HERRON TODD WHITE

Month in Review

October 2022

The Month in Review identifies the latest movements and trends for property markets across Australia.

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Disclaimer

This publication presents a generalised overview regarding the state of Australian property markets using property market risk-ranking scales. It is not a guide to individual property assessments and should not be relied upon.

Herron Todd White accepts no responsibility for any reliance placed on the commentary and generalised information. Contact Herron Todd White to obtain formal, specific property advice on any matters of interest arising from this publication.

A message from our CEO

Welcome to the October edition of Month in Review

There's a feeling that post-pandemic Australia is slowly returning to normalcy with more freedom to travel, socialise and head to the workplace. But does this extend to our property markets?

Most would agree the challenges facing the real estate sector have stemmed from our pandemic response rather than the virus itself.

Inflation is now the dark spectre casting a long shadow across not just Australia, but the world. Economic outlooks are shaky and nations facing the prospect of recession are looking for their central banks to ease them back to a more stable situation.

The Reserve Bank of Australia (RBA) has been active via interest rate increases since May this year. The by-product of their intention to slow inflation has been a dampening of buyer enthusiasm in property markets.

While the cash rate is expected to continue rising, there was an interesting shift in the past couple of days. The decision to raise the rate in October by 0.25 per cent, rather than in line with previous 0.5 per cent increases, signals a more cautious approach by the RBA.

This could prove seminal to buyer confidence in both the residential and commercial sectors. As you'll read in this month's report, interest rates remain an important consideration for investors.

It may also influence vendors, particularly residential. The spring selling season is here, and traditionally listing numbers increase around this time each year. Of course, 2020 and 2021 saw trepidation among sellers, many of whom chose to hold off listing their properties. There was some expectation we'd see listing numbers bounce back this year but, again, the economy has stifled this enthusiasm. The question will be whether a slowdown in interest rate increases might give sellers more confidence. The analysis indicates we're probably not back to pre-COVID listing numbers yet, but there's potential for this to change.

Another interesting observation from this month's submissions is a comparison in buying power. This month's report looks at what the median price buyer can acquire in a range of locations, but it was a theme we also explored back in March 2019.

I've studied the figures and they're compelling. For example, in 2019 Sydney's house median sat at around $950,000. In 2022 it's $1.3 million. This reflects a 37 per cent gain in three-and-a-half years.

But I suspect regional centres have generally performed better over this period given the drive for decentralisation in 2020 and 2021, and that prices would have come off a lower base. For example, in March 2019 Coffs Harbour's median house price was $495,000, but by 2022 it had risen to $795,000. That's an increase of 61 per cent – well above Sydney's result.

One thing is certain however. As Kevin Brogan points out in his national overview, there are broad national drivers influencing markets across the country, but the aggregated data does not reveal the tremendous diversity of residential market segments across the nation.

That's why the expertise of local professionals is crucial when making important decisions about your property holdings.

Gary Brinkworth
CEO

While the cash rate is expected to continue rising, there was an interesting shift in the past couple of days.

CEO

HERRON TODD WHITE

Median priced buys around the nation

In centuries past, sailors could traverse open oceans by gauging their position against a fixed point in the sky.

Now I'm not suggesting you delete Google maps and throw caution to the wind by setting off in a dingy with a sextant. What I'm saying is that we, as humans, need benchmarks because they help us gauge meaningful progress.

Benchmarks also help us contrast and compare performances. Imagine the Olympics if world records were scrapped. Who'd tune in to watch an athlete get "near enough" to some historic result?

No, having a set measure against which we can anchor our outcomes allows us to analyse performance and reset the way we overcome challenges.

But benchmarks aren't just useful in the sporting or occupational arenas. They're crucial in the financial space too – and that extends to property markets.

In fact, "contrast and compare" is the fundamental skill of the property valuer. Each day our teams are required to gather information about their specialty areas. They then digest the various measures – usually comparable sales – and rate their subject properties against those standards.

Yes, benchmarks make for excellent assessment which is why this month's edition of *Month in Review* is so compelling.

Our teams across the country have explained exactly what the median price for their service areas will secure. Best of all, they also share their perspectives on the potential future performance of these median-priced property types and locations. That's very useful information for anyone considering a purchase right ow.

As well as being a fascinating ready-reference publication of information, this month's edition also demonstrates the diversity of our nation's residential markets. You'll see there's something for just about every buyer type who has a reasonable budget to invest.

Looking to the commercial section this month, and our teams across the country's major markets reflect on the industrial sector's performance throughout 2022. Our specialists describe the year's most important transactions. They also delve into surprise outcomes for industrial operators and make time for some rental market analysis as well.

For any stakeholder with even a passing interest in the industrial sector, it's a "can't miss" collation of perspectives.

Finally, our rural professionals deliver yet another compelling assessment of property across Australia's primary production sector. Along with the market observations comes a dive into the measures they typically utilise in the assessment of rural property. There's even commentary on how those metrics have shifted as we head toward year's end.

There it is – another outstanding publication for you to ponder. Of course, taking in this general commentary is highly informative, but nothing beats having a top property specialist address your specific needs. Simply reach out to Herron Todd White and we can have the nation's brightest minds address your most important real estate queries.

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FEATURE

HERRON TODD WHITE

HERRON TODD WHITE COMMERCIAL

Commercial

October 2022

National Industrial Overview

What a difference six months makes! I wrote a piece for our April edition of the Month in Review in which I talked about the strong investment sentiment within the industrial market and my cautiousness about the sustainability of this activity, especially as the majority of the market commentary at that point in time was primarily focused on what the RBA was going to do with interest rates.

Fast forward to September and I am not alone in saying that the frequency and aggressive nature of the rate rises handed down by the RBA have surprised many. What does this mean for the industrial market, I hear you ask. The general feelings from our industrial specialists on the eastern seaboard all tell a similar story with the investment market.

Fast forward to September and I am not alone in saying that the frequency and aggressive nature of the rate rises handed down by the RBA have surprised many.

That is, yields for prime assets have softened in the order of 50 to 100 basis points from their highs, the larger REITs, funds and property syndicates have retreated somewhat as they struggle to structure and balance their target returns for their clients and the mum and dad investors watch on closely as their cost of bank funding increases and closes the gap between an investment return (and cash surplus) and debt costs.

For those around in the last peak of the market in 2007/2008, this is a familiar story where yields and cost of funding were basically the same. We aren't there yet though.

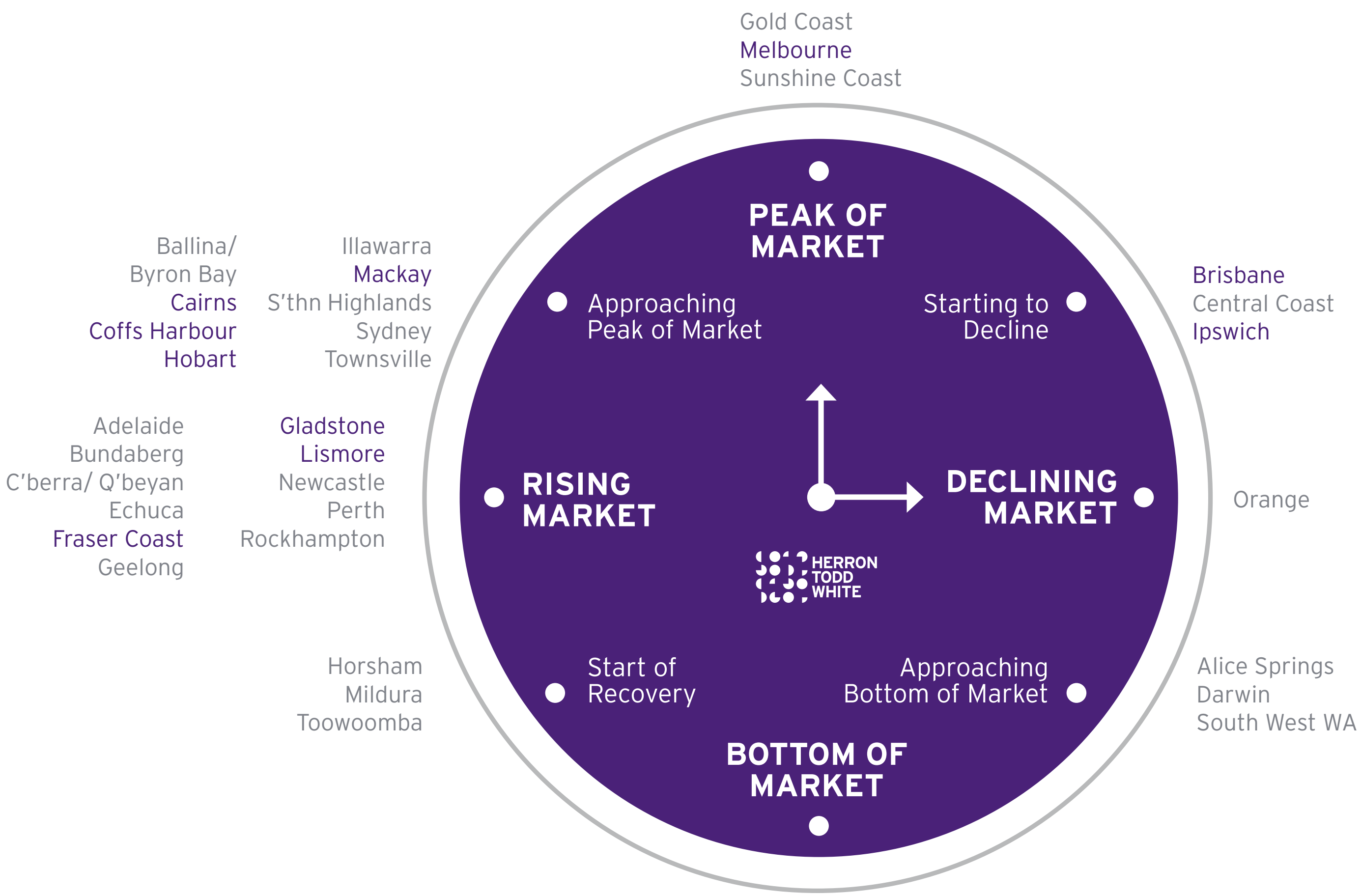
Over in the west, our Perth office reports that both private and institutional players are looking at Perth industrial property due to the higher yields available. However, as they're looking through their Sydney, Melbourne or Brisbane lenses, they're paying prices that reflect yields as low as 4.50%. This view on yield level tends to be in contrast to local Western Australian based investors and private family offices who are major players in this market, with Perth characterised by higher-than-average private ownership of large industrial assets.

Market feedback from the more active agents suggests that besides leasing, which is still extremely buoyant, the one sector that is still performing strongly is the owner-occupier market, primarily in the sub $15 million price bracket. It almost defies logic, however in some cases, there would appear to have been no adjustment in price, even though we have had a 2.25 per cent increase in our cash rate over a six-month period. How can this be? A common story I hear is that prior to March or April this year, the larger funds and syndicates were far more aggressive with their acquisitions, often buying vacant buildings and taking on the leasing risk, which in this strong leasing market, was a heavily mitigated risk. As we are no longer in an environment of free money, these larger groups now seem to be taking a wait and see approach, giving the owner-occupiers a chance to secure their premises.

David Walsh
Industrial Director

National Property Clock: *Industrial*

Entries coloured purple indicate positional change from last month.



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New South Wales - Industrial 2022

Sydney

The first quarter of 2022 saw continued strong growth in the industrial market driven by numerous factors including lack of stock, increased consumer spending for online goods, increased demand for building supplies and strong confidence in the market.

Broadly speaking, the first interest rate rise in May had an immediate effect on market confidence. Local industrial agents reported a slowdown in industrial sales despite steady interest from potential buyers. We have not noted deterioration in capital values in our research, however we have noted a decline in the volume of sales at that time.

The third quarter of 2022 saw continued interest hikes, however we are yet to identify signs that the market has weakened. There is some degree of hesitancy in the market, but overall sales are still achieving strong rates. Sales of small strata industrial units have picked up in volume and we are still seeing strong results for these assets also. There are signs that there is potential for confidence to remain in the market.

Local agents have reported an uplift in industrial rental values and demand, potentially derived from reduced purchasing power because of interest rate rises. We consider inflationary pressure to also be a factor in increasing rental rates with some agents achieving rental rates higher than asking price.

We are gradually seeing yields increase and may see more investors returning to the industrial market capitalising on the better returns.

We have noted some sales that support our view that there is still good interest in the industrial market, particularly at the lower end.

A strata warehouse unit in Anzac Street, Greenacre sold in July 2022 for $800,000 which equates to $6452 per square metre at 124 square metres. Last year and early in 2022, rates for strata units in the locality were around $5500 per square metre.

Anzac Street, Greenacre — Source: Herron Todd White

A strata warehouse unit in Gould Street, Strathfield South sold in June 2022 for $1.1 million which equates to $5069 per square metre at 217 square metres. The unit is older style with restricted access via a single driveway. The agent had an expectation of $1 million prior to auction.

Gould Street, Strathfield — Source: Herron Todd White

Angeline Mann
Commercial Director

We are gradually seeing yields increase and may see more investors returning to the industrial market capitalising on the better returns.

Wollongong

The local industrial market shows no signs of slowing with ongoing strong demand and limited supply continuing to place upward pressure on capital rates and rents.

Demand from owner-occupiers is driving this ongoing growth as competition between purchasers remains intense for properties available with vacant possession.

For investment grade industrial assets, there are early signs that the recent interest rate increases

The region is well and truly asserting itself as a major industrial hub with significant investment

have caused yields to plateau. Many investors view future rental increases as the key to increasing returns moving forward as tenant demand is also strong and there is limited availability of industrial rental stock.

