WHERE ARE OUR NEW JOBS LOCATED?

Employment update
8th March 2016

According to the official statistics, there were 300,000 new jobs created over the last 12 months. About half of these new positions have been full-time work; the other half, part-time. Remember, you are employed full-time if you work more than 35 hours per week across all jobs. So, full-time work can mean several of casual positons, rather than one working gig.

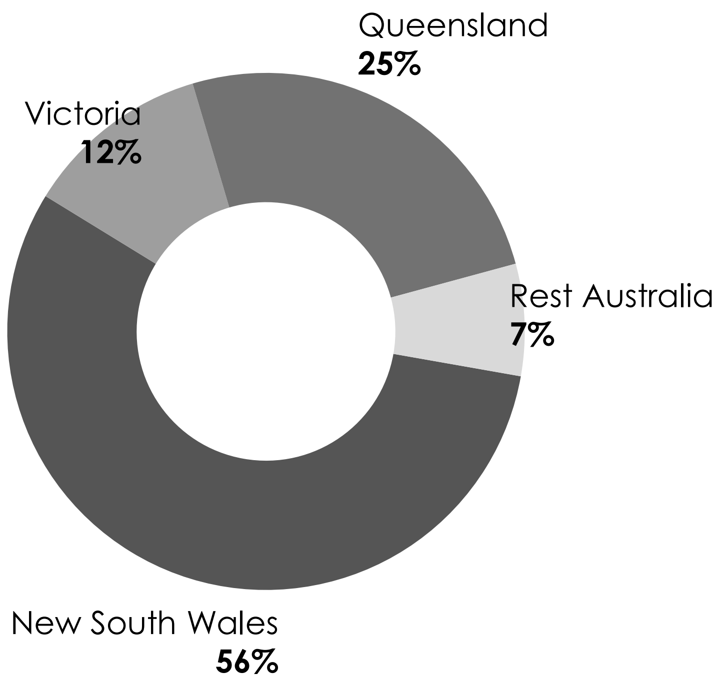
And where are all these new jobs?

Chart 1 shows that more than half were in NSW – with the vast majority in Sydney – followed by 25% in Qld and 12% in Victoria. The rest of Australia really doesn't feature at all. Most of the new work has been in residential construction, hence the domination of the three eastern states. Most of Qld's new jobs, of late, have been in the south-east corner of the state.

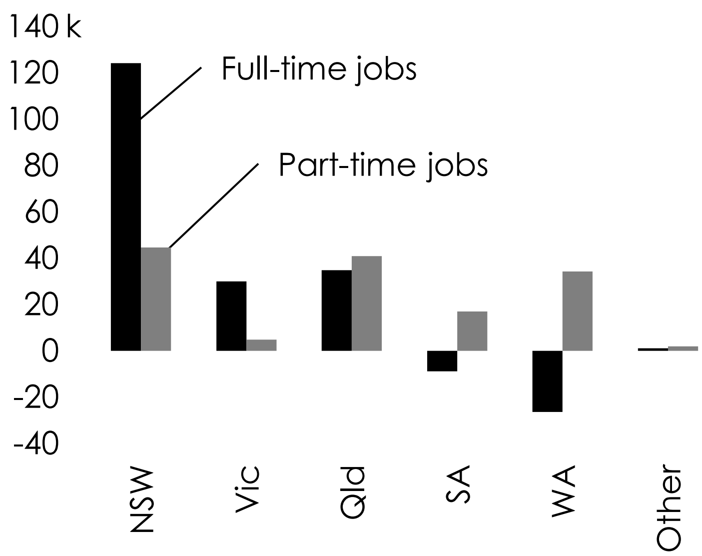
Chart 2 shows that NSW clearly dominates new full-time work. In contrast, the resource and car-related manufacturing slowdown are having a negative impact on WA, SA and to some degree, Victoria. Qld to follow?

So, why do we keep banging on about new jobs? We do so because they are a vital component behind sustainable housing demand. Those areas with a consistently growing workforce do outperform those – when it comes to selling a dwelling – that see limited employment growth. When buying an investment property, **think jobs.**

1. Distribution of new jobs
Australia



2. Annual employment growth
Australia



matusik Property Insights

IMPORTANT NOTES

RISKS OF INVESTING IN PROPERTY

Direct investment in residential property, like all investments, involves a number of risks. If these eventuate, your income might be lower than expected. There may even be none. In addition, the capital value of your investment could fall.

The key risks of investing in property are outlined below:

- The property purchased may not provide the income or capital gains the asset was expected to produce.
- There is a risk that your property may, for periods of time, lie vacant and hence not generate income. Maintenance and repair costs are the investor's responsibility and can vary, and at times be significant. Such costs are sometimes recoverable from rental bonds or under insurance policies.
- There are a number of factors that affect the general property market including increases in supply and falls in demand; the cyclical nature of property values; increases in taxes and operating expenses; overall economic conditions; demographic changes; changes in town planning laws; casualty and condemnation losses; environmental risks; regulation on rents; detrimental new developments in the area; increases in interest rates; similarly, inflation and changes to bank funding policies.
- Gearing increases the volatility in the value of your investment. In the early stages of residential investment, a significant fall in the property's value may see balances fall to less than the total amount of borrowings.
- Increases in interest rates often increase the cost of borrowings.
- Changes in laws or their interpretations including taxation, superannuation and corporate regulatory laws, practice and policy could have an impact on your investment. You should seek professional tax advice before investing in residential property.

DISCLAIMER

This report has been prepared by Matusik Property Insights Pty Ltd. This content has been prepared without taking into account the objectives, financial situation or needs of any particular individual. It does not constitute formal advice. For this reason, any individual should, before acting, consider the appropriateness of the information, having regard to the individual's objectives, financial situation and needs, and if necessary, seek appropriate professional advice.

Information herein includes material obtained from third parties considered to be accurate. Whilst this information has been carefully compiled, no warranty or promise as to its correctness is made or intended. Interested parties should undertake independent inquiries and investigations to satisfy themselves that any details herein are true and correct.

In addition, no forecasts are being made about an individual's potential capital gains or rental returns. Matusik Property Insights Pty Ltd disclaims all liability for any loss or damage suffered by any person of, or in connection with, the provision of information herewith, or the purported reliance thereon by any person.

This report is valid for six (6) months.

COPYRIGHT + TRADEMARKS

TYPICAL DATA SOURCES

MPI; Qld Government; Qld RTA; REIA; REIQ; SQM Research; BCI Australia: ABS; realestate.com and RPData.