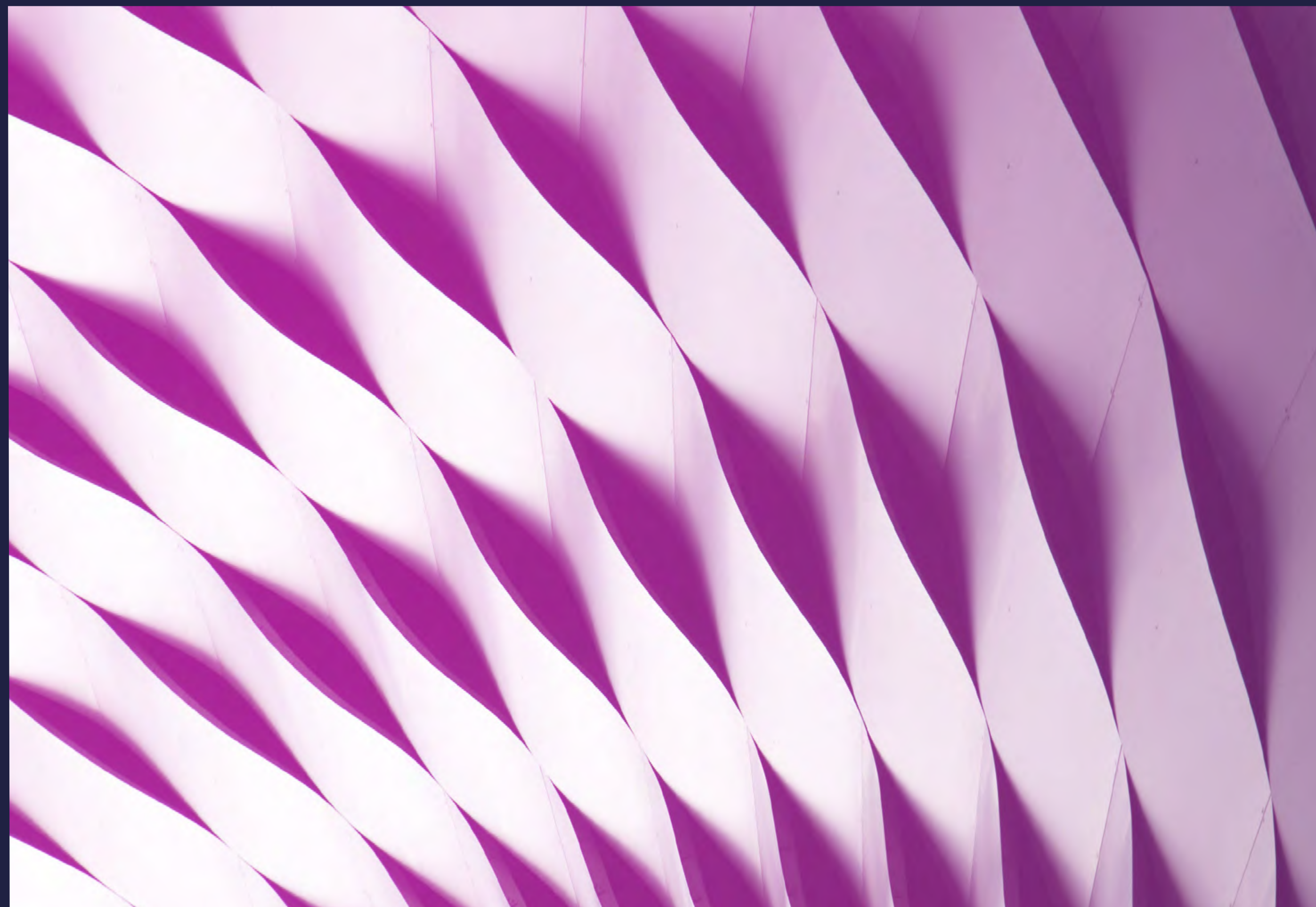


PEXA Cash Purchases Report

Unencumbered residential
property purchases in Australia

CALENDAR YEAR 2023



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Welcome to the second edition of the PEXA Cash Purchases Report. This report highlights residential property transactions that were funded entirely with cash. That is, residential properties purchased without a home loan.

We reveal the regions, property types and price points where cash purchases were most common and provide a profile of cash buyers. The intent of this report is to shine a light on an often-overlooked segment of the property market, and to holistically report how buyers in Australia fund residential property purchases.

Our analysis focusses on residential property purchases in the eastern states of New South Wales, Victoria and Queensland over the 4-year period January 2020 to December 2023, using settlement data collected via the PEXA digital property exchange. Data has been reported down to a postcode level with only postcodes exhibiting at least 80 cash purchases in calendar year 2023 shown.

DEFINITION OF CASH PURCHASE:

PEXA captures the source of funds used to purchase a property at settlement. A cash purchase is where the purchase was funded with cash (we have ignored cash deposits on property purchases that were funded with a home loan). Cash purchases do not contain any loans from Australian lenders and no mortgage was registered on the property title at settlement.

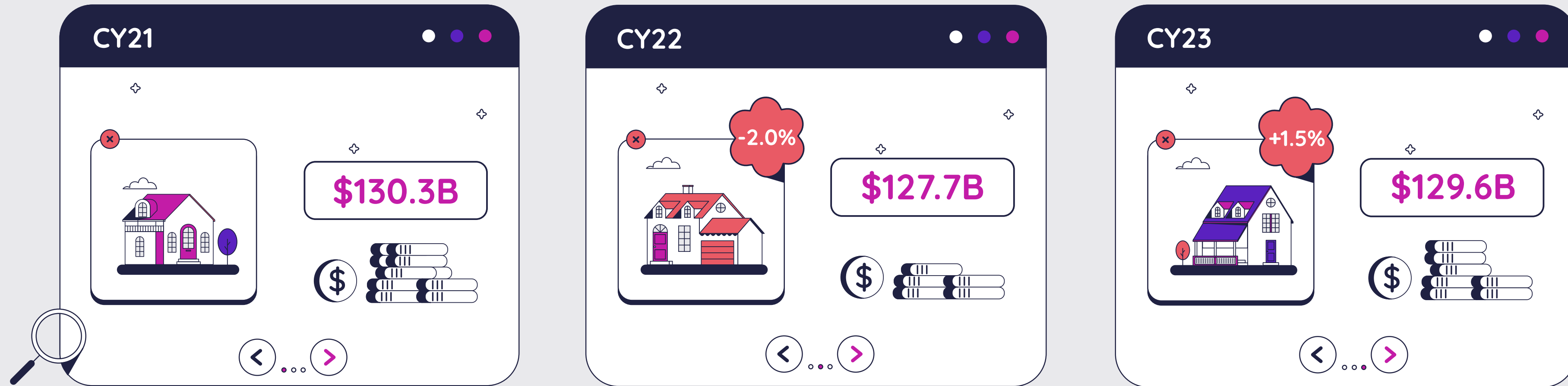
It should be noted that in some instances buyers may have used existing loan facilities to purchase the property with cash. Examples of this include buyers drawing down funds using equity in other properties or overseas buyers using a loan from a foreign lender not appearing on the property title. Non-monetary settlements such as gifts have been excluded from our analysis, as have commercial properties.

Key Findings

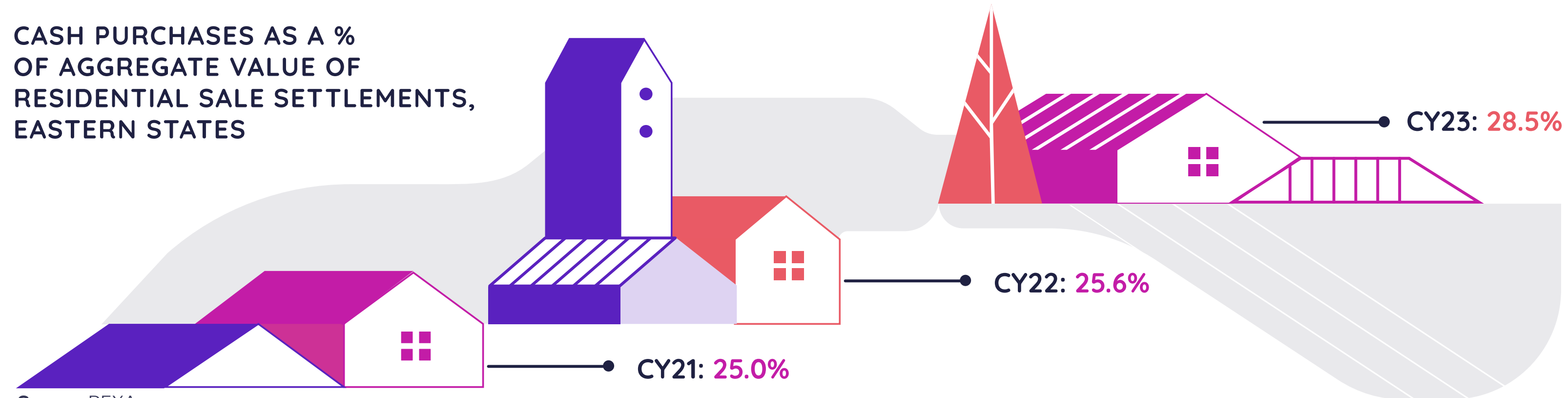


\$129.6B of residential property was purchased with cash in CY23 across the eastern states

TOTAL VALUE OF CASH PURCHASES, EASTERN STATES



CASH PURCHASES AS A % OF AGGREGATE VALUE OF RESIDENTIAL SALE SETTLEMENTS, EASTERN STATES

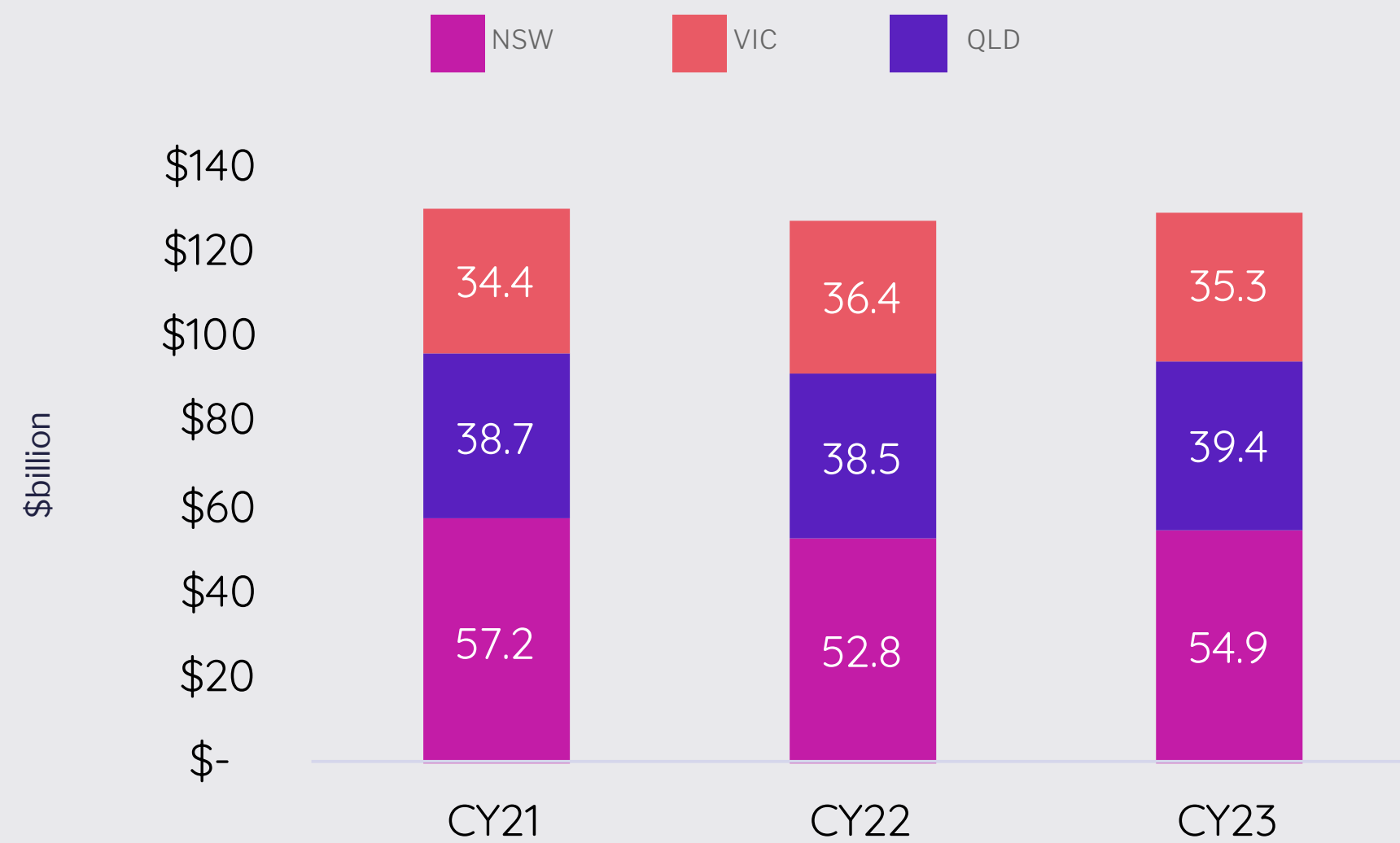


Source: PEXA

The proportion of cash purchases by value in the eastern states continued to trend upward, with 28.5% of residential property purchases funded entirely with cash in CY23. Consequently, cash buyers are becoming a more important group with greater influence on the performance of the overall property market.

