



NUCLEUS INSIGHTS

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Introducing today's speakers



Certified Financial Planner (CFP)

Years of “making the complex, simple” for clients of:

AMP Financial Planning

Mercer Financial Advice

Akambo Private Wealth



- Co-author with Ross Garnaut of The Great Crash of 2008 and editor of the Garnaut Climate Change Review
- Chief Economics editor and Founder of the Diplomat magazine
- Chief Editor of highly read MacroBusiness blog



Nucleus Insights : Australian Housing – Boom to Doom?

Nucleus Wealth is a Corporate Authorised Representative of Integrity Private Wealth AFSL 436298

Agenda

1. National Overview
2. Focus on Sydney
3. Focus on Melbourne
4. Policy Responses
5. Whats next for property prices?
6. Investment implications

Leith Van Onselen
David Llewellyn Smith
Tim Fuller
Damien Klassen



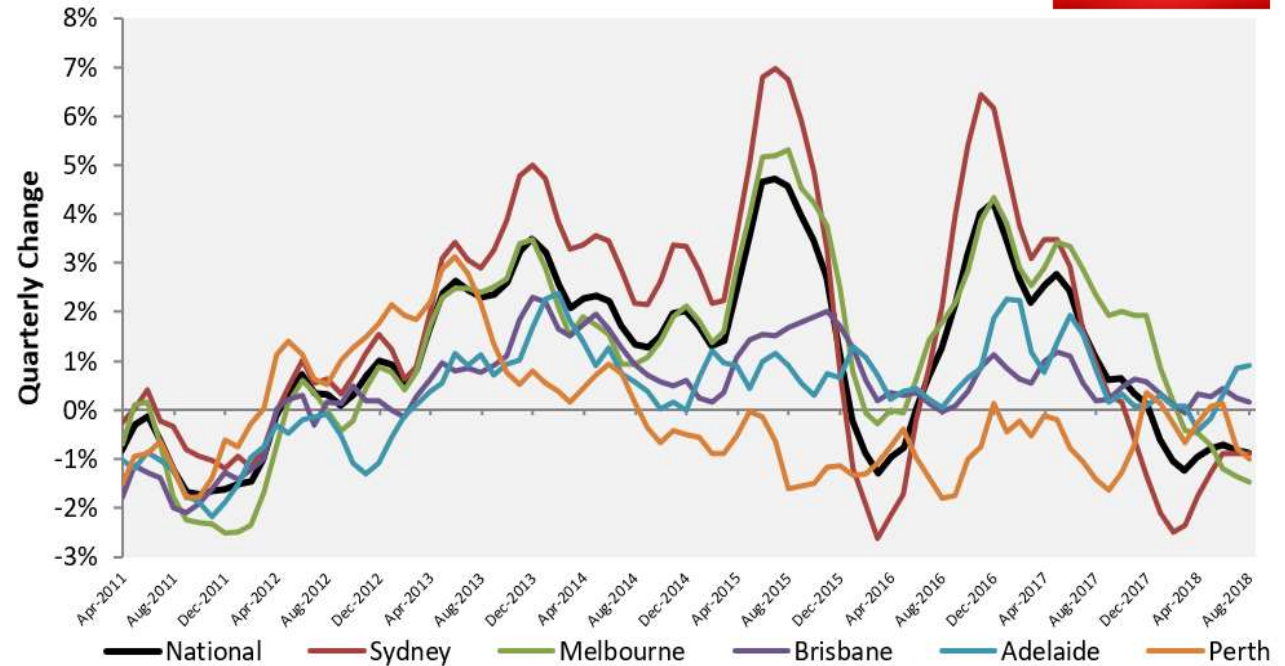
Australian Housing

Dwelling Values Falling

CoreLogic Capital City Dwelling Price Growth

Source: CoreLogic

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David Llewellyn Smith
Tim Fuller
Damien Klassen



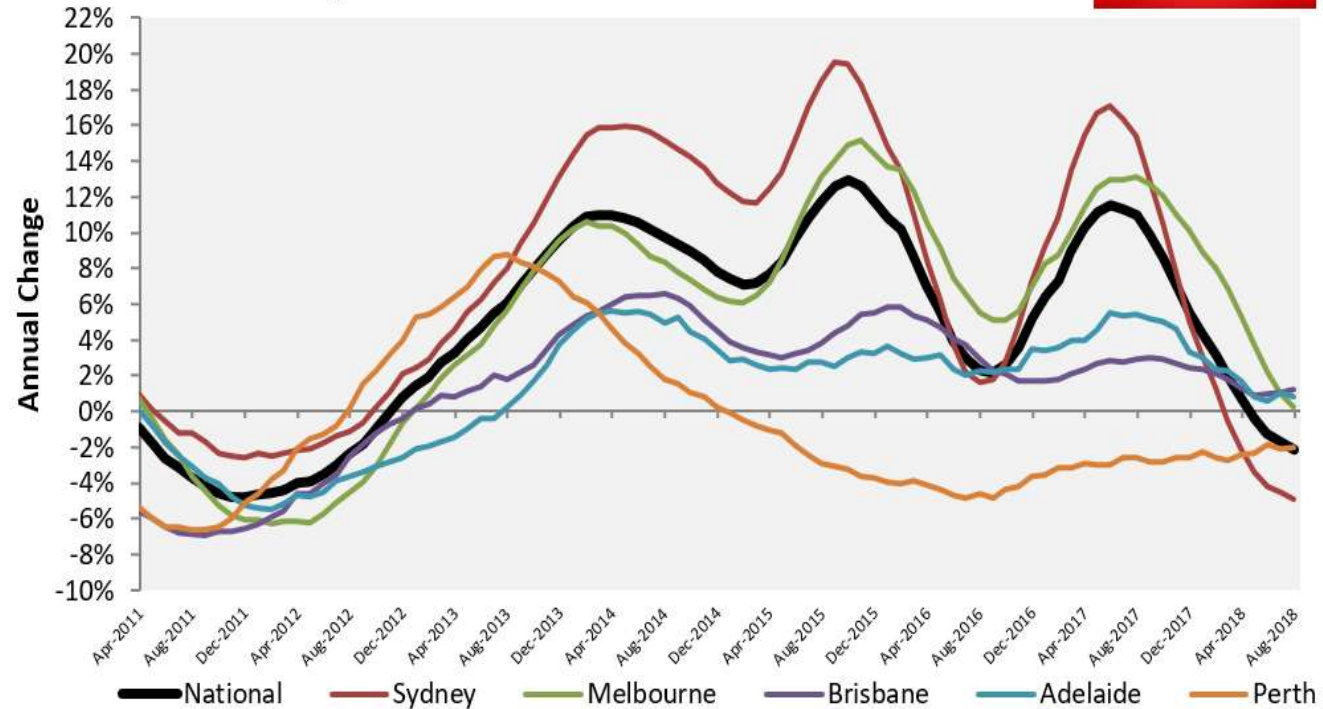
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CoreLogic Capital City Dwelling Price Growth

