

PEXA Property Insights Report

FINANCIAL YEAR 2022

 **PEXA** Insights

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Whilst the property market grew in FY22, headwinds emerged in the second half of the year

All eastern states recorded growth in FY22 compared to the prior year, in both volume and aggregate value of sale settlements, for residential and commercial property. This strong result was driven by an exceptional first half of the year, with a noticeable drop off across all states in the second half. For instance, although NSW recorded overall growth of 1.5% year-on-year for residential sale settlements,

the second half of the year was down 17.8% on the first half. This trend was also observed in QLD and VIC, as the market peaked in late 2021 and the impact of rising interest rates weighed on the market. As the market moved to a more 'normal' setting, after a period of significant growth, settlement volumes trended downwards although remained at historically high levels overall throughout FY22.



Mike Gill, Head of Research PEXA

RESIDENTIAL HIGHLIGHTS

- > **QLD recorded the highest volume of residential sale settlements in FY22**, with the sunshine state recording over 220k property settlements.
- > **NSW posted the highest aggregate value of sale settlements at \$238.5B**. This was up 28.8% year-on-year and well ahead of VIC in second place with \$167.1B
- > **All eastern states saw a noticeable decline in residential sale settlement volumes in the second half of FY22 compared with the first half**. NSW (-17.8%), QLD (-12.8%) and VIC (-5.9%) all experienced drops in line with the softening market.

COMMERCIAL HIGHLIGHTS

- > **VIC recorded over 13.6K commercial sale settlements in FY22, higher than any other state**. This was up 24.0% and the second year in a row the state topped commercial property transactions.
- > **\$39.6B of commercial property was settled in NSW in FY22**. This was up 60.6% year-on-year and the highest aggregate value of any state during that period.
- > **Commercial sale settlement volumes declined across the eastern states in the second half of FY22 compared with the first half**, with NSW shedding the most at -17.3% on the first half. The aggregate value of commercial property transactions also declined in the second half.

This report aims to provide a comprehensive view of property settlement trends covering the eastern states of NSW, VIC and QLD. Settlement figures quoted are total settlements, they include all digital and paper-based settlements for residential and commercial property unless otherwise stated. Non-monetary settlements such as family transfers or gifts have been excluded. As at Jun-22, >98% of property sales in NSW & VIC, and >85% in QLD were settled via PEXA.

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

QLD recorded the highest volume of residential sale settlements in FY22 at over 220K

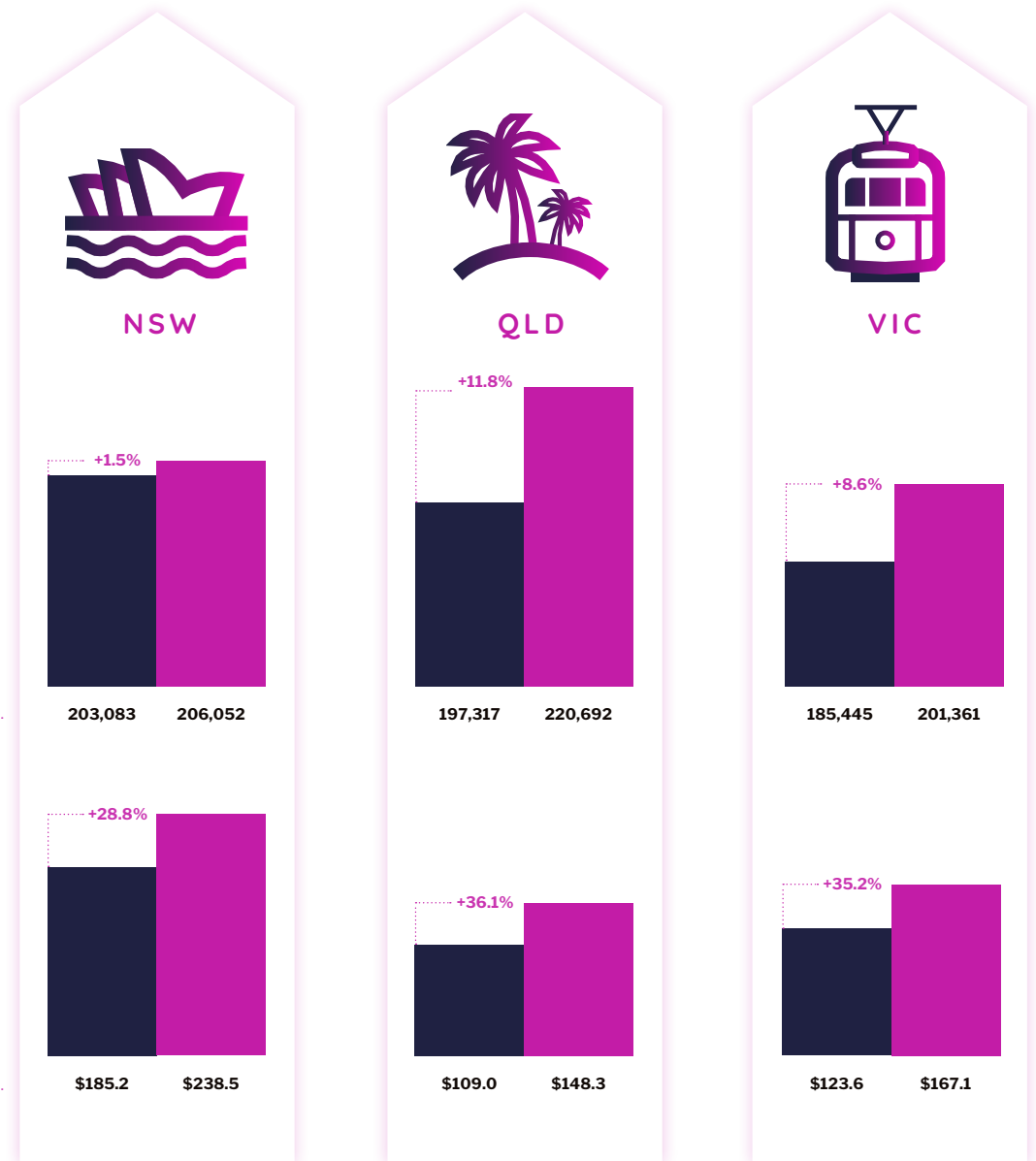
NSW posted the highest aggregate value for the second year running

RESIDENTIAL SALE SETTLEMENTS TOTAL VOLUME

All states experienced year-on-year volume growth in FY22 with QLD up by 11.8%.

RESIDENTIAL SALE SETTLEMENTS AGGREGATE VALUE (\$B)

Significant gains in aggregate value were observed across the eastern states in FY22, driven by both increases in volume and value of residential property over that period.



■ FY21 ■ FY22

Source: PEXA, QLD Government, NSW Land Registry Services

VIC recorded over 13.6K commercial sale settlements in FY22, higher than any other state

QLD saw the highest growth in both volume (+57.5%) and aggregate value (+108.5%)