NSW recorded the highest aggregate value of cash purchases in CY23 at \$54.9B

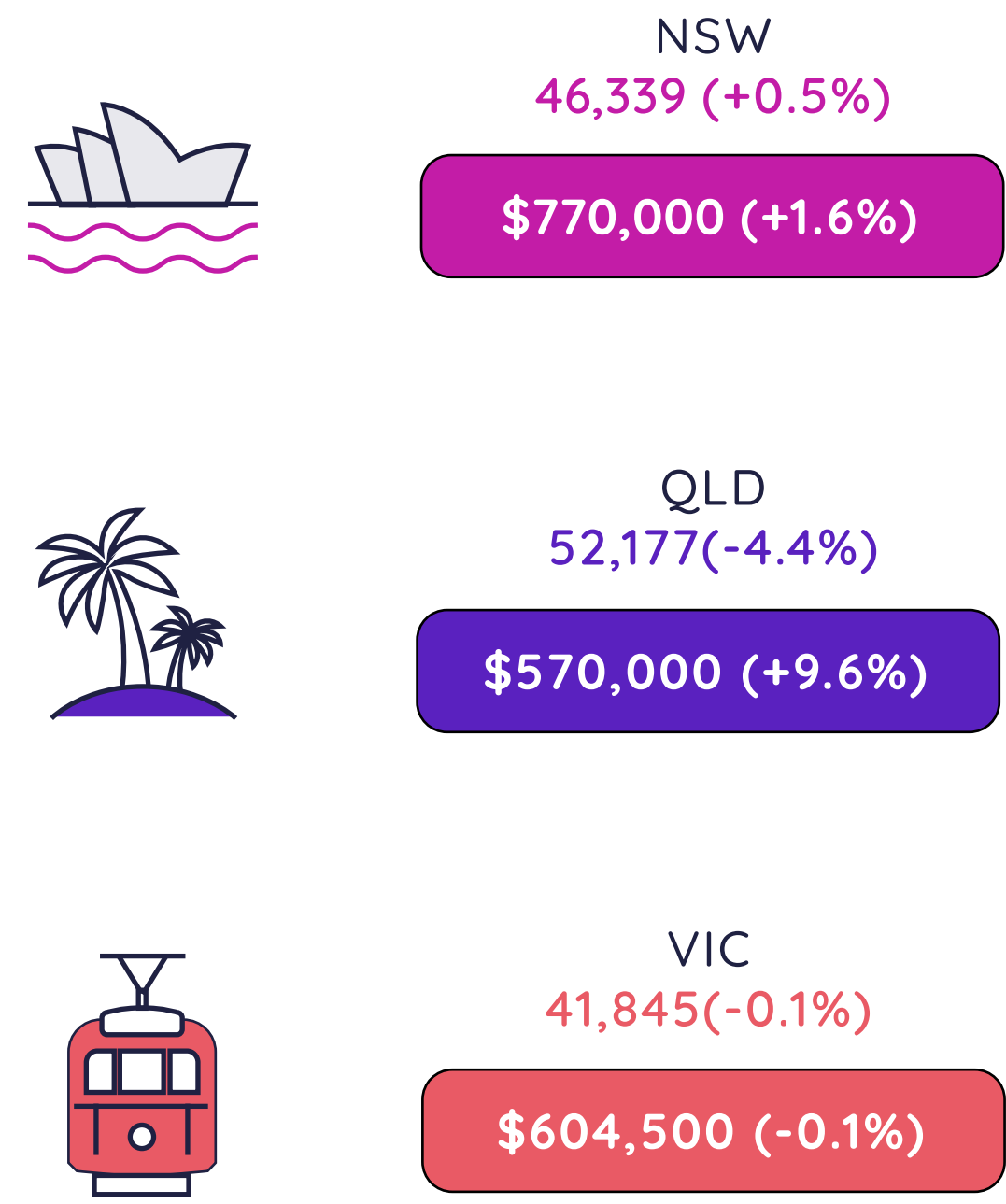
AGGREGATE VALUE OF CASH PURCHASES, BY STATE



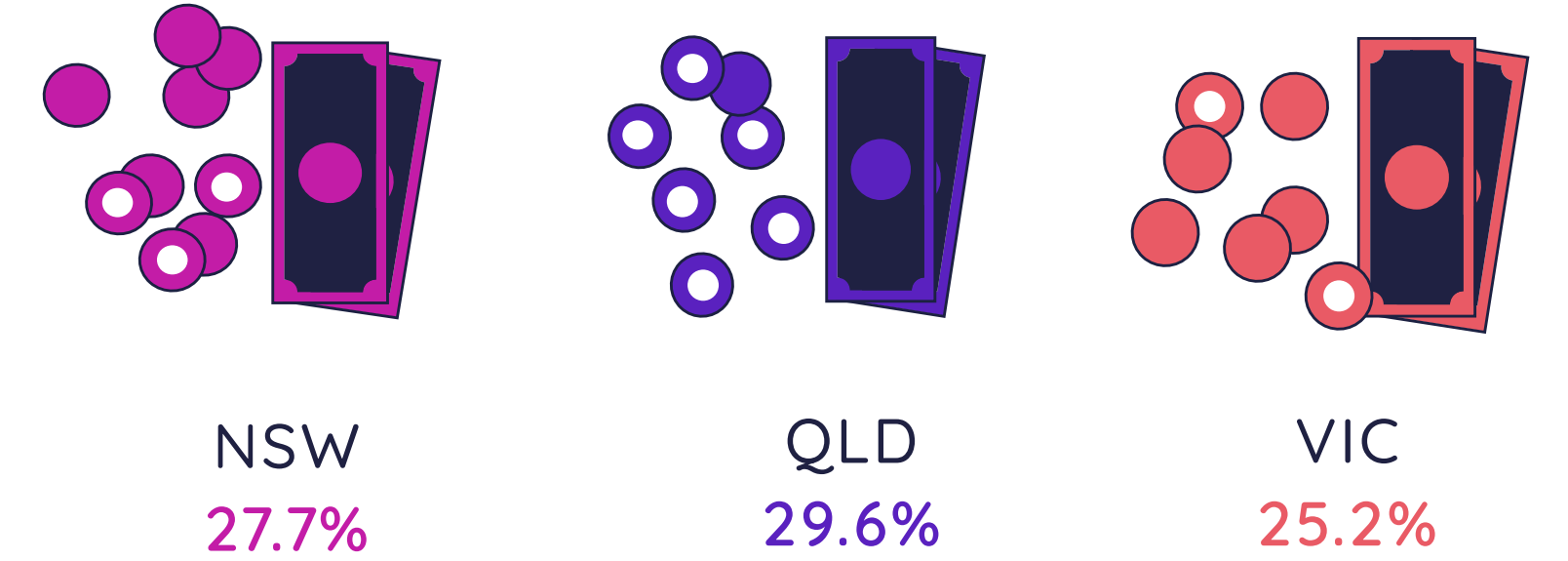
The aggregate value of cash purchases in NSW grew by 4.0% compared to CY22. QLD also saw cash purchases increase in CY23, up 2.3% to \$39.4B.

Source: PEXA
¹Cash purchases as a percentage of overall residential sale settlement volumes in CY23

TOTAL VOLUME & MEDIAN VALUE OF CASH PURCHASES IN CY23 (CY22-23 growth)



% CASH PURCHASES¹ (CY23)



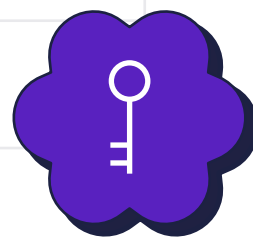
Cash purchases made a significant contribution to the residential property market in CY23, making up 29.6% of overall residential purchases in QLD, with 27.7% in NSW and 25.2% in VIC. QLD recorded 52,177 cash purchases in CY23, the highest in the eastern states.

These findings highlight the limitations of monetary policy to control inflation. Cash buyers made up more than one-quarter of property purchases in CY23, with rate rises having little impact on this cohort's ability to purchase property. The demographic profile of cash buyers is different to mortgagee buyers, with the data showing cash buyers tending to be older. This suggests that rising interest rates disproportionately target younger mortgage holders increasing the intergenerational wealth gap.

Many regional areas had high proportions of cash buyers

TOP-10 EASTERN STATES POSTCODES BY % CASH PURCHASES, CY23

STATE	POSTCODE	% CASH PURCHASES ¹	MEDIAN CASH PURCHASE VALUE
QLD	4421 (TARA)	86.0%	\$82,500
QLD	4184 (RUSSELL ISLAND)	76.0%	\$85,000
QLD	4671 (GIN GIN)	72.3%	\$275,000
QLD	4819 (MAGNETIC ISLAND)	68.2%	\$365,001
QLD	4877 (PORT DOUGLAS)	66.4%	\$445,000
QLD	4615 (NANANGO)	65.0%	\$292,500
NSW	2422 (GLOUCESTER)	63.9%	\$530,000
QLD	4852 (MISSION BEACH)	60.9%	\$307,500
QLD	4850 (INGHAM)	60.7%	\$188,500
QLD	4660 (CHILDERS)	59.6%	\$385,000



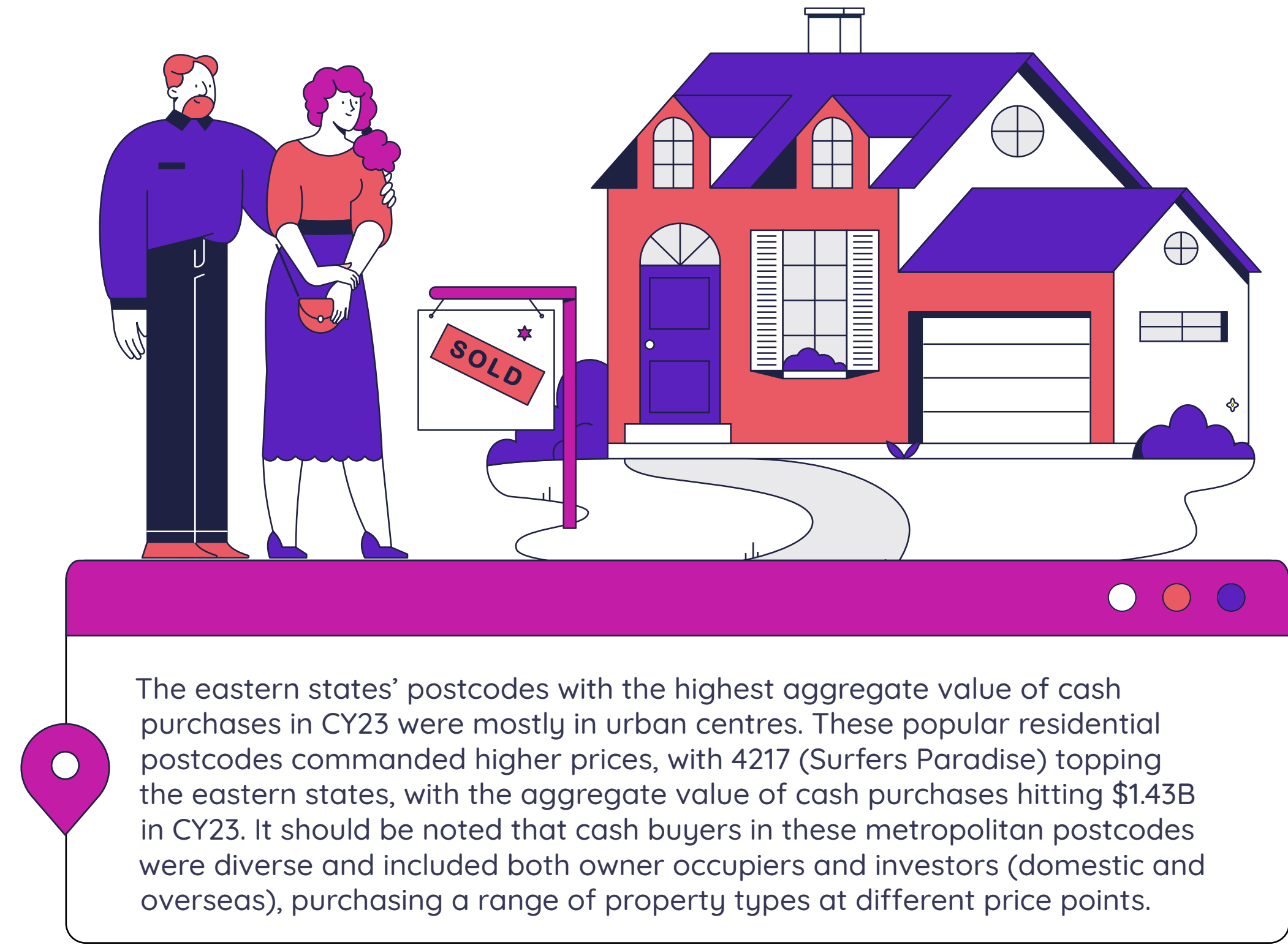
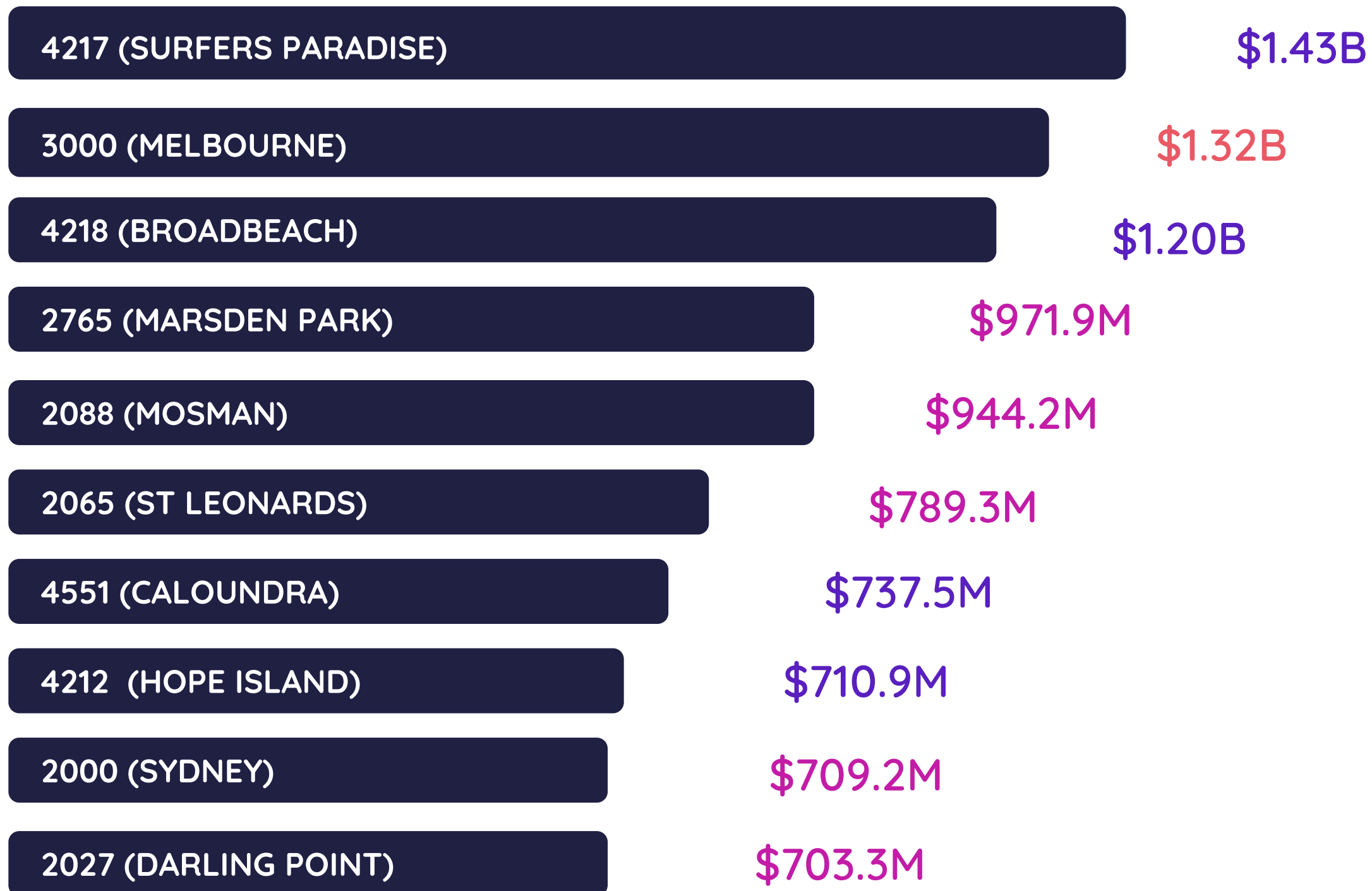
Source: PEXA

Note: Data analysed at postcode level with the prominent suburb in that postcode shown for convenience.