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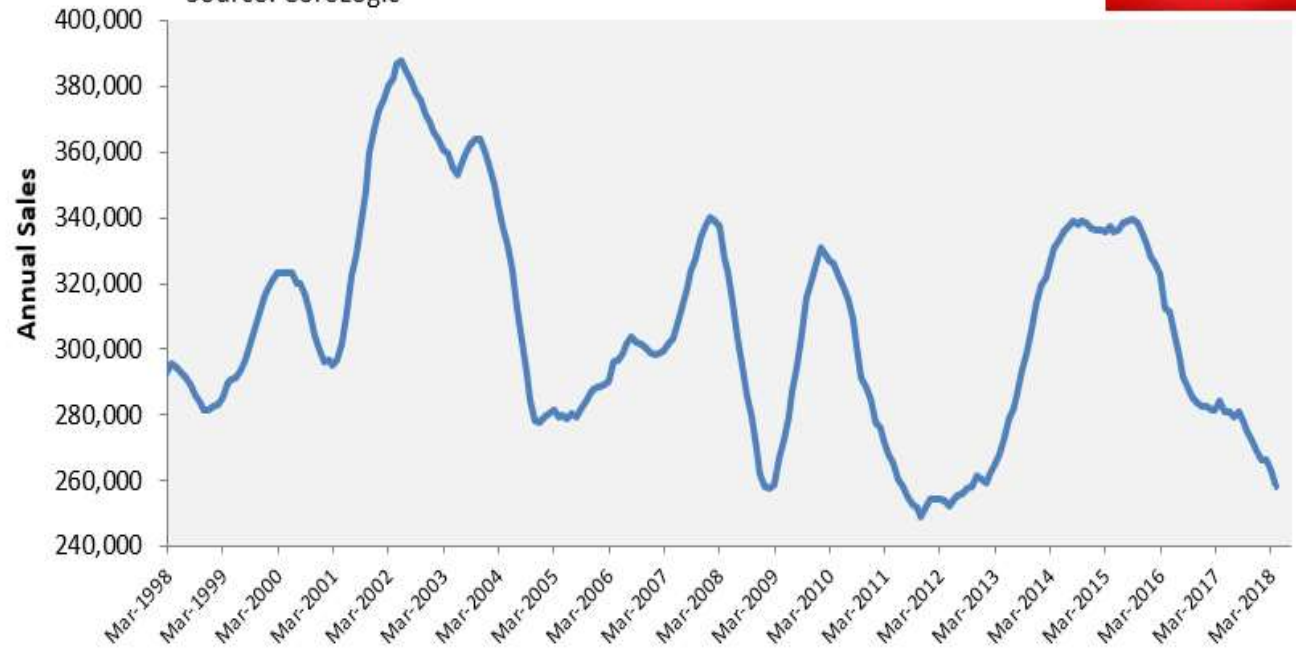
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Dwelling Values Falling

5-City Sales Volumes

Source: CoreLogic

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Australian Housing

Auction Clearances Falling

Weekly clearance rate, combined capital cities



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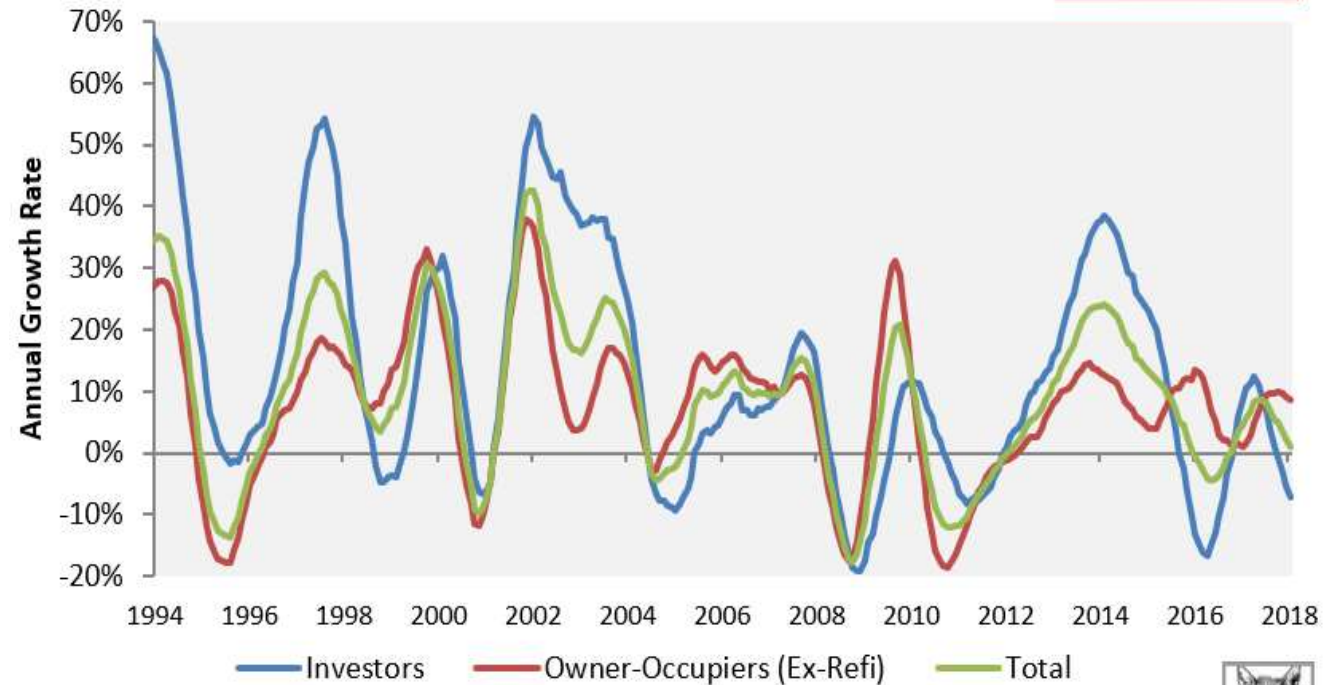


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Housing Finance Falling, lead by investors

Housing Finance Growth

Source: Australian Bureau of Statistics



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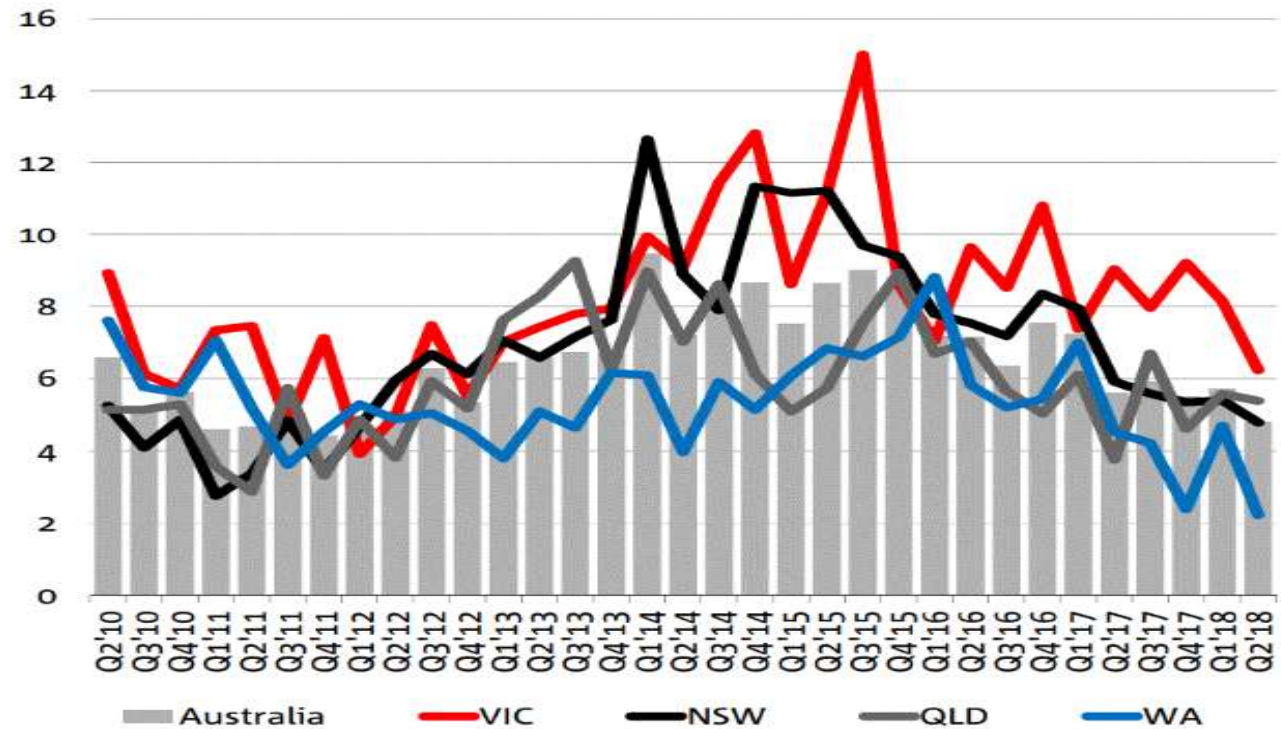
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Australian Housing