COMMERCIAL SALE SETTLEMENTS TOTAL VOLUME

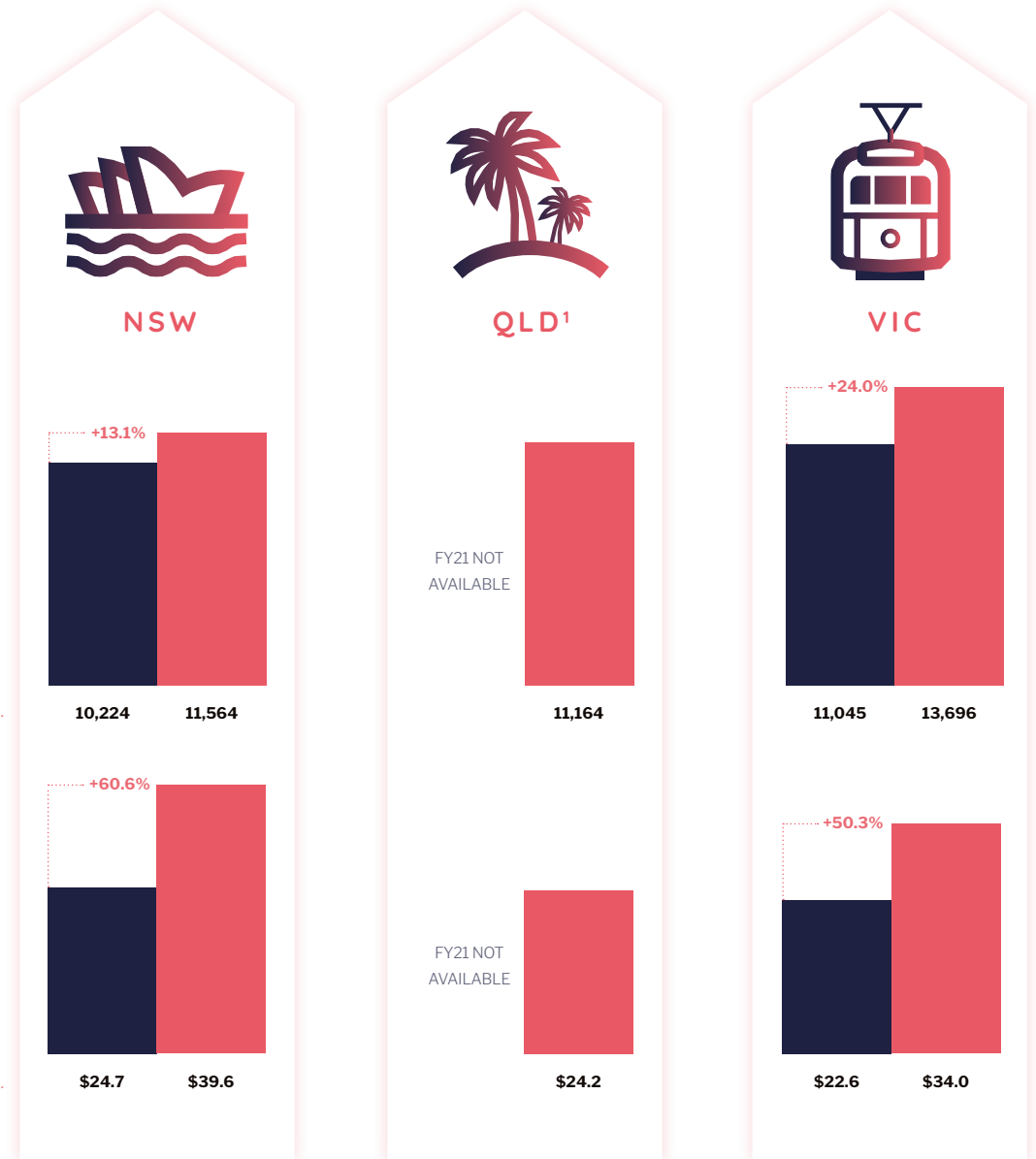
VIC topped the nation for commercial property transactions for the past 2 financial years.

COMMERCIAL SALE SETTLEMENTS AGGREGATE VALUE (\$B)

Although recording less transactions than VIC, NSW edged ahead in with a total aggregate value of \$39.6B in FY22.

FY21 FY22

Source: PEXA, QLD Government, NSW Land Registry Services



¹ FY21 not available due to gradual uptake of the PEXA exchange during the year. Estimate provided for QLD in FY22.

All eastern states saw a noticeable decline in residential sale settlement volumes in the second half of FY22

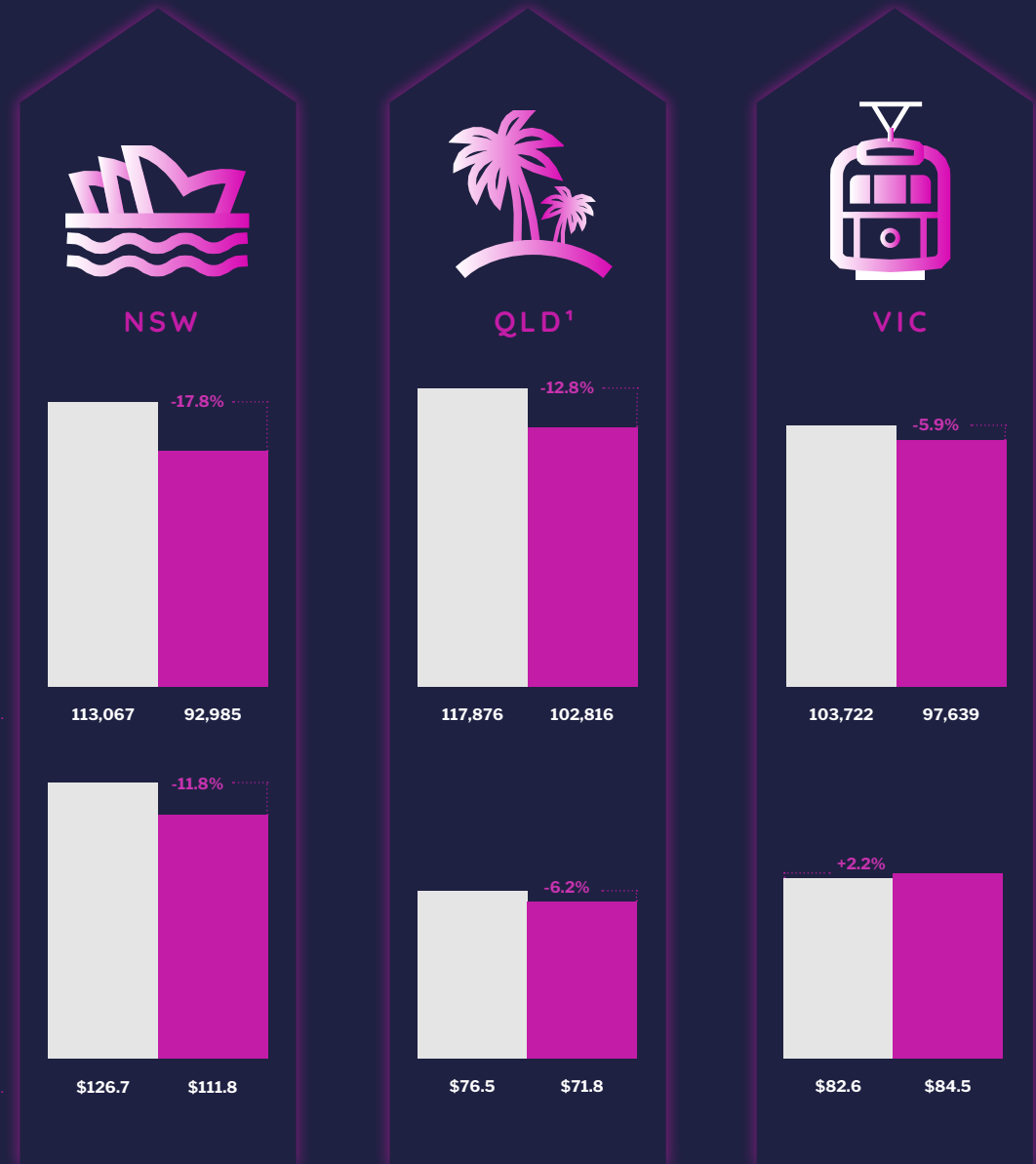
The market peaked at the end of 2021 and softened in 2022 as the impact of rising interest rates was felt

RESIDENTIAL SALE SETTLEMENTS- TOTAL VOLUME, H2 FY22 VS H1 FY22

NSW experienced the largest drops in both volume (-17.8%) and aggregate value (-11.8%) for residential sale settlements in the second half of FY22.

RESIDENTIAL SALE SETTLEMENTS- AGGREGATE VALUE (\$B), H2 VS H1 FY22

VIC was the only state to record aggregate value growth in the second half of FY22, up 2.2%.



■ H1 FY22 ■ H2 FY22

Source: PEXA, QLD Government, NSW Land Registry Services

¹ Estimate provided for QLD in FY22.