The region is well and truly asserting itself as a major industrial hub with significant investment at the BlueScope steelworks and Port of Port Kembla having notable flow on effects. The sector is also set to benefit from construction of the Western Sydney Airport and a recalibration of global manufacturing and associated supply chains.

The next 12 months will be interesting. Will the economic headwinds that are starting to blow finally slow down the industrial market or will it carry on undeterred, steadied by the strong core fundamentals of limited speculation over more recent times and basic supply and demand metrics?

Scott Russell
Director

Victoria - Industrial 2022

Melbourne

Over the past 12 months, Melbourne's industrial market boomed. E-commerce accelerated due largely to the COVID-19 pandemic. This e-commerce and associated transport and logistics activity, together with extended pandemic restrictions, low interest rates, a fear of missing out and low stock levels saw a firming of yields, vast increases in land values and a strengthening of rents in the industrial market.

Industrial sales levels over the first six months of 2022 have already exceeded $3 billion with offshore purchasers accounting for approximately 55 per cent of the volume of sales.

Leasing activity has also remained high as there was an increased requirement for warehouse space to diminish disruptions in supply chains. Many major retail and wholesale businesses were forced to up-scale their operations in order to increase stock volumes and therefore have required more space. This increased activity has in turn created competitive markets and shortages in prime existing stock.

The demand for new space has also contributed to the consistent rise in industrial land values over the past 12 months. A record level of new development, particularly in Melbourne's west, is in the pipeline for the remainder of 2022, however a shortage of industrial zoned land across the city continues to drive up land values.

As documented, the Reserve Bank of Australia raised interest rates by 25 basis points in May and then by 50 basis point hikes in each of the following three months with the cash rate increased by a further 50 basis points to 2.35 per cent during its September 2022 meeting. Despite these interest rate increases, we are yet to see a slowing of Melbourne's industrial market. Land values have now reached unprecedented levels, having broken through the $1000 per square metre barrier in 2022 across most locales, depending on size and access. The flow on effect is that developers are finding it harder to make a significant margin on new projects as they also grapple with increasing building material costs.

Industrial sales levels over the first six months of 2022 have already exceeded $3 billion with offshore purchasers accounting for approximately 55 per cent of the volume of sales.

Rents are expected to continue to rise as developers try to claw back margins on their development costs. This trend is expected to continue throughout the remainder of this year and well into 2023. For example, in Melbourne's north and western corridors, prime rents have grown by approximately 8.4 per cent and 9.6 per cent respectively over the past quarter. In turn, this has caused landlords to adjust to elevated annual review percentages. Concurrently, incentives have declined across all precincts.

With the economic uncertainty, there is an expectation of softening yields and lowered capital value rates in the industrial market in the coming six months due to continued rising inflation and cost of debt. Investors are expected to become more cautious whilst still being able to have confidence in the underpinning long-term trends supporting the sector and rental growth. Investor interest is expected to remain at relatively strong levels, with continued interest in assets with long WALEs and excellent lease covenants to multi-national tenants.

With tenant demand outpacing new supply, Melbourne's industrial vacancy rate has fallen to 1.3 per cent, with the focus of tenant demand being in and around the western and south-eastern regions which collectively account for 53 per cent of gross take-up.

As we move towards the last quarter of 2022 and further interest rate rises, there may be market value pressure on secondary industrial assets. These may include properties with access issues and poor ingress or egress, poor clearance, properties with high office to warehouse ratios in markets which generally have no requirement for such a ratio and development sites with possible costly asbestos removal requirements prior to any major redevelopment process.

Nick Michael
Director

Queensland - Industrial 2022

Brisbane

There's no denying that many new records were set in the industrial sector throughout 2021. Brisbane, in particular, saw a staggering $5 billion worth of transactions last year, with local super prime assets attracting never before seen yields of sub 4.00%, similar to those in Sydney and Melbourne. In contrast, 2022 to date has proved to be far more docile on the investment activity front with a number of notable headwinds tempering the voracious demand witnessed last year. Industry experts are generally in agreement that the market peaked at the start of 2022. At the same time however, some key macro-economic indicators are suggesting that, strategically speaking, Brisbane industrial assets may still be an accretive proposition for capital allocation.

We have witnessed robust leasing take-up in the calendar year to date following a record 2021. This sustained occupier demand has pushed the overall Brisbane industrial vacancy rate down further to circa two per cent as at Quarter 2, 2022. On the back of this low vacancy, we have noted a corresponding upswing in achievable net face rents. Depending on location, prime face rents have increased circa five to ten per cent over the previous 12 months (Quarter 2, 2021) whilst secondary rents grew by circa ten to 20 per cent in the same period. Secondary rents, especially those in the southern corridor, have been particularly outperforming. We consider this is a result of the strong competition between occupiers generating demand for an asset subtype with generally stable supply levels in submarkets that have historically been less attractive.

The rental disparity between Brisbane and Sydney may also create appeal for southern occupiers looking to reduce their operating costs.

On the back of continued growth in e-commerce and the demand for localising inventory storage (to mitigate supply chain disruptions), occupier demand is expected to be sustained. This is likely to translate to further rental growth. The rental disparity between Brisbane and Sydney may also create appeal for southern occupiers looking to reduce their operating costs. However, we expect rental growth prospects to be more subdued given the impact of decelerating overall economic activity.

As the supply of land has dwindled, we have seen continued rapid growth in value rates per square metre across all submarkets in 2022. Despite the steady increase in construction costs, there has been continued appetite from developers for speculative projects. Whilst this was achievable in a low yield environment, any decrease in gross realisations will likely detrimentally impact the feasibility of projects moving forward, particularly considering there will likely be very little flexibility in other key metrics including profit and risk margins, construction costs and the cost of land.

One alternative industrial asset class that has surprised us over the past 12 months is cold storage and temperature-controlled accommodation. Over the course of the year, we have seen strong demand for modern buildings and increased demand for secondary buildings. Vacancy rates for both prime and secondary buildings have contracted to record lows. Given that cold storage and temperature-controlled spaces are quite a niche market, there has historically been equilibrium between supply and demand. However, investors have recently begun to appreciate the unique investment attributes of these assets, as well as their difficulty to replicate. Catalysing this trend is the limited supply of existing assets and a shortage of materials to convert warehouses for use as retrofitted cold storage facilities. Overall, this has resulted in robust yield compression, a decrease in lease up time and incentives and an increase in achievable market rent.

We note there has been subdued transactional activity in 2022 to date. The sales that have occurred indicate that the yield compression cycle in Brisbane is over, with both prime and secondary yields having softened since Quarter 4, 2021. Anecdotally, sales agents are advising that purchasers are seeking at least a 50 to 100 basis points premium relative to achievable yields from 12 months prior from investment assets. This is quite a substantial softening in a short time frame but is reflective of the market's

Despite these strong results, we note that some agents are reporting a slowing of new enquiry for industrial property off the back of growing negative economic sentiment and the recent (and likely further) increases in interest rates; we understand this has been more pronounced in the investor market.

apprehensive sentiment towards the impact of the aggressive interest rate rises. Vendors on the other hand are trying to catch the tail-end of the yield compression cycle and sell out before adverse yield expansion impacts their returns. As both counterparties are seeking to maximise their own returns, there is a widening gap in the bid/ask spread. We anticipate transactional activity will continue to be subdued until this spread narrows.

That being said, it appears that industrial investments with robust income security are maintaining good levels of interest. We consider this is still due to the covenant quality and long lease terms providing a reliable income stream in a more uncertain financial environment. Assets with uncapped CPI or market review structures are particularly favourable in the economic climate. Notwithstanding, increases in cost of debt have historically translated to increased yields as investors seek to maintain a satisfactory overall total return on capital. Given the current trend of the cost of debt, it is prudent to consider the possibility of softening yields in the short term.

In summary, the Brisbane industrial market in 2022 to date has not been immune to the broad macro-economic impacts of interest rate rises and their causative effects on market conditions and sentiment. However, underlying trends such as sustained occupier demand and strong net face rental growth are maintaining a relatively healthy demand for these assets, particularly those located in prime, fully developed locales underpinned by secure, long term lease agreements. It is difficult to predict the precise impact interest rate increases will have on investment yields. Instead, market activity should be monitored closely to ensure the yield expansion cycle is quantified accurately, thus enabling informed decisions surrounding book valuations and the preservation of return on capital.

Isaac McConnell
Valuer

Gold Coast

The industrial market across the Gold Coast and northern New South Wales has continued to perform strongly over the course of 2022. Despite the economic headwinds at play, demand is still largely outstripping supply and there is a paucity of stock available for either purchase or lease.

In central Gold Coast industrial precincts, the strata unit market has been a particularly strong performer which has been largely facilitated through pre-sales of brand-new industrial complexes in Arundel, Southport and Molendinar. In some cases where pre-sales occurred in mid to late 2021, value rates had increased by 10 to 20 per cent by the time a project was completed.

Developers are also paying a premium for well-located sites with potential for more boutique strata unit development that are capable of achieving premium pricing. An interesting sale in this space is the recent acquisition of 38 Dominions Road, Ashmore by the Potter Group (June 2022). This is a circa 1600 square metre site purchased for $2.16 million, reflecting nearly $1350 per square metre on land area.

Another notable trend in the central industrial market is the increasing rental rates for both smaller strata titled properties and larger freestanding buildings. Current gross rents for small to mid-sized strata units (150 to 400 square metres) generally range from $250 to $300 per square metre gross, up from the fairly strong rates of around $200 to $250 per square metre achieved in 2021. The trend has also been evident in the larger markets, with gross rental rates for good quality tilt panel buildings creeping up from the $140 to $150 per square metre mark to now be closer to $200 per square metre. The rental increase is helping to offset the notable increases in statutory expenses experienced by landowners more recently.

The southern end of the coast is also seeing its fair share of strong results.

15 Hayter Street, Currumbin Waters was taken to the market in July 2022 and is now under contract.

15 Hayter Street, Currumbin Waters Source: realcommercial.com.au

COMMERCIAL - INDUSTRIAL

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It is a leased investment property with a 5+5-year lease to Apex Car Rentals, comprising a building of sheet metal construction with good exposure attributes. The sale price reflects an initial yield of around 5.0%, and a lettable area rate of over $4500 per square metre.

6 Industry Drive, Tweed Heads South Source: realcommercial.com.au

6 Industry Drive, Tweed Heads South is a recently settled sale of a small to medium sized masonry block industrial building of a reasonably basic nature, which was purchased for owner occupation. The sale reflects circa $4000 per square metre of lettable area, which is a record for the area. It reflects an analysed yield of 4.44%.

Despite these strong results, we note that some agents are reporting a slowing of new enquiry for industrial property off the back of growing negative economic sentiment and the recent (and likely further) increases in interest rates; we understand this has been more pronounced in the investor market. However, more time and data are required for this to be considered a strong trend in the Gold Coast industrial market.

Ryan Kohler
Director

Sunshine Coast

The industrial market on the Sunshine Coast has continued to trade in a positive manner during 2022. The main reason for the continued strength of this market is the limited developed land available across all industrial locations. This has led to some very high land transactions in 2022 to date for vacant land, including:

- a 2724 square metre site in the Coolum industrial estate sold in February 2022 for $695 per square metre;
- a 1412 square metre site in the Coolum ndustrial estate sold in June 2022 for $691 per square metre;
- a 9061 square metre site in the Coolum industrial estate sold in July 2022 for $390 per square metre.
- a 3296 square metre site in the Chevallum industrial estate sold in February 2022 for $650 per square metre.
- an 8276 square metre site in the Corbould Park industrial estate to the west of Caloundra sold in April 2022 for $453 per square metre.
- reported sales due to settle at Forest Glen of lots ranging in size from circa 3,000 to circa 4,500 square metres at prices of $695 per square metre.

These sales generally indicate market improvement of circa 100 per cent on where land prices were pre-COVID in these areas and is an indication of the lack of readily available supply.

Sales at the lower end of the market continue to grow with sub 300 square metre strata titled units typically now at or about $3000 per square metre across the majority of established locations.

Several complexes are nearing completion across estates in Kunda Park, Forest Glen and Caloundra with agents reporting the majority being sold out with over 50 per cent of buyers being owner-occupiers.

As a result of the limited supply, we have seen strong rental growth over the past two-year period. For several years, rentals in the industrial market remained stagnant with a general range being from $100 to $130 per square metre net per annum depending on the size of the space and location. In established areas, this has now increased for modern buildings to now be a range from circa $140 to $180 per square metre net per annum depending on size etc. Older stock is generally below this rental range, though has also increased.

Sales of note in 2022 of standalone holdings include:

- The $20.5 million sale in Corbould Park for a 2.612 hectare site improved with 4900 square metres of buildings with a 10+10+10 year lease to Tellum indicating a yield of circa 5.15%.
- The $7.75 million sale in Forest Glen of a multi tenanted complex of 2185 square metres on a site of 5,125 square metres with Bruce Highway frontage. Sold at an analysed yield of 5.39% with a WALE of 0.62 years at the time of sale. Largest tenancy was due to become vacant and buyer will owner-occupy.

These sales, though occurring prior to June, demonstrate the continued strength of the industrial market on the Sunshine Coast.

Chris McKillop
Director

Townsville

High business confidence, sustained activity in the mining sector, infrastructure projects and support service industries have underpinned growth in more recent years. A large portion of sales however remains in the sub $2 million price bracket underpinned by owner-occupiers and smaller scale southern investors. Continued demand for vacant sites demonstrates strong local and national commitment towards the road transport, logistics and warehousing sectors.

Smaller scale need for modern industrial built form has triggered both the build to occupy and build to lease options. Whilst showing continued signs of promise, these commitments are not without risk and certainly the continued uplift in construction costs and labour shortages questions the ultimate viability of such proposals. It is likely that the escalation in construction cost, supply chain issues and potential for extended delivery horizons may delay or inhibit new construction over the short term.