Foreign home buyers deserting

DEMAND FOR ESTABLISHED PROPERTY FROM FOREIGN BUYERS (% OF TOTAL)



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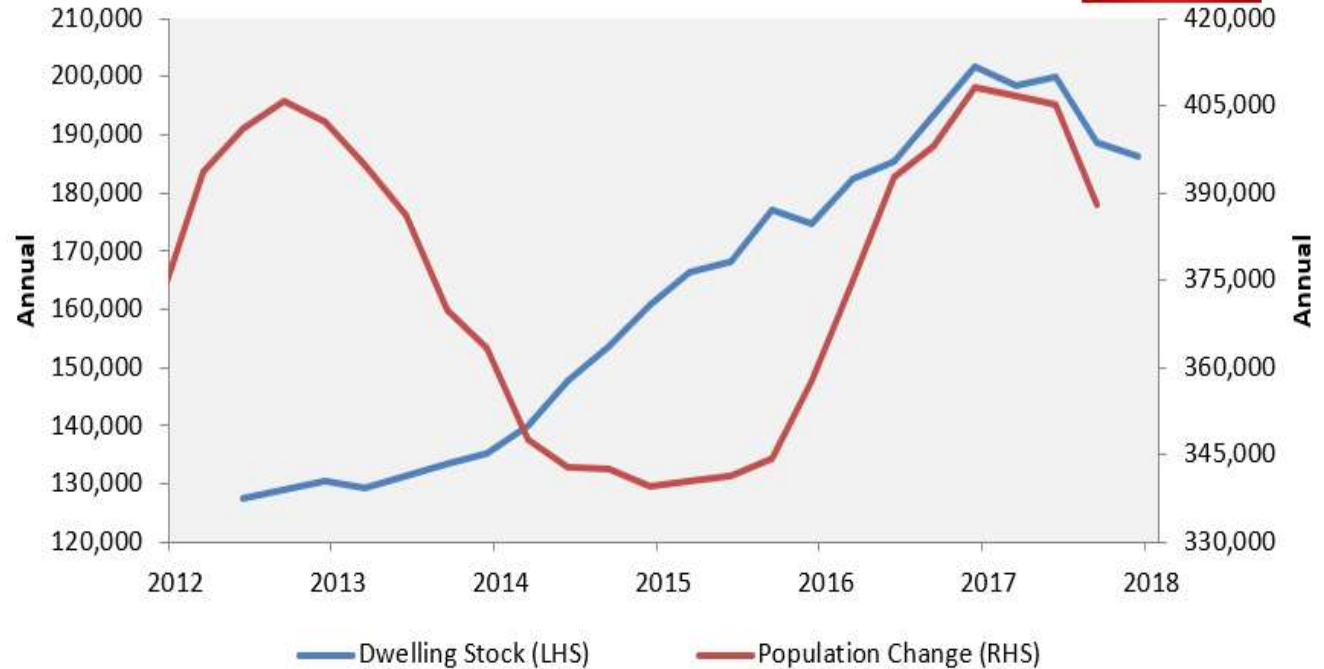


Australian Housing

Supply well balanced

Aust: Change in Dwelling Stock vs Population Change

Source: Australian Bureau of Statistics



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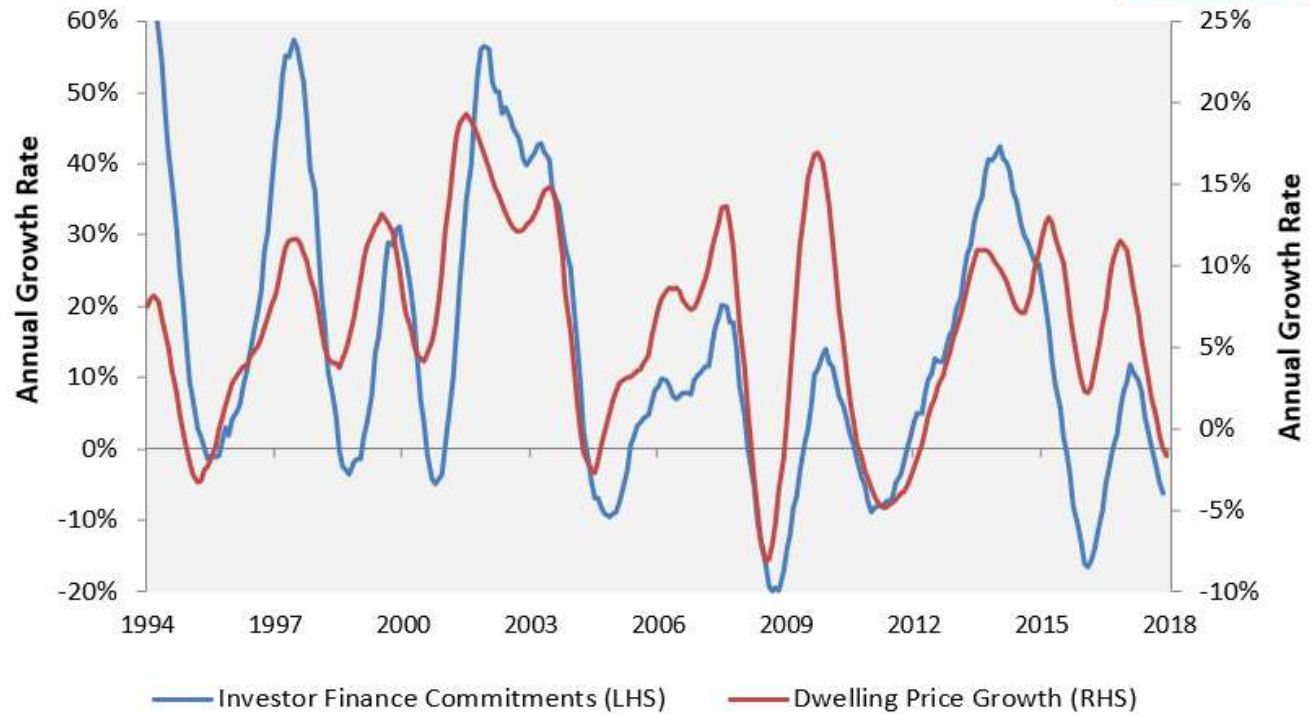
Australian Housing