¹Cash purchases as a percentage of overall residential sale settlement volumes in CY23

However urban centres dominated the overall value of cash purchases, due to greater transaction volumes and higher priced properties

TOP-10 EASTERN STATES POSTCODES FOR AGGREGATE VALUE OF CASH PURCHASES, CY23



Which areas
had the highest
value of cash
purchases?



Postcode 2765 (Marsden Park) recorded the highest aggregate value of cash purchases in NSW in CY23

\$971.9M of property purchased in the postcode was funded with cash

TOP-10 NSW POSTCODES FOR AGGREGATE VALUE OF CASH PURCHASES, CY23

GREATER CAPITAL CITY REST OF STATE

POSTCODE	AGGREGATE VALUE OF CASH PURCHASES (\$M)	VOLUME OF CASH PURCHASES	MEDIAN CASH PURCHASE VALUE
2765 (MARSDEN PARK)	\$971.9	724	\$675,000
2088 (MOSMAN)	\$944.2	223	\$2,900,000
2065 (ST LEONARDS)	\$789.3	474	\$1,400,000
2000 (SYDNEY)	\$709.2	347	\$1,235,000
2027 (DARLING POINT)	\$703.3	84	\$3,350,000
2023 (BELLEVUE HILL)	\$660.1	80	\$3,625,000
2026 (BONDI BEACH)	\$620.9	179	\$1,925,000
2017 (WATERLOO)	\$543.1	289	\$1,070,000
2540 (SANCTUARY POINT)	\$501.0	534	\$751,000
2155 (KELLYVILLE)	\$480.7	375	\$900,000

#1

2765 (Marsden Park)

Postcode 2765 is one of the precincts in the North-West Growth Area. The volume of cash purchases increased 43% from 508 in CY22 to 724 in CY23. Of these, 447 cash purchases were for vacant land.

96% of dwellings in postcode 2765 (Marsden Park) are separate houses with larger lot sizes. It is becoming increasingly popular with young overseas migrants.

#5

2027 (Darling Point)

Last year, 84 buyers purchased property in postcode 2027 (Darling Point) with cash, totalling \$703.3M. The median cash purchase value was \$3.35M.

The predominant family composition in this affluent harbourside suburb is Couple family without children. The postcode's median weekly family income is \$4,558, double the state median of \$2,185.



Postcodes in Greater Sydney dominated the ranking in NSW, with several affluent inner-city postcodes such as 2088 (Mosman) and 2023 (Bellevue Hill) making the list. Postcode 2540 (Sanctuary Point) to the south of Sydney was the only regional postcode to feature.

Source: PEXA, ABS
 Note: Data analysed at postcode level with the prominent suburb in that postcode shown for convenience.

Regional postcodes along the coast attracted cash purchasers in QLD

4217 (Surfers Paradise) and 4218 (Broadbeach) both recorded over \$1B of cash purchases in CY23

TOP-10 QLD POSTCODES FOR AGGREGATE VALUE OF CASH PURCHASES, CY23

GREATER CAPITAL CITY REST OF STATE

POSTCODE	AGGREGATE VALUE OF CASH PURCHASES (\$M)	VOLUME OF CASH PURCHASES	MEDIAN CASH PURCHASE VALUE
4217 (SURFERS PARADISE)	\$1,427.7	1232	\$800,000
4218 (BROADBEACH)	\$1,198.0	785	\$1,100,000
4551 (CALOUNDRA)	\$737.5	798	\$762,950
4212 (HOPE ISLAND)	\$710.9	490	\$1,055,900
4655 (HERVEY BAY)	\$658.8	1056	\$565,000
4216 (RUNAWAY BAY)	\$594.5	545	\$830,000
4000 (BRISBANE CITY)	\$557.4	577	\$702,000
4220 (BURLEIGH HEADS)	\$533.7	437	\$970,000
4573 (COOLUM BEACH)	\$526.1	306	\$1,122,500
4215 (SOUTHPORT)	\$491.4	620	\$695,000

#1

4217 (Surfers Paradise)

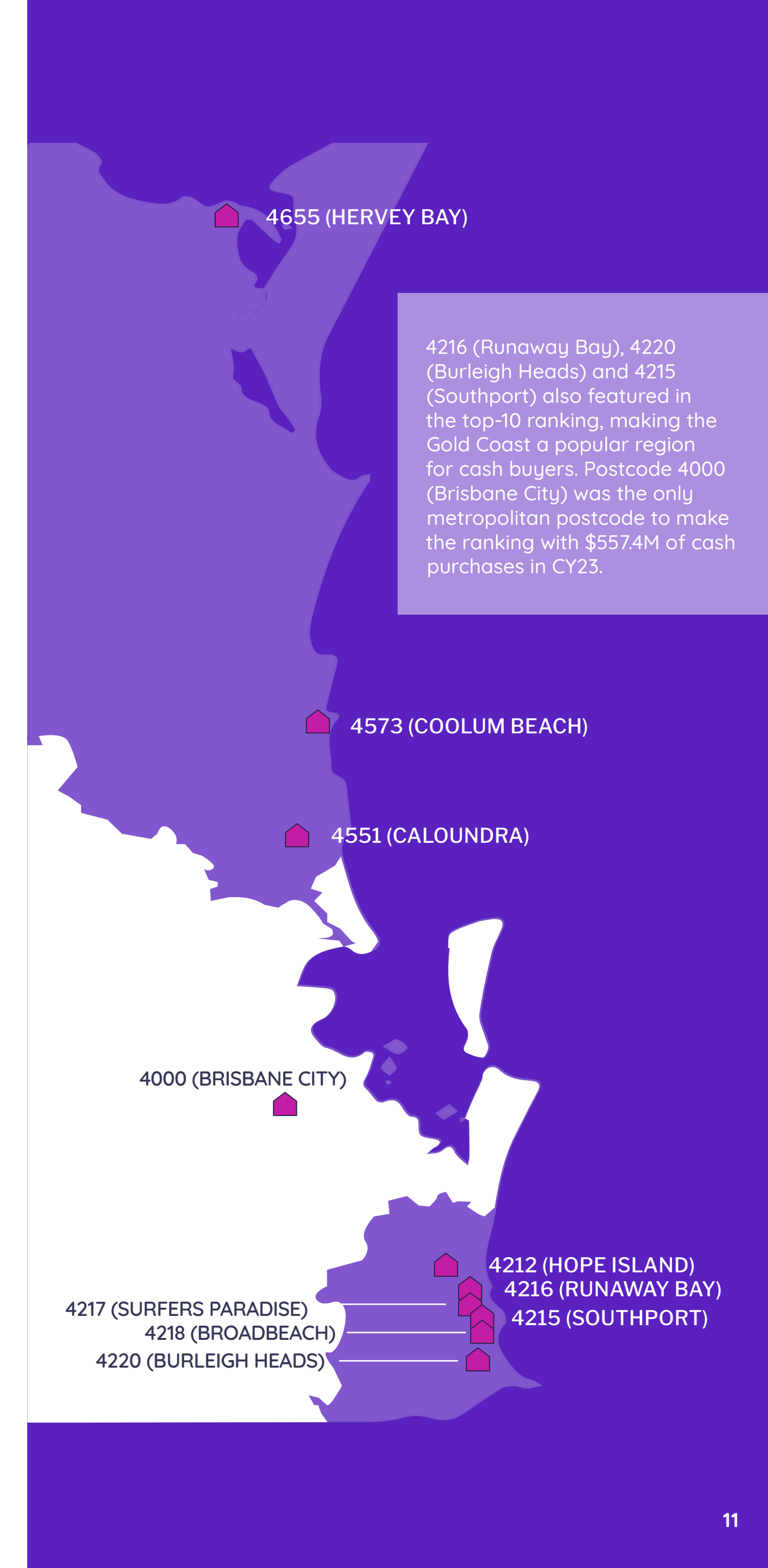
Postcode 4217 (Surfers Paradise) ranked #1 in CY23, overtaking 4218 (Broadbeach) which topped QLD in CY22. \$1.43B of residential property was purchased with cash in CY23. The postcode had 1,232 cash purchases with a median purchase amount of \$800k. Nearly half of the residential properties purchased in this postcode were settled without a mortgage last year.

#5

4655 (Hervey Bay)

Postcode 4655 (Hervey Bay) took fifth spot with cash purchases totalling \$658.8M. It is relatively more affordable suburb with a median cash purchase value of \$565k.

This area is popular with retirees with a median age of 51. The majority of residents in this area live in separate houses (84%) and almost half are homeowners without a mortgage (44%).



Source: PEXA, ABS
 Note: Data analysed at postcode level with the prominent suburb in that postcode shown for convenience.

Metropolitan postcodes attracted the highest value of cash purchases in VIC

Postcode 3000 (Melbourne) recorded over \$1.3B of cash purchases in CY23

TOP-10 VIC POSTCODES FOR AGGREGATE VALUE OF CASH PURCHASES, CY23

GREATER CAPITAL CITY REST OF STATE

POSTCODE	AGGREGATE VALUE OF CASH PURCHASES (\$M)	VOLUME OF CASH PURCHASES	MEDIAN CASH PURCHASE VALUE
3000 (MELBOURNE)	\$1,323.6	1697	\$603,500
3142 (TOORAK)	\$641.2	159	\$2,300,000
3186 (BRIGHTON)	\$614.4	247	\$2,018,000
3064 (CRAIGIEBURN)	\$499.8	873	\$340,000
3141 (SOUTH YARRA)	\$473.6	331	\$746,500
3101 (KEW)	\$466.6	209	\$1,675,000
3122 (HAWTHORN)	\$445.9	286	\$779,500
3150 (GLEN WAVERLEY)	\$426.0	260	\$1,544,000
3029 (TARNEIT)	\$350.5	691	\$390,000
3006 (SOUTHBANK)	\$347.1	424	\$618,750

X

#1

3000 (Melbourne)

Postcode 3000 (Melbourne) ranked #1 with cash purchases worth over \$1.32B in CY23, nearly twice as much compared to the prior year. Over 50% of the total spent on residential property in postcode 3000 (Melbourne) can be attributed to cash purchases.

Filled with high-rise apartments, the CBD area is attractive to domestic and international investors, with three quarters of the dwellings occupied by young renters.

X

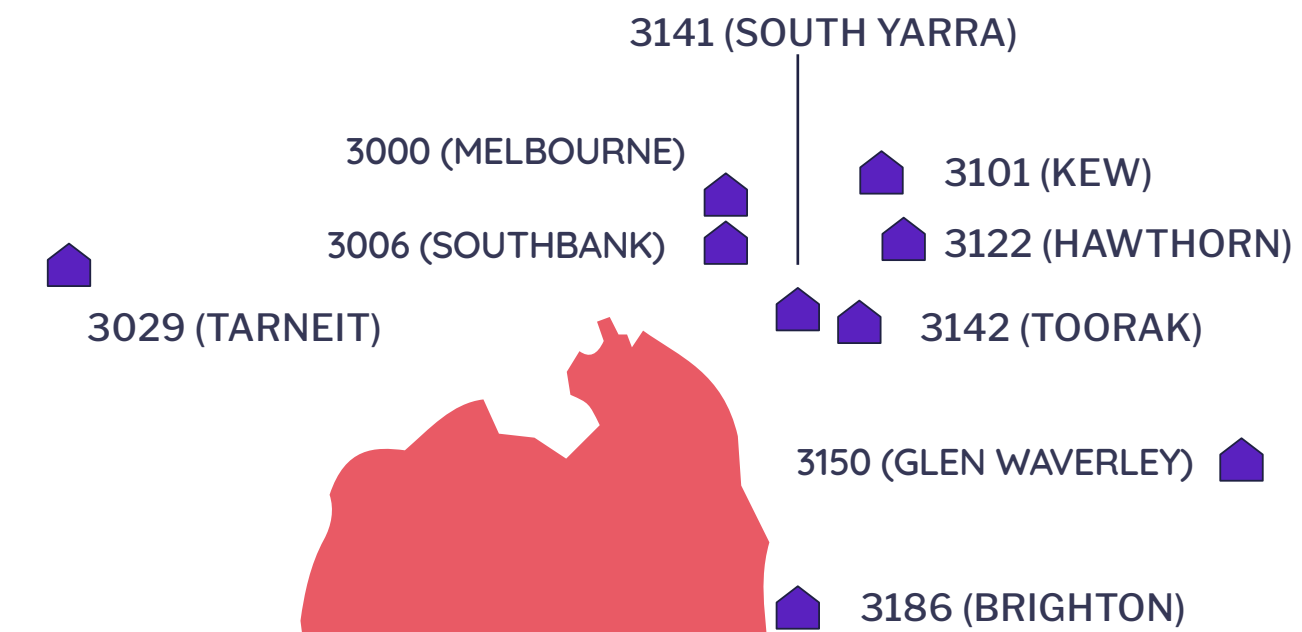
#3

3186 (Brighton)

Postcode 3186 (Brighton) had a total of \$614.4M worth of property purchased with cash in 2023, and a median cash purchase value of \$2.0M.

This well-established bayside locale is just 11 kms south-east of Melbourne's CBD and surrounded by numerous schools. The main family composition in this postcode is Couple family with children (46%) and 45% are homeowners without a mortgage.

3064 (CRAIGIEBURN)



Like NSW, affluent inner-city postcodes were well represented in the rankings, with postcodes 3142 (Toorak), 3186 (Brighton) and 3101 (Kew) all recording high values of cash purchases. Postcodes 3064 (Craigieburn) and 3029 (Tarneit) in the outer metropolitan ring of Melbourne, recorded \$499.8M and \$350.5M in cash purchases respectively in CY23.

Source: PEXA, ABS

Note: Data analysed at postcode level with the prominent suburb in that postcode shown for convenience.

Which areas
had the highest
proportion of
cash purchases?



