. This, however, seems almost like a bargain when you compare to the Sunshine Coast's and Gold Coast's most expensive. Minyama Island in Minyama on the Sunshine Coast has a median of $9.24 million, while Albatross Avenue in Mermaid Beach on the Gold Coast has a median of $10.625 million. In regional Queensland, Murphy Street in Port Douglas tops the list.

Brisbane and regional Queensland luxury streets

Most expensive streets, three years to September 2022

Street	Suburb	Median
Brisbane		
Laidlaw Pde	East Brisbane	$6,300,000
Leura Tce	Hawthorne	$5,952,500
Dewar Tce	Corinda	$5,800,000
Oxlade Dr	New Farm	$5,520,000
Howard St	Paddington	$4,500,000
Regional Queensland		
Murphy St	Port Douglas	$2,500,000
Brindabella Qy	Trinity Park	$2,400,000
Postle St	Mount Rascal	$2,100,000
Palm St	Rowes Bay	$1,920,000
Panorama Ct	North Ward	$1,770,000

Gold Coast luxury streets

Most expensive streets, three years to September 2022

Street	Suburb	Median
Gold Coast		
Albatross Av	Mermaid Beach	$10,625,000
Hedges Av	Mermaid Beach	$8,000,000
Arnold Palmer Dr	Hope Island	$6,600,000
Jefferson Lane	Palm Beach	$6,350,000
Midshipman Ct	Surfers Paradise	$5,725,000

Sunshine Coast luxury streets

Most expensive streets, three years to September 2022

Street	Suburb	Median
Sunshine Coast		
Minyama Id	Minyama	$9,240,000
Mooloolah Id	Minyama	$5,900,000
Seamount Qy	Noosaville	$4,710,000
Mainsails Sq	Noosa Heads	$4,535,000
Cloudsley St	Noosaville	$4,500,000

Restricted to suburbs where more than three sales have taken place over the past three years

Source: Ray White Group

Over the past 12 months, the most $5 million plus houses in Queensland have been sold in Hope Island and Noosa Heads. In Brisbane, Hamilton tops the list for luxury home sales while outside of South East Queensland, Airlie Beach and Port Douglas dominate the luxury home market.

Brisbane and regional Queensland luxury home sales

Number of sales over the past 12 months

Brisbane houses	Number	Queensland units	Number	Regional houses (Ex-Gold Coast, Sunshine Coast)	Number
Hamilton	12	Noosa Heads	75	Airlie Beach	8
Ascot	9	Main Beach	50	Port Douglas	8
Hawthorne	8	Broadbeach	48	Middle Ridge	7
Teneriffe	8	Surfers Paradise	40	Brymaroo	6
Bulimba	7	New Farm	35	Kalinga	5

Luxury defined as Brisbane house sales over $5 million, Queensland unit sales over $2 million, Regional Queensland house sales over $2 million

Source: Ray White Group

Gold Coast and Sunshine Coast luxury home sales

Gold Coast houses	Number	Sunshine Coast houses	Number
Hope Island	21	Noosa Heads	20
Surfers Paradise	20	Sunshine Beach	18
Paradise Point	9	Noosaville	6
Mermaid Beach	7	Minyama	6
Palm Beach	7	Buderim	3

Luxury sales defined as Gold Coast and Sunshine Coast sales over $5 million.

Source: Ray White Group

Adelaide and regional South Australia

Less than two years ago, Adelaide had no $2 million median suburbs and it now has three. Medindie, Toorak Gardens and Unley Park have now hit that level, while Malvern should get there in the next couple of months. While houses are getting expensive, it's not the same for units in Adelaide and houses in regional South Australia, with neither of them recording a $1 million median in any suburb. In regional South Australia, the most expensive suburb is Compton, an outlying suburb of Mount Gambier with a median of just over $700,000.