Immediate outlook
poor

Aust Investor Commitments vs Dwelling Price Growth

Sources: ABS; Core Logic

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Australian Housing

Values and sales are strongly correlated

5-City Sales Volumes vs Price Growth

Source: CoreLogic

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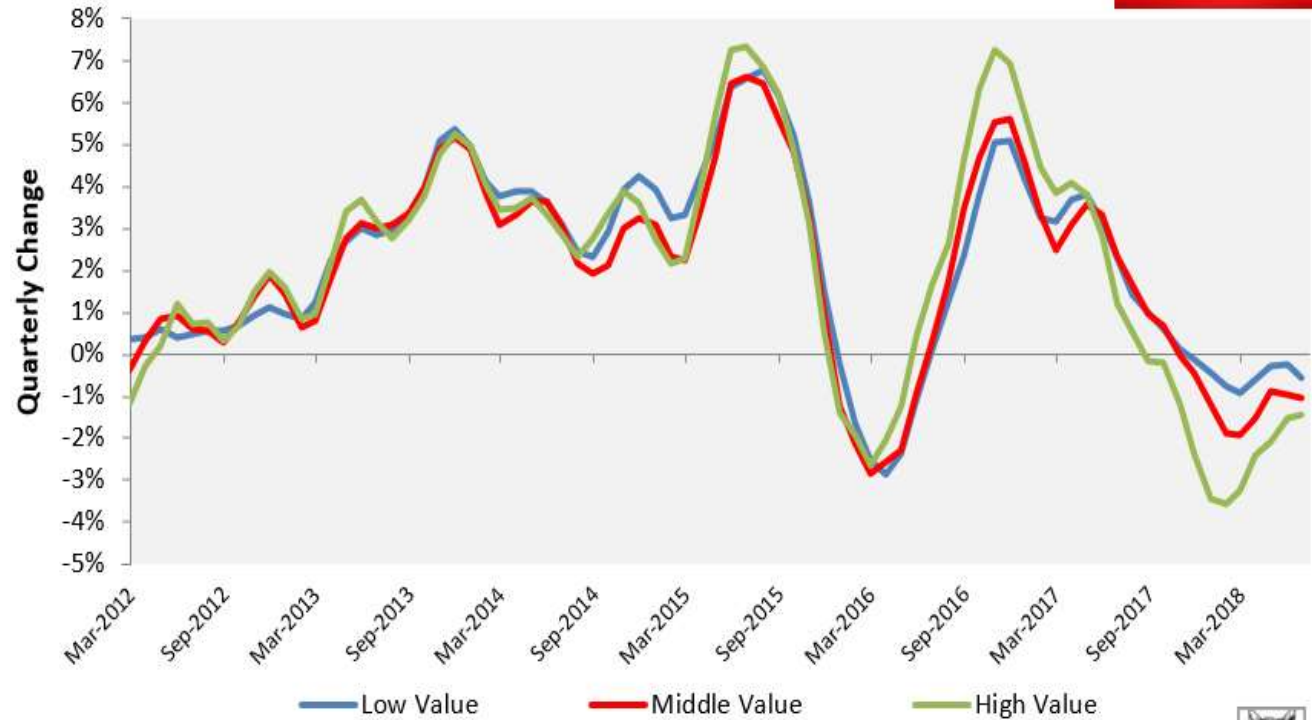


Sydney Housing

Falling hardest from the top

Sydney Dwelling Value Growth

Source: CoreLogic



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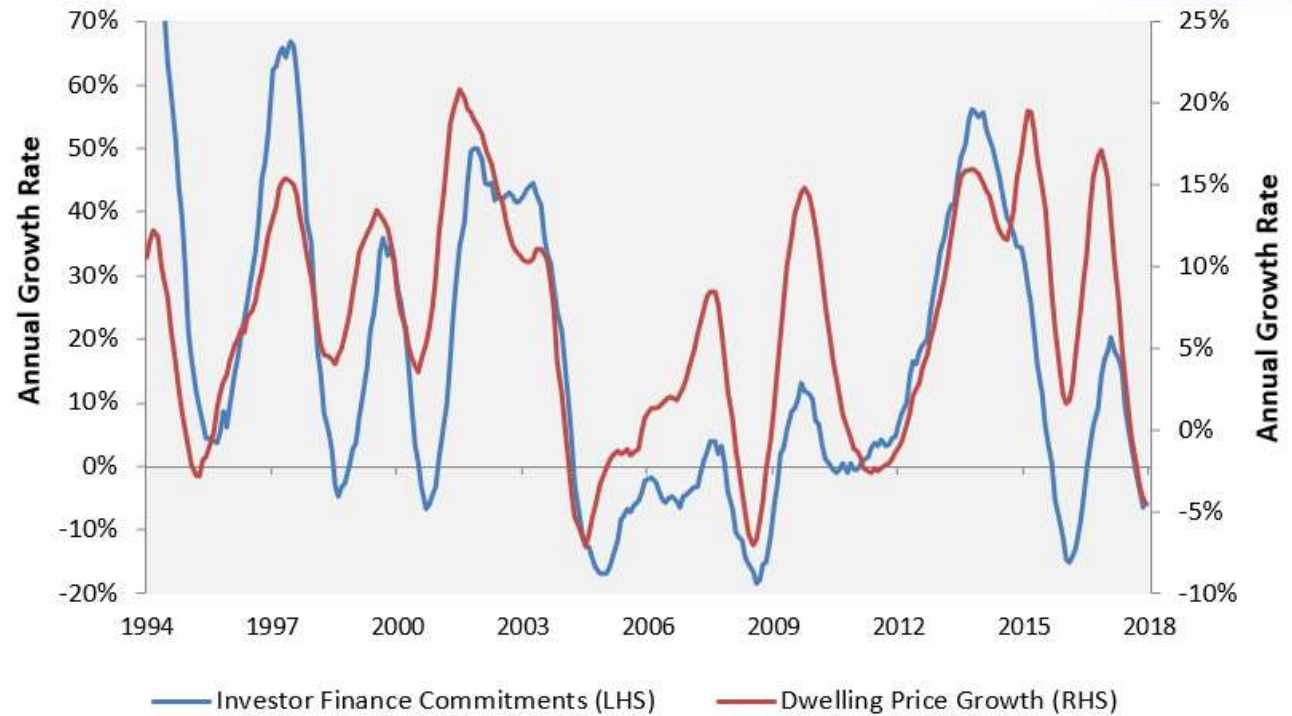
Sydney Housing

Investor finance
crashing

Sydney Investor Commitments vs Dwelling Price Growth

Sources: ABS; CoreLogic

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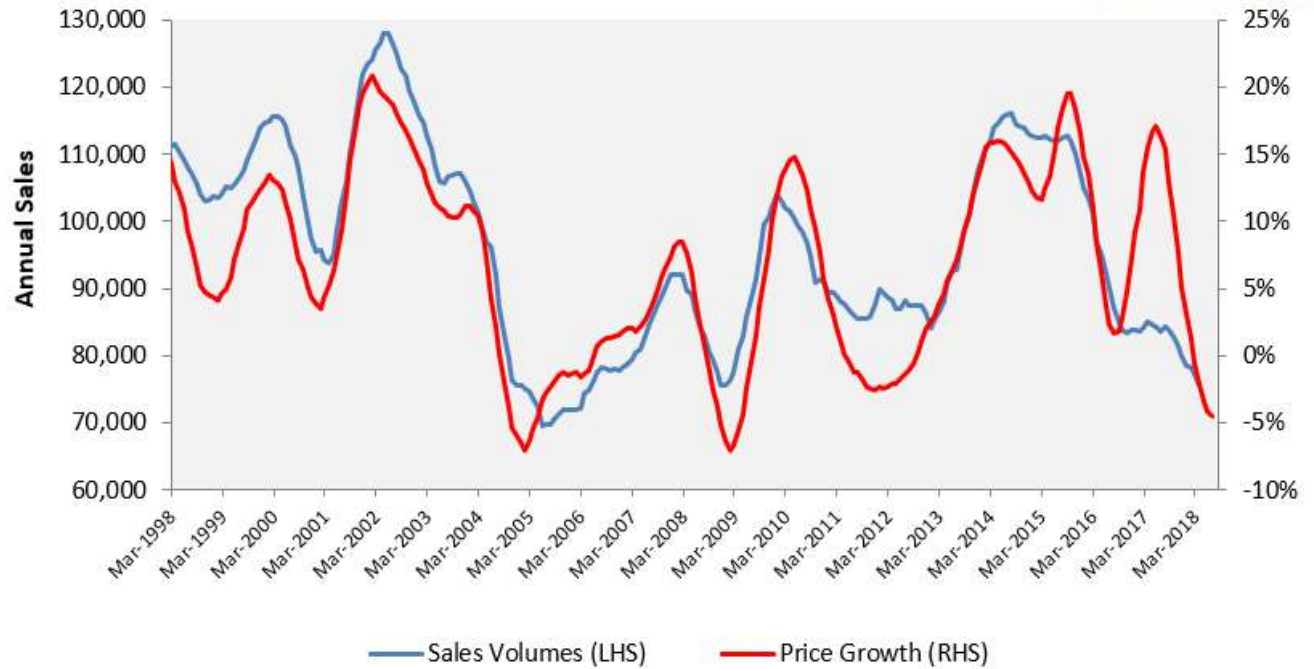
Sydney Housing