Analysed market yields are broad at 4.79% ($28 million for a purpose-built cold store facility with a term certain of 9.8 years) to 9.28% (for a small industrial asset with a high passing rent and looming lease expiry) although typically the sector is analysing between 6.25% to 8.00% with modern assets demonstrating optimal cash flow expiries being at the firmer end of the investor yield spread. Older assets or assets with volatile short term expiries are typically generating yields towards the upper end of the range. Rentals however have remained relatively static with nominal core rental growth plus standard annual increases (CPI or fixed two to four per cent).

Recent construction activity would indicate a leaning towards lighter scale, mid-clearance construction of warehouses which supports the small to medium scale end of the market. Larger scale, high clearance heavy frame/clear span buildings are built for purpose and pose much higher risk traits based on fixed commencing rents (off the plan), with high potential for cost overruns at delivery, which erodes development margins.

On balance, Townsville is well placed for future on-shoring prospects with the ability to introduce manufacturing locally given the nexus with road, rail, aviation and sea port networks. The potential to supply to local markets is a positive which broadens prospects for increased export to overseas markets. In closing, the sentiment is that the Townsville industrial sector is expected to continue to outperform the commercial sector over the short to medium term.

Greg Williams
Director

On balance, Townsville is well placed for future on-shoring prospects with the ability to introduce manufacturing locally given the nexus with road, rail, aviation and sea port networks.

Cairns

The industrial sector in Cairns is relatively small and its manufacturing base is largely geared towards servicing the engineering requirements of local and regional industries. For this reason, most demand for industrial space is derived from businesses supporting the marine, tourism, sugar milling, residential construction, transport and mining services industries.

The Cairns industrial market over the past 12 months has been strongly underpinned by the owner or part-owner occupier market. There have been few industrial investment sales of any note, being a factor of very limited pure investment stock with well leased properties remaining tightly held, although there is a deep pool of buyers waiting should such properties come onto the market. Yields vary from 6% (small affordable strata units) to mid 8% for larger older properties with poor lease profiles and prices have gained momentum throughout 2021/2022. With the lack of any new land developed over the past 10 years and the progressive run-down of supply, further industrial land is required immediately. Land values have increased with the more noticeable increases seen in small infill sites.

Enquiries to purchase are strong both from owner-occupiers and investors. Enquiries to lease are also strong with limited stock available.

Shane Quinn
Director

Wide Bay

Calendar year 2022 saw industrial leasing and sales activity across the Wide Bay improve. Vacancies are very low and rents have begun to rise, noticeably for secondary tenancies where rents have climbed above $80 to $100 per square metre gross. There is still a low supply of good quality industrial premises to the leasing market and developed industrial land stock is also very low in some localities. There are planned infrastructure projects in the Wide Bay region that could give the market another nudge in the construction phases and there are still macro-economic uncertainties from rising interest rates and the increased construction costs for building new stock that are contributing to the limited supply of new premises.

Industrial investment yields have firmed from an increase in investor demand and low investment grade industrial property. Of note is the increase in sales activity above a price bracket that has typically been difficult to market and sell - above $1.5 million. Some recent sales analysis indicates investors are anticipating a rise in net rental income in a market with very little pending supply in the short term.

Ben Harnell
Property Valuer

Toowoomba

2022 to date has seen an increase in leasing activity in the Toowoomba industrial market following an extended period of limited tenant demand resulting in a general increase in overall vacancy rates. Industrial rentals have been relatively static, however a moderate recent increase in land values combined with increases in construction costs have placed upward pressure on rental rates for new facilities.

Demand from owner-occupiers for vacant industrial properties has remained moderate and we note the supply of available industrial facilities has declined over the past 18 months. The demand for vacant industrial land in the western suburbs remains moderate and has resulted in a slight rise in values for smaller to mid-sized lots with rates of $150 and $200 per square metre achieved for mid-sized lots in primary industrial locations. The supply of vacant lots will increase over the next six months with two industrial subdivisions proposed in Robson-Hursley Road, Torrington. Construction of the first subdivision is almost complete and will provide lots with areas between 4000 and 8000 square metres. Construction of the second subdivision will commence shortly and will provide smaller lots with areas between 2000 and 4000 square metres.

Demand from investors continues to be strong with yields between 7.00% and 8.25% often achieved for fully leased properties in good locations. There have also been several examples where properties with a strong tenant on a long-term lease have achieved a sub 7.00% net yield. Yields for secondary industrial properties are softer at between 7.50% and 8.75%.

Major sales of note in Toowoomba in 2022 include:


123 North Street, Harlaxton Source: realcommercial.com.au

- **123 North Street, Harlaxton:** Sale price of $3.2 million. A semi-modern industrial building with a lettable area of 3389 square metres configured as two detached tenancies. Vacant possession sale with an analysed yield of 8.19%.


367 Taylor Street, Wilsonton Source: realcommercial.com.au

- **367 Taylor Street, Wilsonton:** Sale price of $3.4 million. A semi-modern multi-tenanted industrial complex with a lettable area of 2424 square metres. Sold partly leased to an owner-occupier with an analysed yield of 7.74%.

56 Duhig Street, Harristown Source: commercialrealestate.com.au

- **56 Duhig Street, Harristown:** Sale price of $2.55 million. A semi-modern industrial building with large office component with a lettable area of 1,115 square metres. Sold with a new five year lease. Analysed yield of 7.01%.

Demand from investors continues to be strong with yields between 7.00% and 8.25% often achieved for fully leased properties in good locations.

A large industrial facility is currently being marketed for lease on the western side of Toowoomba. The former poly pipe manufacturing facility was developed to supply products to the coal seam gas developments in the Surat Basin to the west of Toowoomba. The facility is on an 83,380 square metre site with a 4301 square metre heavy duty shed featuring two ten-tonne gantry cranes, two 33KV transformers and a 372 square metre office, with balance of the site medium duty hardstand. The facility is one of the larger properties in Toowoomba and will set a benchmark for a rental and indicate market depth for this asset class. At present, a sub-lease is being offered for four years, or longer terms via negotiation with the owner who developed the site on a design and construct basis.

Ian Douglas
Director

Paget

While 2022 has faced macro-economic headwinds including higher inflation, interest rates and funding costs, the fundamentals of the coal mining driven demand in the Paget industrial market remain strong. In the first half of 2022, market leasing conditions remained firm in Paget and have improved considerably over the past 12 to 18 months in line with increased coal mining activity and improved overall local economic conditions throughout the region. Consequently, there has been increased buyer demand and market activity witnessed in the Paget industrial market over the past 12 to 18 months.

Macro headwind impacts on the southern east coast industrial and logistic markets are reported to have been buffered by historically low vacancy and increasing rents. Investor appetite has therefore remained firm into 2022 in these markets.

Whilst industrial yields in Paget have firmed considerably over the past 12 to 18 months, regional markets such as this continue to remain attractive alternatives for investors as long as a good lease covenant and long-term lease is in place. The lifting of cross border travel restrictions in late 2021 following two years of buyers being unable to visit has facilitated continued investor demand.

Britt Atkin
Valuer

The lifting of cross border travel restrictions in late 2021 following two years of buyers being unable to visit has facilitated continued investor demand.

HERRON TODD WHITE COMMERCIAL

South Australia - Industrial 2022

Adelaide

The South Australian industrial property market continues to perform strongly and shows few signs of slowing down, even with the recent interest rate rises. The main driver behind this continued growth is the lack of available industrial land and industrial stock of all grades. Users and investors have been seeking out opportunities in the outer north and outer south of Adelaide as these areas have a larger supply of available land. Within the inner metropolitan areas, there has still been a scarcity of available land as the lack of rentals available and rising construction costs prompt some users to retain otherwise tired and less functional buildings. These factors are in turn contributing to the rise in rental rates seen across metropolitan Adelaide. New industrial estates including the Nexus North Industrial Estate and Charles Sturt Industrial Estate are in strong demand. Both have completed and fully leased Stage 1 and are commencing marketing of Stage 2.

The following sale is a fantastic example of the rising values in the outer north. 26 Willochra Road, Salisbury Plain is a vacant allotment comprising approximately 8071 square metres of Strategic Employment zoned land. The property sold on 6 August 2021 for $790,000 being openly marketed and represented a rate of $98 per square metre over the land area. We have been advised by the sale agent for the second campaign that the site is under contract being signed in July 2022 for $1.6 million, representing a rate of $198 per square metre over the land area. These transactions represent an increase of 102 per cent, with the value of the property having more than doubled in less than twelve months. The agent noted very strong interest from local business owners who were keen to expand their current operations in the area.

26 Willochra Road, Salisbury Plain Source: realcommercial.com.au

A significant recent sale in the inner west of Adelaide was 336-346 Richmond Road, Netley which was sold by CBRE in an off-market campaign but the details of the sale were published afterwards. The property comprises 17,000 square metres of Strategic Employment zoned land with approximately 8000 square metres of warehousing and offices of varying ages and scales. The property sold for $10.25 million, representing a rate of $603 per square metre of land area and was purchased by prominent South Australian developers BuildTec who have stated plans to construct office and warehouse accommodation ranging in sizes from 1000 to 8000 square metres of lettable area. Netley is a prime inner western industrial area being adjacent to the Adelaide Airport and with access to Adelaide's major transport routes. It is increasingly difficult to secure industrial assets in the inner industrial precincts as investor focus from interstate intensifies due to the fundamentals of our market all pointing to increased rents and land values.

336-346 Richmond Road, Netley Source: theindustrialist.com.au

This year has been a strong year for the Adelaide industrial market and although this was expected, at times we have been surprised by how much values have risen and the broader interstate interest within Adelaide, as historically our market has remained flat and steady with minimal interest from interstate.

COMMERCIAL - RETAIL

HERRON TODD WHITE COMMERCIAL

A final example of the increasing value levels we have experienced in South Australia is the sale of 9 Watervale Drive, Green Fields which comprises 2031 square metres of industrially zoned land improved with a 338 square metre office and warehouse. The property was purchased with vacant possession and settled in May 2022 for $1.52 million after being openly marketed. Almost immediately after the sale, the property was listed again for sale via auction. Such was the demand that the property was purchased before the auction for $1.64 million, which then settled in August 2022. Exclusive of the marketing period, the property settled and was then under contract again within two months with the sale price increasing $120,000 or almost eight per cent. These two transactions occurring in such a short timeframe showcase the rapid rises within the industrial market in 2022.

This year has been a strong year for the Adelaide industrial market and although this was expected, at times we have been surprised by how much values have risen and the broader interstate interest within Adelaide, as historically our market has remained flat and steady with minimal interest from interstate.

The outlook for the industrial market remains strong despite the interest rate rises. Although there is some industrial supply coming online, it is pre-leasing very quickly and there is still a current shortage of suitable industrial accommodation across Adelaide. Further increases in land rates are expected with land remaining scarce, vacancy rates being well under the historical average at sub one per cent in some areas, increased interstate interest in South Australian assets and outside factors, including the increased broader demand from logistics, e-commerce and other uses as well as construction cost escalations.

Chris Winter
Commercial director

Western Australia - Industrial 2022

Perth

As we near the end of the 2022 calendar year, the industrial property market in Western Australia has consolidated to be the best performing of the three big asset classes.

Leasing demand for industrial premises strengthened throughout the course of 2022, especially for newly built high specification facilities, with such properties in limited supply. Face net rental rates (i.e. before any incentives) for such premises of upwards of $120 per square metre per annum have become mainstream in 2022.

Demand for older style stock showed signs of life again with a steady take-up of space which had previously sat vacant for a prolonged period. Much of this stock had however been subject to compliance upgrades and specification enhancements either ahead of scheduled marketing campaigns or included in direct lease negotiations in the form of incentives.

Nonetheless, tenants demonstrated a preference to enter into design and construct agreements, often at inflated rental rates having been negotiated on a formulaic basis as a percentage of total construction cost (i.e. economic rents) as opposed to market fundamentals.

Construction material supply chain disruptions and labour shortages contributed to a pronounced escalation in build costs and often caused delays in project timelines. Market rental rates generally lagged, however rapidly gathered pace.

Demand for newly constructed built-form industrial property soared during the year and shows no signs of abating.

Whilst new construction activity has been prevalent in recently created industrial land estates such as Tonkin Highway Industrial Estate in Bayswater and Roe Highway Logistics Park in Kenwick, the volume of construction was constrained by a finite supply of land in these and other core industrial precincts.

As a result, industrial land values in secondary industrial estates demonstrated positive market movement for the first time in many years. Transactions in established, secondary industrial estates such as Maddington and Armadale demonstrated marked price increases compared to historical numbers for similar products.

Not surprisingly, our team witnessed a rise in approvals for proposed industrial facilities in peripheral, previously shunned estates such as Neerabup.

The rise of e-commerce after the disruption to normal business operations caused by the COVID-19 pandemic put the spotlight firmly on large-scale warehousing, transport and logistics facilities. These facilities became more common in Western Australia in order to meet customer delivery expectations and accord with advances in technology.

Demand for newly constructed built-form industrial property soared during the year and shows no signs of abating. Led by an influx of eastern states-based buyers, demand for modern and securely leased investment property caused even further yield compression.

Prospective buyers remain focused on the length of agreed lease terms, prospects for rental growth and depreciation benefits. Where all or a majority of these criteria have been met, even sub 5% yields were demonstrated in select instances.

The owner-occupier market began the year in a relatively subdued state however quickly followed suit. Whilst the depth of buyer demand for industrial facilities was shallow (compared to investment-based buyers) a dearth of stock of similar scale and quality premises available compounded by construction industry delays compelled owner-occupiers to act.

The Western Australian industrial property market finds itself on a strong upward trajectory thanks to a combination of low stock, limited development-ready land, rising construction costs and strong demand from both tenants and buyers. Underpinned by a robust mining and resources sector, the question is how long can it be sustained in light of rising interest rates and potential macro-economic headwinds as we welcome in 2023?