Adelaide and regional South Australia - Most expensive suburbs

Median - 12 months to August 2022

Adelaide houses	Median	Adelaide units	Median	Regional houses	Median
Medindie	$2,640,500	Heathpool	$825,000	Compton	$705,000
Toorak Gardens	$2,000,000	Hyde Park	$670,000	Yahl	$567,500
Unley Park	$2,000,000	Glynde	$635,000	Worrolong	$565,000
Malvern	$1,952,500	Norwood	$632,500	Boston	$560,000
Heathpool	$1,850,056	West Lakes Shore	$580,000	Robe	$559,000

Source: Ray White Group, Corelogic

While Medindie is the most expensive suburb, the most expensive street is currently St Andrews Street in Walkerville with a median of $5.1 million. In regional South Australia, Heggerton Street in beachside McCracken tops the list with a median of $3.3 million. Outside of Heggerton Street, McCracken remains a more affordable suburb with a median of just $525,000.

Adelaide and regional South Australia luxury streets

Most expensive streets, three years to September 2022

Street	Suburb	Median
Adelaide		
St Andrews St	Walkerville	$5,120,000
Alexandra Av	Toorak Gardens	$4,600,000
Fergusson Sq	Toorak Gardens	$4,450,000
Wootoona Tce	St Georges	$4,250,000
Halsbury Av	Kingswood	$4,100,000
Regional South Australia		
Heggerton St	Mccracken	$3,255,000
Peroomba Tce	Hayborough	$1,820,000
Richards Tce	Port Hughes	$1,700,000
White Cl	Encounter Bay	$1,350,000
Murbko Rd	Cadell	$1,350,000

Restricted to suburbs where more than three sales have taken place over the past three years

Source: Ray White Group

While Medindie is Adelaide's most expensive suburb, it's tightly held and it was Toorak Gardens that recorded the most luxury home sales over the past 12 months. Meanwhile, the Adelaide city centre is a relatively affordable location for units, but there's a premium component to the market with 10 unit sales recorded over $1 million. In regional South Australia, beachside areas recorded the most high-end sales. Encounter Bay has a median price of just $550,000 but recorded the most $1 million plus sales outside of Adelaide.

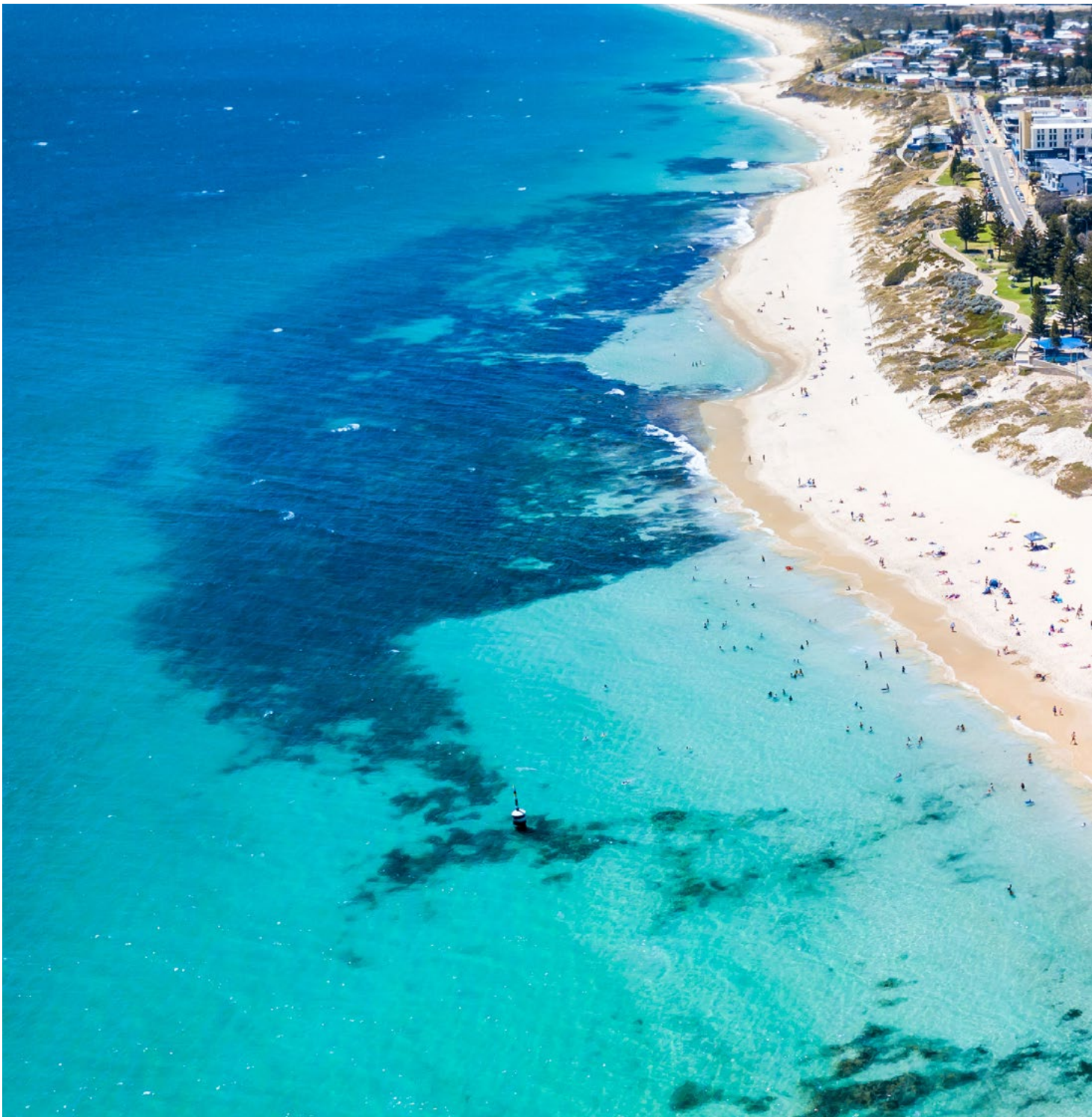
Adelaide and regional South Australia luxury home sales