Most NSW postcodes with the highest % of cash purchases were in small regional communities

Postcode 2422 (Gloucester) topped the list with 63.9% of overall purchases in CY23, funded with cash

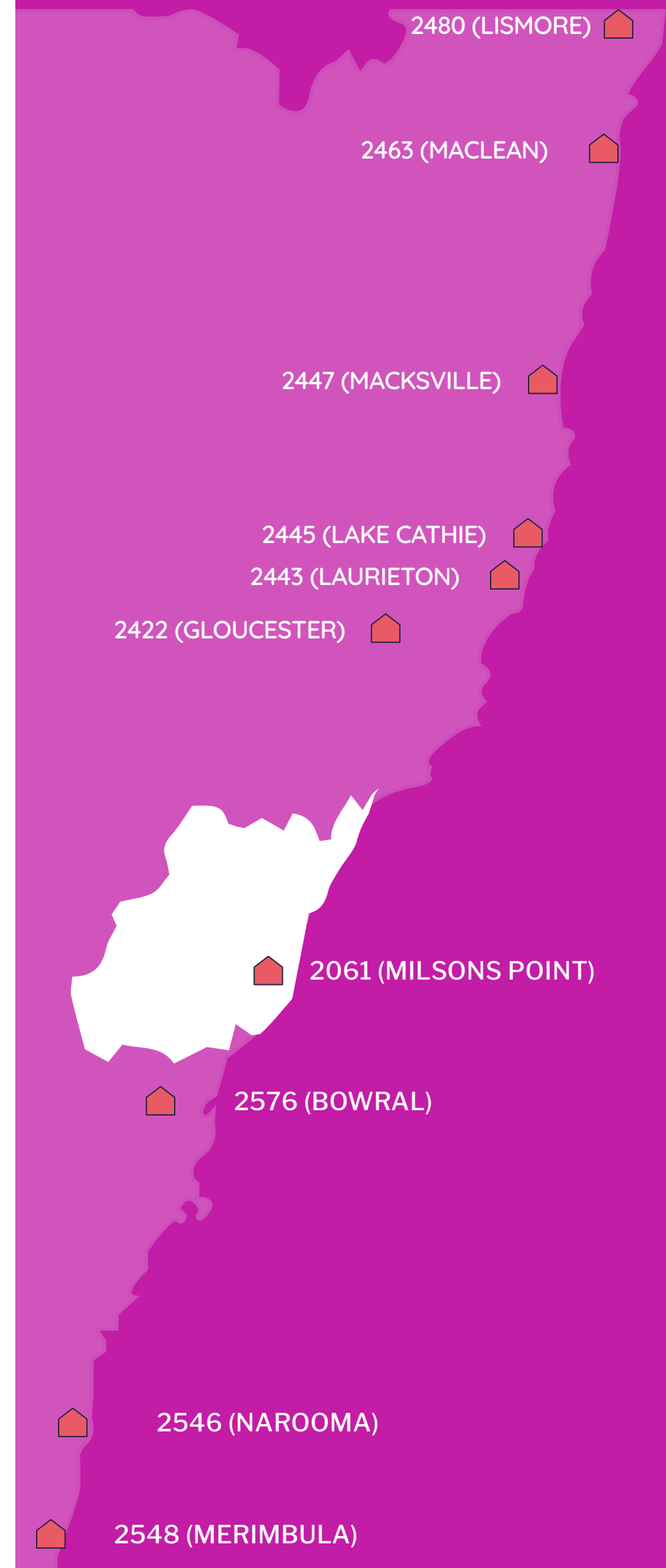
TOP-10 NSW POSTCODES BY % CASH PURCHASES, CY23

GREATER CAPITAL CITY REST OF STATE

New South Wales	% CASH PURCHASES ¹	MEDIAN CASH PURCHASE VALUE	MEDIAN AGE	MAIN FAMILY COMPOSITION	WEEKLY FAMILY INCOME	NOT IN LABOUR FORCE (%)
2422 (GLOUCESTER)	63.9%	\$530,000	55	Couple family without children (55.4%)	\$1,353	47.4
2443 (LAURIETON)	57.8%	\$580,000	61	Couple family without children (63.4%)	\$1,236	58.4
2447 (MACKSVILLE)	55.9%	\$590,000	50	Couple family without children (47.3%)	\$2,185	45.9
2463 (MACLEAN)	54.9%	\$693,750	52	Couple family without children (52.6%)	\$1,381	47.2
2548 (MERIMBULA)	54.7%	\$787,500	55	Couple family without children (59.3%)	\$1,610	48.9
2445 (LAKE CATHIE)	53.3%	\$756,500	52	Couple family without children (53.2%)	\$1,579	45.6
2061 (MILSONS POINT)	52.6%	\$2,500,000	44	Couple family without children (67.4%)	\$4,008	28.7
2546 (NAROOMA)	52.3%	\$802,500	59	Couple family without children (61.7%)	\$1,344	51.1
2576 (BOWRAL)	51.9%	\$1,590,000	56	Couple family without children (54.8%)	\$2,204	46.4
2480 (LISMORE)	51.8%	\$350,000	44	Couple family without children (41.1%)	\$1,729	35.1
NSW	27.7%	\$770,000	39	Couple family with children (44.7%)	\$2,185	35.5

The postcodes that had the highest proportion of cash purchases were mainly located in regional areas popular with older Australians. These postcodes had higher median ages, lower labour force participation and the main family composition was **Couple family without children**. These postcodes also had lower than average family incomes due to the high proportion of retirees. Being in regional areas, the median prices for cash purchases in these postcodes were significantly lower than state averages.

Postcode 2061 (Milsons Point) in Sydney bucked the trend, as the only metropolitan postcode with a very high proportion of cash purchases, and a median cash purchase value of \$2.5M in CY23.



Source: PEXA, ABS

¹Cash purchases as a percentage of overall residential sale settlement volumes in CY23

Note: Data analysed at postcode level with the prominent suburb in that postcode shown for convenience.

Postcode 4421 (Tara) topped QLD for the highest proportion of cash purchases

86.0% of overall residential sale settlements in the postcode were funded entirely with cash

TOP-10 QLD POSTCODES BY % CASH PURCHASES, CY23

GREATER CAPITAL CITY REST OF STATE

Queensland	% CASH PURCHASES ¹	MEDIAN CASH PURCHASE VALUE	MEDIAN AGE	MAIN FAMILY COMPOSITION	WEEKLY FAMILY INCOME	NOT IN LABOUR FORCE (%)
4421 (TARA)	86.0%	\$82,500	48	Couple family without children (46.5%)	\$1,066	48.7
4184 (RUSSELL ISLAND)	76.0%	\$85,000	61	Couple family without children (62.7%)	\$954	60.2
4671 (GIN GIN)	72.3%	\$275,000	52	Couple family without children (52.8%)	\$1,200	46.8
4819 (MAGNETIC ISLAND)	68.2%	\$365,001	58	Couple family without children (63.4%)	\$1,372	42.9
4877 (PORT DOUGLAS)	66.4%	\$445,000	63	Couple family without children (71.3%)	\$926	64.4
4615 (NANANGO)	65.0%	\$292,500	52	Couple family without children (52.7%)	\$1,159	50.7
4852 (MISSION BEACH)	60.9%	\$307,500	50	Couple family without children (57.7%)	\$1,461	35.2
4850 (INGHAM)	60.7%	\$188,500	51	Couple family without children (54.1%)	\$1,557	38.5
4660 (CHILDERS)	59.6%	\$385,000	56	Couple family without children (61.8%)	\$1,179	49.3
4580 (COOLOOLA COVE)	57.1%	\$555,000	63	Couple family without children (71.3%)	\$926	64.4
QLD	29.6%	\$570,000	38	Couple family with children (41.2%)	\$2,024	32.0

Like NSW, the QLD postcodes with the highest proportion of cash purchases were located in regional areas, popular with retirees and downsizers. These towns were relatively affordable, as evidenced by the lower median cash purchase values.



Source: PEXA, ABS

¹Cash purchases as a percentage of overall residential sale settlement volumes in CY23

Note: Data analysed at postcode level with the prominent suburb in that postcode shown for convenience.

Postcode 3880 (Paynesville) in Victoria's Gippsland region had the highest % of cash purchases in the state

58.0% of residential property settlements in the postcode were funded with cash, at a median value of \$505K

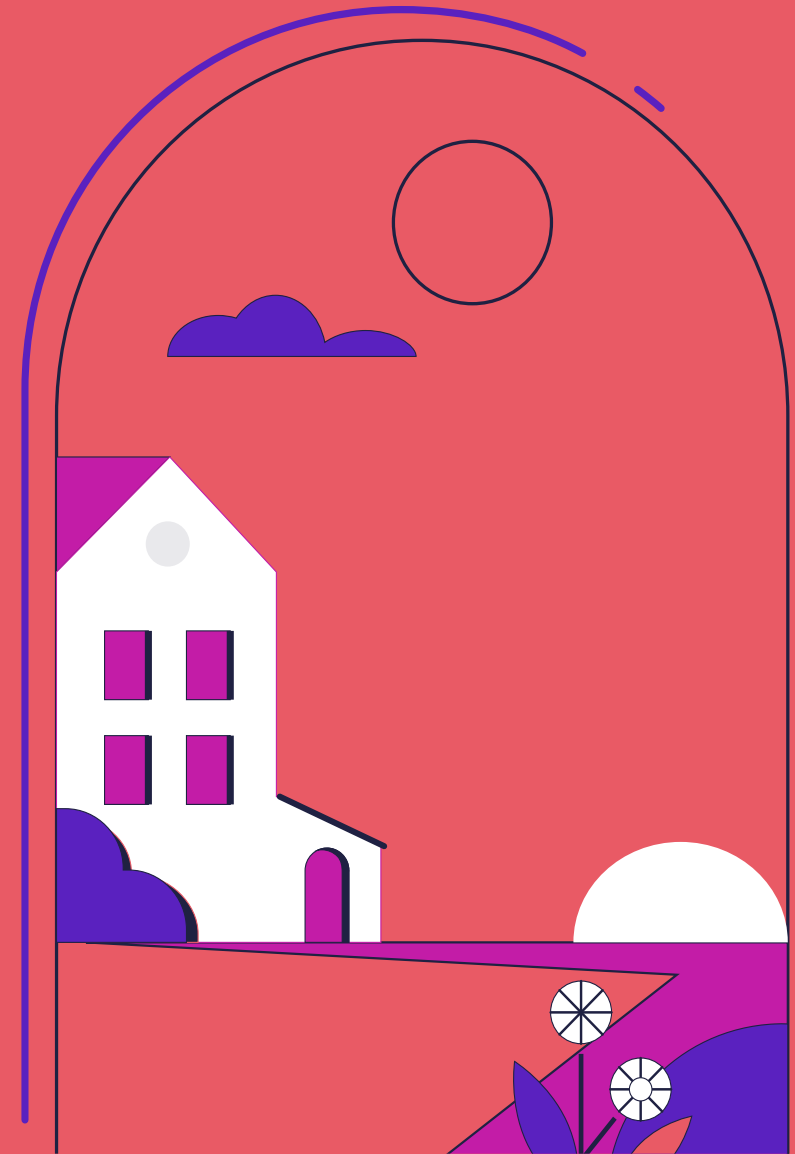
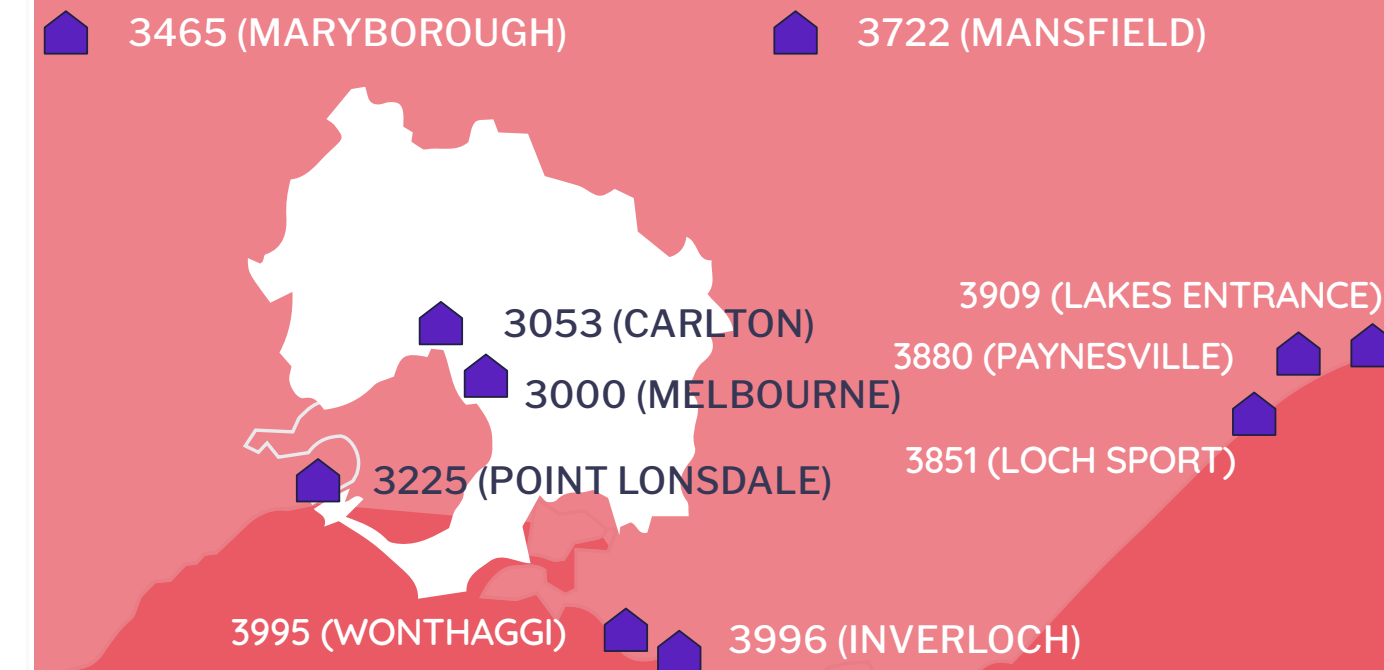
TOP-10 VIC POSTCODES BY % CASH PURCHASES, CY23

GREATER CAPITAL CITY REST OF STATE

Victoria	% CASH PURCHASES ¹	MEDIAN CASH PURCHASE VALUE	MEDIAN AGE	MAIN FAMILY COMPOSITION	WEEKLY FAMILY INCOME	NOT IN LABOUR FORCE (%)
3880 (PAYNESVILLE)	58.0%	\$505,000	63	Couple family without children (68.0%)	\$1,267	58.8
3722 (MANSFIELD)	54.9%	\$715,000	47	Couple family without children (50.1%)	\$1,790	35.8
3465 (MARYBOROUGH)	54.3%	\$317,500	51	Couple family without children (49.2%)	\$1,261	49.3
3053 (CARLTON)	52.3%	\$235,000	27	Couple family without children (59.0%)	\$2,064	30.6
3225 (POINT LONSDALE)	51.9%	\$940,000	61	Couple family without children (62.3%)	\$1,954	48.6
3995 (WONTHAGGI)	51.8%	\$527,500	50	Couple family without children (48.0%)	\$1,392	45.0
3909 (LAKES ENTRANCE)	51.6%	\$390,000	54	Couple family without children (54.1%)	\$1,300	48.4
3000 (MELBOURNE)	50.6%	\$603,500	28	Couple family without children (69.2%)	\$1,857	21.7
3851 (LOCH SPORT)	50.4%	\$234,000	47	Couple family without children (53.9%)	\$1,521	49.8
3996 (INVERLOCH)	48.7%	\$941,000	54	Couple family without children (58%)	\$1,742	46.8
VIC	25.2%	\$604,500	38	Couple family with children (45.5%)	\$2,136	32.2

As observed in the other eastern states, regional postcodes stood out in the rankings for the highest proportion of cash purchases in VIC. Notable exceptions were the metropolitan postcodes of 3053 (Carlton) and 3000 (Melbourne). Over half of properties settled in these postcodes in CY23 were funded entirely with cash.

The seemingly low median cash purchase value of \$235K for 3053 (Carlton) was mainly driven by student accommodation transactions and non-standard property transfers such as separately titled residential car spaces.



Source: PEXA, ABS
¹Cash purchases as a percentage of overall residential sale settlement volumes in CY23
 Note: Data analysed at postcode level with the prominent suburb in that postcode shown for convenience.