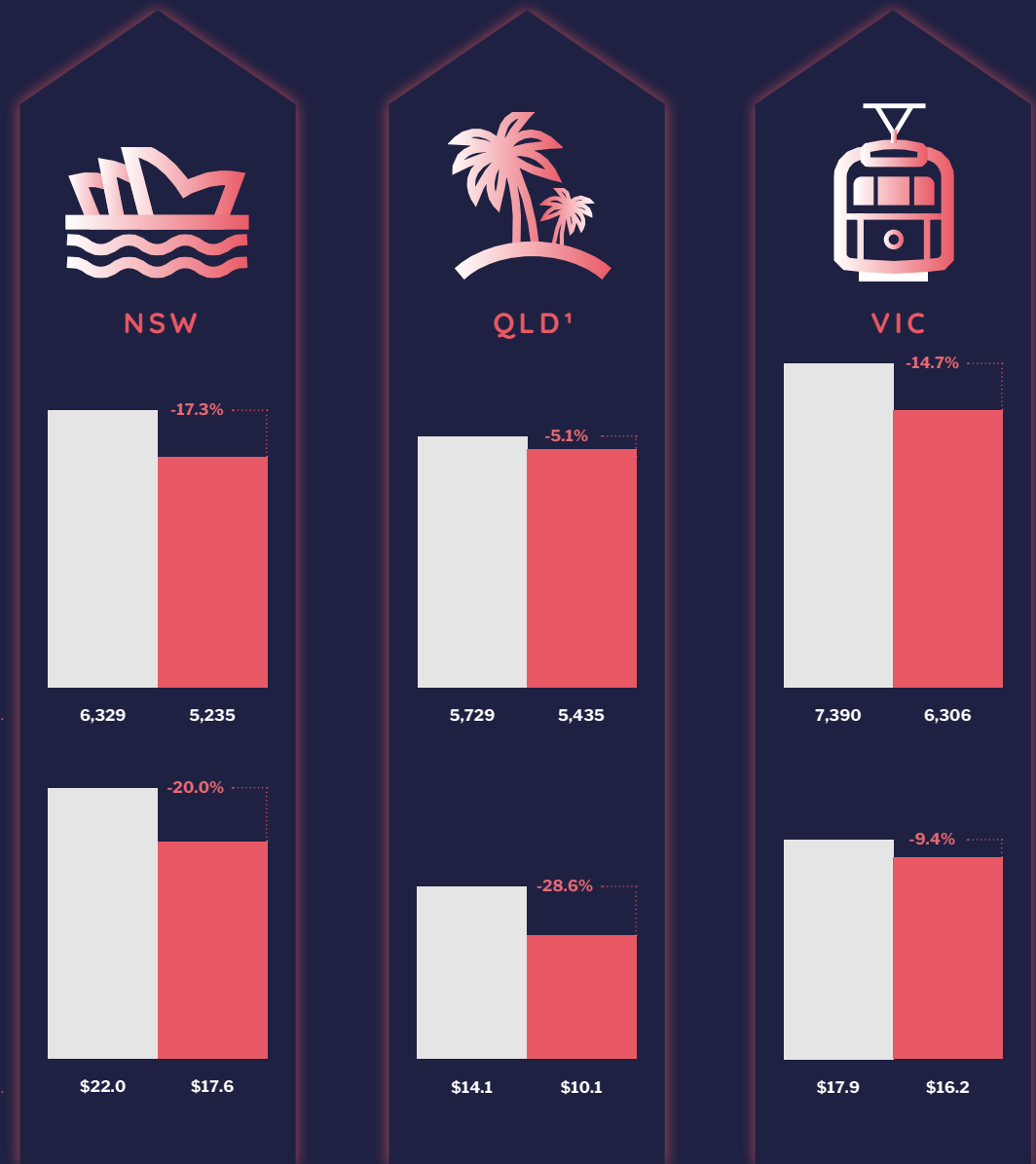
Similar to residential, commercial sale settlements were down across the board in the second half of FY22

COMMERCIAL SALE SETTLEMENTS- TOTAL VOLUME, H2 FY22 VS H1 FY22

NSW (down 17.3%) and VIC (down 14.7%) saw the largest drops in volume.

COMMERCIAL SALE SETTLEMENTS- AGGREGATE VALUE (\$B), H2 FY22 VS H1 FY22

All eastern states saw declines in aggregate value of commercial sale settlements in H2, FY22. The value of QLD commercial transactions fell the most over the period, dropping 28.6%.



■ H1 FY22 ■ H2 FY22

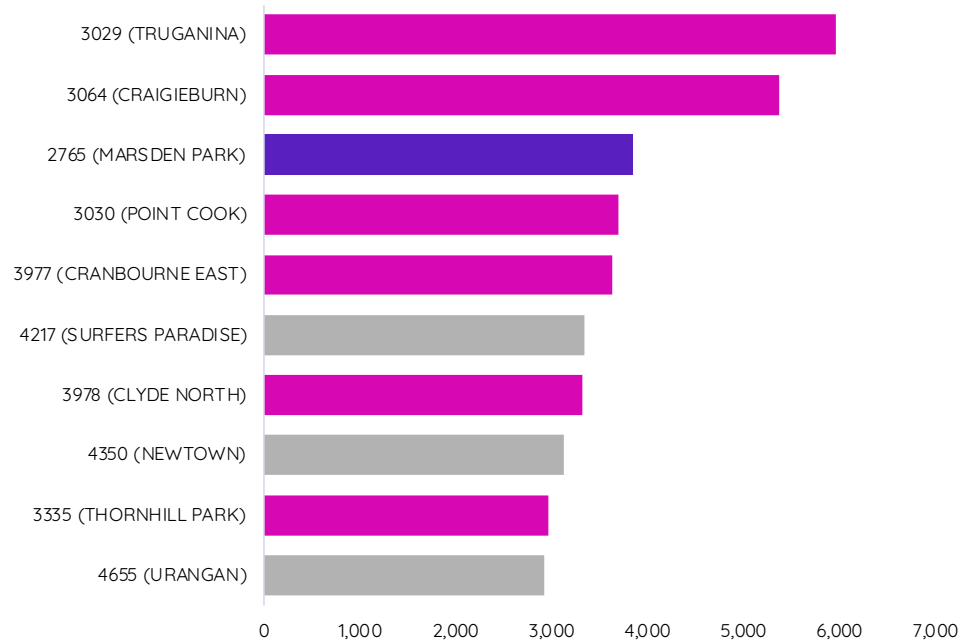
Source: PEXA, QLD Government, NSW Land Registry Services

¹ Estimate provided for QLD in FY22.

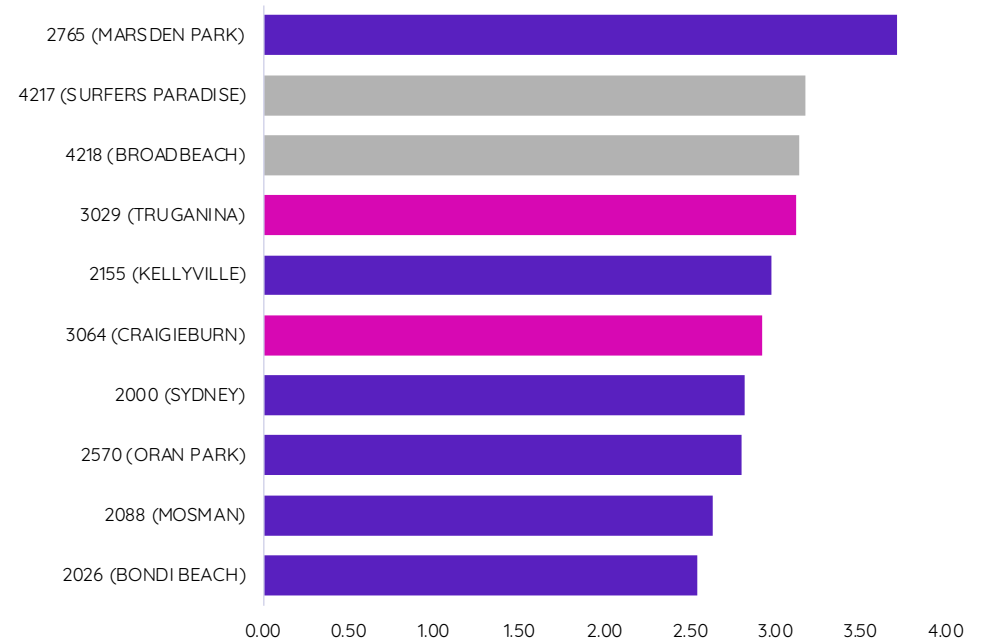
Postcode 3029 (Truganina) in VIC recorded the most residential sale settlements in FY22