Number of sales over the past 12 months

Adelaide houses	Number	SA units	Number	Regional houses	Number
Toorak Gardens	16	Adelaide	10	Encounter bay	21
Beaumont	5	Kensington Gardens	5	Port elliot	12
Henley Beach South	5	Glenelg North	3	Lightsview	12
Malvern	5	Somerton Park	3	Tanunda	10
St Georges	4	Brighton	3	Middleton	10

Luxury defined as Adelaide house sales over $3 million, South Australia unit sales over $2 million, Regional South Australia house sales over $1 million

Source: Ray White Group



Perth and regional Western Australia

There are two things that have defined Perth's property market over the past two years. The first has been the strongest rental growth in the country and the second has been particularly strong conditions in the luxury market. Peppermint Grove continues to be the most expensive suburb in the city with a median of $3.3 million, however Dalkeith may overtake it this year with its median currently sitting at $3.2 million. For apartments, Floreat now tops the list with a median of $1.1 million while Eagle Bay, near Dunsborough, is regional Western Australia's most expensive and one of Australia's most expensive regional locations.

Perth and regional Western Australia - Most expensive suburbs

Median - 12 months to August 2022

Perth houses	Median	Perth units	Median	Regional houses	Median
Peppermint Grove	$3,300,000	Floreat	$1,100,000	Eagle Bay	$2,775,000
Dalkeith	$3,205,000	North Fremantle	$832,500	Yallingup	$1,640,000
Cottesloe	$2,800,000	Swanbourne	$759,500	Quindalup	$1,430,000
City Beach	$2,350,000	Mount Claremont	$715,500	Ambergate	$1,014,000
Nedlands	$2,100,000	Cottesloe	$715,000	Bovell	$962,500

Source: Ray White Group, Corelogic

Topping the list for the most expensive street over the past three years has been Branksome Gardens in City Beach which has a median price of $6.4 million. Dunsborough dominates the most expensive regional streets with Geographe Bay having the highest median price, close to $2.9 million.