Detailed Findings

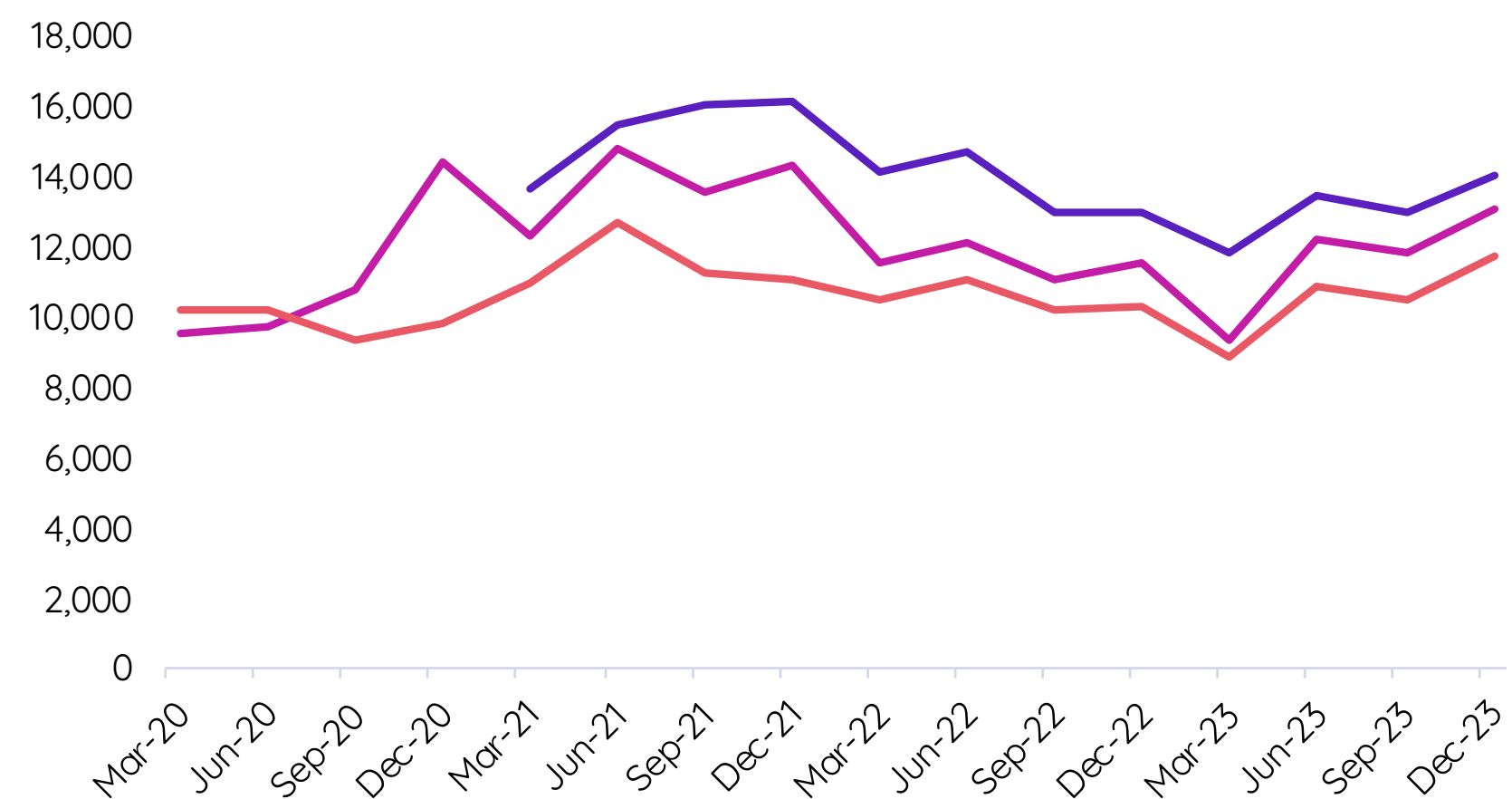


QLD topped the eastern states for the highest volume of cash purchases

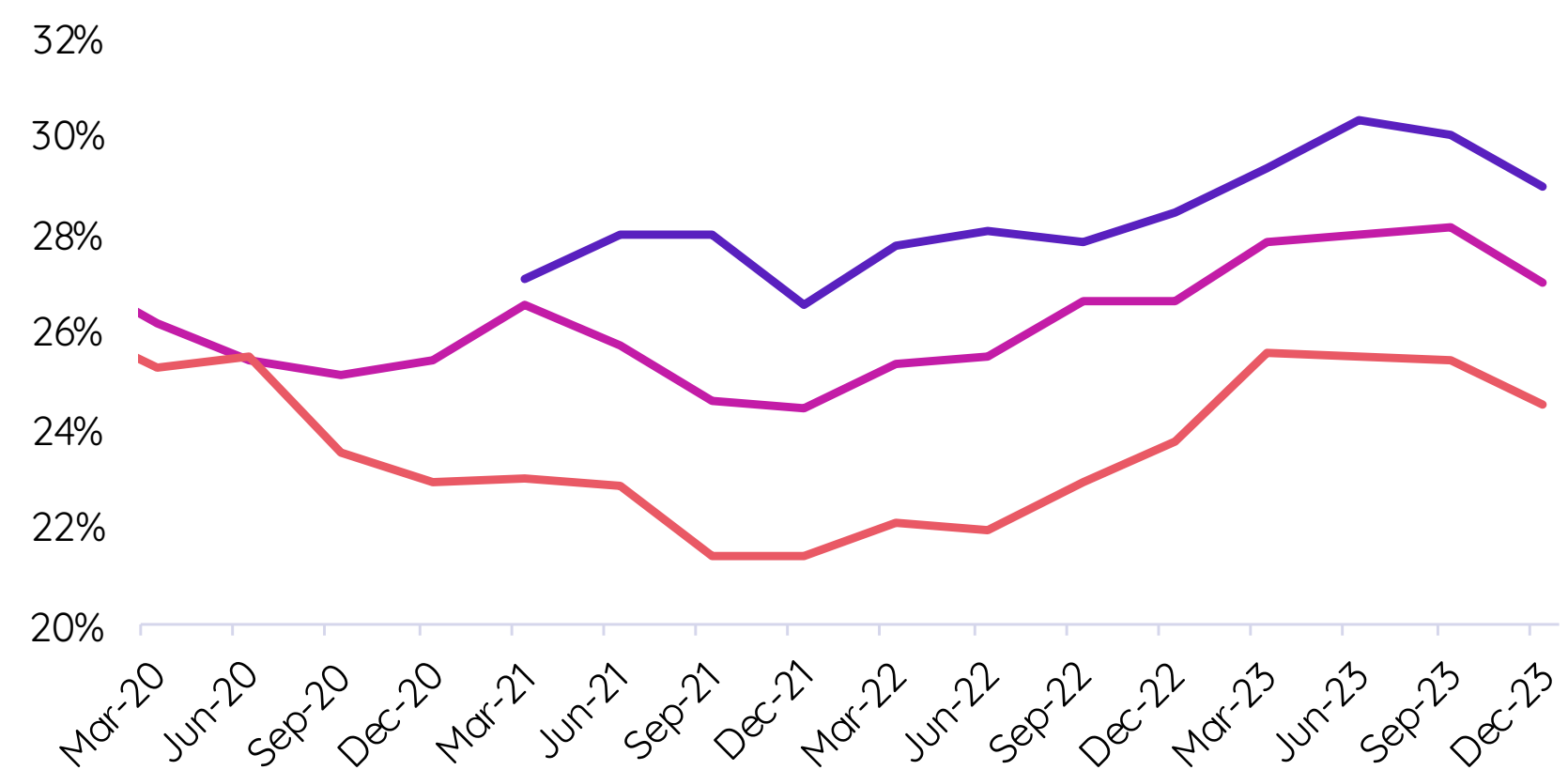
Cash purchases made up around 30% of all residential sale settlements in QLD throughout CY23



CASH PURCHASES, TOTAL VOLUME, QUARTERLY



CASH PURCHASES AS A % OF TOTAL RESIDENTIAL SALE SETTLEMENTS, QUARTERLY



NSW VIC QLD

Cash purchases were highest in QLD with 14.0K recorded in the Dec-23 Qtr, compared to 13.1K in NSW and 11.7K in VIC. The volume of cash purchases increased in the second half of 2023 in all eastern states.

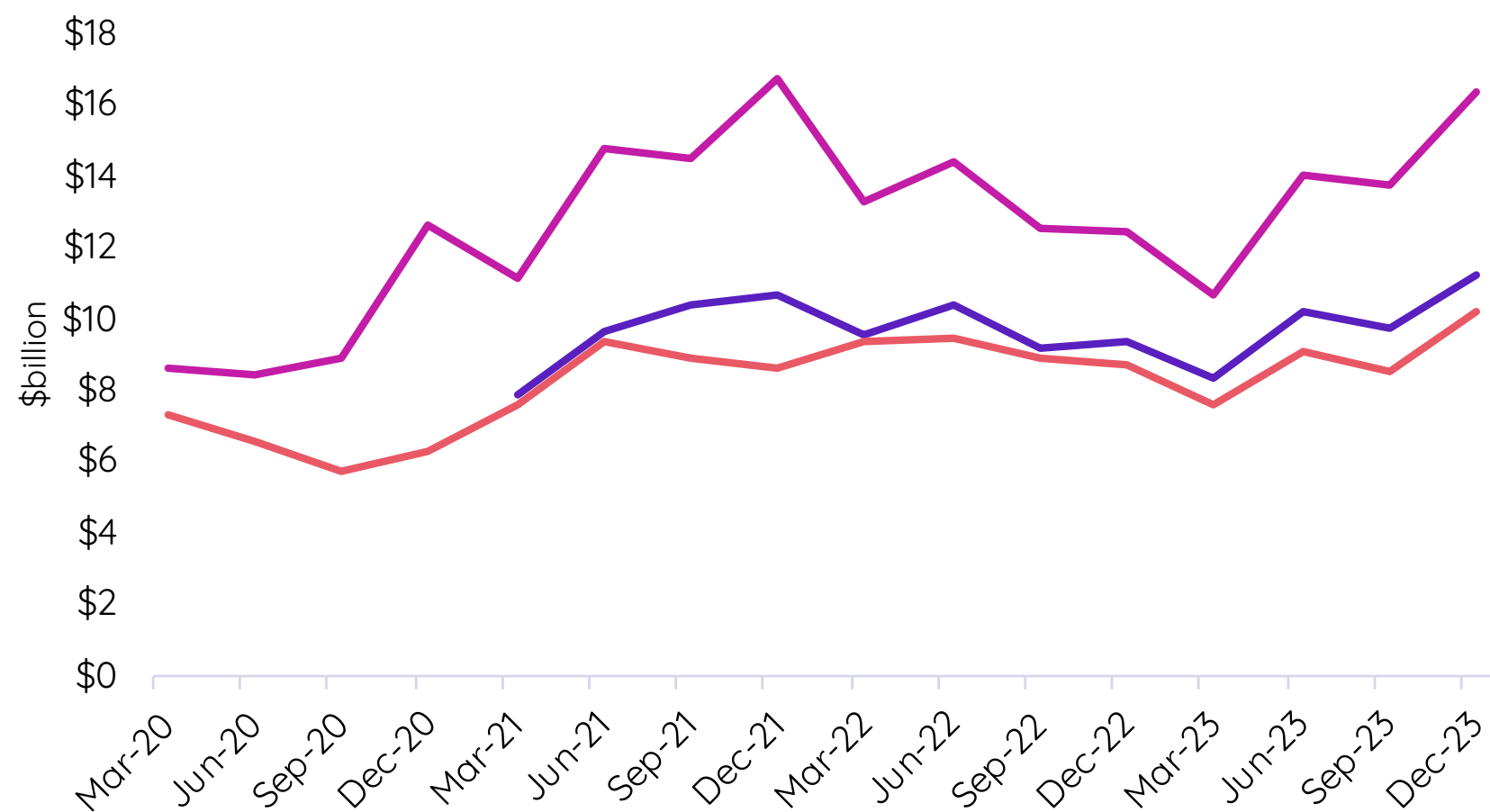
Source: PEXA
NOTE: QLD from 2021 onwards

NSW saw the highest aggregate value of cash purchases of any eastern state

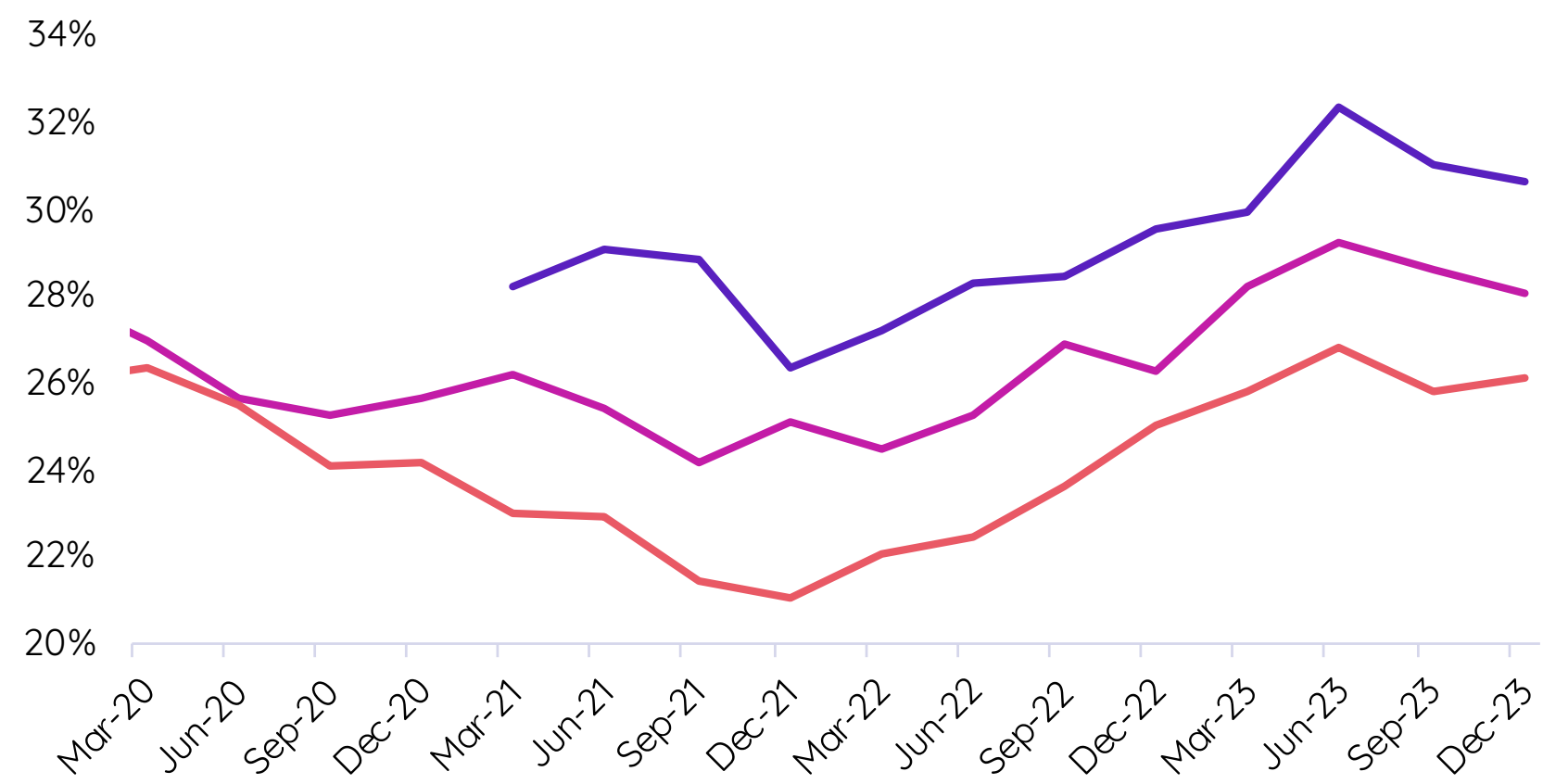
The total value of cash purchases in NSW was consistently ahead of the other eastern states, driven by higher property prices