2765 (Marsden Park) in NSW topped the eastern states, with over \$3.7B of residential property settled in FY22

TOP 10 POSTCODES FOR RESIDENTIAL SALE SETTLEMENTS, TOTAL VOLUME FY22



TOP 10 POSTCODES FOR RESIDENTIAL SALE SETTLEMENTS, AGGREGATE VALUE (\$B) FY22



■ NSW
 ■ QLD
 ■ VIC

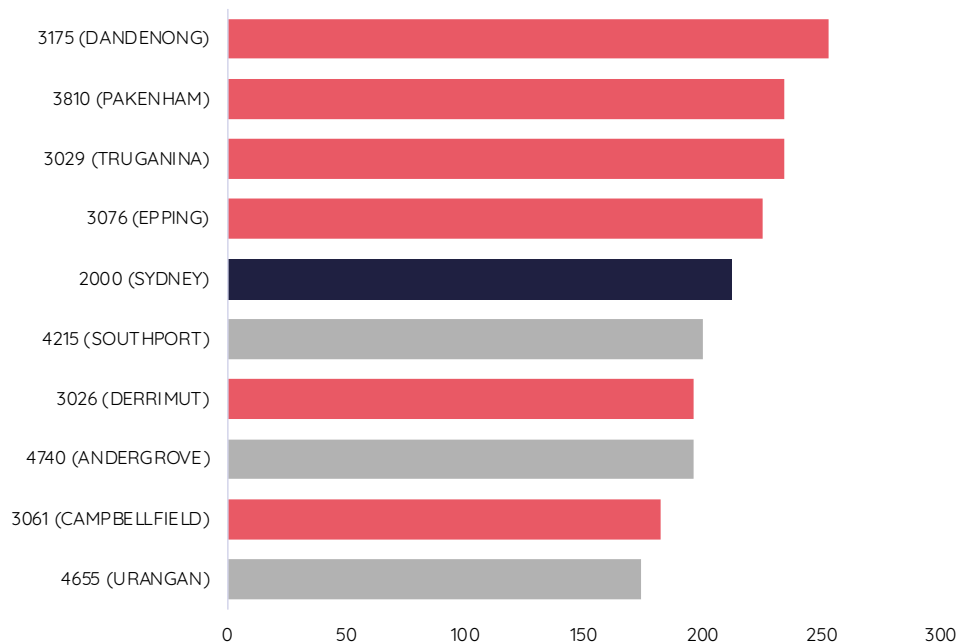
Analysis only includes properties settled digitally through PEXA Exchange. Data analysed at postcode level with the prominent suburb in that postcode shown for convenience. Analysis includes VIC, NSW & QLD only.

Source: PEXA

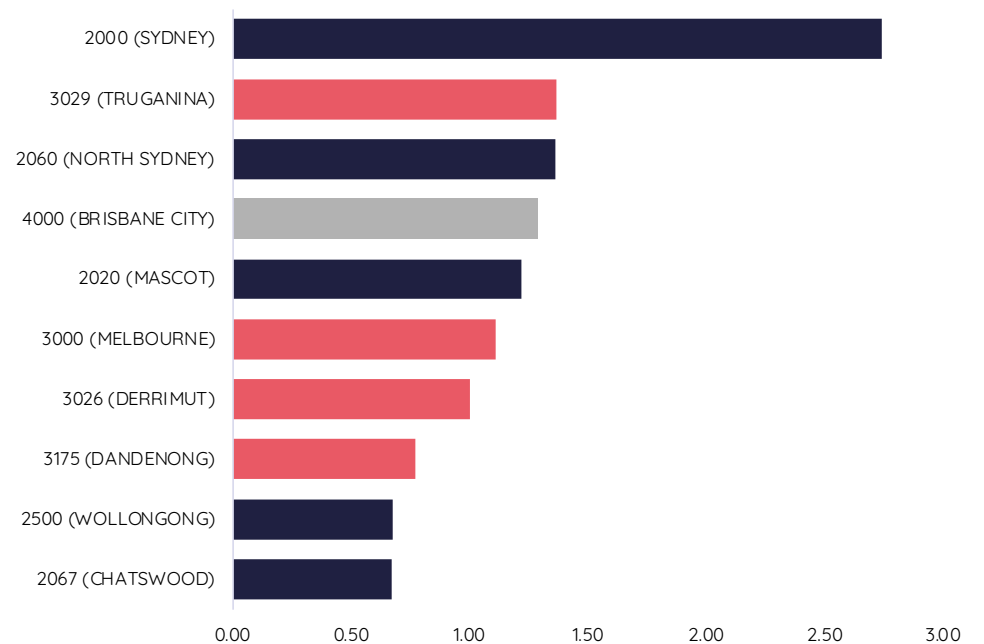
Postcode 3175 (Dandenong) in VIC logged the most commercial sale settlements in FY22, with 253 transactions

\$2.74B of commercial property was settled in 2000 (Sydney) during FY22

TOP 10 POSTCODES FOR COMMERCIAL SALE SETTLEMENTS, TOTAL VOLUME FY22



TOP 10 POSTCODES FOR COMMERCIAL SALE SETTLEMENTS, AGGREGATE VALUE (\$B) FY22



NSW
 QLD
 VIC

Analysis only includes properties settled digitally through PEXA Exchange. Data analysed at postcode level with the prominent suburb in that postcode shown for convenience. Analysis includes VIC, NSW & QLD only.