Perth and regional Western Australia luxury streets

Most expensive streets, three years to September 2022

Street	Suburb	Median
Perth		
Branksome Gdns	City Beach	$6,400,000
Jutland Pde	Dalkeith	$6,250,000
Windarra Dr	City Beach	$5,225,000
Browne Av	Dalkeith	$4,900,000
Catesby St	City Beach	$4,765,000
Regional Western Australia		
Geographe Bay	Dunsborough	$2,875,000
Georgette Rd	Gracetown	$2,350,000
Gibney St	Dunsborough	$2,265,000
Stewart St	Margaret River	$2,255,000
Endicott Loop	Dunsborough	$2,000,000

Restricted to suburbs where more than three sales have taken place over the past three years

Source: Ray White Group

Over the past 12 months, the most luxury sales over $3 million have taken place in Dalkeith while Floreat tops the list for the most units sold over $2 million. Not surprisingly, Dunsborough tops the list for luxury regional sales.

Perth and regional Western Australia luxury home sales

Number of sales over the past 12 months

Perth houses	Number	Western Australia units	Number	Regional houses	Number
Dalkeith	64	Floreat	11	Dunsborough	10
Cottesloe	44	Applecross	9	Eagle Bay	7
City Beach	36	Cottesloe	9	Margaret River	3
Mosman Park	27	North Fremantle	9	West Busselton	2
Peppermint Grove	24	Crawley	6	Bunbury	2

Luxury defined as Perth house sales over $3 million, Western Australia unit sales over $2 million, Regional Western Australia house sales over $2 million

Source: Ray White Group

Hobart and Tasmania

House price rises in Tasmania have been meteoric over the past decade, shifting Hobart from one of Australia's cheapest to one of its most expensive cities. For buyers of luxury property, this shift has also occurred, however, the prices for some of the state's best suburbs remain a lot lower than bigger capital cities. Hobart is yet to achieve its first $2 million dollar suburb and in regional Tasmania, we've just seen Dolphin Sands in the south-east be the first to achieve a median over $1 million.

The most expensive suburb in Tasmania continues to be Battery Point. The median for houses currently sits at $1.6 million for houses while some luxury apartment sales have pushed the unit median to $1.12 million. In regional Tasmania, Dolphin Sands tops the list but coming in close to a $1 million median is Kettering and Grindelwald.

Hobart and regional Tasmania - most expensive suburbs

Median - 12 months to August 2022

Hobart houses	Median	Hobart units	Median	Regional houses	Median
Battery Point	$1,615,000	Battery Point	$1,120,000	Dolphin Sands	$1,045,000
Sandy Bay	$1,500,000	Hobart	$840,000	Kettering	$978,500
Acton Park	$1,290,000	North Hobart	$802,500	Grindelwald	$883,000
Tranmere	$1,255,000	Sandy Bay	$800,500	Carrick	$868,750
Howden	$1,200,000	West Hobart	$726,625	East Launceston	$820,000

Source: Ray White Group, Corelogic

Topping the list of most expensive streets in Hobart is Dorans Road in Sandford, home to a number of big homes on big blocks with many of them having waterfront views. The median for this street is $3 million. Outside of Hobart, Glenmore Drive in Hadspen tops the list. Located close to Launceston, it also has many very big, beautiful homes on large blocks.

Hobart and regional Tasmania luxury streets

Most expensive streets, three years to September 2022

Street	Suburb	Median
Hobart		
Dorans Rd	Sandford	$3,000,000
Hampden Rd	Battery Point	$2,258,500
Fisher Av	Sandy Bay	$2,250,000
Sandy Bay	Sandy Bay	$1,975,000
Mortimer Av	Mount Stuart	$1,910,000
Regional Tasmania		
Glenmore Dr	Hadspen	$2,325,000
Glenwood Rd	Relbia	$2,200,000
Dolphin Sands Rd	Dolphin Sands	$1,750,000
Henry Reed Ct	Kings Meadows	$1,625,000
Floreat Cr	Trevallyn	$1,600,000

Restricted to suburbs where more than three sales have taken place over the past three years

Source: Ray White Group

Over the past 12 months, the most luxury sales have taken place in Sandy Bay. In total, 18 houses over $3 million sold over this time while there were 16 apartments sold over $1 million. Outside of Hobart, Launceston topped the list with 10 sales over $1 million.