AGGREGATE VALUE OF CASH PURCHASES, QUARTERLY



CASH PURCHASES AS A % OF AGGREGATE VALUE OF RESIDENTIAL SALE SETTLEMENTS, QUARTERLY



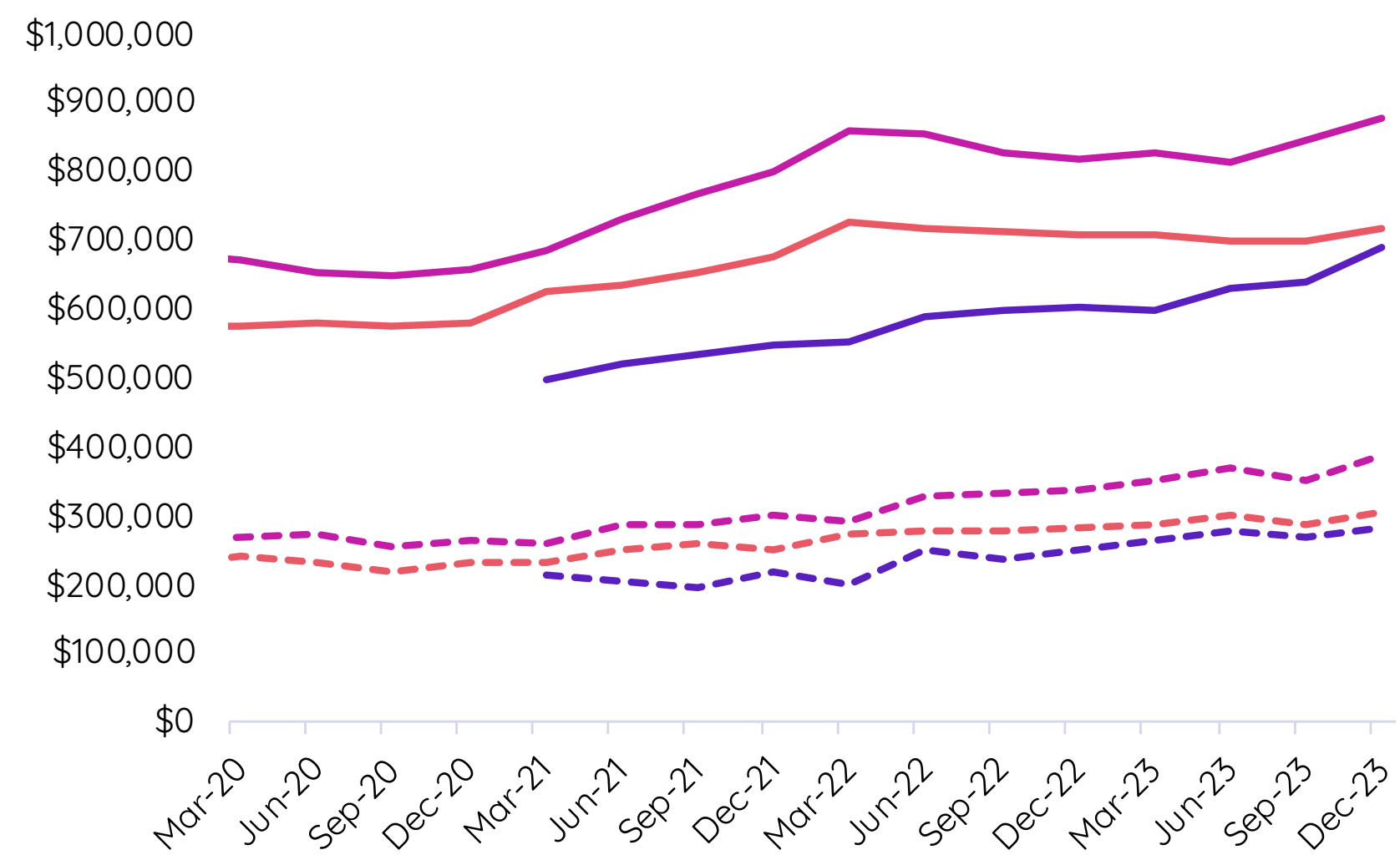
NSW VIC QLD

A total of \$16.4B worth of residential property was purchased with cash in NSW in the Dec-23 Qtr. This was just below the previous record of \$16.7B posted in the Dec-21 Qtr in that state. The proportion of cash purchases by value has trended upwards since Dec-21 Qtr and peaked in Jun-23 Qtr.

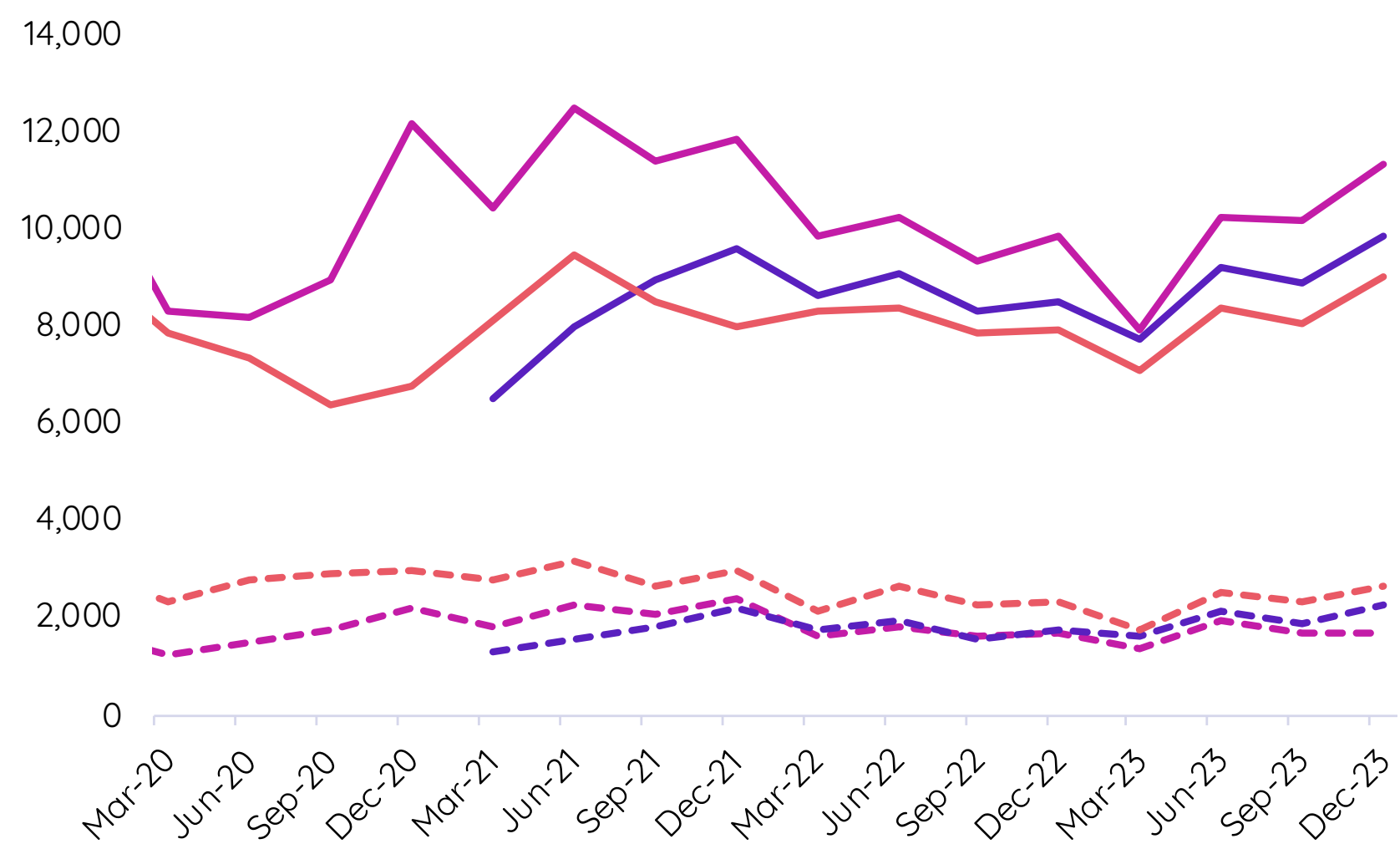
The median value of dwellings purchased with cash in NSW hit a record high of \$880K in the Dec-23 Qtr

During the same period, the median value of land purchased with cash in NSW also increased to \$386,500

MEDIAN VALUE OF CASH PURCHASES BY PROPERTY TYPE, QUARTERLY



CASH PURCHASES, VOLUMES BY PROPERTY TYPE, QUARTERLY



Dwellings — NSW — VIC — QLD
 Land - - - NSW - - - VIC - - - QLD

✖ The median value of dwellings (houses and units) purchased with cash in QLD jumped to \$690K in the Dec-23 Qtr, approaching the median in VIC, which was slightly ahead at \$720K. The median value of land purchased with cash also crept up across all eastern states in CY23.

Source: PEXA
NOTE: QLD from 2021 onwards

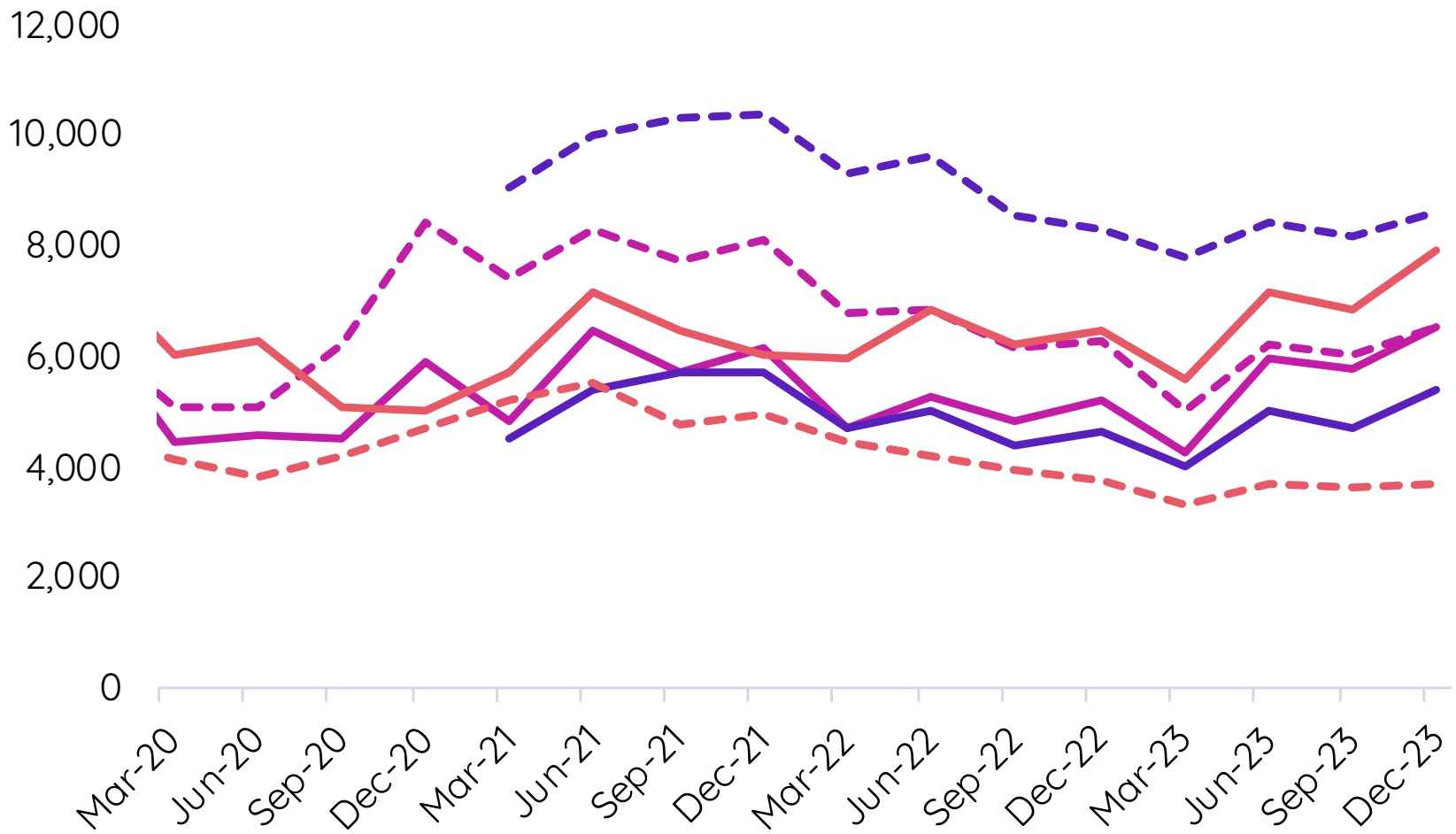
The highest volume of cash purchases was recorded in regional QLD

Over 8.6K cash purchases were recorded in regional QLD in the Dec-23 Qtr, ahead of Greater Melbourne with over 7.9K