Greg Lamborn
Director

Northern Territory - Industrial 2022

Darwin

The Darwin industrial property market has remained relatively static throughout 2022 thus far, however there has been a noticeable pickup in enquiry which may result in some long overdue rental and price growth if the oversupply situation can be absorbed.

The major activity appears to come from tenants who are taking the opportunity to purchase their premises, with loan repayments still often below their passing rent. Similarly other owner-occupiers are sometimes taking the punt to upgrade their accommodation for future requirements.

Investors remain largely absent from this market due to the significant risks associated with locating and retaining a tenant and the relatively low yields these properties generate. The only exception is for modern, strongly let property, with purchasers banking on some rental growth in the medium to longer term. Whether that growth eventuates remains to be seen.

The Land Development Corporation continues to develop the Middle Arm Industrial Precinct near the Inpex site on the southern side of Darwin Harbour. This land has been identified to service the nearby gas plants and emerging energy industries. Other than that, development of new industrial land is constrained by the large level of supply already available and awaiting development.

One of the more significant events during the year was commencement of construction of the $270 million fuel storage facility in the East Arm Logistics Precinct. The facility is in the Bulk Liquids Area of this precinct, close to the Port of Darwin and adjacent to the existing Vopak bulk fuel plant, which is used for mainly domestic purposes. This new facility will store up to 300 million litres of fuel for the US Department of Defence as reserves for their operations around Darwin Harbour, and also the RAAF base at Tindal near Katherine.

So, the Darwin industrial property market is largely in the same place as it was at the start of the year, although some level of confidence is gradually returning. This however may be dampened if interest rates continue to rise over the next two to three years.

Terry Roth
Director

The major activity appears to come from tenants who are taking the opportunity to purchase their premises, with loan repayments still often below their passing rent.

Tasmania - Industrial 2022

Hobart and regions

The industrial market in Tasmania, especially the major centres of Hobart and Launceston, has been very strong over the past two years and has shown no signs of slowing as we move towards the end of 2022. Industrial property remains the sector that has continued to grow, with no signs of softening according to local commercial agents who indicate that demand for quality assets remains strong.

The Hobart industrial vacancy rate, whilst not officially reported, is estimated to be less than one per cent.

The shortage of industrial stock has fast tracked unit developments in two of the major industrial areas of Cambridge (80 to 100 units) and Brighton (60 to 80 units). What impact this increase in supply will have on rent and values is yet to be seen.

However, demand has not just been limited to improved properties. There has also been strong demand for vacant sites ready for development. Several recently developed industrial estates sold out with pre-sales prior to being formally released to the open market at record levels for industrial land per square metre. Industrial land prices saw growth of 80 to 90 per cent in the past 18 months in the greater Hobart region, however there is little remaining land available for redevelopment.

The key drivers in the success and growth of the industrial market in recent times are considered to include land shortage, e-commerce and decrease in globalisation.

Discussions with local leasing agents indicate there are currently a number of prospective tenants looking for larger workshop and warehouse accommodation in well positioned locations within Tasmania.

The industrial market, unlike other commercial sectors of retail and office, has not only seen yield compression over the past two years from circa 8% down to circa 5%, but also significant growth in rents, circa 20 per cent in the past 24 months with minimal incentives, making the industrial sector the one with the strongest performing commercial assets in Tasmania.

Tamara Neilsen
Director

Several recently developed industrial estates sold out with pre-sales prior to being formally released to the open market at record levels for industrial land per square metre.

HERRON TODD WHITE RESIDENTIAL

Residential

October 2022

National Residential Overview

There is a wide range of property data available that can provide insights into the residential property market. Of course, it is instructive to monitor several data points such as average marketing period, number of sales, auction clearance rates, vendor discounting and median prices etc, however where there is enough market activity, the median sale price for a suburb, postcode or city provides a reasonable measure of residential market conditions, especially if you track changes in prices over time.

There are different median prices that we commonly talk about. The first is for all residential property (the median dwelling price) and this gives the broadest snapshot of the market in any given location. Median dwelling prices can provide deeper market insights when split into a median house price and a median unit price.

As you will find in this month's Herron Todd White Month in Review, there are clearly economic factors that affect all residential markets. The most obvious current impact is increasing interest rates. Tracking median prices shows the extent to which these factors are having an impact in any given location. While we talk about the residential property market, the aggregated data does not reveal the tremendous diversity of residential market segments across Australia. Geographical location and value levels can have a marked influence on how the residential property market is performing.

In some locations there were significant increases in median residential property prices throughout 2021 and into 2022. In these locations, such as Sydney and (to a slightly lesser extent) Melbourne, affordability constraints were becoming evident. The more recent impact of increasing interest rates has therefore had a pronounced drop in the median dwelling price. In more affordable regional areas, the recent strength of the market has been attributable in part to out of area purchasers who have viewed residential property as affordable. In these areas, there has still been a recent fall in median prices, but it has been far less abrupt than in higher value urban areas.

Comparing the median prices of houses and units in the same location can also reveal a story about the local market.

Of the state capital cities, Adelaide remains relatively affordable and as such has retained almost all of the value increases that occurred before the current round of interest rate increases. And to prove that variety is the spice of life, Darwin dares to be different and is the only market that is yet to see any fall in the median dwelling price.

Comparing the median prices of houses and units in the same location can also reveal a story about the local market. In a high value capital city such as Sydney, the affordability constraints associated with buying a house can encourage potential purchasers to consider buying a unit and this demand can mitigate a potential decline in the median unit price.

Following median prices will give you a good market snapshot, but there is no substitute for the detailed market observations of our Herron Todd White local experts.

Kevin Brogan
National Director,
Group Risk and Compliance

RESIDENTIAL

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National Property Clock: *Houses*

Entries coloured orange indicate positional change from last month.

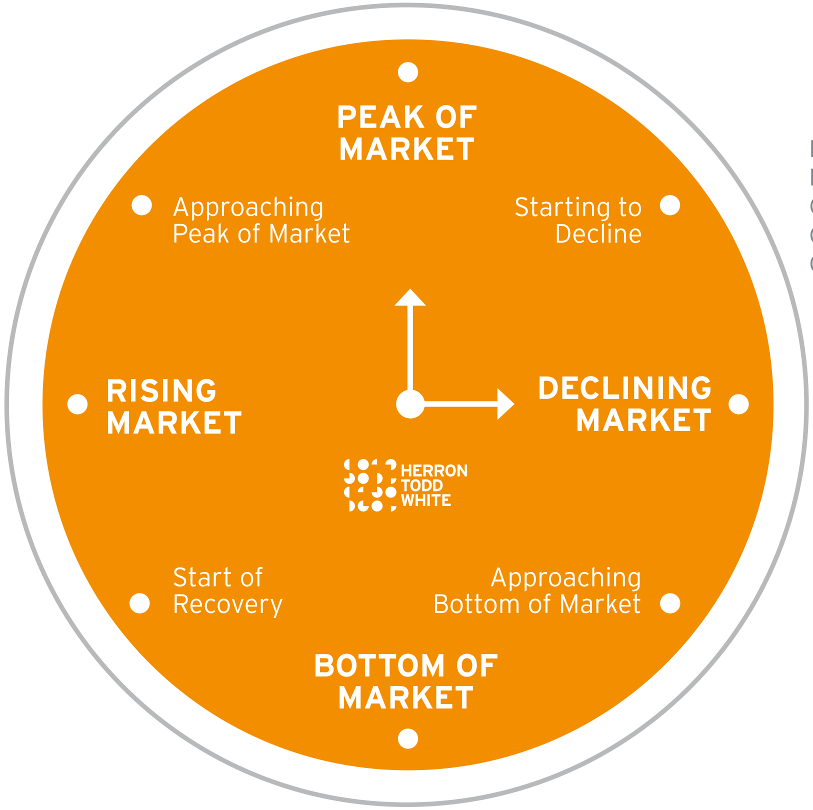
Adelaide
Adelaide Hills
Albany
Albury
Barossa Valley
Bathurst
Canberra
Central Coast
Dubbo
Mildura
Mount Gambier
Shepparton
South West WA
Sunshine Coast
Tamworth

Alice Springs
Broome
Bundaberg
Fraser Coast
Hobart
Kalgoorlie
Newcastle
Port Hedland
Wodonga

Ballina/Byron Bay
Burnie/Devonport
Coffs Harbour
Geelong
Gold Coast
Illawarra
Launceston
Lismore
Melbourne

Cairns
Darwin
Emerald
Esperance
Geraldton
Gladstone
Karratha
Mackay
Perth
Rockhampton
S'thn Tablelands
Toowoomba
Townsville
Whitsunday

Brisbane
Ipswich
Southern Highlands
Sydney



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RESIDENTIAL

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National Property Clock: *Units*

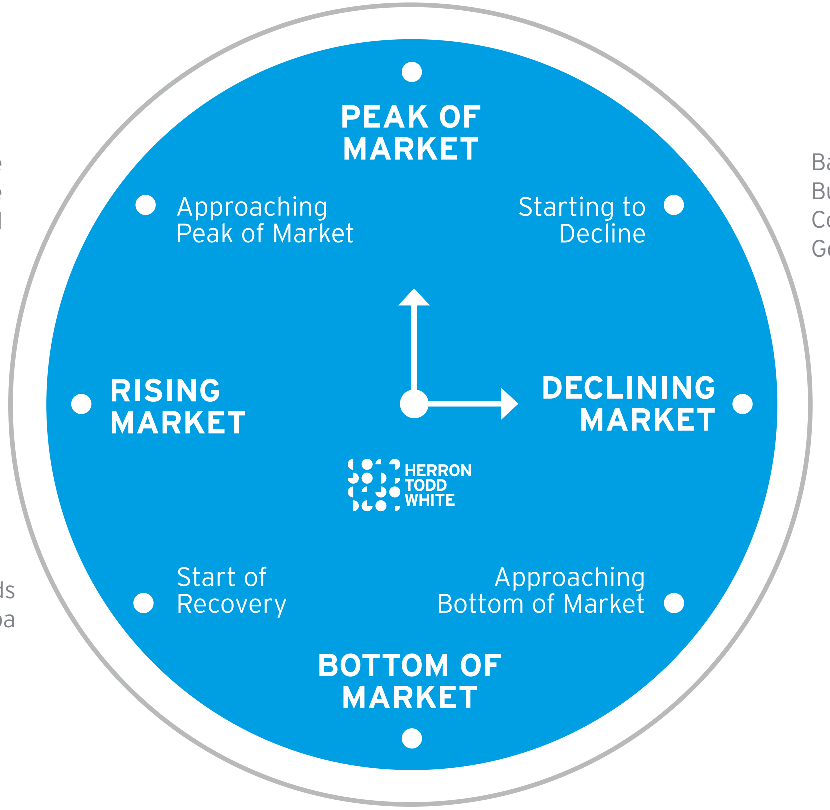
Entries coloured blue indicate positional change from last month.

Adelaide
Adelaide Hills
Albany
Albury
Barossa Valley
Bathurst
Brisbane
Central Coast
Gold Coast
Ipswich
Mildura
Mount Gambier
Shepparton
South West WA
Sunshine Coast
Tamworth

Alice Springs
Bundaberg
Fraser Coast
Hobart
Kalgoorlie
Newcastle
Port Hedland

Ballina/Byron Bay
Burnie/Devonport
Coffs Harbour
Geelong
Illawarra
Launceston
Lismore
Melbourne

Broome
Cairns
Darwin
Dubbo
Emerald
Esperance
Geraldton
Gladstone
Karratha
Mackay
Mt Gambier
Perth
Rockhampton
Townsville
Whitsunday
Wodonga



Canberra
Southern Highlands
Sydney

Southern Tablelands
Toowoomba

RESIDENTIAL

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New South Wales - Residential 2022

Sydney

The median price across Sydney at the end of August according to CoreLogic was $1,302,635 for houses and $799,150 for units, with both down 2.5 per cent compared to a year ago. However, Sydney is a big beast and the median price across its different regions can vary significantly, particularly for houses. Even within regions and sub-regions, we often see quite large variance in median prices across postcodes and suburbs.

Inner City

Across Sydney's inner city, median prices can differ widely due to the variety of quality and styles of accommodation developed over time. Furthermore, some areas are highly sought after whilst others have not yet fully shaken their past reputations. On the inner western side of the CBD, the suburb of Chippendale is reported to have a median house price of $1.68 million (realestate.com.au) and a median unit price of $790,000, however on the inner eastern side of town, Paddington has a median house price of $3.2 million and a median unit price of $935,000.

Typically, dwellings in these areas comprise Victorian terrace style properties in various states of repair, often affording two to three bedrooms and allotments of 80 to 140 square metres. An example is 68 Cascade Street in Paddington, a three-bedroom, one-bathroom terrace dwelling on 139 square metres of land with a single car space to the rear which sold on 9 September for $3.35 million. In comparison, the last three-bedroom, one-bathroom dwelling with a single car space in Chippendale to sell was 6 Myrtle Street on 9 July for $1.96 million on a 127 square metre allotment.

6 Myrtle Street, Chippendale Source: CoreLogic

Units within these suburbs are typically more affordable and are popular market entry points for first home buyers or investors and comprise a wide variety of styles from Art Deco units to warehouse conversions and more modern architectural apartments. In September, 210/176 Glenmore Road, a 1970s style two-bedroom, one-bathroom unit with parking having basic but neat condition and a pleasant outlook sold for $925,000. At a similar price point in Chippendale, 403/49 Regent Street sold on 20 August for $980,000, being a semi-modern three-bedroom, two-bathroom unit with basement parking. Just under the median price in Chippendale, 33/82 Myrtle Street sold for $730,000, being a one-bedroom loft style unit with one bathroom and no parking in a well-regarded warehouse conversion complex.