Hobart and regional Tasmania luxury home sales

Number of sales over the past 12 months

Hobart houses	Number	Hobart units	Number	Regional houses	Number
Sandy Bay	18	Sandy Bay	16	Launceston	10
Battery Point	6	Hobart	13	East launceston	9
South Hobart	5	Battery Point	13	Bicheno	9
Taroona	3	Launceston	7	Trevallyn	8
Richmond	2	Bridport	2	Newstead	7

Luxury defined as Hobart house sales over $2 million, Tasmania unit sales over $1 million, Regional Tasmania house sales over $1 million

Source: Ray White Group

Canberra

Canberra has seen some of the strongest price growth in Australia over the past two years and the premium market has been a key contributor. Forrest has now become the city's first $3 million plus median house price suburb, while O'Malley is close to achieving this. While houses continue to become very expensive, lots of building means that even the best apartments remain relatively affordable. The most expensive suburb for apartments is Isaacs with a median just shy of $1 million.

Canberra - most expensive suburbs

Median - 12 months to August 2022

Canberra houses	Median	Canberra units	Median
Forrest	$3,430,000	Isaacs	$980,000
O'Malley	$2,750,000	Cook	$829,000
Red Hill	$2,507,500	Forde	$800,000
Yarralumla	$2,275,000	Campbell	$780,000
Griffith	$2,195,000	Weston	$775,000

Source: Ray White Group, Corelogic

While Forrest is Canberra's most expensive suburb, the most expensive street is in fact found in Campbell. Cobby Street has a median of $4.23 million and is followed by Jansz Crescent in Griffith at $4.2 million.

Canberra luxury streets

Most expensive streets, three years to September 2022

Street	Suburb	Median
Canberra		
Cobby St	Campbell	$4,232,250
Jansz Cr	Griffith	$4,200,000
Mugga Way	Red Hill	$3,750,000
Talbot St	Forrest	$3,527,500
Turner Pl	Yarralumla	$2,925,000

Restricted to suburbs where more than three sales have taken place over the past three years

Source: Ray White Group

Over the past 12 months, Red Hill has topped the list for the most luxury house sales over $3 million. Apartment sales over $1 million have been far more numerous with Kingston recording 53 apartment sales at this price point.

Canberra luxury home sales

Number of sales over the past 12 months

Canberra houses	Number	Canberra units	Number
Red Hill	10	Kingston	53
Forrest	9	Campbell	24
Yarralumla	8	Braddon	19
Griffith	7	Turner	14
Deakin	5	Barton	12

Luxury defined as Canberra house sales over $3 million, Canberra unit sales over $1 million

Source: Ray White Group

Darwin and the Northern Territory

What would you consider to be Darwin's most luxurious suburb? In terms of pricing, it does seem to be a pretty close competition between Bayview and Fanny Bay, both of which have median house prices above $1 million and median unit prices above $500,000. Outside of Darwin, the most expensive suburbs are quite a bit cheaper. Topping the list is Desert Springs, a suburb of Alice Springs, and Cossak, a suburb of Katherine.

Darwin and regional Northern Territory - Most expensive suburbs

Median - 12 months to August 2022

Darwin Houses	Median	Darwin Units	Median	Regional houses	Median
Bayview	$1,250,000	Bayview	$530,000	Desert Springs	$700,000
Fannie Bay	$1,150,000	Fannie Bay	$500,000	Cossack	$650,000
Larrakeyah	$983,500	Woolner	$445,000	Araluen	$571,500
Nightcliff	$887,500	Stuart Park	$425,000	East Side	$550,000
Parap	$827,500	Parap	$420,000	Braitling	$490,000

Source: Ray White Group, Corelogic

While Bayview is Darwin's most expensive suburb, the most expensive street is in fact in an outer suburban area of the city where there are a lot of very big homes on big blocks. Phoebe Court in Knuckey Lagoon tops the list with a median of $1.52 million, followed by Surcingle Drive in Marlow Lagoon at $1.34 million.

