

The Canberra Effect

With **Evan Thornley**
Co-Founder and CEO



LONGVIEW

We'll be starting shortly.
Submit your questions in the Q&A panel.

Initiated by

**HOME EQUITY
INVESTMENTS**

 **LONGVIEW**



Is Now A Good Time To Invest in Property ?



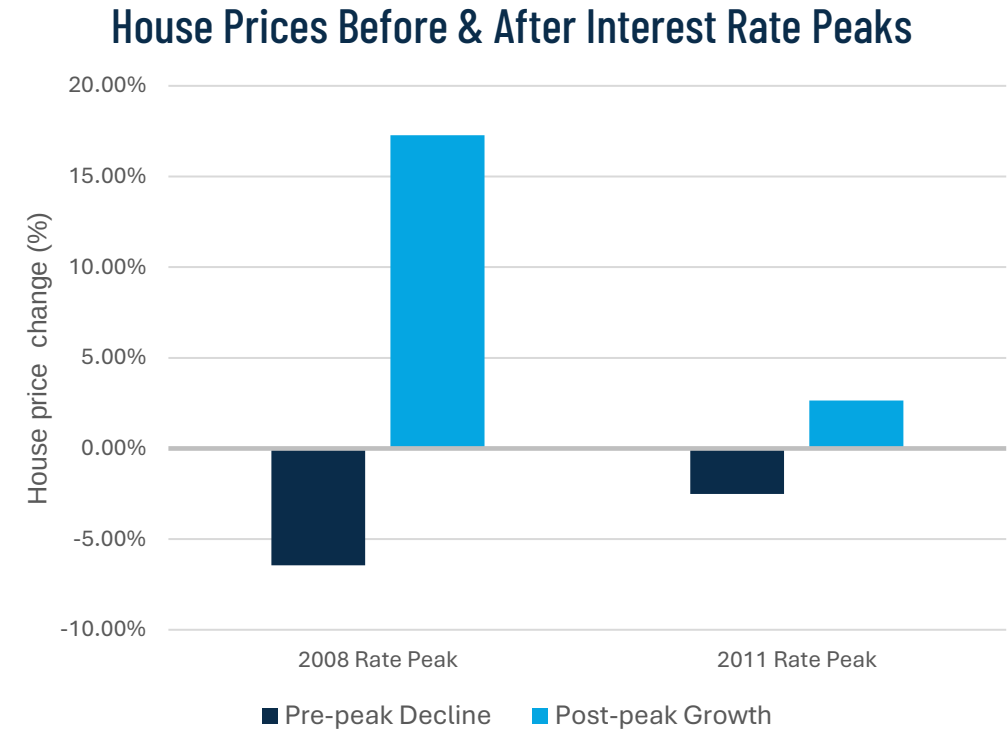
How will decisions in Canberra impact the market ?

- Interest Rates
- Immigration
- Election

What Happens After Rates Peak?



Historical data shows that house prices tend to decline leading up to an interest rate peak but rise once rates start to fall.

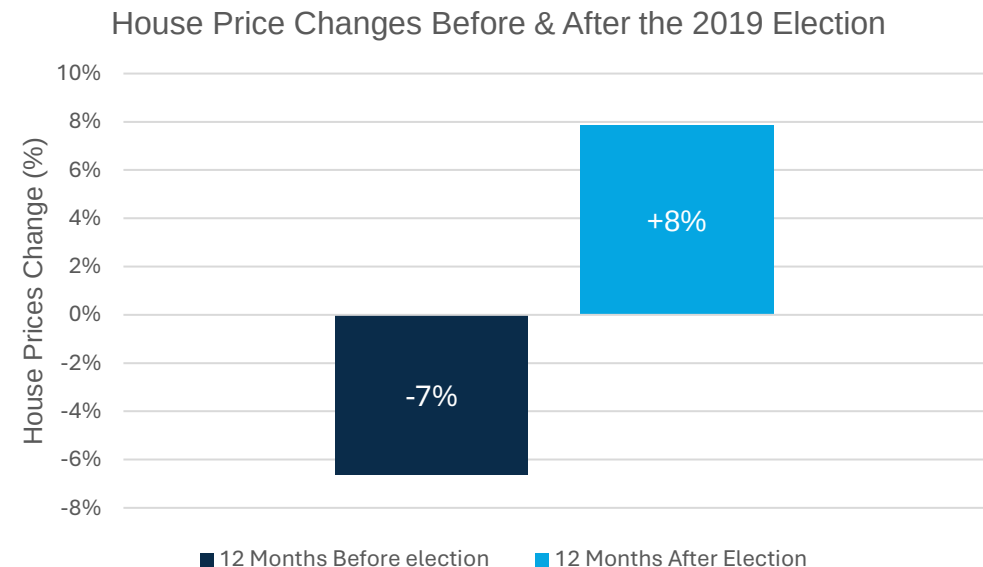
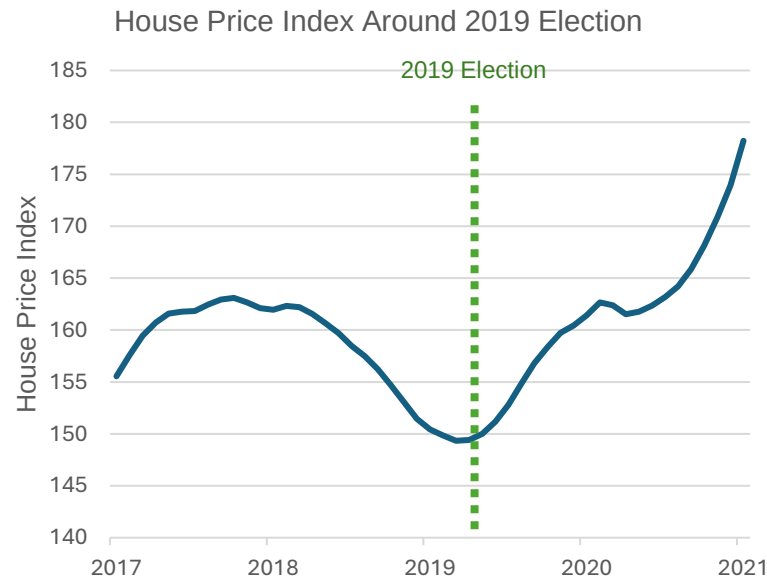