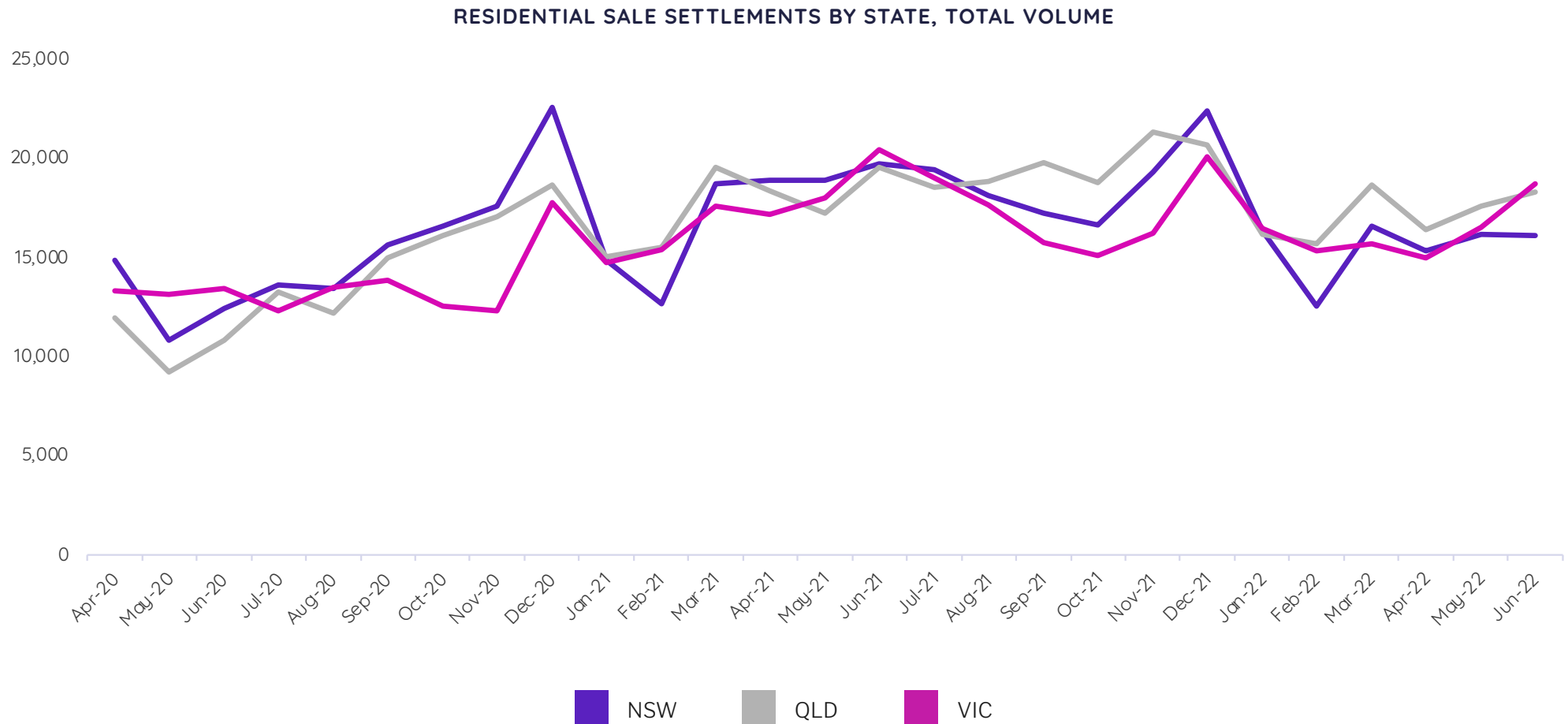
Source: PEXA

State Insights



Residential sale settlements trended higher until Dec-21

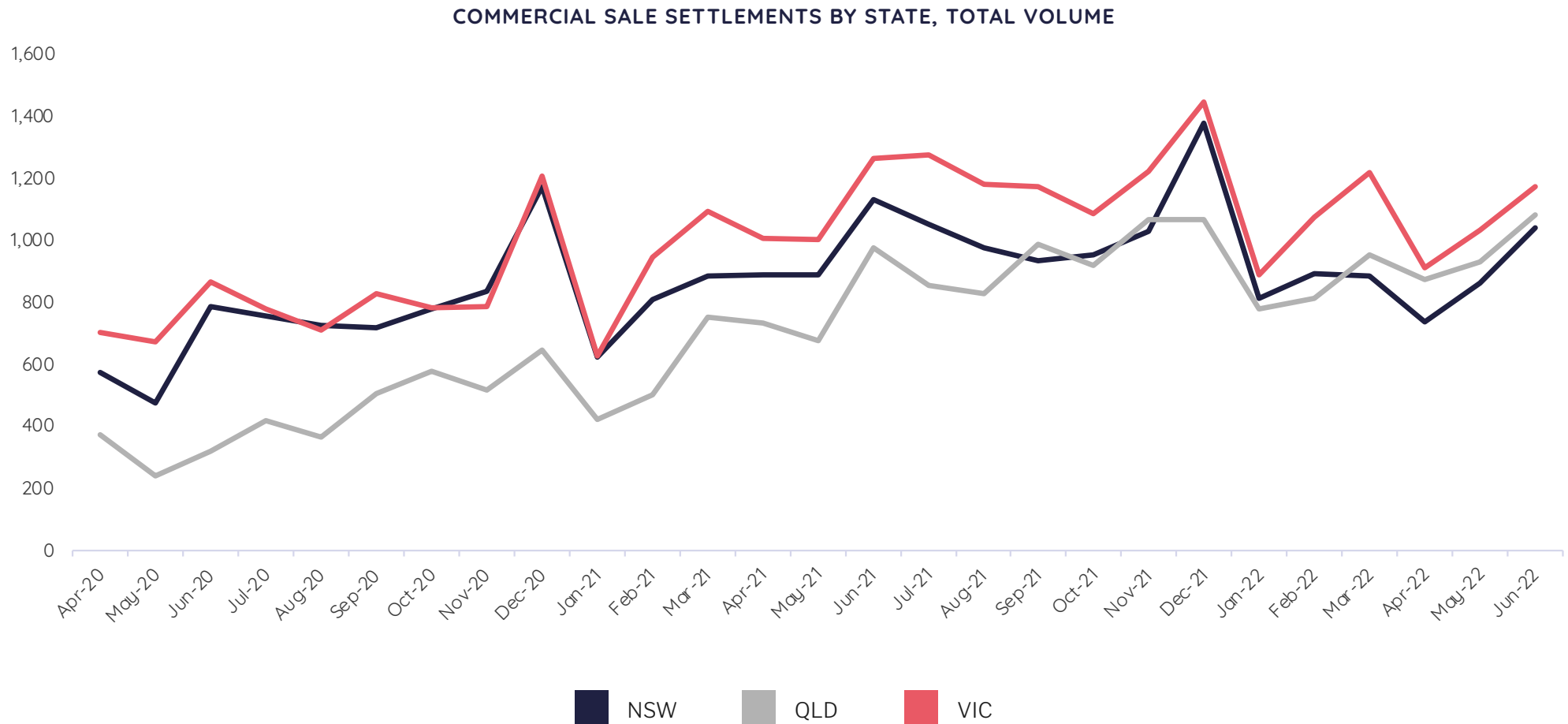
Volumes were softer in 2022, although VIC and QLD finished strongly recording over 18K settlements respectively in Jun-22



Source: PEXA, QLD Government, NSW Land Registry Services

Although slightly down in the second half of FY22, commercial sale settlements ended the year strongly

All three eastern states saw volumes rise in the final 2-mths of the financial year

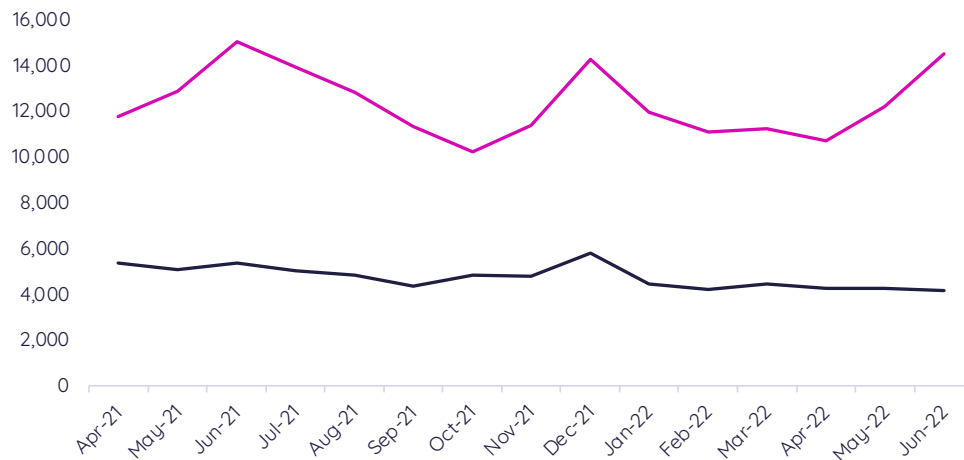


Source: PEXA, QLD Government, NSW Land Registry Services

Volumes in the greater Melbourne area increased in the final 2 months of FY22

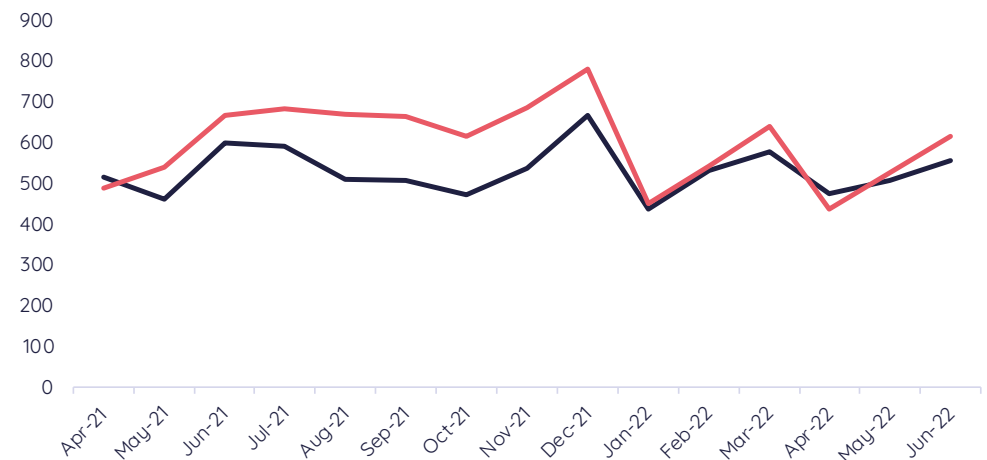
This was the case for both residential and commercial sale settlements