Sales crashing as well

Sydney Sales Volumes vs Price Growth

Source: CoreLogic

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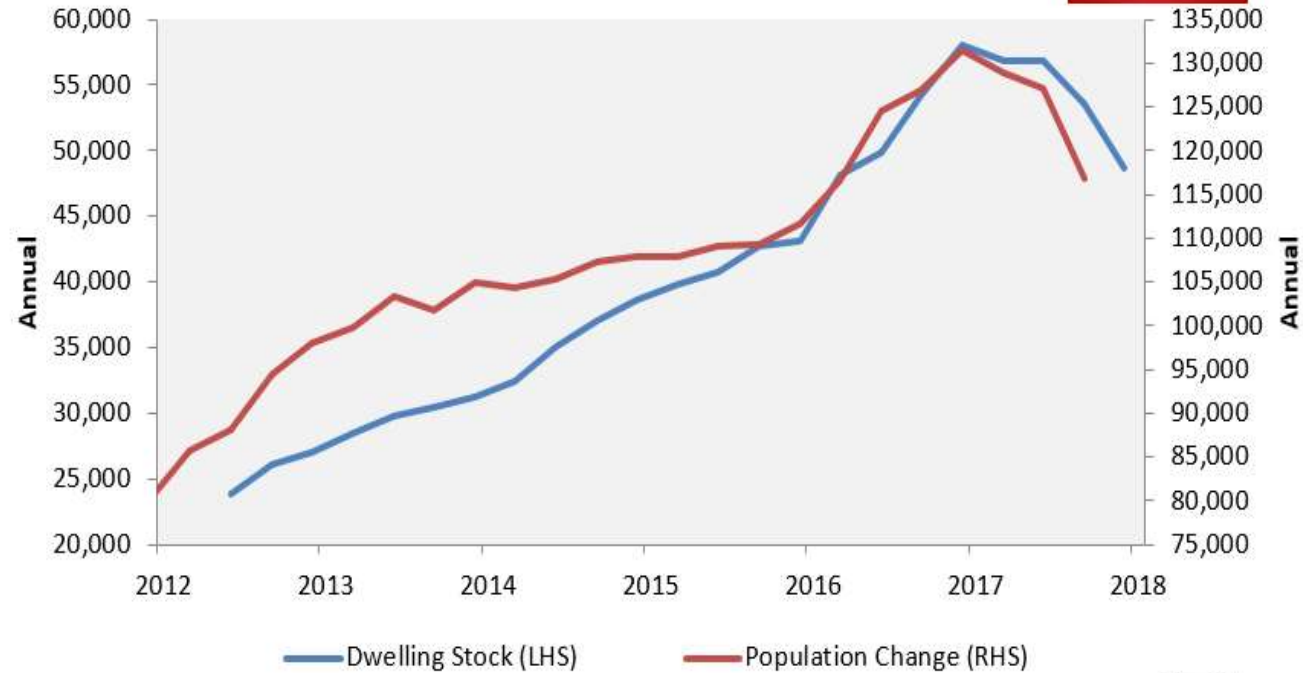


Sydney Housing

Supply well balanced

NSW: Change in Dwelling Stock vs Population Change

Source: Australian Bureau of Statistics



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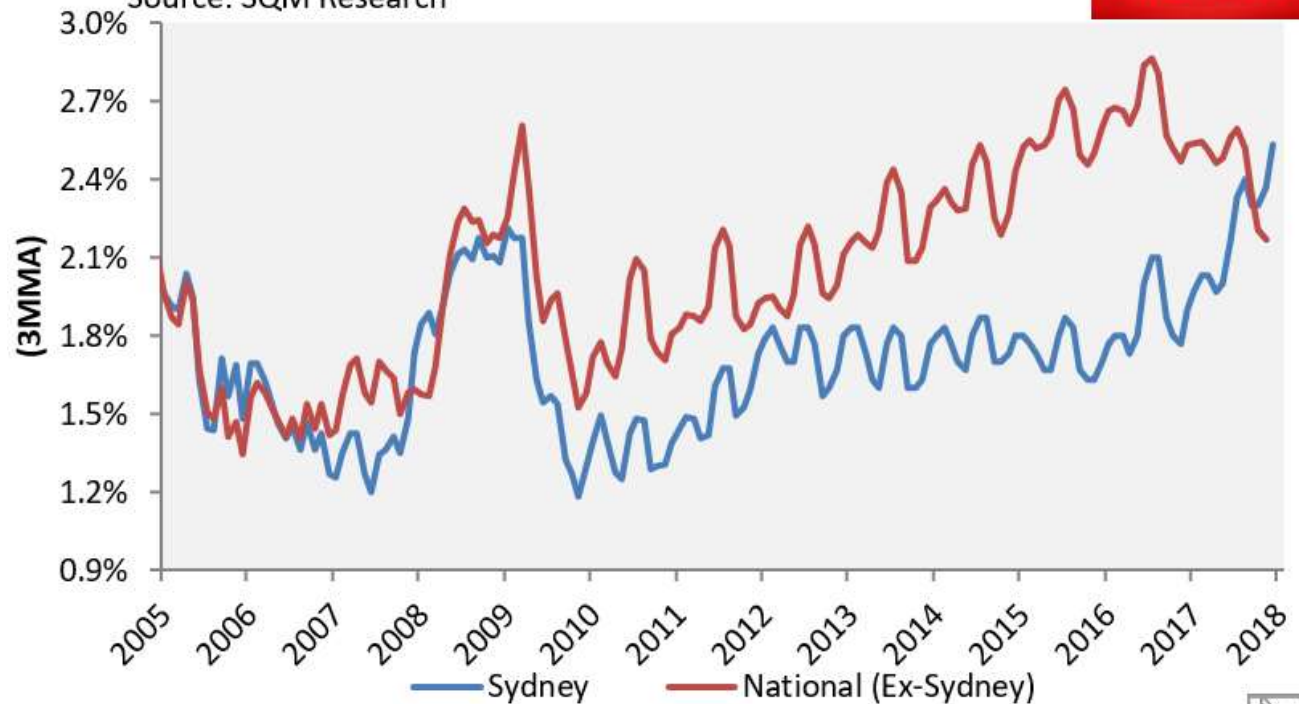
Sydney Housing