- Analysing the last two interest rate peaks (2008 & 2011) shows a pattern—prices tend to soften before the peak and increase afterwards.
- If this historical trend holds, we could see upward movement in prices over the next 12 months.

Case study: The 2019 Election



There are occasions where a closely contested election creates uncertainty in the housing market, leading to a slowdown in prices. Once the outcome is decided, confidence can return, and prices may rebound.



Pre-Election Uncertainty:

- Market sentiment was weak for two years leading up to the election.
- A potential government change created uncertainty, with proposed negative gearing reductions impacting investor confidence.
- House prices declined 7% in the 12 months before the election.

Post-Election Market Rebound:

- The election outcome removed uncertainty, restoring market confidence.
- House prices surged 8% in the 12 months following the election.

Scenario Table



Christopher's Housing Boom & Bust Report 2025

	Scenario 1 (Base case)	Scenario 2 No rate cut	Scenario 3 RATE CUT in MARCH QUARTER	Scenario 4
City/Region	• 25 to 50bp rate cut in Mid 2025 • Population growth continues at 500,000+ • No new Inflationary outbreak	• No rate cut in 2025 • Population growth continues at 500,000+ • No new inflationary outbreak	RATE CUT MARCH QUARTER • Population growth continues at 500,000+	• Population growth falls to less than 400,000 people • No rate cut • Commodity prices remain stable
Perth	+14% to +19%	+7% to +11%	+15% to +20%	+7% to +11%
Brisbane	+9% to +14%	+5% to +9%	+11% to +16%	+4% to +8%
Darwin	+5% to +8%	+3% to +7%	+6% to +10%	+3% to +7%
Melbourne	-5% to -1%	-7% to -3%	+2% to +6%	-9% to -5%
Sydney	-5% to -1%	-8% to -4%	+3% to +7%	-10% to -6%
Adelaide	+8% to +13%	+4% to +8%	+10% to +14%	+4% to +8%
Hobart	-3% to +2%	-5% to -1%	+1% to +5%	-3% to -4%
Canberra	-6% to -2%	-8% to -3%	+2% to +6%	-5% to -1%
Capital City Average (weighted)	+1% to +4%	-3% to +1%	+6% to +10%	-4% to 0%