**VIC - RESIDENTIAL SALE SETTLEMENTS BY GEOGRAPHY
TOTAL VOLUME**



Greater Melbourne Area Rest of VIC

**VIC - COMMERCIAL SALE SETTLEMENTS BY GEOGRAPHY
TOTAL VOLUME**



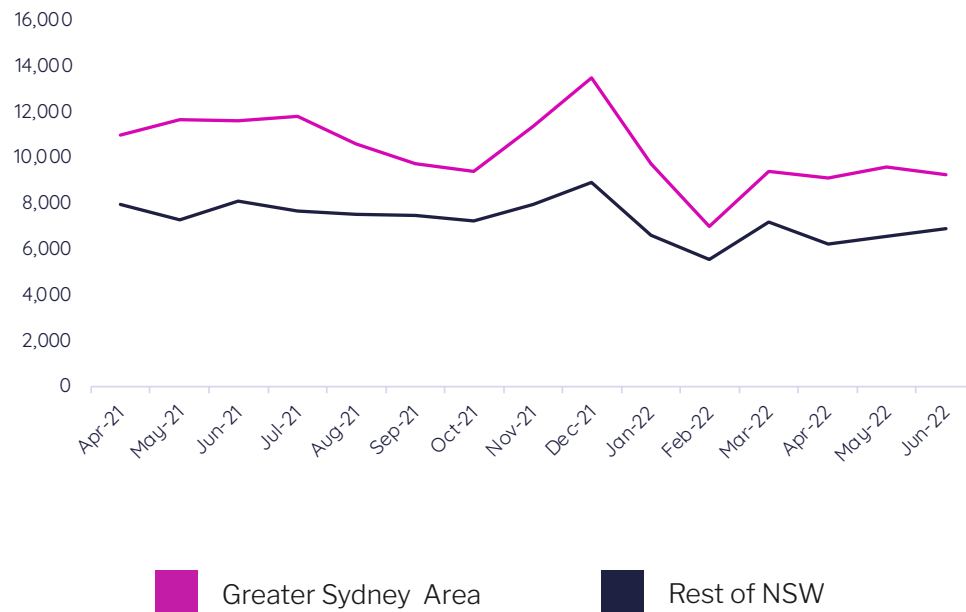
Greater Melbourne Area Rest of VIC

Source: PEXA

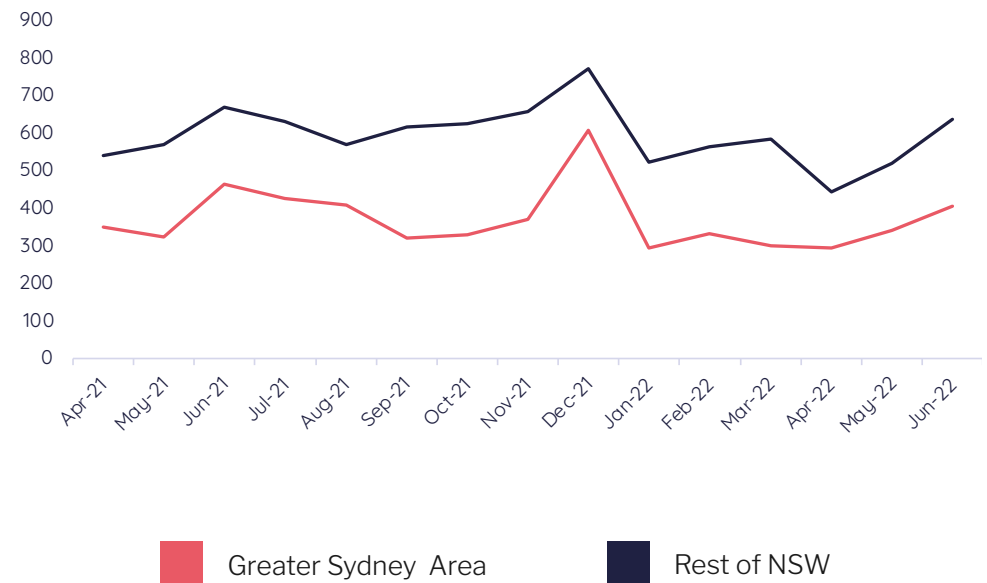
Both residential and commercial sale settlement volumes in NSW were softer in the second half of FY22

Commercial volumes did experience an uplift in the final 2 months of the financial year

**NSW - RESIDENTIAL SALE SETTLEMENTS BY GEOGRAPHY
TOTAL VOLUME**



**NSW - COMMERCIAL SALE SETTLEMENTS BY GEOGRAPHY
TOTAL VOLUME**

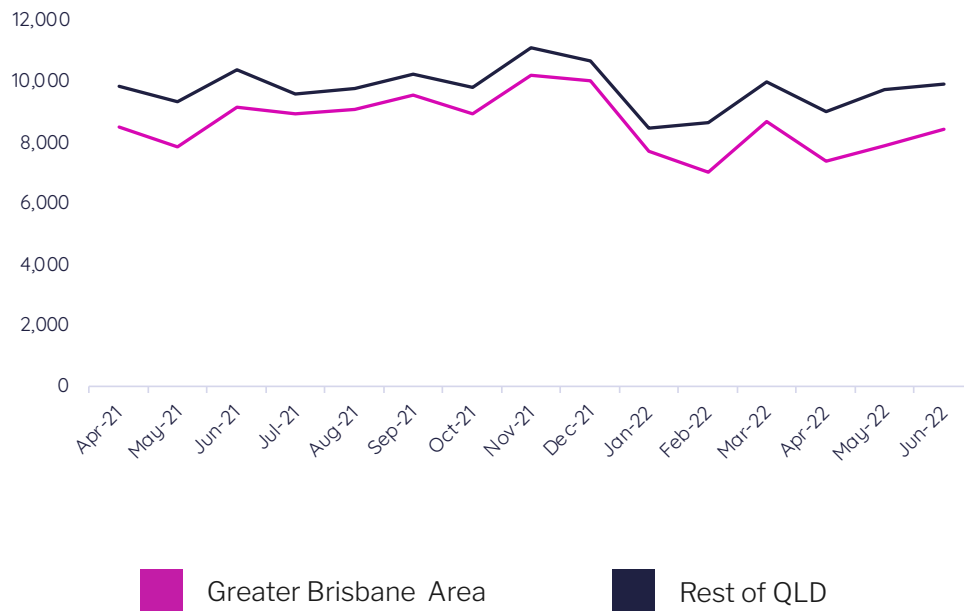


Source: PEXA, NSW Land Registry Services

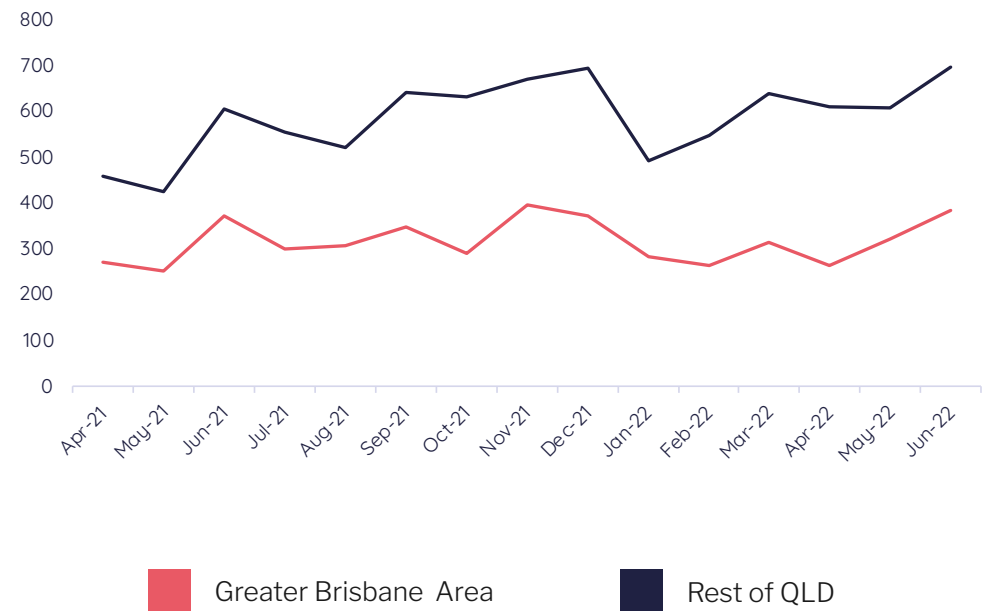
Although QLD sale settlement volumes were down in H2, FY22, they remained at historically high levels.