Highest rental vacancy in 13 years

Rental Vacancy Rate

Source: SQM Research

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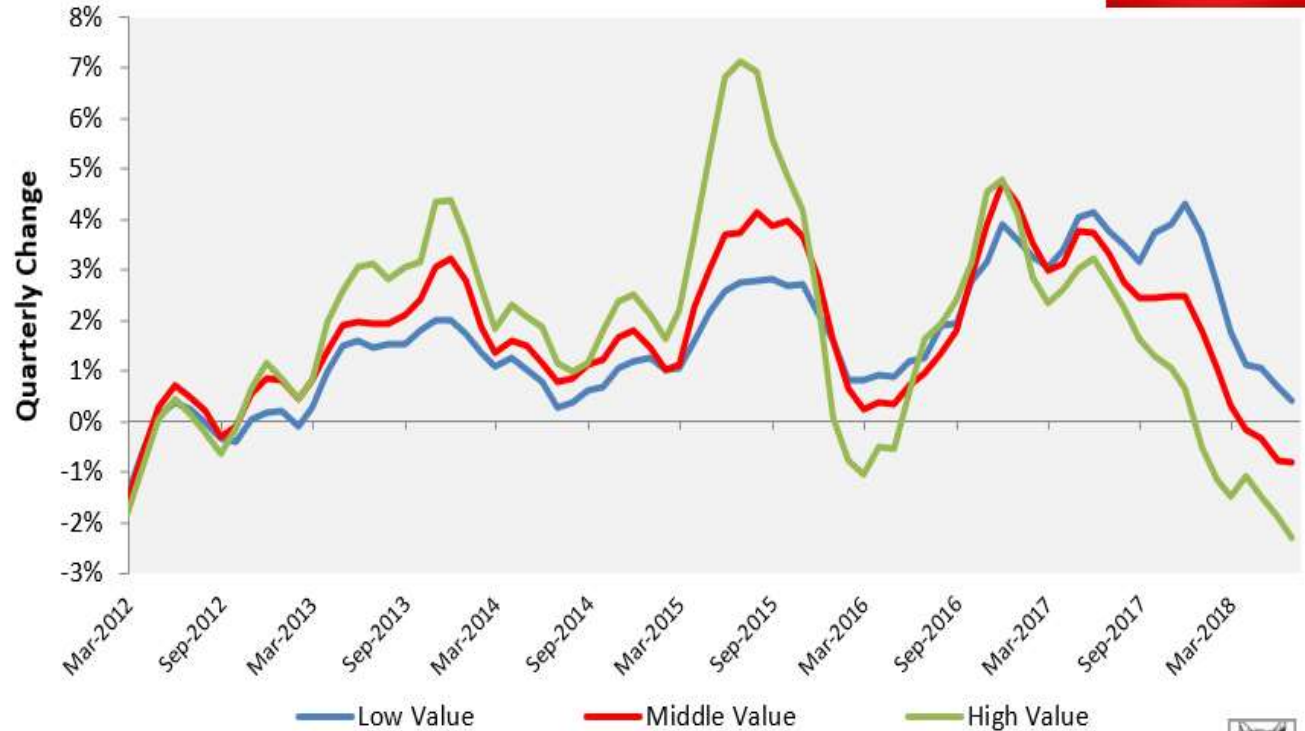
Melbourne Housing

Falling hardest from the top

Melbourne Dwelling Value Growth

Source: CoreLogic

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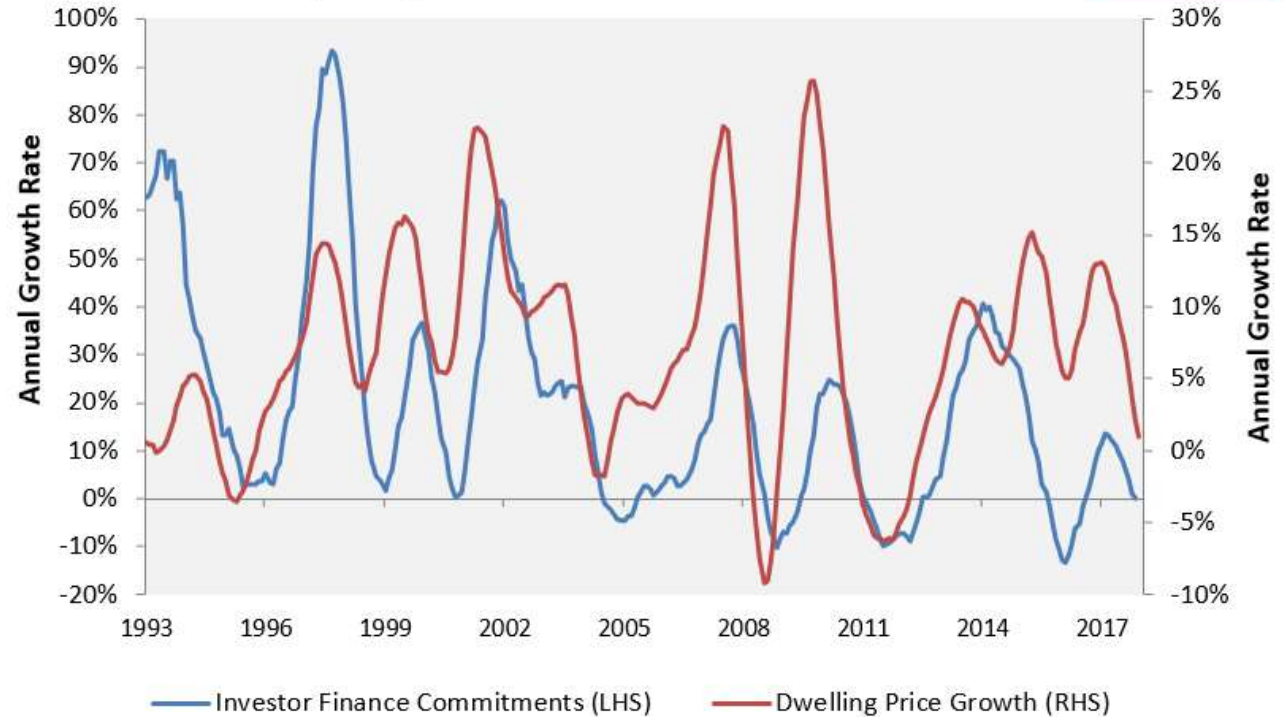
Melbourne Housing

Investor finance falling

Melbourne Investor Commitments vs Dwelling Price Growth

Sources: ABS; CoreLogic

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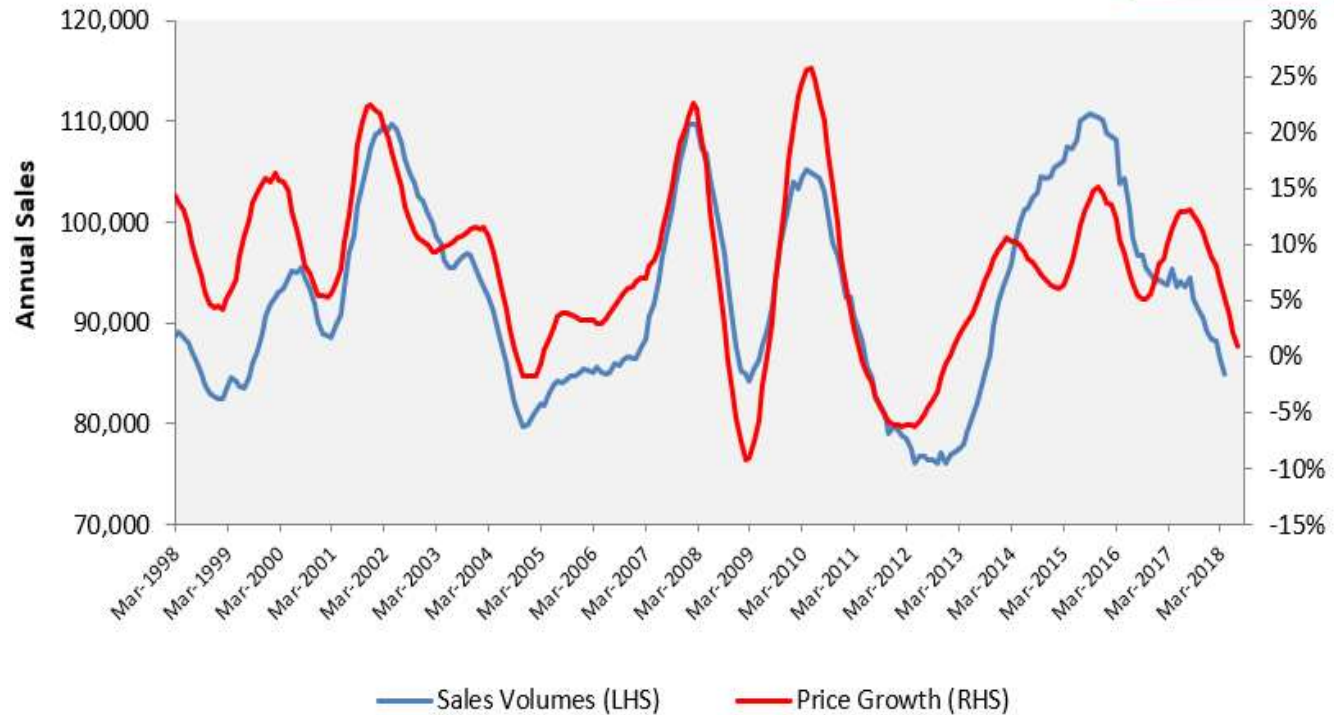
Melbourne Housing