Across Sydney's inner city, median prices can differ widely due to the variety of quality and styles of accommodation developed over time.

Current market conditions across Sydney's inner city are soft, with agents reporting lower numbers of (and often more hesitant) buyers, largely as a result of interest rate uncertainty and negative sentiment. This is causing the market to cool from the highs experienced in 2021 and is therefore presenting some good buying opportunities for those who have the cash flow to sustain their investments during this period of rising interest rates. Good buying is particularly evident within the apartment market where some investors are looking at selling due to diminishing returns from mortgage rate increases.

Inner city areas are likely to experience a period of market cooling over the short term, with rising rental returns as demand starts to increase from people re-entering the city after the COVID-induced exodus. We all know that the property market moves in cycles and this downward swing could represent a point of good buying for those who have been trying to play the timing game in Sydney's notoriously buoyant market.

RESIDENTIAL

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Inner West

Median house prices in 2022 vary across the inner west region of Sydney. According to the website heatmaps.com.au (a website which tracks the median house price of postcodes around Australia), the highest median house price for 2022 in the area is the 2135 postcode of Strathfield, with a median house price of $3.74 million. This is vastly greater than the 2044 postcode which takes in the suburbs of St Peters, Tempe and Sydenham which has the lowest reported median house price of $1.605 million.

The difference is attributable mainly due to the different types of housing available in each area. Strathfield is an area on the western edge of the inner west which comprises prestigious and sought-after schools. The housing market comprises larger land allotments popular with buyers seeking to demolish inter-war era housing and build significant modern homes.

In terms of what can be purchased at the median house price of $3.74 million, a buyer in Strathfield would be seeking to purchase a land allotment of 800 to 1500 square metres to build their new home. Alternatively, a modern or renovated dwelling in the area could be purchased at a similar price however on a smaller land allotment of 400 to 500 square metres.

The past six months have witnessed a softening in sale prices. Given much of Strathfield's housing market is geared towards more prestigious buyers in the above $5 million range, the underlying risk in this market is that if overall market sentiment is low it is more susceptible to sharper fluctuations in value.

In relation to the areas of St Peters, Tempe and Sydenham, the housing mainly consists of Victorian, Edwardian and inter-war era attached housing on smaller allotments ranging from 100 to 300 square metres. The area is situated directly under the flight path of Sydney Airport and also consists of older warehouse and industrial property.

The area experienced strong capital growth during 2021 with many buyers from surrounding areas including Newtown and Marrickville viewing the area as a good cheaper option. The median house price of $1.605 million could generally buy a semi-detached three-bedroom house or a detached two-bedroom house on a land allotment size of 150 to 250 square metres.

The main risk to price levels in this market is that the softened market conditions experienced throughout 2022 could have a more significant decline in house values in comparison to other areas given the rapid rise in prices it experienced during 2021.

In regard to strata titled properties, the areas of Rozelle, Burwood, Homebush and Breakfast Point have a larger composition of higher density unit and townhouse developments in comparison to other sections of the inner west.

According to data from Pricefinder, the median strata titled property prices for 2022 are: Rozelle $1.09 million; Burwood $873,000; Homebush $660,000; and Breakfast Point $1.41 million. For the median price of $1.09 million in Rozelle, you would be able to purchase a one-bedroom apartment reflecting the top end of the market, or alternatively, a smaller or older two-bedroom apartment generally with no parking.

In relation to Burwood, the median price of $873,000 would purchase a modern two-bedroom, two-bathroom apartment with parking. The Homebush median price of $660,000 would also purchase a modern two-bedroom, two-bathroom apartment with parking.

Although Burwood and Homebush present as cheaper alternatives, these areas have been undergoing significant high density residential redevelopment over the course of the past decade. Given constant supply levels through new developments, capital growth levels for these apartments have been very modest in comparison to other areas of the inner west.

Breakfast Point is another area which has seen a constant supply of new unit development over the course of the past decade, however capital growth levels are stronger in comparison to Burwood and Homebush, given it is a more sought-after area. The median price of $1.41 million would purchase a large two-bedroom apartment with two car spaces or alternatively a smaller three-bedroom apartment with a single car space. Breakfast Point and Rozelle are considered safer investment options for strata titled properties in the inner west as they appeal to a large owner-occupier market as well as investors.

Given much of Strathfield's housing market is geared towards more prestigious buyers in the above $5 million range, the underlying risk in this market is that if overall market sentiment is low it is more susceptible to sharper fluctuations in value.

Eastern Suburbs

The eastern suburbs have a disparity of prices from the low end to the high end of the market, with dwellings selling for up to $100 million and units up to $24 million. The median price of individual suburbs in the eastern suburbs can vary quite significantly too. In Vaucluse, the median house price according to realestate.com.au is $8.55 million, while Chifley's median house price is $2.27 million. Darling Point's unit median price is $2.775 million, while Kingsford's is $875,000.

The median price across the eastern suburbs for the Woollahra, Waverley and Randwick LGAs would currently sit in the $3.5 to $4 million range for houses and $1.2 to $1.4 million range for units. What you can get at those price ranges in different suburbs throughout the east will vary significantly.

In Kensington, a Lenthall Street home sold in August for $3.75 million, comprising a part two level Federation home with updated interiors, four bedrooms, three bathrooms and one-car garage on 664 square metres of land, situated on a local thoroughfare. The property previously sold in August 2020 for $3.17 million.

64 Lenthall Street, Kensington   Source: realestate.com.au

In the neighbouring suburb of Kingsford, a two-bedroom, two-bathroom unit with one car space located in a 1999 medium rise building on Anzac Parade sold for $865,000 in August, a tick under the median unit price for the suburb. This product is largely investor driven with the University of New South Wales located under 500 metres away and is also positioned at the end of the South-East Light Rail line, providing public transport access to the Sydney CBD.

For this price, south-west Sydney remains one of the few enduring places in the Sydney basin where a typical family home could still be purchased sub $1 million.

It is expected that prices will continue to ease over the next six to twelve months across all price points. The middle part of the market is generally quite sensitive to interest rate rises, with many using historically low interest rates over the past five years to upgrade and are therefore quite highly geared, which is likely to see prices fall more significantly at these price points. For houses in particular, any losses suffered during this current downturn will generally be less significant than the increases enjoyed during the post-COVID boom.

South-West Sydney

As we wake up to another beautiful Australian spring season and another supersized interest rate hike by the RBA, we continue to see downward pressure putting a dampener on the previously red-hot Sydney property market, now down 7.4 per cent from its peak. But what was a seller's market has now become a buyer's market, providing welcome leverage for some trying to enter the property market, even in the flood-affected areas.

Breaking down south-west Sydney into its constituent Local Government Areas (LGA) of Liverpool, Fairfield, Campbelltown and Camden, we can look at what can be purchased within their median prices. Liverpool and Fairfield LGAs are similar with median house prices for both at $995,000; the median unit prices are $535,000 and $500,000, respectively.

For this price, south-west Sydney remains one of the few enduring places in the Sydney basin where a typical family home could still be purchased sub $1 million. A fully renovated three-bedroom home with a decent backyard could be purchased in the established suburb of Hoxton Park with money to spare at $938,000.

53 Nineteenth Avenue, Hoxton Park   Source: realestate.com.au

Units are also plentiful and while we do warn of the current oversupply constricting capital growth, it does provide an opportunity to buy a brand new two-bedroom apartment with good views and amenities in the Liverpool CBD for $480,000.

In Camden LGA, a fully renovated three-bedroom house on a much more spacious 620 square metre allotment could be purchased for $970,000, well within the $992,000 median house price. Units typically go for a median price of $664,500; with a bit extra, a two-bedroom townhouse could be bought at $680,000.

1/29 Murrandah Avenue, Camden Source: realestate.com.au

The new release areas such as Oran Park, Leppington and Austral also offer opportunities, particularly for those who want a new house but don't mind a smaller allotment, with a four-bedroom house on a 309 square metre allotment going for $910,000.

Finally, in Campbelltown LGA where the current median house price is $815,000 and the unit price is $522,000 and also where we believe offers the most value if you now embrace the work-from-home lifestyle, a fully renovated three-bedroom home on a 556 square metre allotment could be purchased for just $770,000.

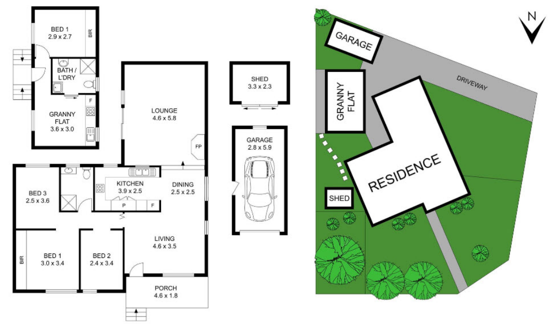
Western Sydney
Western Sydney's median house values are typically lower than their eastern neighbours given the wider market's desire for property closer to the CBD and more established transport links compared to more developing areas such as Box Hill and Marsden Park and out to Glenmore Park.

For much of the outer western suburbs, the main market drivers for property around the median value were first home buyers and entry level investors. These entry level homes are popular due to a lower entry point and being further afield from the eastern suburbs, you get more bang for your buck with modern or renovated houses and bigger blocks. In addition, the median price point provides solid investment opportunities with the higher yielding house and granny flats.

In Blacktown the median value is currently $896,000 (RP Data). Median house prices in Blacktown have risen by 8.6 per cent over the past 12 months (RP Data). This increase can be attributed to the affordability of this region relative to the Sydney-wide dwelling median. Buyers are looking further afield for affordable property and working from home reduces any commute that may have deterred buyers pre-COVID. One great example of this is an entry level house located in Blacktown that sold for $880,000 in August. This house is fully renovated inside featuring four bedrooms, one bathroom and two car spaces sitting on a 575 square metre block.

Alternatively, in Tregear you can get a house with granny flat for investment purposes, with great rental return. An example is a property that sold for $685,000 in September. The house features updated interiors with four bedrooms and a one-bedroom granny flat. It was sold fully leased returning a total of $590 per week equating to a gross yield of 4.47 per cent. This property is a great opportunity for an entry level investment option. The median value in Tregear has increased by nine per cent in the past 12 months.

11 & 11A Amundsen Street, Tregear Source: realestate.com.au



11 & 11A Amundsen Street, Tregear Source: realestate.com.au

Affordable modern dwellings are the cornerstone of the western Sydney property market. The median value in Penrith is currently $903,000. A sale of a modern dwelling occurred at 77 Empire Circuit, Penrith for $961,000 in August. This property is a two storey, circa 2015 build and features four bedrooms and two bathrooms with a double garage on a 355 square metre block in the Thornton Estate, a modern subdivision of Penrith.

For much of the outer western suburbs, the main market drivers for property around the median value were first home buyers and entry level investors.

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On the other hand, you can get an investment property on the older side of Penrith. An example is a property that sold for $848,000 in July, which is much lower than the median suburb price. The property features a renovated four-bedroom house with a one-bedroom granny flat sitting on 563 square metres of land. Whilst sold partly leased, there is a potential for a gross yield of 4.2 per cent.

Penrith had a solid increase in median house value at 13.6 per cent over the past 12 months with affordability and upgrades to local services being key drivers.

Taking a glance further east at Winston Hills, the median value is significantly higher at $1.4 million, however median values have only risen by 4.1 per cent over the 12 months. This can be attributed to the higher entry point compared to further west and the wider market cooling after a period of strong growth. Winston Hills is a great suburb for growing families, upsizing families and also those who want to live closer to the Parramatta CBD.

In Winston Hills you can get a renovated four-bedroom, two-bathroom house with off street parking, a pool and 556 square metres of land close to the median house price for $1,416,500 as sold in July.

Another popular property type in the area is the modern duplex. You can get a duplex with five bedrooms, three bathrooms and a single garage with a quality interior for a little above the median price at $1.5 million, based on a sale in September.

393 Old Windsor Road, Winston Hills Source: CoreLogic

The biggest challenges faced by western Sydney buyers shopping around the median values and below are the rising interest rates and cost of living pressures. Historically the lower end of the market feels the impact of these pressures much more than buyers looking for property well above the suburb median.

If interest rates continue to rise and inflation is not reigned in, many households will struggle to afford large mortgages taken out during the boom times of the past two years and the risk of mortgage default will only increase which is not an ideal situation for anyone in the market.

Northern Beaches

Property prices have continued to fall for their fourth consecutive month. CoreLogic data indicates the median house price in the Northern Beaches was $2.8 million as at June 2022. This has likely continued to fall given the deteriorating marketing conditions with SqmResearch data indicating the current average asking price is sitting at $2.41 million (as at September 2022), well below the peak of $2.93 million in September 2021.

The suburb of Mona Vale closely aligns to the median house price and reflects current opportunities available to buyers. A recent example includes 40 Bangalow Avenue, Mona Vale. The property sold in August for $2.7 million. It is a renovated single level four-bedroom, two-bathroom dwelling situated on the western side of Pittwater Road on a level 743 square metre parcel of land. This is exceptionally good value in comparison to properties available nine to twelve months ago at an equivalent value.

40 Bangalow Avenue, Mona Vale Source: CoreLogic

Unit prices have suffered a similar decline with CoreLogic data indicating the median unit price in the Northern Beaches was $1.25 million as at June 2022. This likely continued to fall with SQM Research data indicating the current average asking price of a unit is $1.07 million (as at September 2022).

Opportunities in the unit market are heavily dictated by location. A recent buying opportunity is 7/145 Woodland Street, Balgowlah having sold in August 2022 for $1.185 million. The sale is of a circa 1960s renovated two-bedroom, one-bathroom unit with indirect North Harbour views. The unit has

The biggest challenges faced by western Sydney buyers shopping around the median values and below are the rising interest rates and cost of living pressures.

strong investment appeal due to its location in a prime position of Balgowlah.