Harvesting Capital Growth

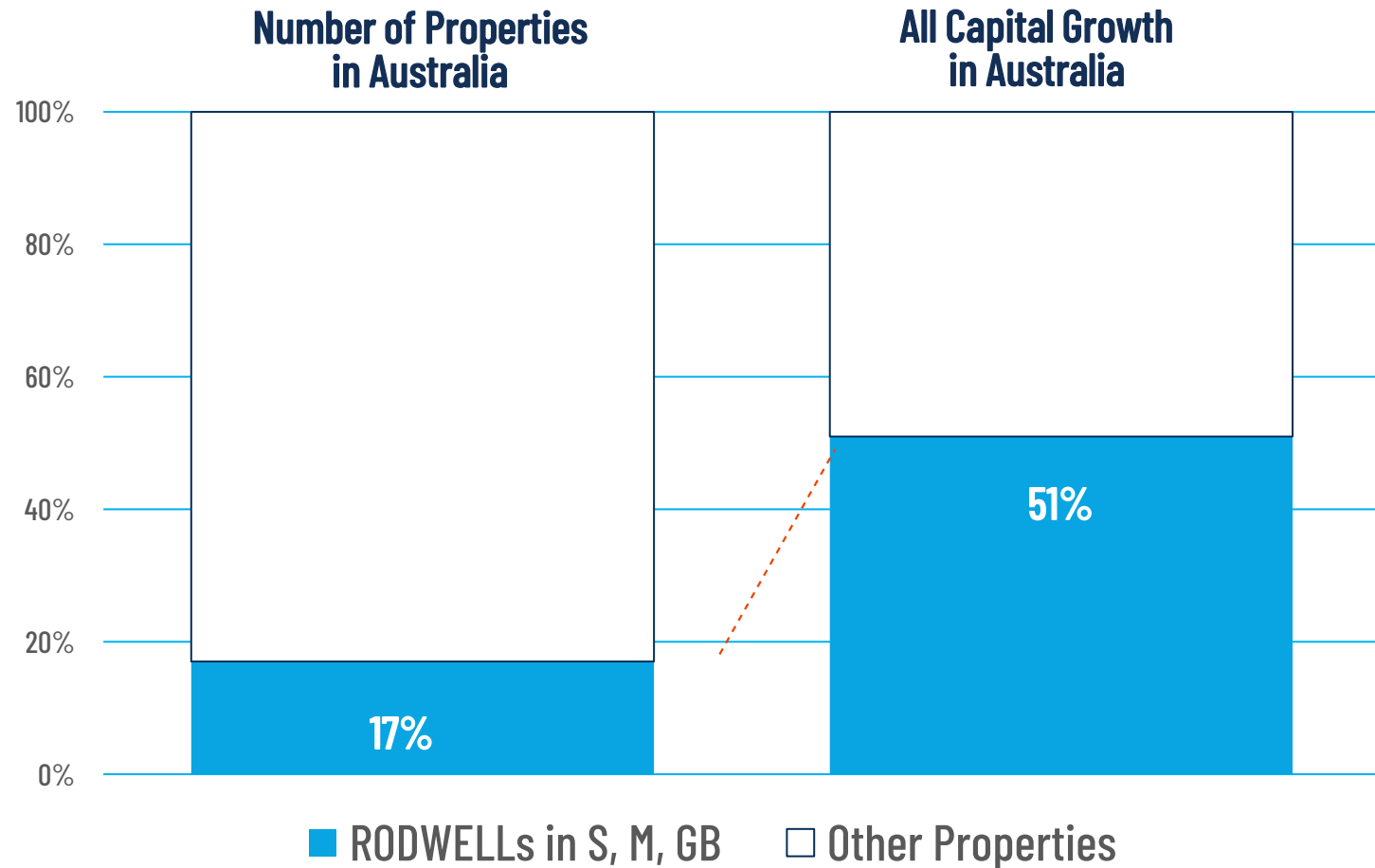


RODWELLS in Sydney, Melbourne and Brisbane have created the majority of capital gains across Australia

**RODWELL:
Robust Older Dwelling
on Well Located Land**

*Historical property transactions in Melbourne, Sydney and Brisbane over the past 20 years as supplied by Propic. Data is for RODWELLS which have transacted at least once since 2004. Capital growth of RODWELLS refers to those which have transacted at least twice since 2004, scaled up to all RODWELLS in Melbourne, Sydney and Greater Brisbane. Total Australian capital growth refers to all units and houses in Australia which have transacted at least twice since 2004.

1/6 of all the properties deliver half of all the capital growth*



Asset Selection VS Market Timing



What Matters More – When You Buy or What You Buy?



Property 1:

Purchased In June 2017 At 'Market Peak'

17 Princess Rd, Corio, VIC



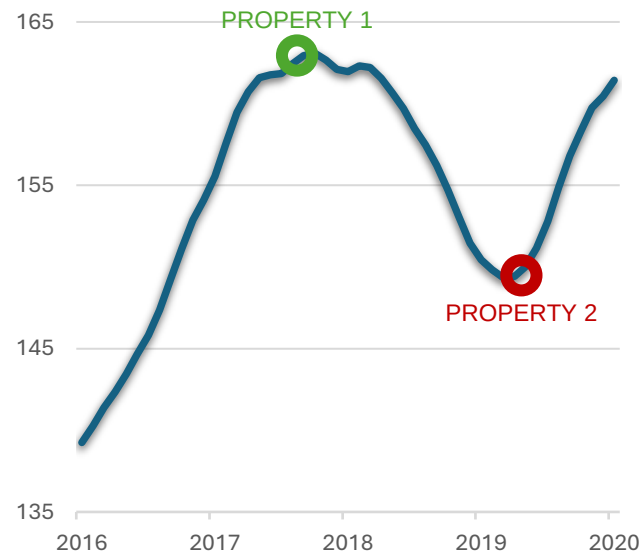
Build Date: 1960 | Land Size: 697 sqm

- Purchased for: \$325,000 (Jun 2017)
- Sold for: \$565,000 (Jan 2025)

CAGR: 8%

- ✓ Strong capital growth despite buying at the market peak.