Sales also falling

Melbourne Sales Volumes vs Price Growth

Source: CoreLogic

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Melbourne Housing

Supply also tightening

VIC: Change in Dwelling Stock vs Population Change

Source: Australian Bureau of Statistics



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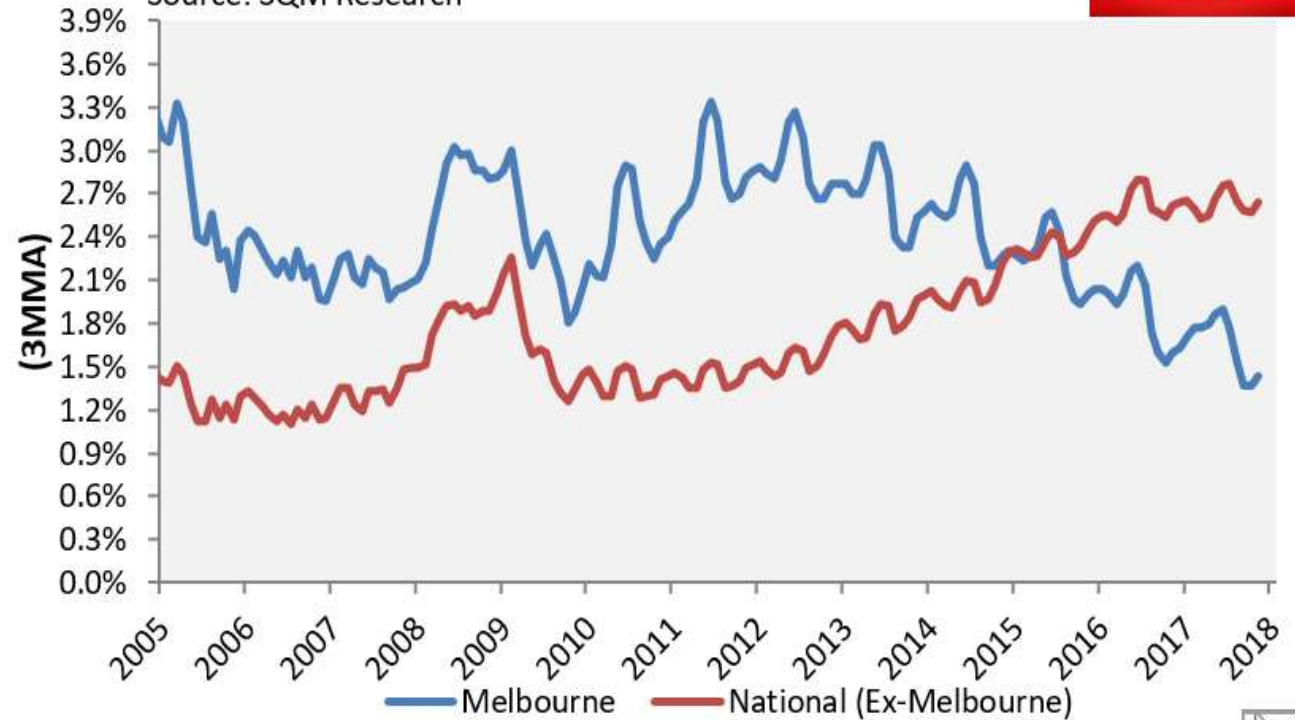
Melbourne Housing

Rental vacancies are
tighter

Rental Vacancy Rate

Source: SQM Research

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Policy Responses

Govmint to the rescue?

- Monetary Policy
- Macroprudential
- Fiscal Policy
- Tax Policy

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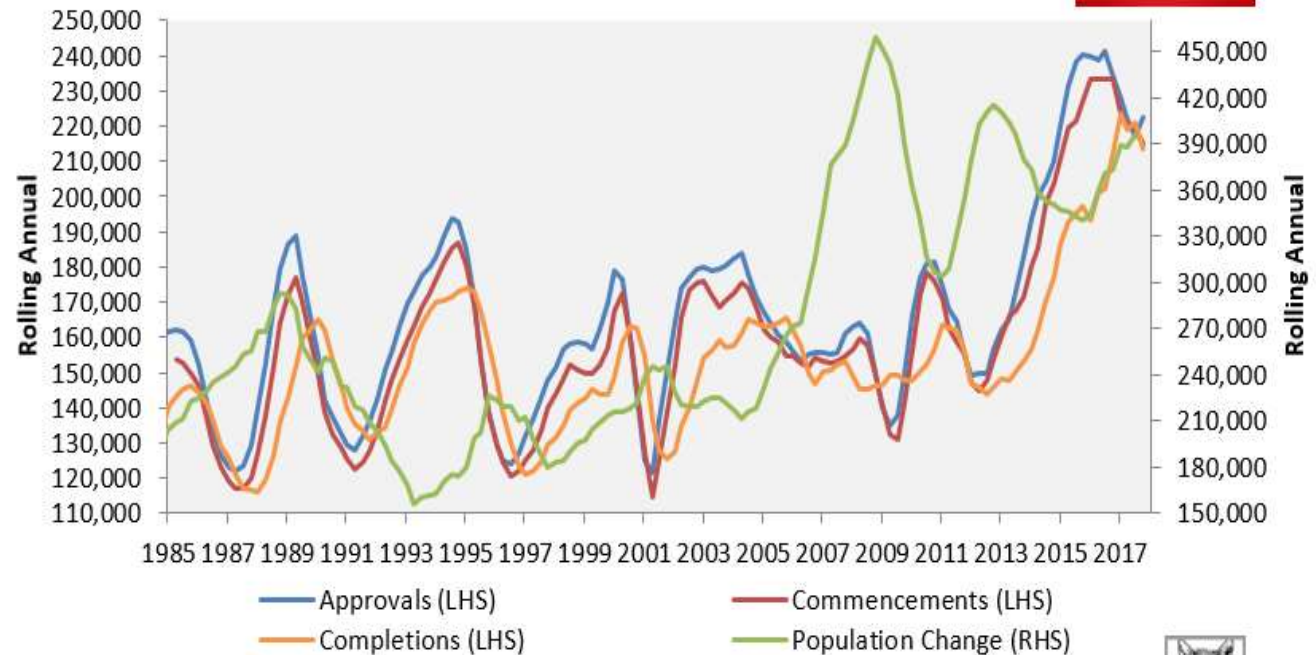
Policy Responses

Population?

Dwelling Construction vs Population Change

Source: Australian Bureau of Statistics

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Australian Housing

Whats next?

