

Property Research Digest: Edition 33

Domestic Economics

Monetary Policy

The current cash rate in Australia, as determined by the **Reserve Bank of Australia (RBA)**, is 4.10%. This rate has been unchanged since 1 April, 2025. The **RBA** will meet on 19 - 20 May, with the outcome of the meeting announced at 2:30 pm on 20 May. The Governor will hold a media conference at 3:30 pm.

Financial markets are currently pricing in a 95% probability of a rate cut at this meeting. There is a 66% probability of at least three reductions by September, bringing the cash rate down to 3.1%.

For context, the long-run average official cash rate over the past 25 years is 3.6%, with a peak of 7.25% in the third quarter of 2008.

Reserve Bank of Australia

Probability Distribution

Meeting Date	Expected Target Rate	Cut	No Change	Hike	1.85	2.1	2.35	2.6	2.85	3.1	3.35	3.6	3.85
20-May-2025	3.8390	100.0	0.0	0.0								4.4	95.6
08-Jul-2025	3.6168	100.0	0.0	0.0							3.9	85.5	10.6
12-Aug-2025	3.3977	100.0	0.0	0.0						3.4	75.4	19.9	1.3
30-Sep-2025	3.1780	100.0	0.0	0.0					3.0	66.7	26.6	3.6	0.2
04-Nov-2025	3.0959	100.0	0.0	0.0				1.0	23.9	53.5	19.0	2.4	0.1
09-Dec-2025	2.9190	100.0	0.0	0.0			0.7	17.2	44.9	29.1	7.3	0.8	0.0
03-Feb-2026	2.9632	100.0	0.0	0.0			0.6	14.3	40.0	31.9	11.2	1.9	0.2
17-Mar-2026	2.8723	100.0	0.0	0.0		0.2	5.6	23.6	37.0	24.4	7.8	1.3	0.1
05-May-2026	2.9984	99.9	0.1	0.0		0.1	2.9	14.5	30.3	30.8	16.2	4.6	0.7
16-Jun-2026	2.9325	100.0	0.0	0.0	0.0	0.8	5.9	18.7	30.4	26.9	13.1	3.6	0.5
11-Aug-2026	2.8621	100.0	0.0	0.0	0.3	2.3	9.5	22.0	29.4	23.0	10.4	2.7	0.4
29-Sep-2026	2.8377	99.9	0.0	0.0	0.5	3.0	10.7	22.7	28.8	21.8	9.7	2.5	0.4
03-Nov-2026	2.9994	99.7	0.2	0.0	0.2	1.3	5.7	15.0	24.8	26.3	17.5	7.1	1.7
08-Dec-2026	2.9825	99.7	0.2	0.0	0.2	1.6	6.3	15.6	24.9	25.7	16.8	6.8	1.6

Source: Bloomberg, Wingate Research

Consumer Price Index (CPI)

Data released by the **Australian Bureau of Statistics (ABS)** this week shows that the underlying CPI eased to 2.9% year-on-year in the first quarter, below the top of the target for the first time since December 2021.

The official cash rate is likely to be lowered at the next **Reserve Bank of Australia** Board meeting (see above).

That said, the pace of easing is likely to be gradual and broadly in line with the RBA’s assessment of the neutral cash rate.

Gross Domestic Product

Insightful data from the **OECD** highlights research and development (R&D) spending as a percentage of Gross Domestic Product (GDP) across more than 100 countries.

On average, countries invest approximately 2.1% of their GDP in R&D. Israel leads the way, spending 6.3%, followed by South Korea at 5.0% and Taiwan at 4.0%.

Unsurprisingly, Australia continues to lag, allocating only 1.7% of its GDP to R&D.

Average R&D spend by continent is as follows: Asia – 3.2%; North America – 2.6%; Europe – 2.1%; Oceania – 1.6%; Africa – 0.6%; and South America – 0.4%. Read more: [OECD Research and Development Statistics](#).

Population

Australia's population grew by 1.8% in the 12 months to 30 September 2024, according to the latest figures from the **Australian Bureau of Statistics (ABS)**. The national population now exceeds 27.3 million, marking an increase of 484,000 people over the past year.