Commercial sale settlements finished the financial year in Jun-22 on a 2 year high

**QLD - RESIDENTIAL SALE SETTLEMENTS BY GEOGRAPHY
TOTAL VOLUME**



**QLD - COMMERCIAL SALE SETTLEMENTS BY GEOGRAPHY
TOTAL VOLUME**

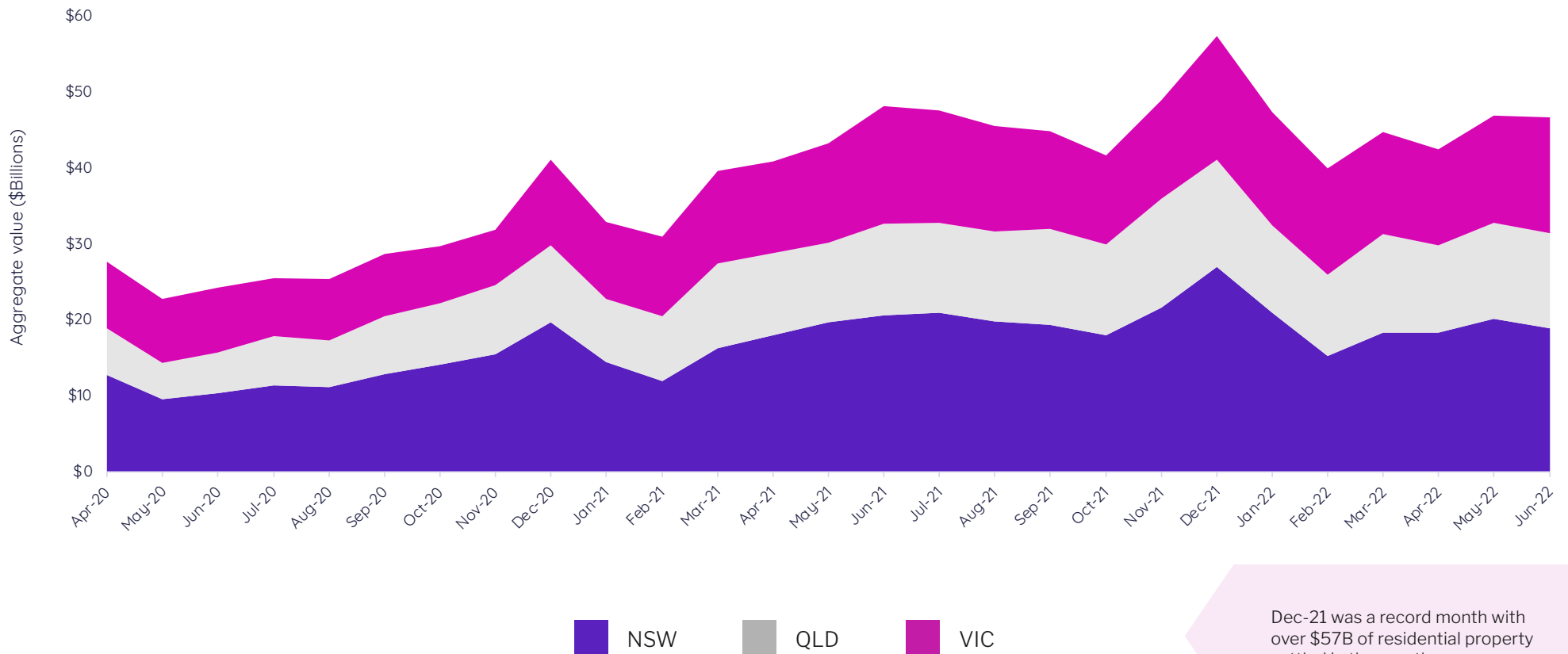


Source: PEXA, QLD Government

The aggregate value of residential sale settlements trended higher in FY22

NSW made up over 40% of the total aggregate value for residential property across the eastern states in Jun-22

AGGREGATE VALUE OF RESIDENTIAL SALE SETTLEMENTS BY STATE

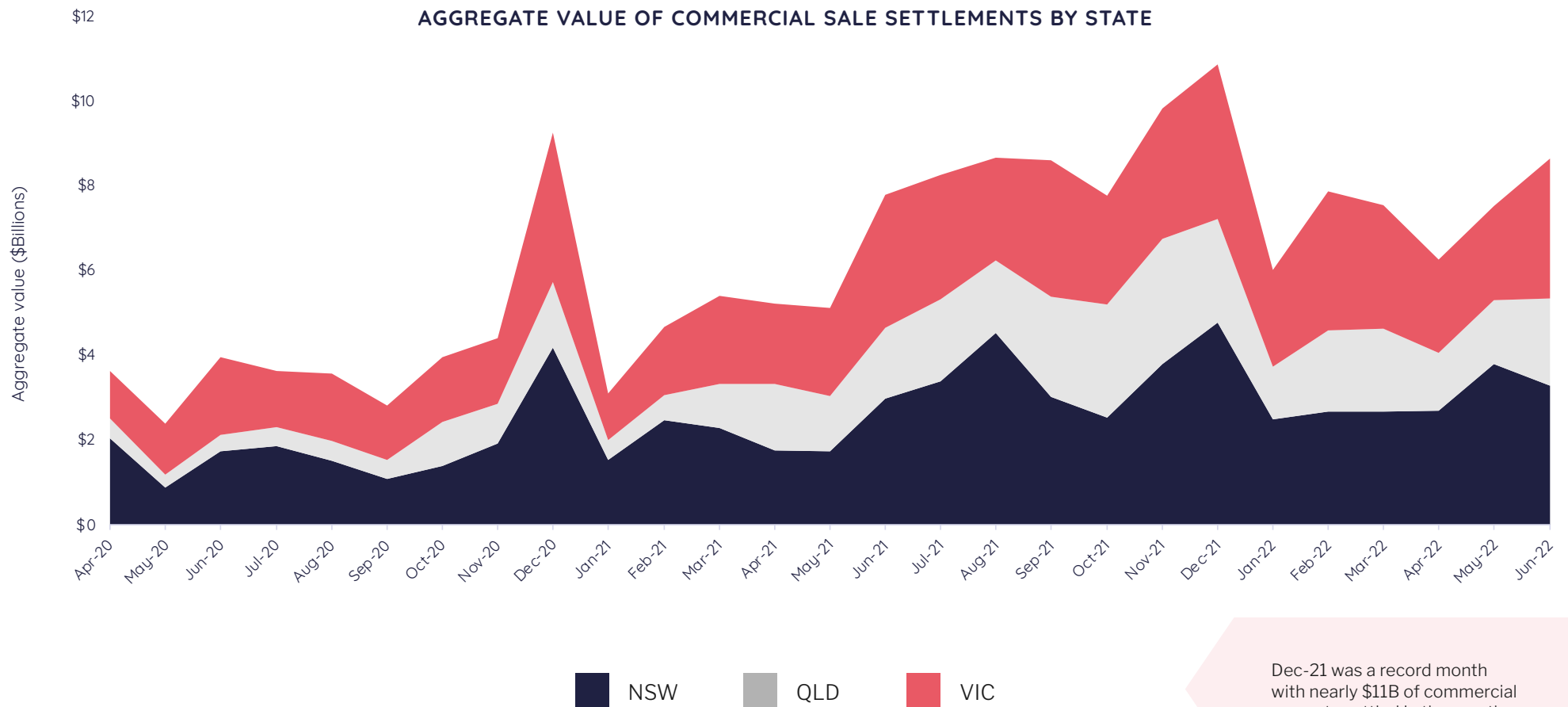


Dec-21 was a record month with over \$57B of residential property settled in the month.