7/145 Woodland Street, Balgowlah   Source: CoreLogic

North Shore

In general, the Lower and Upper North Shore markets have a relatively high median price in comparison to the rest of Sydney. This rings true for both detached housing and the unit sector. The North Shore covers a large geographical area, with varying median price points depending on the suburb, although all well above the Sydney median price.

A typical suburb on the Upper North Shore is Pymble, approximately 13 kilometres north of the Sydney CBD. Pymble has a mixture of property ages and styles, with both detached housing and unit development common in the area. The current media detached house price is $3,504,450, up from $2.85 million at the same time last year (realestate.com.au).

The recent sale of 30 Lawley Crescent for $3.3 million provides a good example of what you can get for close to the median price point in Pymble,. This property comprises four or five-bedroom accommodation with three full bathrooms in updated condition. Although positioned on the less desirable side of the Pacific Highway, it is located in a quiet position of Pymble and represents what the median price point can get you in the current market.

30 Lawley Crescent, Pymble   Source: realestate.com.au

The most popular housing product in Pymble and on the North Shore in general is either new-construction homes or renovated dwellings. The reason for this, as with most markets across Sydney, is the cost and supply issues involved with undertaking your own renovations in the current environment. These properties are obviously achieving well above the current median price point.

36/4-8 Bobbin Head Road, Pymble   Source: realestate.com.au

The Pymble unit market has performed relatively well in comparison to other unit markets across Sydney. One of the main reasons for this is the increase in recently completed quality, higher priced stock. There also appears to be some positive market sentiment emerging from investors with future population growth expected to be increased, resulting in higher rental demand on the North Shore. This is obviously part of the rebalancing around immigration and reintroduction of the foreign student population, for which the North Shore is a popular location choice, now that COVID-19 appears to be less of a factor.

Southern Sydney

In the St George area, the median housing prices differ primarily based on location and are reflected below. An indicative midpoint or median price would be $1.7 million to $1.8 million based on the available statistics (htag.com.au).

Suburb	Sales	Price	Δ1Q	Δ1Y	Gross Yield
Arncliffe, NSW 2205	5	$1,636,715	-0.82%	-0.65%	2.19%
Banksia, NSW 2216	3	$1,474,042	-1.28%	-1.81%	2.19%
Bardwell Park, NSW 2207	1	$1,730,212	-0.51%	0.97%	2.36%
Bardwell Valley, NSW 2207	1	$1,639,682	-0.98%	-1.07%	2.58%
Bexley North, NSW 2207	3	$1,667,235	-0.95%	-0.50%	2.43%
Bexley, NSW 2207	10	$1,594,983	-1.29%	-0.58%	2.33%
Botany, NSW 2019	4	$1,948,416	-0.04%	1.22%	2.94%
Brighton-Le-Sands, NSW 2216	2	$1,953,455	-1.02%	-1.37%	2.41%
Carlton, NSW 2218	6	$1,646,492	-0.49%	-1.24%	2.20%
Eastgardens, NSW 2036	1	$2,140,694	0.59%	3.91%	2.20%

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Properties purchased at this price point generally comprise a single level older-style dwelling, between three and four bedrooms and situated in an average location. The general allotment size for dwellings in this price point is around 420 to 600 square metres. Understandably, if you look further towards Botany Bay, the median housing prices increase as those locations are more sought-after (Sans Souci, Monterey, Brighton-Le-Sands, Ramsgate Beach, Sandringham and Dolls Point).

A recent sale example in one of these bayside suburbs is of a single level brick dwelling on 367 square metres in Monterey, with three bedrooms, two bathrooms, three-car carport and garage and inground pool, which sold for $1.75 million in August.

16 Lakeside Avenue, Monterey Source: CoreLogic

It is hard to see value or good buying at this price level given the current decrease in property values, along with an inevitable continuation of RBA interest rate increases. Better value purchases may potentially be available towards early to mid 2023.

Buyers should be cautious as properties at these price levels generally require some level of renovation in order to modernise the property. The aforementioned interest rate rise risk is a key concern, although inflated construction costs and supply chain issues also provide risks in purchasing these properties.

Overcapitalisation may be a prolonged issue in Sydney given that we are seeing a market correction, yet construction costs have risen. It is extremeley difficult for the broader market to be able to correctly assess the feasibility of proposed construction works with these two key factors affecting the Sydney residential market.

Other properties that may be purchased at this price point are high-end units, along with average-quality three to four-bedroom duplexes.

A popular beachside suburb in the Sutherland Shire is Cronulla, with a large number of both houses and units, and located on the T4 railway line. The median price for a Cronulla dwelling as of June 2022 is $3.225 million, nearly double the median house price for the Sutherland Shire of $1.75 million, according to RP Data. For units, the median price in June was $1.061 million for Cronulla, compared to $877,500 for the Sutherland Shire.

For the median house price of $3.225 million, you can get a dated fibro dwelling at the northern end of Cronulla (12 Alfred Avenue) or a modern four-bedroom duplex at the Southern end of Cronulla (18B Gunnamtta Road). Downsizers looking to spend that type of money on a unit could find a modern three-bedroom unit in central Cronulla (303/19 Gerrale Street).

Shaun Thomas
Director

Lismore/Casino/Kyogle

"Strangers from distant regions and locals from nearby shires, you have been summoned here to give account for the median price trends in these lands. The Northern Rivers stands upon the brink of a reckoning; dread it, run from it, destiny arrives all the same. Will the impact of potential rate rises and softening market confidence enable you all to unite.... or fall? All property owners, renters and investors are bound to this future...you must decide now how to move forward."
- Lord Elrond (Middle Earth Property Advisor).

The Lismore/Casino/Kyogle region has experienced a tumultuous 2022. Following on from the craziness of 2021, the property market continued to fizz from 1 January 2022 to 27 February 2022, albeit at a slightly less frenetic pace.

Current Corelogic data from January 2022 to May 2022 indicates strong median price gains in the flood-free suburbs of Lismore Heights and Goonellabah over the five month period. Goonellabah improved from $600,000 to $655,000 and Lismore Heights from $555,000 to $582,500. For this price, a property owner or investor could acquire a well-established, possibly part renovated three to four-bedroom dwelling with one or two bathrooms and double garage.

It is hard to see value or good buying at this price level given the current decrease in property values, along with an inevitable continuation of RBA interest rate increases. Better value purchases may potentially be available towards early to mid 2023.

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Other suburbs experiencing similar trends include the flood-free portions of East Lismore and Girards Hill. The heritage suburb of Girards Hill has been a standout performer with the median price jumping from $632,000 to $652,500. These figures have undoubtedly been boosted by the handful of sales within the $800,000 to $1.5 million sale price bracket and the fact that the suburb covers a smaller footprint area than the other suburbs which can skew the median price somewhat higher. Well renovated, older style character homes replete with heritage features and carefully introduced modern influences have continued to draw the eyes of well-heeled purchasers.

Even the smaller regional and rural towns of Casino and Kyogle have proven resilient with the median price rising from $395,000 to $411,000 in Casino and $410,000 to $470,000 in Kyogle. For this price range, semi modern brick homes or updated older homes can be sourced.

Vaughan Bell
Property Valuer

Byron

The Byron Shire, whilst its administrative centre is located in Mullumbimby, is most known for the town of Byron Bay itself. This surfing and counter culture mecca has seen a remarkable surge in property values over the course of 2021 with the market reaching its zenith in early 2022. There are now some definite headwinds that have cooled the enthusiasm of buyers, most notably higher interest rates. A search on realestate.com.au shows some 79 residential properties currently for sale in Byron Bay. This time last year. The number of listings could be counted on two hands, so whilst we are not in a buyer's market, there is definitely some balance between buyers and sellers for now.

In Byron Bay, the current median house price is $3.15 million and the median unit price is $1.295 million. What does this translate to? Currently under contract is a three-bedroom, one-bathroom 1970s single level house with a garage and detached shed and Development Approval for a two-unit development located in Wordsworth Street for $3.1 million. The recent sale of 34/5-7 Old Bangalow Road for $1,262,500 in July is a typical unit in Byron Bay. This property is a three-bedroom, two-bathroom 2000 built townhouse in a complex with a pool and on-site managers.

Around the traps in Byron Shire, median house prices look like this:

Brunswick Heads: The median price for houses in Brunswick Heads is $2 million while the median sale price for units is $1.095 million. 64 Tweed Street, Brunswick Heads is a circa 1950 older fibro cottage on a 519 square metre lot that sold for $2 million in July 2022. The median unit price in Bruns is represented by 8/31 Kingsford Drive which sold in April 2022 for $1.095 million and is a circa 1995 single level freestanding villa with three bedrooms, one bathroom and a converted garage.

Suffolk Park: Venturing just south from Byron Bay, the median price for a house in the beachside village of Suffolk Park is $2.1 million, while a unit is $1,387,500. The median sale price for a house in Suffolk Park is represented by 10 Marattia Place which sold in May for $2.1 million and is an older style, part renovated two level house with a double garage and small studio on the ground level and a three-bedroom, one-bathroom dwelling on the upper level, all on a 450 square metre lot about 500 metres from the beach. An example of a unit property available for the median price is a circa 2004 freestanding, three-level, three-bedroom, two-bathroom villa in Pecan Court that sold in May for $1.385 million.

In Byron Bay, the current median house price is $3.15 million and the median unit price is $1.295 million.

Ocean Shores: The median price for a house in Ocean Shores is $1.410 million and median price for a unit is $840,000. The Ocean Shores median house price is demonstrated by a golf course frontage, 968 square metre lot at 14 Terrara Court improved by a circa 1990 single-level four-bedroom, two-bathroom brick house which sold for $1.445 million. The median unit price is reflected by a mid 1970s two-level attached townhouse with three bedrooms, three bathrooms and a single garage with ocean views at 8/2 Langi Place which sold for $840,000.

Mullumbimby: A median priced house in Mullum sold for $1.371 million in July 2022 and is a circa 1920 low set timber cottage with two bedrooms, sleepouts and a pool on a 662 square metre lot.

Bangalow: The median price for a Bangalow house is $1.87 million and is represented by the sale of 51 Leslie Street which sold in May for $1.8 million and is an older style circa 1920s high set timber cottage in part renovated condition with a single garage under on a 405 square metre lot in close proximity to the village centre.

There is insufficient data on realestate.com.au for median unit prices in Bangalow and Mullumbimby.

The median sale price in any area represents a snapshot of the market, however the diversity of property types and selling prices noted above demonstrates the variety of residential properties available at price points from $840,000 to $3.15 million, indicating that the Byron Shire has the potential to offer something for most buyers' palates.

Mark Lackey
Property Valuer

Clarence Valley

In the Clarence Valley, the median price of both residential homes and units have seen solid increases over the past 12 months. According to realestate.com.au, the median price in the central hub of Grafton is $480,000, benefiting from around 27 per cent growth. This is based on 194 property sales during the period. With this money, one can purchase a renovated three or four-bedroom, two-bathroom dwelling within the suburb. Grafton is typically seen as a cheaper option compared to the Coffs Harbour region to the south and Ballina to the north. Grafton offers many facilities however is located within a flood prone area. Since the Lismore flood catastrophe earlier this year, purchasers are more cautious of buying within these flood prone areas. Saying that, this type of property represents good val-ue for families looking to get into the market. Historically, Grafton has been a slow and consistent capital gainer and this is expected to continue.

When we look at the data for units in Grafton, realestate.com.au shows $350,000 (based on 45 sales) as the median value which in-dicates a 24 per cent increase over the past 12 months. Generally, a two or three-bedroom unit can be purchased for this amount. This type of property is sought after due to the low maintenance needs. Many senior purchasers seek low set or on ground units close to the Grafton Hospital, shops or other amenities. Much like houses in Grafton, prices are expected to continue to plod slowly and steadily north.

On the coastline in Yamba, realestate.com.au shows a median price for houses of $923,000 (based on 108 sales) which is up 23 per cent over the previous 12 months. There is a greater variety of house property in Yamba ranging from the oceanside to the suburb stand-ard. For around the median price, one can expect to purchase a near harbour located three-bedroom, two-bathroom house. The cur-rent market in Yamba is definitely patchier than six months ago, however there continues to be a reasonable volume of sales. Many Yamba houses are rented out as short-term rentals these days, al-lowing owners to benefit from some income and the occasional holi-day when vacant. This holiday appeal of Yamba is expected to con-tinue to drive the residential market.

For units in Yamba, the median value is $775,000 (based on 63 sales) which is up 40 per cent according to realestate.com.au. Beachfront units of two or three bedrooms are generally around the $1 million mark while two-bedroom lower end in west Yamba are around $600,000. Interest rates are such an important generator of market demand and property values in Yamba and like most other areas, it will continue to benefit from low rates. Of late though it ap-pears the raising of rates has slowed the market.

Simon Evans
Property Valuer

Coffs Harbour

A search of realestate.com.au shows the median property prices for Coffs Harbour sitting at $795,000 for homes and $550,000 for units which are up 22 per cent and 24 per cent respectively over the past 12 months. These are solid gains in anyone's books and reflective of the unprecedented COVID-19 pandemic and low interest rate climate which influenced the market over this period.

What do you get today for $795,000 in Coffs Harbour? Well, you will be looking in the suburban locations (away from the beach) and the age of home will vary from 1980 to 2010 with land areas from 500 to 1000 square metres, being three to four bedrooms, one or two bathrooms plus one or two car accommodation. This is entry level property suited to a variety of family needs but probably not the first homebuyer's territory given you would require a 20 per cent deposit (circa $160,000) plus borrowing a potential $635,000. The first homebuyer will be more in tune with the median unit price of $550,000 which buys you a variety of styles from duplex, villa, townhouse to low-rise unit developments and typically being two bedrooms, one bathroom with single car accommodation. The only advantage to this sector of the market is you can get closer to the beach whereas a house will see you in the back benches.