Overseas migration remains the primary driver of growth, although it has continued to trend downward in recent quarters.

Western Australia recorded the fastest population growth, rising 2.5% year-on-year, followed by Victoria (2.1%) and Queensland (2.0%). Tasmania experienced the slowest growth, increasing by just 0.3%. Read more: [ABS Media Release](#).

Residential

Student Commencements

Student commencement data from the Department of Education shows a general trend of growth across most regions over the past five years, with significant increases in **New South Wales, Tasmania, and the Australian Capital Territory**. **New South Wales** experienced a notable jump in 2023, while **Victoria** showed some fluctuations but finished with a rise in 2024.

Queensland experienced a decline until 2021, followed by a recovery. **South Australia** and the **Northern Territory** remained relatively stable with only minor changes, while **Western Australia** showed fluctuations but recorded an overall increase toward the end of the period. For detailed analysis by country of origin and more, view the full report [here](#).

Student Commencements

State and Territory (State Peak in Bold)

	2019	2020	2021	2022	2023	2024	Variance
NSW	194,033	150,404	107,343	149,753	206,099	214,515	20,482
VIC	160,885	122,879	86,378	113,295	163,244	173,942	13,057
QLD	82,642	61,133	40,519	59,981	89,920	87,026	4,384
SA	23,832	21,217	16,334	22,810	30,060	29,396	5,564
WA	29,975	23,972	17,148	25,882	46,997	48,932	18,957
TAS	8,871	7,219	6,230	5,789	5,248	5,422	-3,449
NT	1,963	2,356	1,735	1,949	3,272	2,301	338
ACT	8,420	6,925	7,135	8,984	10,590	10,452	2,032
Total	510,501	396,105	282,822	388,443	555,430	571,986	61,485

Source: Department of Education, Wingate Research

Australia’s student accommodation development pipeline has grown by around 5,600 beds since Semester One last year, according to Urbis, bringing the total pipeline of student-only beds to 35,605.

The latest **Urbis Student Accommodation Benchmarks** highlights ongoing growth in student housing, with **11,102 beds** currently under construction. The private sector remains the driving force behind development, accounting for **9,492 beds** under construction.

An additional **14,938 beds** have been approved for development, and a further **9,565 beds** are awaiting approval nationally. Melbourne holds the largest share of beds in the pipeline, with 8,875, followed by Brisbane, with 7,118 beds, and Sydney, with 6,849 beds. Access the full report [here](#).

Median House Prices by Electorate

Median house price data from **CoreLogic** showed that the least affordable electorates are concentrated in urban centres and are more likely to be held by Labor or Independents, particularly in inner-city **Sydney** and **Melbourne**. The most affordable electorates tend to be regional or remote and skew toward the Coalition.

Land Supply

Queensland

The **Southern Thornlands Priority Development Area (PDA)** was declared on **4 April 2025**, and the **Southern Thornlands PDA Interim Land Use Plan (ILUP)** came into effect at the same time. The ILUP includes two precincts:

- **Precinct 1 – Eastern Precinct**, located east of Springacre Road, which provides for a residential neighbourhood supported by a mixed-use centre.
- **Precinct 2 – Investigation Precinct**, comprising the balance of the PDA, where development is restricted to interim or temporary uses until the PDA Development Scheme is finalised.

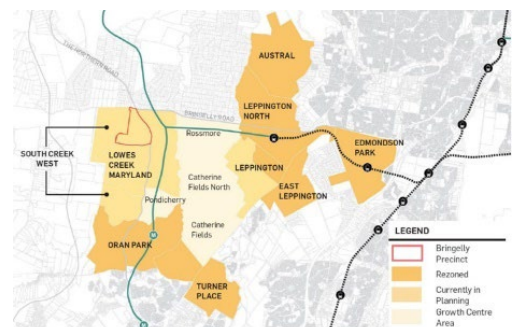
The PDA will focus on delivering new infrastructure and more housing. **Nine hundred homes** will be unlocked immediately, with **more than 7,000** additional homes to follow. Key landowners in the area include **Fiteni, Harridan, Stockland, Urbex** and **Villawood Properties**. Read more about the Southern Thornlands PDA [here](#).