Source: PEXA, QLD Government, NSW Land Registry Services

The aggregate value of commercial sale settlements grew substantially throughout FY22

VIC recorded the highest aggregate value in Jun-22 of \$3.3B

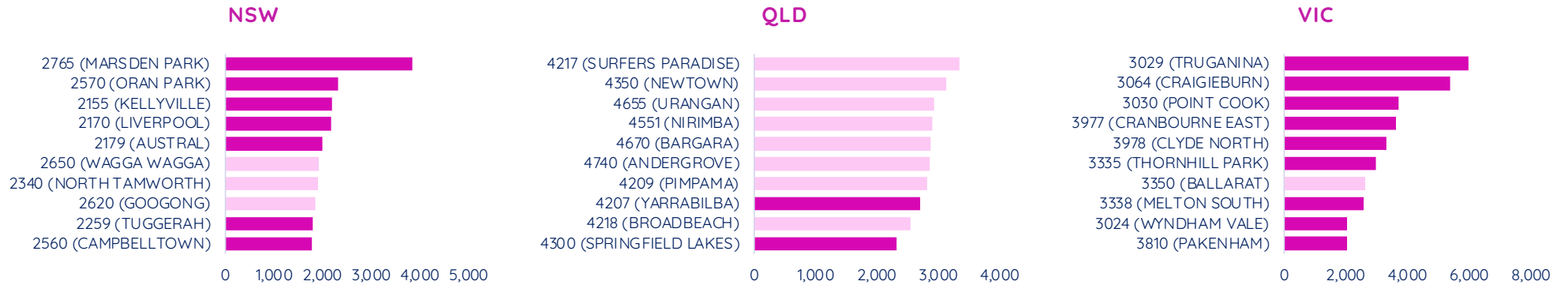


Dec-21 was a record month with nearly \$11B of commercial property settled in the month.

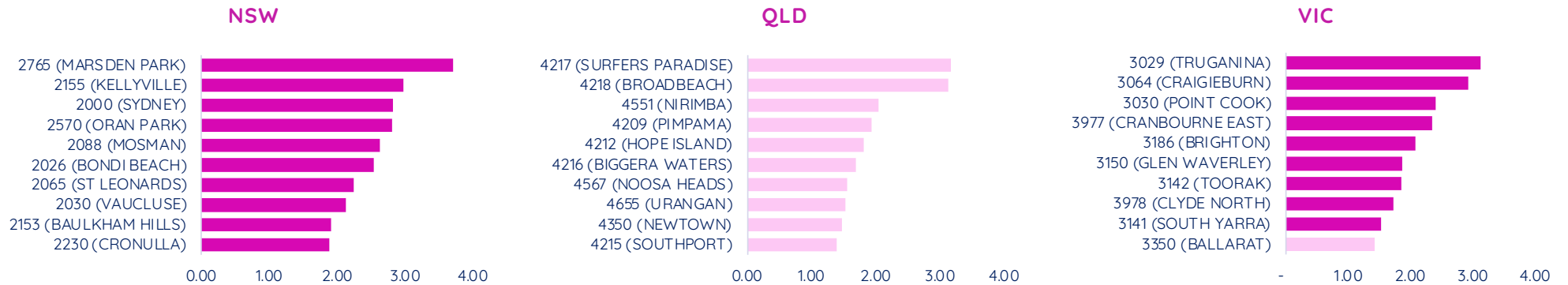
Source: PEXA, QLD Government, NSW Land Registry Services

Top postcodes by state - volume of residential property sale settlements

TOP 10 POSTCODES FOR RESIDENTIAL SALE SETTLEMENTS BY STATE, TOTAL VOLUME, FY22



TOP 10 POSTCODES FOR RESIDENTIAL SALE SETTLEMENTS BY STATE, AGGREGATE VALUE (\$B), FY22

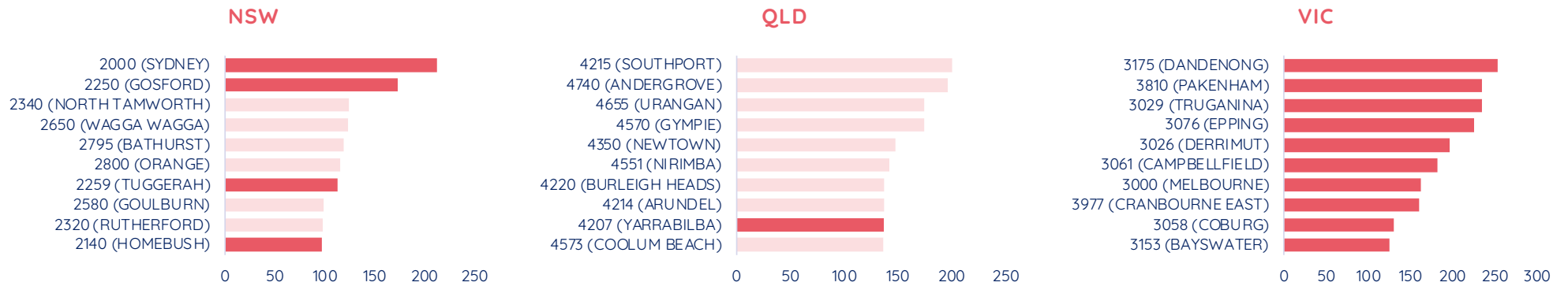


Greater Capital City area
 Rest of State

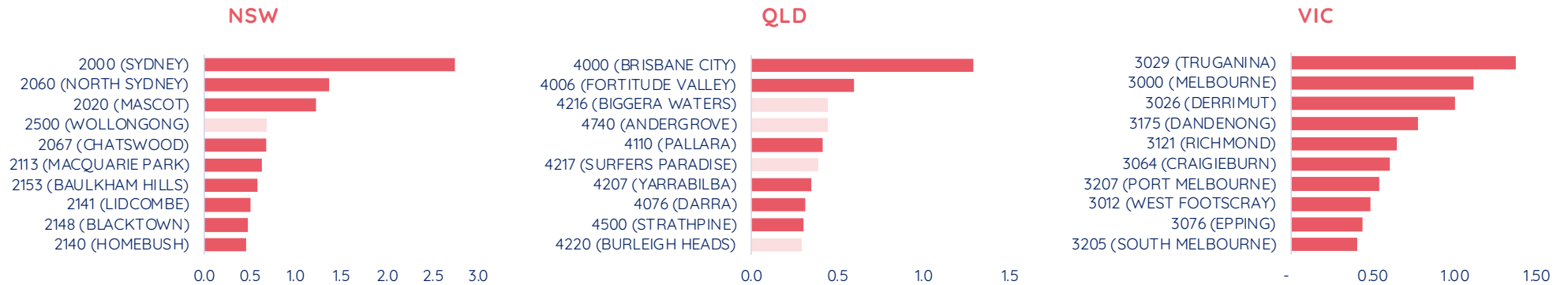
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Top postcodes by state – volume of commercial property sale settlements

TOP 10 POSTCODES FOR COMMERCIAL SALE SETTLEMENTS BY STATE, TOTAL VOLUME, FY22



TOP 10 POSTCODES FOR COMMERCIAL SALE SETTLEMENTS BY STATE, AGGREGATE VALUE (\$B), FY22



■ Greater Capital City area
 ■ Rest of State

Analysis only includes properties settled digitally through PEXA Exchange. Data analysed at postcode level with the prominent suburb in that postcode shown for convenience. Analysis includes VIC, NSW & QLD only.

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