This price point makes for good buying opportunities, still being relatively affordable and well located to schools and shopping. Nowhere in Coffs Harbour is ever far from the beach which is why we see the most activity in this sector.

You can't go too wrong buying or investing in Coffs Harbour although there has been a notable downward shift in market sentiment since May 2022, which is the direct result of rising inflation and interest rates.

Moving to a more upmarket location such as Sawtell (11 kilometres south of the Coffs Harbour CBD), we see a totally different median pricing with homes sitting at a respectable $1.105 million and units $650,000, both up 33 per cent and 30 per cent respectively over the past 12 months. Expectations of the quality of home should also be lowered; depending on the street location here you will find the renovator's delight for the median price being a 1960 to 1980 vintage brick or fibrous cement home set on typically a 500 to 700 square metre site. Often the best plan of attack for these homes is to detonate rather than renovate. Again, the unit will be an older style low rise unit of 1970 to 1990 vintage with two bedrooms, one bathroom and single car accommodation.

As can be seen, the median house price varies significantly depending on the suburb location. Coffs Harbour City Council encompasses many different locational aspects which directly affect the price you will pay for property. Typically, the closer to the beach the more you pay for water views etc.

You can't go too wrong buying or investing in Coffs Harbour although there has been a notable downward shift in market sentiment since May 2022, which is the direct result of rising inflation and interest rates. The overall property market is still relatively affordable and with the commencement of the Coffs Harbour bypass, being a major infrastructure project lasting until the end of 2026, one feels there should still be room for further capital growth whilst rental availability will remain tight.

Grant Oxenford
Property Valuer

Tamworth

The Tamworth residential market experienced strong capital growth throughout the 2021 calendar year and this continued in 2022. Strong buyer enquiry coupled with limited available property on the market proved to promote upward pressure on the local housing market. According to EAC Red Square research, the median house price for the Tamworth postcode of 2340 (improved residential property less than 9,999 square metres) increased from $480,000 in 2021 to $550,000 in 2022 (year to date). An increase of 13.6 per cent represents a continued and resilient residential market in the Country Music Capital of Australia.

So what does the medium house price get you in Tamworth? Here are some good examples from some well-known suburbs:

Hillvue is a gently undulating suburb with a range of 1970s and 1980s brick veneer development to newer conventional style brick and tile residences towards the outer (southern) areas of the suburb. A price tag of $550,000 could be a partly renovated 1980s dwelling with four-bedroom, two-bathroom accommodation and double garage under the main roof. This area is largely dominated by owner-occupier markets. Typically, your dollar goes a long way in this suburb with dwelling areas significantly larger in comparison to neighbouring suburbs. A word of caution - the suburb of Hillvue can be exposed to lower capital growth rates than North Tamworth, Calala and East Tamworth.

North Tamworth, a much-loved residential area of Tamworth, is home to Tamworth Base Hospital, private medical development, schools, Northgate shopping centre, pubs and a broad range of residential development. Having a slightly higher median house price than the Tamworth City, you can still nab a fully renovated three-bedroom, one or two-bathroom dwelling with detached car accommodation for around $550,000 to $590,000. This area has a good mix of owner-occupier and tenanted residences and is largely influenced by the close proximity to schools and Tamworth Base Hospital.

The general outlook for the remainder of this calendar year is that residential property markets will display early signs of stabilising after the strong market conditions we've experienced in the past 12 months. Inflationary pressures, increased cost of living and increasing interest rates will put downward pressure on consumer confidence. We expect increased housing stock to enter the market within the spring period and a slight increase in selling periods due to less motivated buyer pools. That said, the relative affordability of the region will continue to influence buyer participation within the entry level and medium (median) price range.

Nick Humphries
Property Valuer

Newcastle

Throughout the Greater Newcastle region, house prices have been rising rapidly over the past two or three years. When looking in more general terms, the median house price provides a guide to market movement within the sector across a wider market. Median prices reflect the average price of the total sales for houses and units (separately) in an area and sometimes provide distortion of what the market is actually doing. For example, if higher value sales dominate the market during a period, the median price increases; likewise if high volumes of lower value properties sell during a period, the median value falls.

We look at three suburbs where the median house price provides different outcomes.

From this research, the Newcastle region provides a wide ranging and contrasting property supply to suit most budgets depending on purchaser requirements.

A suburb such as Hamilton had a median house price of $1,047,500 in July 2022 which has risen some $100,000 over the past six months. In real terms, this will usually buy a three-bedroom detached house with a garage but not necessarily recently renovated.

By way of comparison, Mayfield has a median house price of $830,000 where the average three-bedroom house is valued at $650,000 to $750,000 depending on quality. Due to the wide-ranging property types and quality in Mayfield, the median house price is slightly distorted by the high value sales in the area compared to the average house price in the area. This can then create a misconception that buying at $700,000 is buying cheap because it's below the median house price. If a buyer was to buy at or around the median house price, they would be buying a better than average dwelling that most likely is renovated.

A location where the median house price is considered a true reflection of the area is Fletcher, a modern suburb with a median house price of $900,000. At this price range, a purchaser will be able to buy a modern four-bedroom dwelling with two-car garage. Sales above and below this range will usually reflect superior or inferior dwellings beyond the average style of house.

When comparing the three scenarios, Hamilton house prices generally exceed the median house price if fully renovated and therefore the median house price can cause disappointment to the average house buyer which appears to be the opposite to Mayfield.

If a Greater Newcastle median house price was to be adopted for example which is currently at $865,000 for June 2022, this would be slightly below Fletcher, considerably below Hamilton but higher than Mayfield. In this instance, specific data is proven to be more reliable in general terms rather than regional data when considering house prices and which suburbs to live in.

From this research, the Newcastle region provides a wide ranging and contrasting property supply to suit most budgets depending on purchaser requirements.

Darren Sims
Property Valuer

Central Coast

The Central Coast region is now a single Local Government Area, which came into effect in 2015. A new Local Environmental Plan (Central Coast LEP 2022) was introduced in August 2022 allowing for consistent town planning controls across the region as a whole.

When we look at median house and unit prices across the Central Coast, we first can identify baseline values when we analyse the statistics within the Central Coast LGA. According to the latest figures published by CoreLogic RPData, in May 2022 the median house price was $950,000, a change of 26.67 per cent over the past 12 months. Median values of units showed $631,750, a change of 11.81 per cent over the past 12 months. These figures illustrate the strong market conditions experienced between May 2021 and May 2022, however data is yet to emerge regarding the most recent market trends which would factor in the interest rate increases. If our on the ground summation is anything to pin your hat on, it is quite likely that median values have begun to fall as the peak of the market is somewhat now behind us.

When we analyse the northern region of the Central Coast, the highest median values are typically the suburbs close to the Pacific Highway's direct route to Sydney and due to the fact that most new product and estates on the Central Coast are located in this region, for example Wyee, Hamyln Terrace, Woongarah and Wadalba.

Latest figures released by CoreLogic RPData show the median house price in Hamlyn Terrace at $856,500, a 35.33 per cent increase over a 12-month period (May 2021 to May 2022). Recent transactions at this price point include 19 Rushmore Place, a circa 2016, rendered brick, four-bedroom and two-bathroom modern home on a 458 square metre block ($880,000 under contract 9 August 2022).

19 Rushmore Place, Hamlyn Terrace — Source: realestate.com.au

Hamyln Terrace is a mixed aged suburb made up of almost all Torrens titled properties and therefore there are no verifiable unit median figures. Turning to the neighbouring suburb of Gorokan, the median unit price is $515,000. This is made up of mostly small villas and townhouses. Taking a look at a recent sale, 1/25 Kalulah Avenue sold for $537,500 on 3 August 2022. This unit is an older style two-bedroom and one-bathroom villa. This is considered the entry level into the Gorokan property market.

1/25 Kalulah Avenue, Hamlyn Terrace Source: realestate.com.au

Gorokan's median house price ($715,000) is far less than Hamlyn Terrace due to Gorokan being well established for the past 50 years and made up of older style housing compared to some of the newer emerging residential suburbs such as Hamlyn Terrace.

The unit market in Gosford is always a key indicator of the strength and performance of the local property market. New residential unit complexes continue to emerge out of the ground and add to the Gosford CBD skyline and vista. With this comes additional supply and whilst historically the continuing supply of new units has resulted in weaker median price growth, the rental market remains buoyant with investors taking advantage of the reliable income stream that's usually offered.

According to the latest figures released by CoreLogic RPData, in May 2022 the median unit price was $535,000, a change of 10.31 per cent over the previous 12 months. The strength of the market can depend on how well the top end of the market is performing. 19/5 Mulkarra Avenue, Gosford sold in April 2022 for $1.8 million. This penthouse unit located within close proximity of the Gosford waterfront captures wide spanning water views whilst internally enjoys a three-bedroom, two-bathroom floor plan layout with a two-car basement car space.

5 Mulkarra Avenue, Gosford Source: realestate.com.au

At the southern end of the the Central Coast region and focusing on one of the larger residential suburbs by square kilometres, Umina Beach had a median house price of $1.15 million in May 2022, a change of 35.29 per cent in value over the past 12 months. Median unit prices were recorded at $825,000, a change of 20.44 per cent since May 2021.

Umina Beach has historically been a market that provides variety to buyers at various price points. First hoime buyers are attracted to the quaint older style cottages located on vast flat areas across the suburb. Many of these benefit from rear lane access, providing development scope for secondary income with granny flats the choice of affordable living options in the area. The dual income stream tempts investors into the market with generally higher than average yields.

At the higher price point, properties between $1.2 million and $2.2 million in the Umina Heights areas attract buyers looking for a wide spanning elevated ocean and district view. Properties in excess of $2.2 million located on or close to the beach can be found, with much of the suburb's local infrastructure and amenties also nearby on West Street, the main shopping hub for the suburb.

Recent sales include 164 Mount Ettalong Road, Umina Beach which sold in June 2022 for $2.55 million and in the Umina Heights area, 27 Kingsview Drive, Umina Beach sold in May 2022 for $2,012,500.

164 Mount Ettalong Road, Umina Beach Source: CoreLogic RPData

Umina Beach had a median house price of $1.15 million in May 2022, a change of 35.29 per cent in value over the past 12 months.

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164 Mount Ettalong Road, Umina Beach Source: CoreLogic RPData


27 Kingsview Drive, Umina Beach Source: CoreLogic RPData

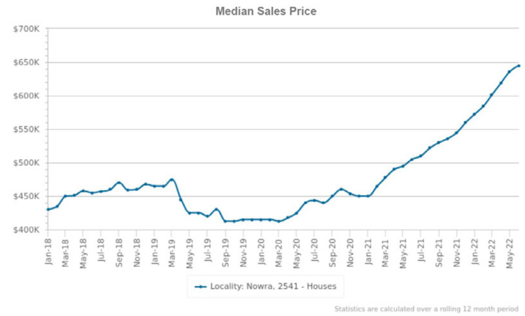
What's the outlook for these locations? The general forecast for the property market is a continued decrease or correction from the recent boom as interest rates continue to rise. In saying that, we believe that as working from home capabilities remain and the push from Sydneysiders to move out of the city continues, then Central Coast values may not be drastically impacted compared to other areas in surrounding regions. We are seeing emerging signs of a weakening market, supported by discussions with local real estate agents. The cash rate increases have definitely created a lot more click bait media, which in turn could be discouraging buyers. Local agents confirm that although there appears to be fewer buyers, good products are still selling. We are also hearing that investors are beginning to circle and look more for opportunistic purchases if a property shows signs of any distress. This is typical of a declining market and should dissipate as we move further towards the bottom of the cycle.

Todd Beckman
Associate Director

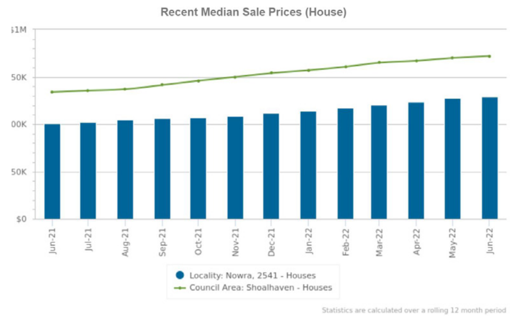
Nowra / Shoalhaven

The Shoalhaven residential property market has continued to soften during 2022 according to local real estate agents. Local agents are advising of less numbers at open houses, longer days on the market for houses and more cautious and willing to wait and see potential purchasers. This softening has been primarily caused by the recent and fifth straight consecutive rate rise by the Reserve Bank of Australia which occurred in September. The Reserve Bank lifted the cash rate by another 50 basis points, taking it to 2.35 per cent. Let's see where the current market sits in terms of median house prices in the region and what can be purchased at that price point.

According to RP Data, the median house sale price for Nowra 2541 as of June 2022 was $645,000. This is up significantly from June 2021 which was recorded at $505,000. It is interesting to note that although the market has softened during 2022 according to local agents, the median house sale price for Nowra month on month for 2022 has always, albeit slightly, increased. As evident from the graphs below, the median house sale price for Nowra increased from January 2022 at $572,500 to June 2022 at $645,000. It also should be noted that the median house sale price for Nowra is significantly below the median house sale price for the Shoalhaven Council Local Government Area which for June 2022 sits at $860,000.



Long-term median sale price - Nowra Source: CoreLogic



Recent median sale price - Nowra Source: CoreLogic

For around the median sale price for Nowra of $645,000, you could purchase an updated and renovated three-bedroom rendered brick home within walking distance of the Nowra CBD. A house on 639 square metres on Kinghorne Street, Nowra, on the western side of the Princes Highway, sold for $645,000 in May 2022. Similarly, on the eastern side of the Princes Highway, a basic three-bedroom and one- bathroom brick and tile dwelling on a 651 square metre allotment sold for $610,000 in July 2022.