Darwin luxury streets

Most expensive streets, three years to September 2022

Street	Suburb	Median
Darwin		
Phoebe Ct	Knuckey Lagoon	$1,520,000
Surcingle Dr	Marlow Lagoon	$1,342,500
Jacksonia Cct	Nightcliff	$1,340,000
Orchard Rd	Coconut Grove	$1,325,000
Bayview Bvd	Bayview	$1,230,000

Restricted to suburbs where more than three sales have taken place over the past three years

Source: Ray White Group

When we look at sales volume, the most $1 million plus houses have been sold in Virginia, followed by Fannie Bay. Very few high end apartment sales have taken place with Larrakeyah topping the list with just two $1 million plus sales.

Darwin luxury home sales

Number of sales over the past 12 months

Darwin houses	Number	Darwin units	Number
Virginia	13	Larrakeyah	2
Fannie Bay	11	Zuccoli	1
Nightcliff	7	Stuart Park	1

Luxury defined as Darwin house sales over $1 million, Darwin unit sales over $1 million

Source: Ray White Group

WHAT IS **LUXURY ANYWAY?**

When writing about luxury property, it's always difficult to define exactly what a luxury property is. It's partly subjective. A home can seem luxurious if you're used to living in an apartment. For some people, it's living in a premium suburb in what would be a fairly average home in a much cheaper suburb. If you look at pricing, a luxury home in Sydney could be five times the price of a luxury home in Adelaide. When selling homes, luxury is a popular term used in listings, particularly in suburbs where a lot of the homes are brand new. This month we take a look at a few measures of luxury.

Median prices of suburbs are well documented and can give us what would generally be considered luxury suburbs. 20 years ago, a home priced above $1 million was considered a luxury property but now won't even get you an average priced home in places like Sydney, Canberra, Gold Coast and Sunshine Coast.

There are also significant regional differences. You may get a bigger home elsewhere but water views and proximity to Sydney means that Vaucluse is priced at the ultra-premium end with a median price in excess of $8 million. One of Adelaide's most expensive suburbs is Medindie, however its median price is a comparative bargain at $2.6 million.

With these differences in luxury suburbs varied according to location, a more consistent way to define luxury is to perhaps look at the top five per cent most expensive suburbs to get a cut off point for a luxury suburb. This analysis is provided below. Based on this, a luxury home in Sydney would be priced above $4 million while in Melbourne that reduces to $2.5 million.

Luxury price point minimum by capital city

Based on the price point of the top 5% most expensive suburbs in each capital city

	Luxury minimum price ($M)	Suburbs above this price point
Sydney	$4.0	36
Melbourne	$2.5	21
Canberra	$2.2	18
Brisbane	$1.6	17
Adelaide	$1.6	15
Perth	$1.6	4
Hobart	$1.3	5
Darwin	$1.2	2

Source: Ray White

Another way would be to look at how luxury homes are described when they're up for sale. Some of the suburbs that most frequently have the word "luxury" in their description are not priced within the luxury price thresholds outlined above. In Sydney, the suburb of Macquarie Park came up as most frequently having the word "luxury" in property listings. While there's a lot of new development, it isn't typically seen as a luxury suburb. This is also the case for Angle Vale in Adelaide and Baldivis in Perth. Meanwhile, some suburbs where we see the term "luxury" are considered higher end suburbs. These include Hawthorn East in Melbourne and Sandy Bay in Hobart.

Australia's top "luxury" suburbs?