South Australia

The state government is shifting its strategy on housing by rezoning **five sites** that were previously exempt from development. A bill will be introduced to adjust the boundaries of the state’s **Environment and Food Production Areas (EFPAs)**. This move is a key component of the **Greater Adelaide Regional Plan** unveiled in March, and is aimed at creating space for **315,000 new homes** in the greater capital city region over the next **30 years**. Read more about this development [here](#) and [here](#).

New South Wales

A significant **rezoning proposal** has been submitted for the **Belmore Road Precinct** in **Camden Council, Sydney**. The precinct is part of the **South Creek West Land Release Area**, which covers approximately **1,500 hectares** of developable land. The site consists of **55 individual lots**, with **40%** of the land under **single ownership**.



The proposed rezoning aims to introduce over **3,000 new dwellings**, along with an **employment precinct** and a **retail town centre**.

Taxes and Charges

National

Data from the **Centre for International Economics** highlights the increasing portion of the total cost of acquiring new properties attributed to **statutory taxes, regulatory costs, and infrastructure charges**. **Sydney** has the highest costs for both **house and land packages** and **infill apartments**, both in absolute terms and as a percentage of the total outlay.

Greenfield and Infill

Statutory Taxes, Regulatory Costs, and Infrastructure Charges

	Greenfield House and Land Packages	% of Total Outlay	Infill Apartments	% of Total Outlay
Sydney	\$576,000	49%	\$436,000	38%
Melbourne	\$373,000	43%	\$236,000	32%
Brisbane	\$348,000	41%	\$256,000	34%
Perth	\$237,000	36%	\$149,000	30%
Adelaide	\$273,000	37%	\$183,000	31%
Hobart	\$257,000	37%	\$202,000	33%
Average		41%		33%

Source: Centre for International Economics, Wingate Research

Queensland

As part of the Queensland Government's broader housing strategy, the state has prioritised the **abolition of stamp duty** on new builds for first home buyers. Starting from **1 May**, first home buyers purchasing a new build will no longer be subject to stamp duty.

Last year, the first-homebuyer stamp duty concession threshold was increased to \$700,000. In the most affordable first-homebuyer market, Ipswich in southeast Queensland, indicative savings are around \$18,000. An estimated 3,000 first homebuyers will benefit from these changes per annum.

Regulation

Victoria

The **Victorian State Government** has recently introduced the **Building Legislation Amendment (Buyers Protection) Bill 2025** to the State Parliament.

A key aspect of this bill is the **developer bond scheme**, which requires developers of apartments over **three storeys** to secure a bond (2% of the building work cost) before applying for occupancy permits. If defects are not addressed within 24 months of occupancy, the bond funds will be used to rectify them. Read more about the legislation [here](#).

New South Wales

The **New South Wales Government** has proposed changes to the **Consolidated Building Bill** to make it easier to approve **land lease developments**. These changes aim to simplify the definition of '**relocatable homes**', streamline approvals, carve out the sale of **land lease houses** from stamp duty, and allow **private certifiers** to sign off on buildings.

The ban on land lease developments in the **Sydney metro area** will remain, but the change will allow eligibility in outer suburbs and regions. Land lease remains less popular in New South Wales compared to Queensland and Victoria, primarily due to **high land costs**, which make weekly land fees unaffordable for many.

Apartment Market Trends

Data released by **Urbis** shows a **national shift** towards **owner-occupiers**, particularly in **Melbourne** and **Sydney**, during the **last quarter of 2024**, according to the **National Apartment Essentials Snapshot**. Investor activity was more pronounced in **Brisbane**, **Gold Coast**, and **Perth**, with **Brisbane's off-the-plan market** showing strong demand. During the quarter, 39% of the available stock in Brisbane was sold.

The average price per square metre reached a record high, surpassing \$19,000, driven by higher construction costs and increased demand for owner-occupier grade stock. Brisbane led the price surge, with rates exceeding \$23,000 per square metre. Read more about the market trends [here](#).

International Residential Market Updates

Hong Kong

'Lived-in home' prices fell for a fourth consecutive month in March, reaching the lowest level in over eight years, due to economic uncertainty and reduced investment appetite.