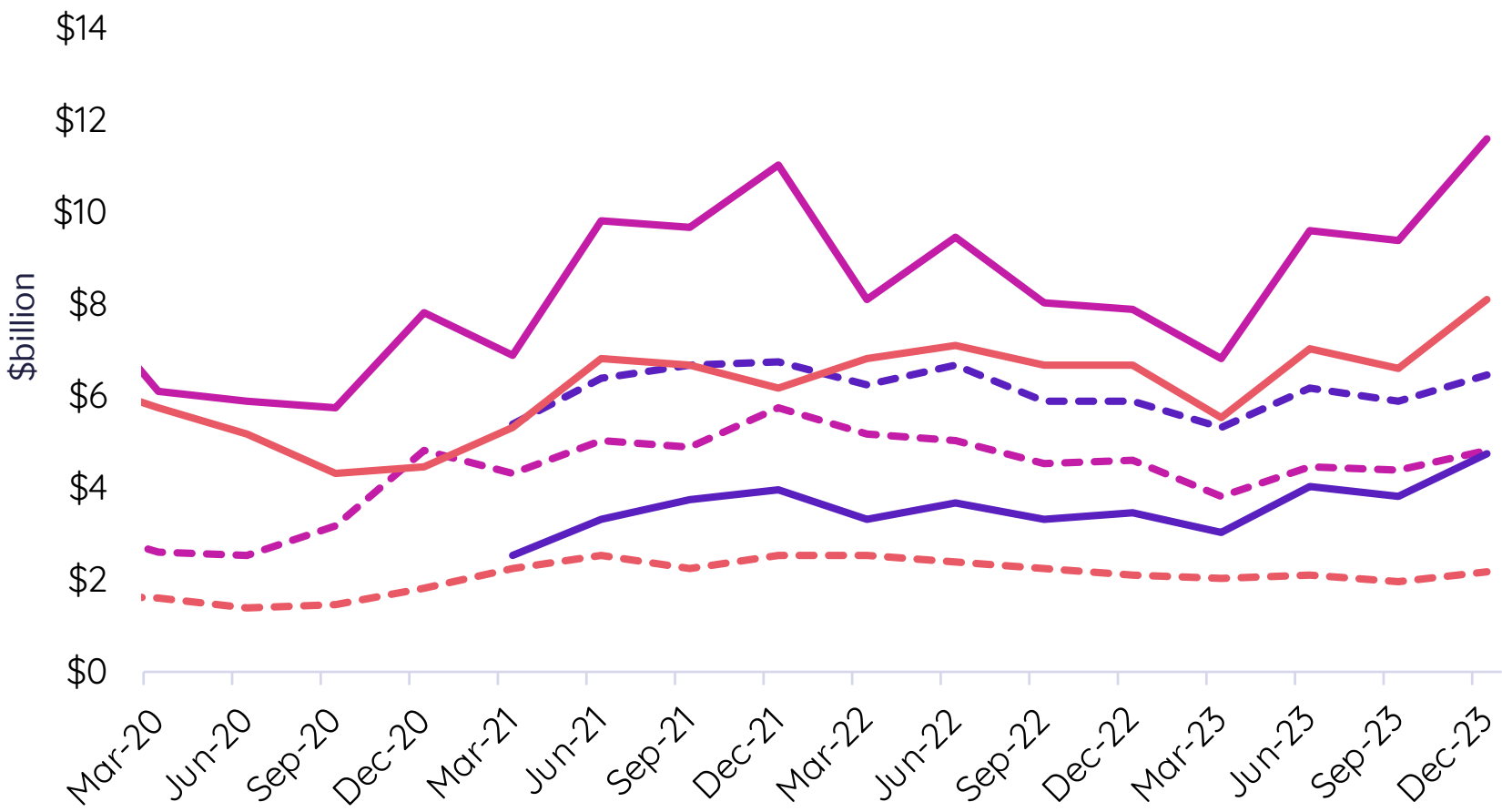


Greater Capital City — NSW — VIC — QLD
 Rest of State - - - NSW - - - VIC - - - QLD

CASH PURCHASES BY GEOGRAPHY, TOTAL VOLUME, QUARTERLY



AGGREGATE VALUE OF CASH PURCHASES BY GEOGRAPHY, QUARTERLY



Due to higher property prices in capital cities, Greater Sydney and Melbourne recorded the highest aggregate value of cash purchases, with Greater Sydney topping \$11.5B, and Greater Melbourne posting \$8.1B in the Dec-23 Qtr.

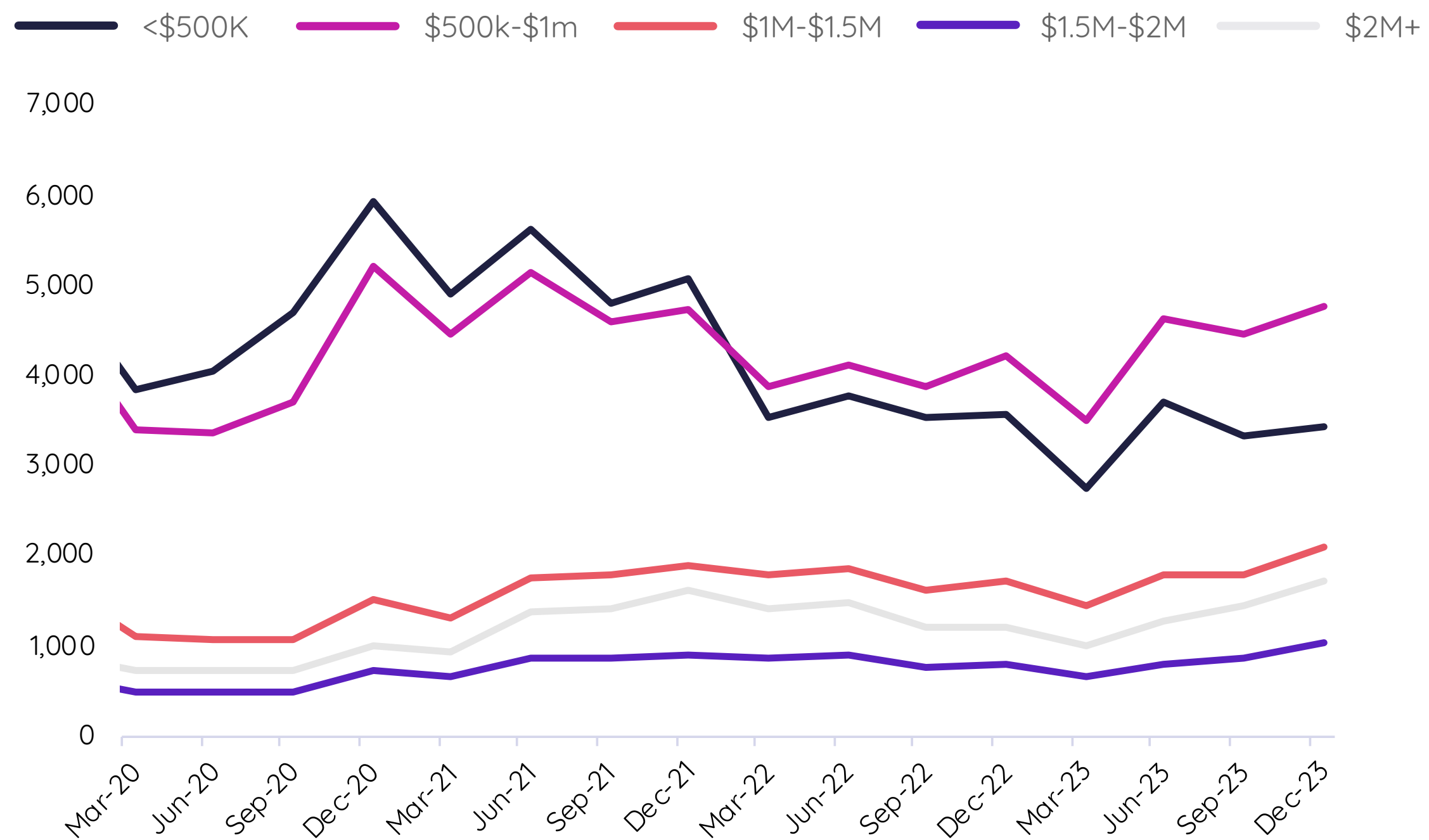
Source: PEXA
 NOTE: QLD from 2021 onwards



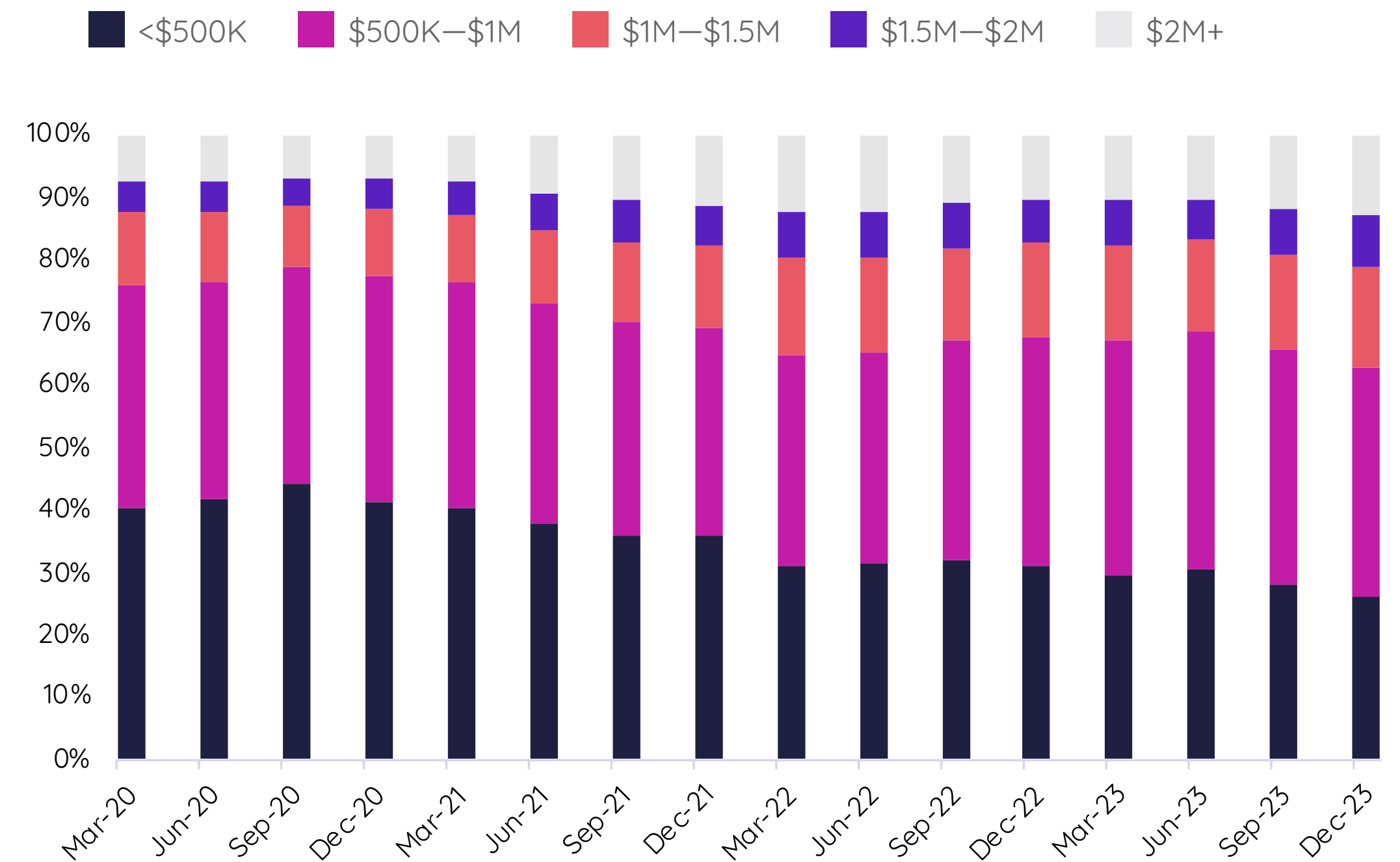
Appendix

NSW - Volume and proportion of cash purchases by price band

NSW - VOLUME OF CASH PURCHASES BY PRICE BAND, QUARTERLY



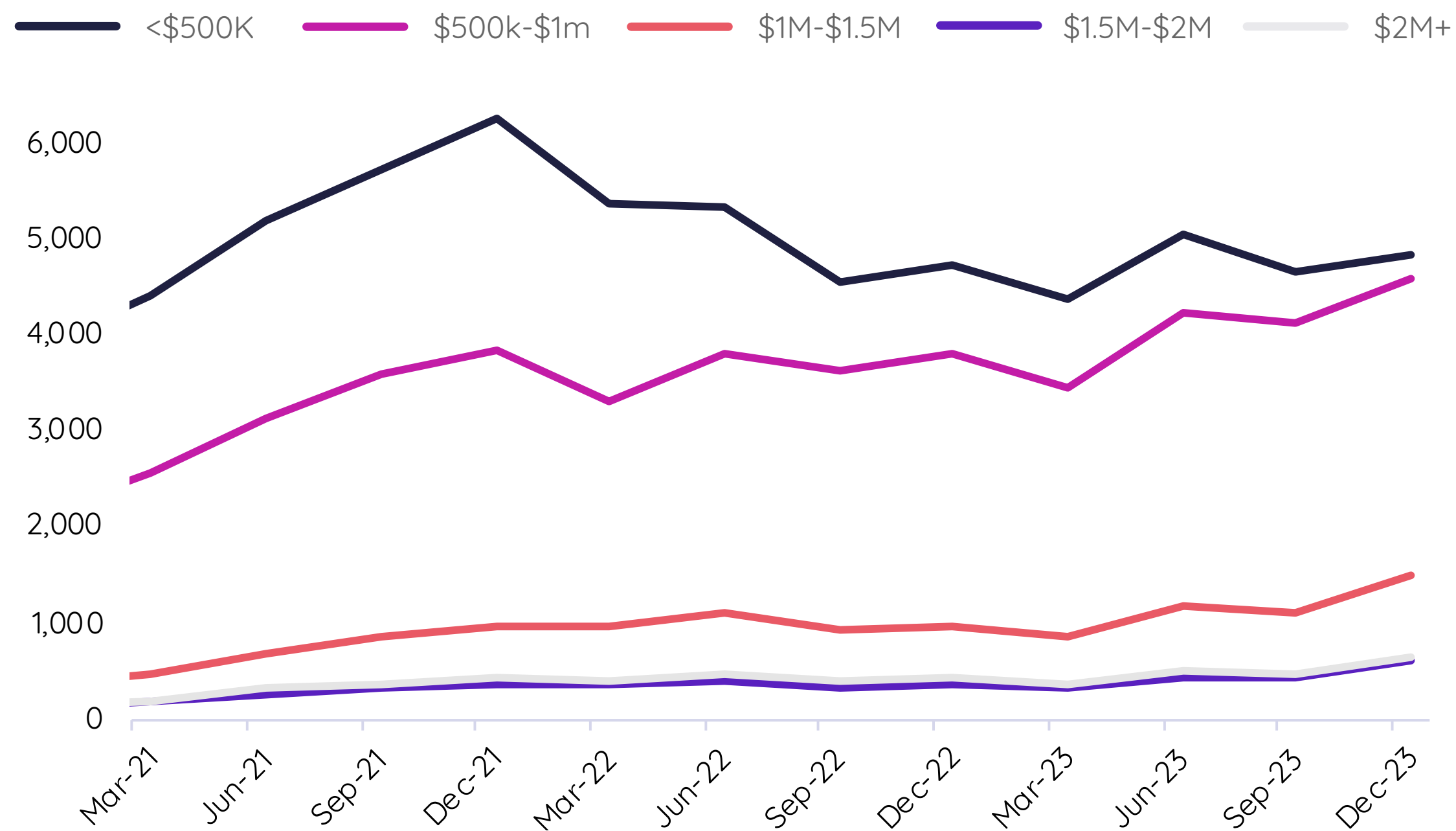
NSW - SHARE OF CASH PURCHASES BY PRICE BAND (%), QUARTERLY