Suburbs where the term "luxury" appears most frequently in property listings

City	Suburbs
Sydney	Macquarie Park, Sydney Olympic Park, Lidcombe
Melbourne	Hawthorn East, Glen Iris, Preston
Brisbane	Murrumba Downs, Ripley, Jimboomba
Adelaide	Mount Barker, Daw Park, Angle Vale
Perth	Baldivis, Alkimos, North Coogee
Hobart	Kingston, Sandy Bay, Fern Tree
Darwin	Southport, Larrakeyah, Ludmilla
Canberra	Belconnen, Dickson, Wanniassa

When looking at luxury listings, the word luxury isn't often used but there are some consistent words - although there's variation between capital cities. Not surprisingly, "large", "open" and "space" come up a lot, all of which you'd hope for in a very expensive home.

The preferred geographic characteristics differ according to the city. In Melbourne, "village" is used a lot, in Sydney it's "harbour" and in Adelaide it's "park".

Popular terms in luxury listings

City	Terms in luxury listings
Sydney	harbour, views, access
Melbourne	private, village, light
Brisbane	large, private, open
Adelaide	park, perfect, access
Perth	north, open, master
Hobart	level, space, large
Darwin	plan, floor, large
Canberra	large, open, space

Source: Ray White

LUXURY RETAILING CONTINUES ITS GROWTH

It's been a busy few years for the luxury retail industry. Increased personal savings due to lockdowns have seen an increase in retail sales of luxury goods. This isn't just an Australian phenomenon, with the S&P Global Luxury returns (The S&P Global Luxury Index is comprised of 80 of the largest publicly-traded companies engaged in the production or distribution of luxury goods or the provision of luxury services.) showing a 10 year high, which peaked in November 2021. This represented a 40 per cent increase in returns compared to the 12 months prior, with annual increases over the past five years averaging 8.33 per cent. Post this period, changes in interest rates internationally during early 2022 saw some volatility in results, with most recent indicators showing some decline in activity.

For Australia, high inflationary pressures together with rising interest rates have seen retail trade levels moderate for essential goods. Despite this, the strong labour market with record low unemployment has kept confidence up. As a result, we continue to see savings well ahead of pre-pandemic levels, which has supported an increase in credit card transaction activity during the first half of 2022. While we've seen some volatility in activity, the overall increased wealth creation - due to strong gains in housing over the past few years - has improved sentiment surrounding luxury spending.

During a time where CBD retail has been under pressure, we've seen a strong commitment by luxury retailers to grow their brick-and-mortar footprint. While tenants were hampered by the lockdowns restricting non-essential shopping, and border closures cutting international tourism, some retailers took this time to improve their customer experience and in-store offerings. However, for some, plans were in place well before COVID-19 as activity in the luxury retail space slowly grew momentum, increasing returns year-on-year.

The redevelopment of 25 Martin Place (formerly MLC Centre) is one of the longer term projects which, upon completion, will include a hub for luxury fashion. Brands new to Australia, including Missoni and Brunello Cucinelli, will join Valentino and Dolce & Gabbana at this premier address. Despite the disruption along Castlereagh Street due to the Sydney Metro development, existing retailers including Bvlgari and Chanel welcome new retailers like Robert Dubuis, while Dior, Fendi and Hermes have all seen recent upgrades to their premises. Cartier's new Oceania flagship store is expected to open up later this year at its George Street location, extending the luxury trail up King Street and down Castlereagh Street to Westfield with Gucci, Prada, Versace, Piaget boutique and many more.

Sydney isn't the only market to benefit from upgrades to luxury strip retail, with Ralph Lauren announcing their first Western Australian offering and a new Melbourne CBD store due to open later this year. This adds to the luxury brands also calling major Australian cities home including Louis Vuitton, Hugo Boss, Tiffany and Burberry to name a few.

During a time where retail vacancies have been pressured upward for Australian CBDs, the growing demand from these larger space users has been instrumental in improving vibrancy to our cities. These retailers attract customers from across the country, as well as internationally, seven days a week. They're not reliant on the working population which has been slow to return post pandemic. High capital expenditure in their stores keeps the quality of assets high and dictates new benchmarks in achievable rents, improving the attractiveness of our cities both domestically and internationally for visitors.

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.

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