Housing Price Index: 2016 - 2020



Property 2:

Purchased April 2019 At 'Market Trough'

14a Gunyah Rd, Blackburn North, VIC



Build Date: 2017 | Land Size: 273 sqm

- Purchased for: \$882,500 (Apr 2019)
- Sold for: \$1,060,000 (Jan 2025)

CAGR: 3%

- ✗ Weaker growth despite buying at the "right" time.

Fund Update



Portfolio of RODWELLS to date

64

Approved
investments

12%

Properties
accepted
on our criteria

\$11.3m

Shared equity
investments
approved

\$104m

Total value
of homes
invested in

35%

Average
share of
capital growth

78%

Average
land
content

\$800k-\$1.5m Properties



McDowall, QLD

\$1.5m-\$2.5m Properties



Port Melbourne, VIC

\$2.5m+ Properties



Killara, NSW



Bexley, NSW



Hunters Hill, NSW

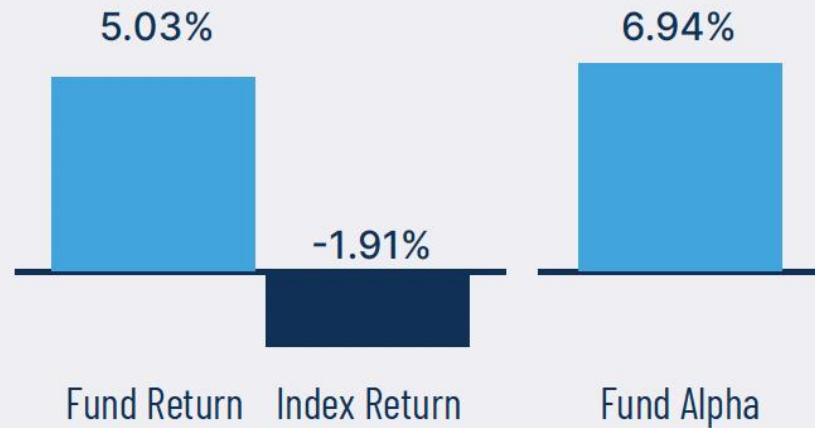


Camberwell, VIC

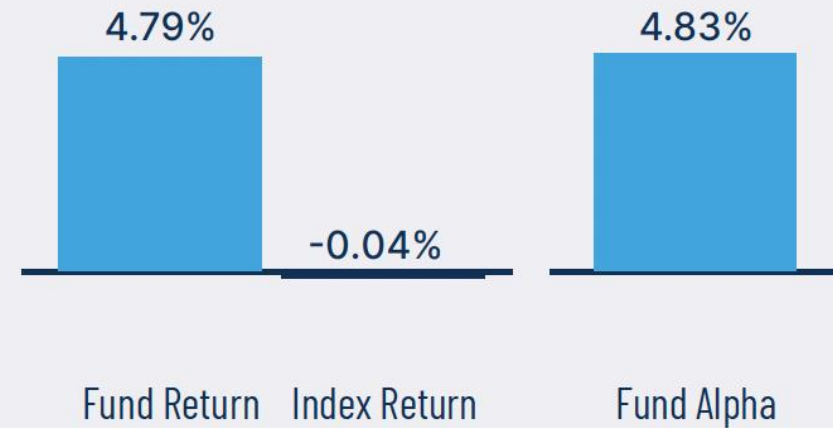
December Quarter Fund Update



Quarter Ended 31 December 2024 (Annualised)



Since Investment



Quarterly Liquidity Available after 31 Dec 2025



Investors may lodge a withdrawal request in any quarter after 31/12/2025



Request

Submit by the end of calendar quarter.

The amount available to meet withdrawals is 25% of funds raised in the quarter.

Pricing

NAV set at the end of the quarter.

The Withdrawal price is NAV less costs (5% of NAV)

Allocation

Requests reviewed and allocated.

Unmet amounts are carried over to the next quarter unless request withdrawn by the investor.

Payment

Payments made by 6 weeks after end of the quarter.

Approved withdrawals are paid into the investor's nominated bank account.

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Thank you for attending.

Learn more about

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