Stiff headwinds:

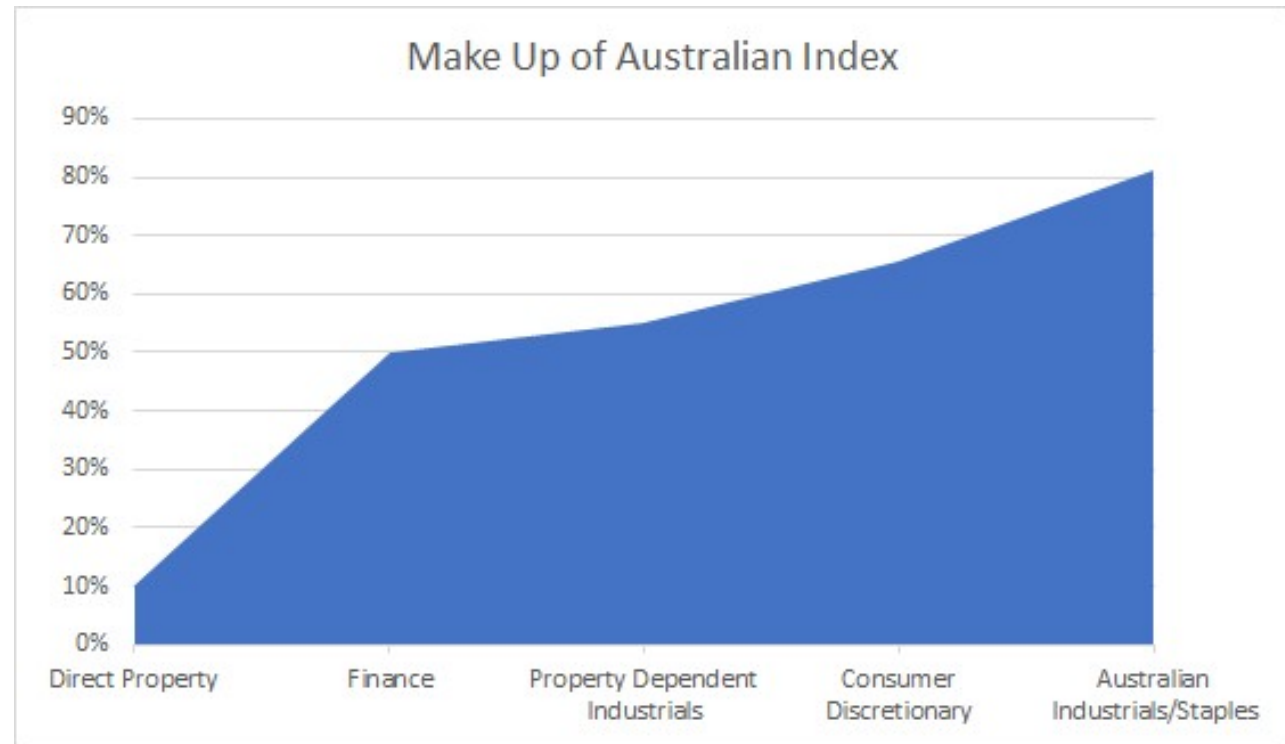
- Bank funding costs rising
- Interest-only mortgage cliff
- Labor's negative and CGT reforms

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Investment Impacts

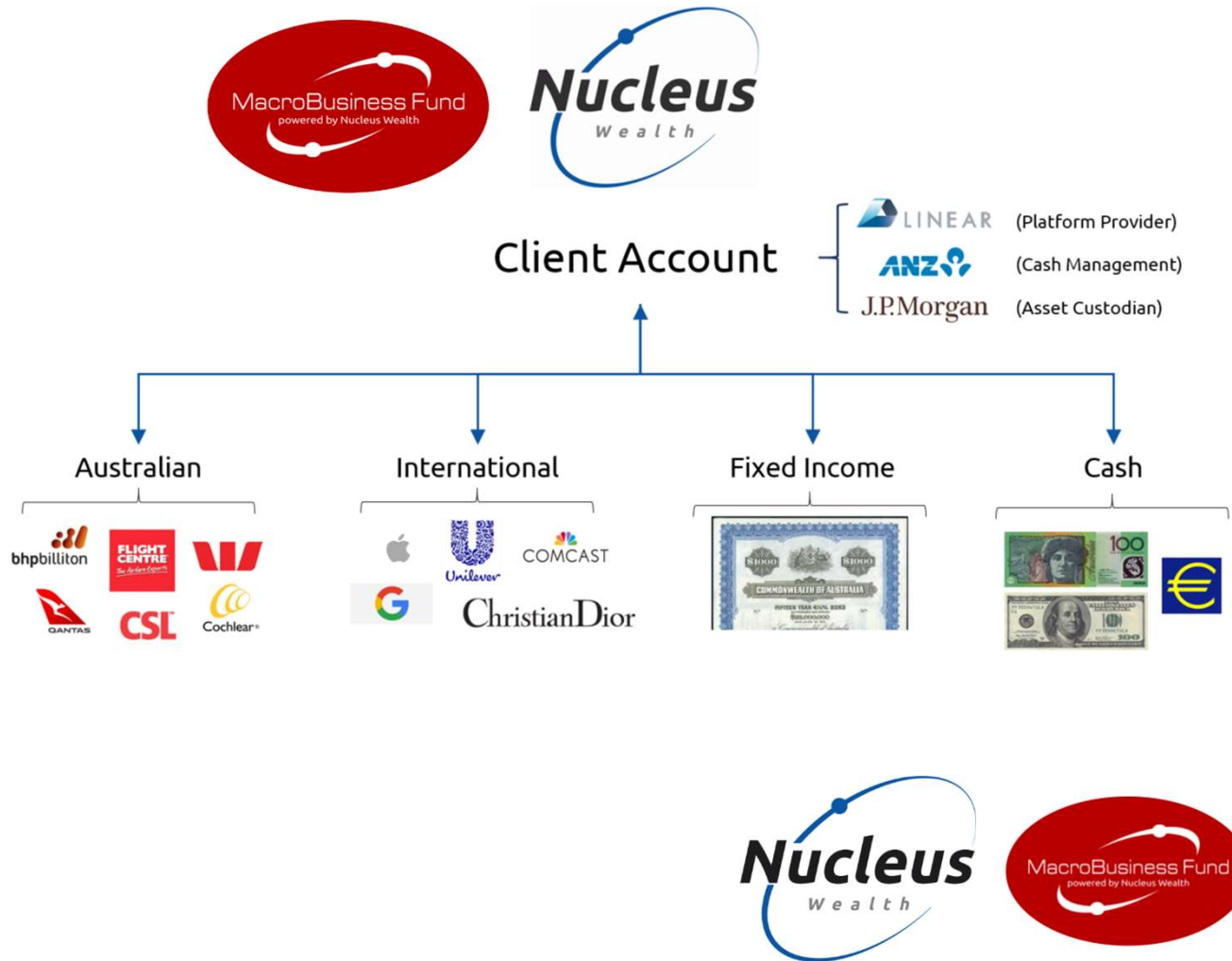
Where we look



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Investing with Nucleus Wealth



Investing with Nucleus Wealth

HEALTH



- No Fast Food
- No GMO Foods

VICES



- No Gambling
- No Alcohol
- No Pornography
- No Tobacco

ANIMAL RIGHTS



- No Animal Testing (Broad)
- No Animal Testing (High Impact)

RELIGION



- No Contraception
- Only Sharia / Islamic

CLIMATE CHANGE



- No Fossil Fuels (High Impact)
- No Fossil Fuels (Broad)
- No Fossil Fuels (CSG)
- No Nuclear
- No Loggers - OGF

WAR



- No Arms (High Impact)
- No Arms (Broad)

HUMAN RIGHTS



- No Immigration Detention
- No Jails



Investing with Nucleus Wealth

- Complete investment solution
- 19 individual ethical screens
- Experienced investment managers
- Completely transparent

- Lower fees as we get rid of the multiple layers of middle-men between you and your money
- Tax effective



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