According to the **Rating and Valuation Department**, prices declined by 0.5% in March, following a revised 0.6% decline in February. The March price index was the lowest since July 2016. Read more [here](#).

China

Prices for new homes in China fell at a slower pace in March, decreasing by 0.1%. During March, 24 out of 70 cities surveyed by the National Bureau of Statistics saw price increases for non-subsidised housing.

The biggest price increases were in Shanghai, Hangzhou, and Chengdu, with increases of 0.7%, 0.5%, and 0.5%, respectively.

The average price of 'second-hand' residential properties in 100 Chinese cities fell by 0.4% month-on-month in February, marking a 7.3% decline year-on-year according to the China Index Academy. Read more [here](#).

Singapore

New private home sales in Singapore dropped by 54.4% in March, as the market faced a lull in major launches and growing caution amid global uncertainty. Foreign buyer participation remained subdued. Analysts expect a rebound in sales as more projects come to market in the second and third quarters of 2025.

According to data from the Urban Redevelopment Authority, Singapore's overall private residential property price index rose by 0.8% in the first quarter of 2025, easing from a 2.3% increase in the previous quarter. Learn more [here](#).

United Kingdom (UK)

The UK Government has announced plans to build up to 18,000 new social and affordable homes as part of a £2 billion investment under the Prime Minister's 'Plan for Change'. This initiative represents a significant milestone in the government's commitment to deliver 1.5 million new homes.

However, the UK housing market has faced a slowdown, with 153,910 homes completed across the country in 2024, a 5.8% drop from 2023 and 13.7% from 2022. The decline was largely driven by the private housebuilding sector, which saw completions fall by 7.4% from 2023 to 2024.

Median house prices experienced their sharpest monthly drop in over a year, declining by 0.5% in March, with an average price of £296,699. This marks two consecutive months of decline.

Industrial and Logistics in Focus

The **industrial and logistics sectors** are experiencing varied trends, with **Sydney** and **Melbourne** seeing tight vacancies and moderating growth, while **Brisbane** and **Perth** offer stable returns and development opportunities.

According to **CBRE**, Australia’s vacancy rate averages **2.5%**, with gross take-up in the first quarter of **2025** being **22% higher year-on-year**. **Melbourne** continues to contribute the highest share of floorspace leased.

Industrial and Logistics

State-by-State

	Demand and Leasing	Vacancy	Rent Trends	Supply and Development	Investment Sentiment	Wingate Research Observations
Sydney	Moderate demand, especially from FMCG; e-commerce demand easing	Still very tight	Continued growth, slower pace	Supply constrained; delays in new projects	Selective interest; cautious optimism	Landlord-market, challenges in adding new stock may constrain growth.
Melbourne	Active leasing market; softening in some sectors	Increasing from record lows	Moderating rental growth	New supply entering market, but not evenly across regions	Mixed sentiment, watching yields	Normalising market after high-growth phase.
Brisbane	Demand holding in secondary markets	Low but slowly increasing	Moderate rental increases	Stronger pipeline outside CBD areas	Investors cautious, some value seen	Growth pockets emerging outside prime zones.
Perth	Stable demand, consistent with past quarters	Stable	Stable to modest growth	Limited new supply; balanced market	Steady but selective	Low-volatility market offering steady returns.
Adelaide	Smaller market; stable tenant activity	Stable	Steady rents	Modest new development activity	Lower volume but stable interest	Niche but reliable- ideal for long-term holds or tailored development plays.

Source: CBRE, Wingate Research

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In addition, we hold strategic investments in a select number of innovative, high growth financial services businesses where our experience and track record can add significant value for stakeholders.

Our platform comprises over 200 investment and fiduciary professionals dedicated to the Australian market. We are driven by long-term, trusted relationships and delivering sustainable growth through the economic cycle.

We feel a deep sense of personal and collective responsibility to our people, co-investors, shareholders and business partners and we take pride in the strong performance of our investments over more than two decades

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Melbourne

Level 48, 101 Collins Street

Melbourne, VIC, 3000

Ph: +61 3 9913 0700

Sydney

Governor Phillip Tower Level 37

1 Farrer Place, Sydney, NSW, 2000

Ph: +61 2 8039 0900

wingate.com.au