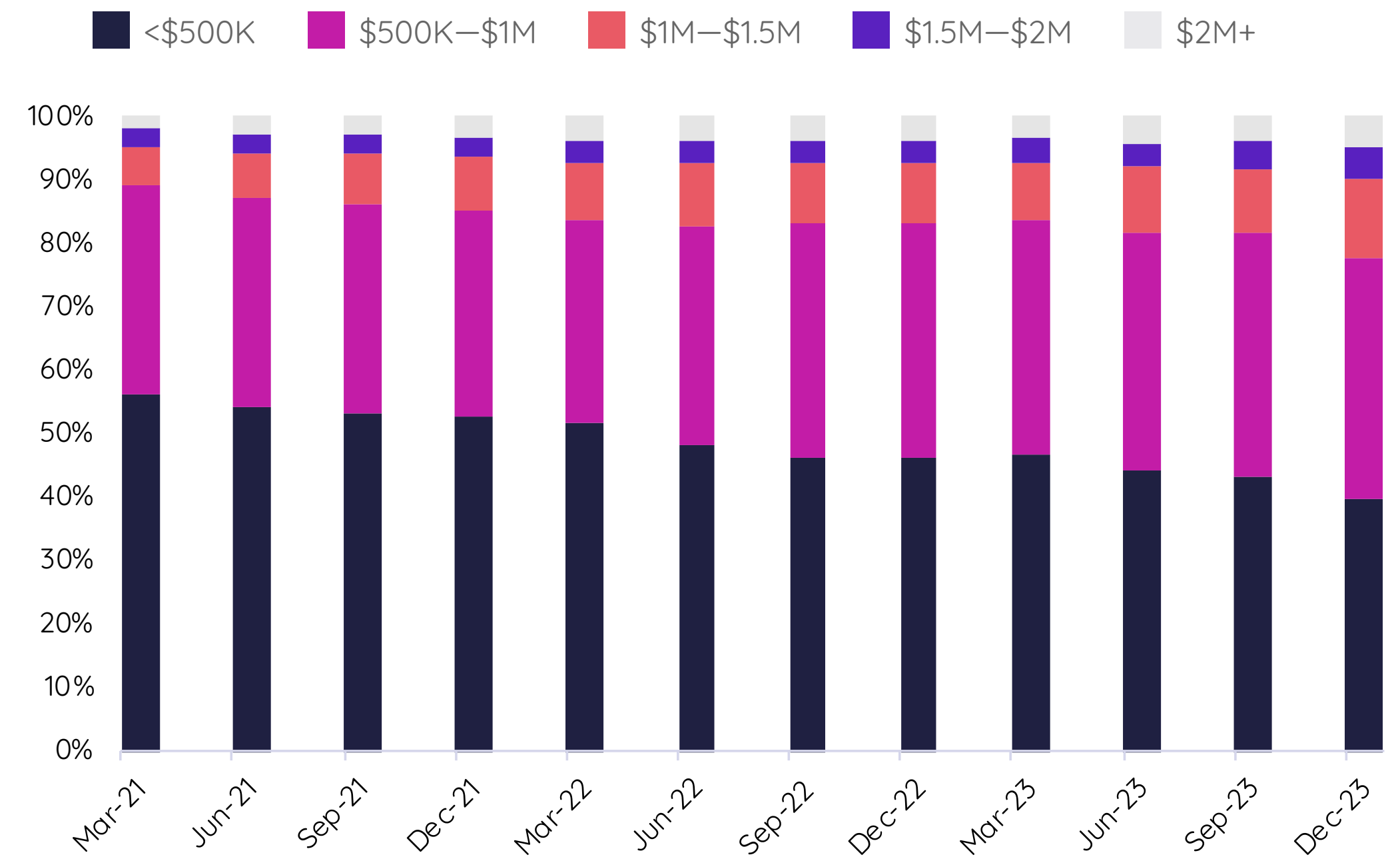
Source: PEXA

QLD - Volume and proportion of cash purchases by price band

QLD - VOLUME OF CASH PURCHASES BY PRICE BAND, QUARTERLY



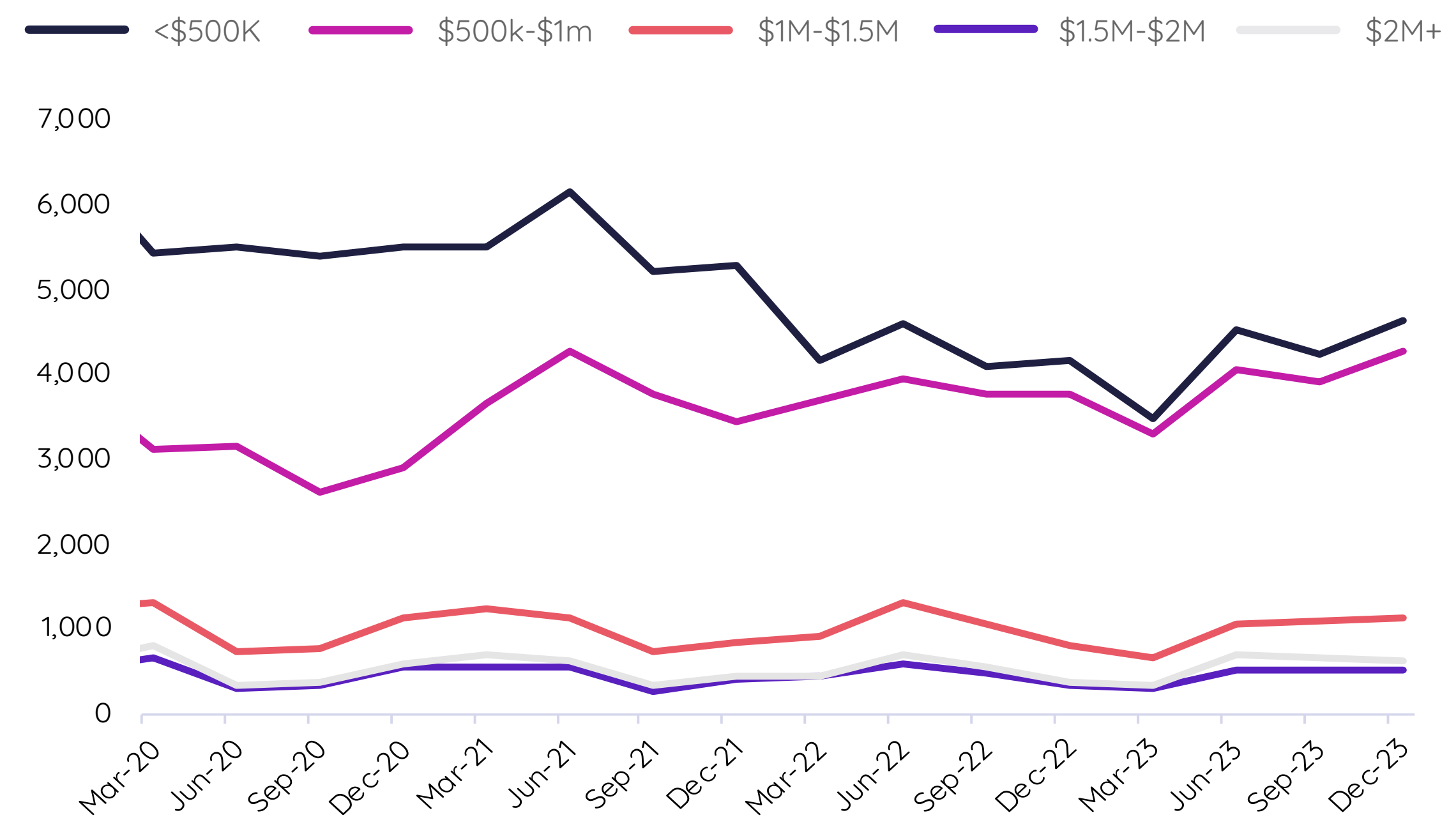
QLD - SHARE OF CASH PURCHASES BY PRICE BAND (%), QUARTERLY



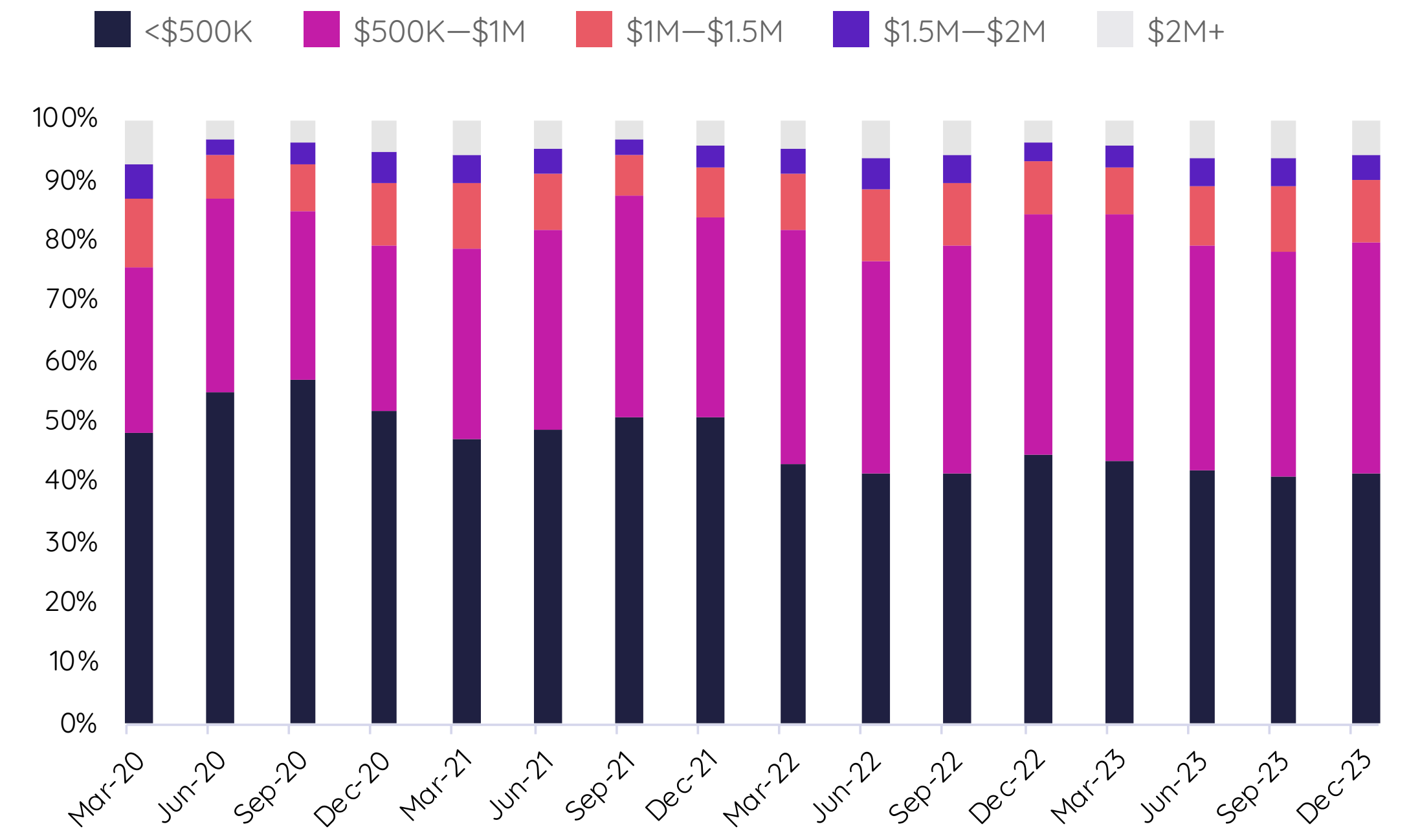
Source: PEXA
NOTE: QLD from 2021 onwards

VIC - Volume and proportion of cash purchases by price band

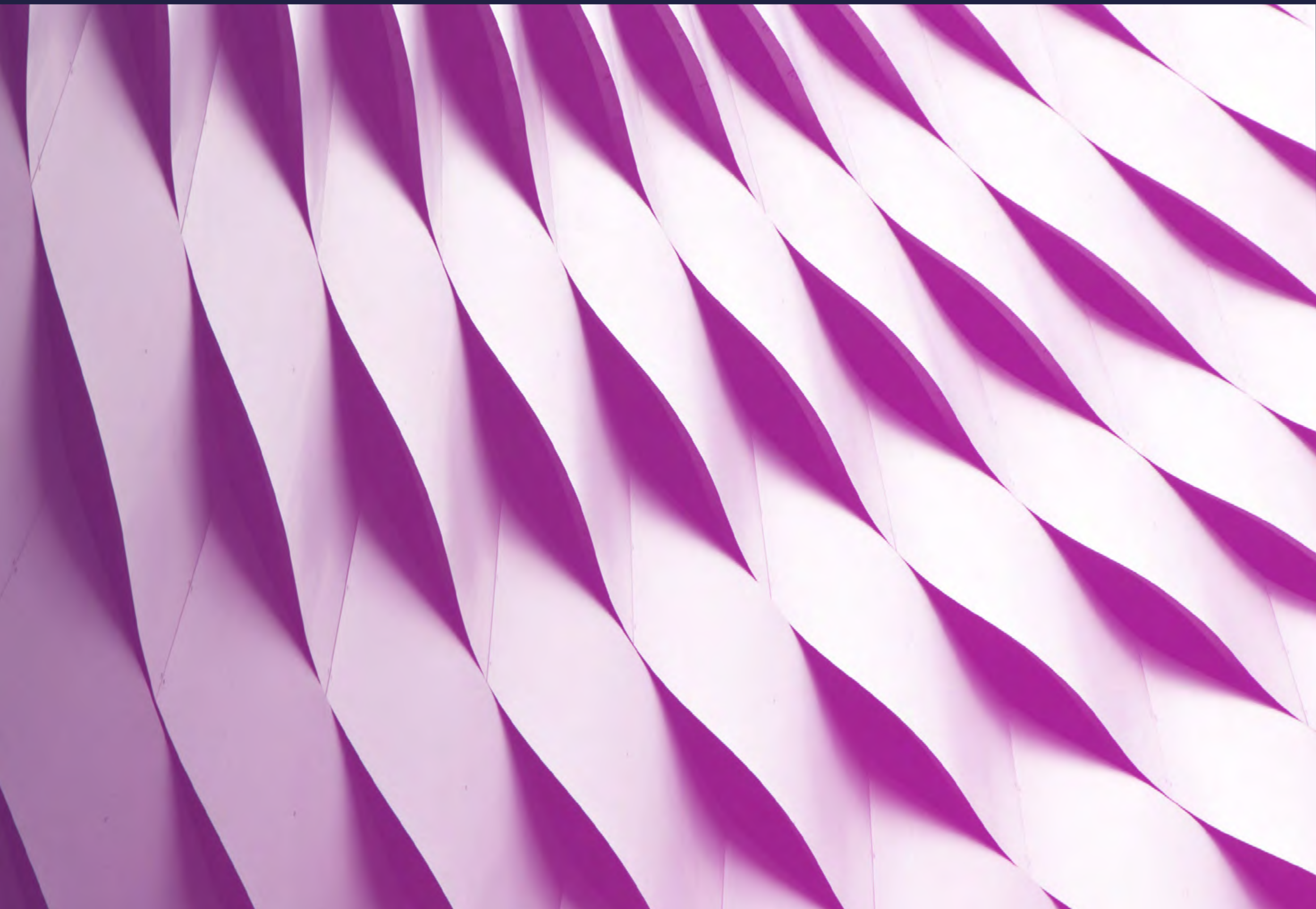
VIC - VOLUME OF CASH PURCHASES BY PRICE BAND, QUARTERLY



VIC - SHARE OF CASH PURCHASES BY PRICE BAND (%), QUARTERLY



Source: PEXA



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