Joshua Devitt
Associate Director

Illawarra

The median sale price for a Local Government Area (LGA) reflects the broad range of suburbs and housing types represented within that region. In mid-2022, the median price in the Wollongong LGA for houses was $1.05 million and for units (includes villas, townhouses and apartments) was $690,000. What can be bought for this median price? Stand-alone detached housing can be purchased for $1.05 million or less in all Wollongong suburbs from Russell Vale south. In the suburbs north of Wollongong, housing might not be pretty at this price or it might have locational impacts such as being on a busy road or train line. Renovated older homes become available in Figtree and south, and modern homes are available in Horsley, Wongawilli, Kembla Grange and Haywards Bay. For $690,000, modern three-bedroom townhouses and villas are available in Dapto and surrounds, while it is possible to purchase older three-bedroom townhouses or villas in Corrimal, Coniston and West Wollongong for $690,000 or less. In Wollongong this price can buy a brand new one-bedroom unit, a decent size older two-bedroom unit or a semi-modern two-bedroom, two-bathroom unit.

Overall values drop in the Shellharbour LGA with the median house price being $877,500 and for units, $670,000. This will buy a new freestanding home on a small block in Calderwood or an older house in Albion Park Rail, Mount Warrigal, Blackbutt or Barrack Heights. For $670,000 you can live near the beach in an older two-bedroom villa or buy a new three-bedroom townhouse on the Princes Highway in Albion Park Rail. Brand new one-bedroom units are available in Shellharbour City Centre for under $650,000.

The Kiama LGA has the highest median sale prices in the Illawarra region with houses at $1.58 million and units at $875,000. These median prices are pushed up by the high sale prices for rural residential properties, small acreages and popular coastal properties such as in Gerroa. It means that there are still plenty of housing options available under the median sale price with homes in Kiama Downs, Kiama and Gerringong available, including renovated four-bedroom, two-bathroom homes. Three-bedroom townhouses and villas are available under $875,000 in Kiama while apartment stock has been limited in recent times but there are semi-modern apartment developments where two-bedroom units are available in Kiama and Gerringong from time to time.

This is a snapshot of prices in mid-2022. We have seen the residential market in our area become quite volatile in the past two years with a huge surge in prices throughout 2020 and 2021. The growth has since flattened and in some areas, prices have started to decline, so it is difficult to predict what the median sale prices will look like in six to 12 months.

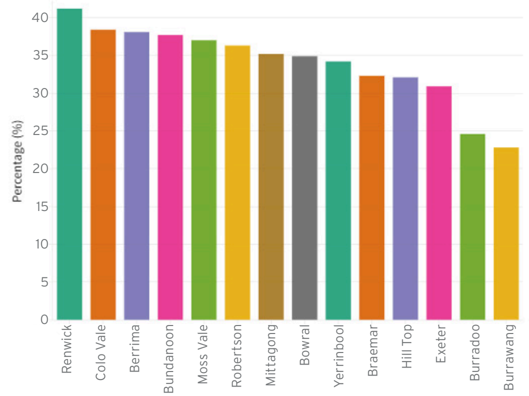
Chris McKenna
Region Director

Southern Highlands

The Southern Highlands median house price has been among the top performers in the state and country over the past 24 months. This has been predominantly off the back of a huge surge in demand for rural lifestyle areas within a comfortable commuting distance of the major capitals. The Highlands certainly ticks this box as well as offering exceptional natural beauty, high quality schooling and fantastic lifestyle opportunities.

The Southern Highlands News reported Burradoo as having the highest median house price at $2,234,318 followed by Exeter ($2,149,065), Bowral ($1,647,334), Burrawang ($1,611,532) and Berrima ($1,388,706), in the top five. Unsurprisingly these suburbs are considered to be the most sought-after residential areas of the Highlands and most buyers would expect to get an older (circa 1990 to 2000) but good sized family home on blocks ranging from 1,000 square metres up to 4,000 square metres for these median prices.

Suburbs with the largest increase in home values in 12 months (December 31)



Source: Corelogic

At the other end of the affordability scale, it was reported that Hilltop and Yerrinbool had the lowest median prices of $770,694 and $793,121 respectively. Buyers could expect to purchase older style three-bedroom, one-bathroom brick and tile homes circa 1980s that have likely been updated and present well at this median price point. It is evident that finding reasonable entry level homes in the Highlands is now rare for sub $700,000 and if they are to pop up, they typically consist of small scale improvements in average condition, requiring immediate updating.

Kurt Bismire
Valuer

Victoria - Residential 2022

Melbourne

Today's market conditions are very different to this time last year when Australia's property markets were in a state of desperate frenzy with auction clearance rates across Melbourne delivering big results. As we leave the pandemic behind us, we are seeing housing prices ease across the board, with this expected to continue. Melbourne is experiencing a surge in new properties listed for sale, which is giving buyers ample choice and has resulted in the fear of missing out disappearing.

Across the state of Victoria, property values are down 3.4 per cent since the February peak, with house values down 4.1 per cent and unit values falling by 2.1 per cent. Of course, house values recorded a much larger upswing, rising almost 21 per cent through the growth cycle compared to a lower 10.5 per cent gain across the unit market. Home sales have declined, listings have risen, with Melbourne recording 10 per cent more active listings in July than a year ago. As we see interest rates continue to increase, we expect to see the median house price decrease, hopefully making housing more affordable for consumers.

Across the state of Victoria, property values are down 3.4 per cent since the February peak.

Melbourne CBD and Inner City

According to REIV, the median sale price for Melbourne CBD was $521,000 in May 2022, which is slightly lower than the overall Melbourne median sale price of $525,000.

Being some of the most concentrated suburbs in Victoria, the properties within these suburbs are predominantly apartment units. We can buy a two-bedroom apartment unit with a budget of the median price.


1008/68 La Trobe Street, Melbourne sold for $520,000 Source: realestate.com.au


1008/68 La Trobe Street, Melbourne sold for $520,000 Source: realestate.com.au

With the international borders opening up, an increasing number of people will be moving to Australia for work and study. Capital cities are the easy choice for newcomers to set up base as they are close to universities and offices. Rental demand in Melbourne is usually higher than the rest of Victoria, with rental yield of 4.2 per cent compared to the metro Melbourne average of 3.2 per cent (REIV.com.au).

Coupled with the Victorian government's push to encourage more people to move back into the city and back to the offices, we can see higher demand for rental and investment properties, only to be dampened by the rising interest rate.

South East

The Melbourne outer south-eastern suburbs are known to be a growth corridor. As such, Clyde and Cranbourne regions have experienced strong market conditions. As of May 2022, the median sales price of houses in Clyde was $672,500, which shows an increase of around 14 per cent compared to the same time last year. There is a sign of slowing down as the median price remained stagnant between April and May 2022 (CoreLogic). However, it should be noted that this was before the rapid and aggressive interest rate hikes commenced.

Armed with the median price budget of $672,500, there are ample choices of houses on the market in these fast growing and more affordable suburbs.

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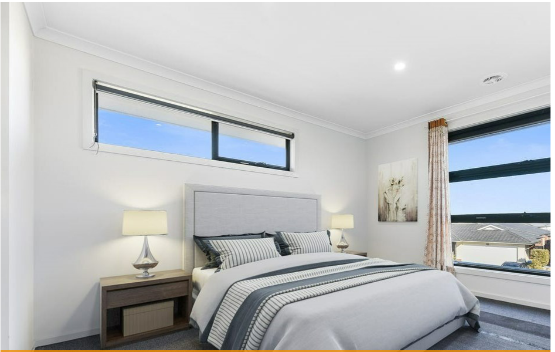
7 Pump House Crescent, Clyde sold for $680,000 Source: realestate.com.au



7 Pump House Crescent, Clyde sold for $680,000 Source: realestate.com.au

The target market for these suburbs is first-time home buyers. The Victorian government offers incentives to help first time home buyers, such as the Victorian Homebuyer Fund Shared Equity Scheme, stamp duty removed or reduced, change in stamp duty concession for off-the-plan purchases, first home owner grants etc. All these government incentives and grants have helped to maintain the high level of buyer interest in these growing suburbs, however buyers need to be cautious about the serviceability of their mortgages with the increasing interest rates.

Buyers need to be cautious about the serviceability of their mortgages with the increasing interest rates.

Inner and Outer East

Melbourne's eastern suburbs are defined by three rings of residential residency: the inner ring located within the Yarra Municipality such as Richmond, Burnley, Abbotsford; the middle ring ranging from Kew, Camberwell, Deepdene and Hawthorn to Blackburn and Forest Hill; and the outer ring including Bayswater, Kilsyth, Mount Dandenong and Olinda.

The inner eastern ring is a highly dense area benefiting from high rise and compact living which tends to appeal to a younger age demographic. According to realestate.com.au, the suburb of Richmond currently has a median price of $1,668,500 for a three-bedroom house, representing an increase of 11 per cent across the rolling 12 month period. This price point typically reflects a single fronted Victorian dwelling with an original facade to maintain historical features, but also benefits from extensive renovation past this point to enjoy modern contemporary internal features.

Such properties should uphold value and continue to attract demand due to unique design features and proximity to amenities. Conversely, many high rise apartments and units in the inner eastern suburbs may be seen as an unfavourable investment as people continue to flood to areas of growth along the outdoor corridor of Melbourne in pursuit of greater land size and lower cost of living.

The majority of Melbourne's eastern suburbs form the middle ring which houses some of Melbourne's most prestigious suburbs including Kew, Deepdene and Surrey Hills out to Wantirna, Vermont and Forest Hill. Due to the variability of housing, median house prices fluctuate from $3.13 million in Deepdene to $1.138 million in Wantirna. Factors which heavily influence price in these areas include proximity to amenities (shops, schools, parks), arterial roads and public transport.

The quality of housing within the middle ring has increased dramatically in recent years due to the spike in home renovations and new home constructions. Investment options requiring major renovations or new builds would be considered poor in current market conditions due to the cost of materials, lag times and bleak economic outlook.

The second property below is an outdated five-bedroom, two-bathroom family home covering 646 square metres of land which would benefit from major renovations. The property recently sold for $1.092 million and is located in Wantirna. The property above it is a renovated five-bedroom family home located in the heart of Deepdene on 733 square metres, recently selling above the median price of $3.68 million.

The quality of housing within the middle ring has increased dramatically in recent years due to the spike in home renovations and new home constructions. Investment options requiring major renovations or new builds would be considered poor in current market conditions due to the cost of materials, lag times and bleak economic outlook.


Deepdene renovated Source: realestate.com.au


Wantirna unrenovated Source: realestate.com.au

The outer suburbs of Melbourne's east have experienced substantial house price growth across the past twelve months with the suburb of The Basin up 12.7 per cent. As previously discussed, many have relocated to areas with larger land size and development potential, causing a spike in demand and house prices. The Basin has a median house price of $905,000 and is located 39 kilometres from the CBD and is part of the foothills of the Dandenong ranges. It would be a suitable investment for growing families or developers seeking large parcels of land to transform in the next few years.

The below property is a semi-modern four-bedroom family home with views overlooking Mount Dandenong on 1010 square metres. The property was recently sold at auction for $900,000.


Mount Dandenong home Source: realestate.com.au

Suburbs on the outer fringe of Melbourne's east are likely to experience major growth in the coming years as hubs are formed and urban sprawl continues. Once the economic outlook clears and purchaser confidence rises, these areas will be of great interest.

Inner and Outer North

In the northern suburbs, the inner ring comprises suburbs such as Brunswick which currently has a median price of $1.37 million. With this figure, the properties which are attainable are homes on blocks below 500 square metres which have two to three bedrooms. These properties generally have original exteriors sometimes due to heritage overlays with updates being made to the kitchen and bathroom areas.

An example would be 23 Barry Street, Brunswick, on sale for $1.349 million. It is a two-bedroom Victorian cottage in original condition from circa 1900s but has contemporary finishes throughout the home internally (realestate.com.au).


23 Barry Street, Brunswick Source: realestate.com.au

The outer ring of the northern suburbs comprises suburbs such as Bundoora which has a median property value of $880,000. The properties found in this area have bigger blocks ranging from 500 to 1000 square metres. On average, the properties consist of four beds, two baths and multiple garage spaces. The properties vary from renovated homes to homes built within the past five years.

An example of this would be 68 Cheadle Crescent, Bundoora which is a four-bed, two-bath, two-garage property which sits on a 618 square metre block. The property is mostly in original condition but has had a full renovation of the kitchen.


68 Cheadle Crescent, Bundoora Source: realestate.com.au

Western Suburbs
The outer western suburbs of Melbourne are littered with what seems like an endless supply of vacant land. Melbourne's west has one of the largest development and growth potential areas in the country. A few factors driving demand for this product type are government incentives such as the First Home Buyers and Home Builders Grant, reduced stamp duty and attractiveness of existing multi-cultural communities, however demand is now cooling with increased interest rates.

Local government areas that have large stockpiles of vacant land include Wyndham Vale and Melton which includes suburbs such as Tarneit, Truganina, Mambourin, Wyndham Vale, Thornhill Park, Weir Views, Deanside and Rockbank. Werribee South has been revealed as the west's top-performing house market of the past 12 months, but unit prices in Sunshine also skyrocketed almost 50 per cent.

Werribee South's median house price rose 25 per cent to a $775,000 median in May. Brooklyn houses jumped 18.8 per cent to an $820,000 median, as Maidstone grew 14 per cent to an $832,500 median. House prices in inner-suburban hub Kingsville grew 13.2 per cent to $1.155 million in 12 months, while Albanvale, Ardeer, Sunshine and Melton South were also among the best suburbs of the west where buyers could still get into the market for less than $1 million.

Unit prices in Melbourne's west had followed the same upward trajectory, with its $575,000 median. The typical unit in neighbouring suburb Albion increased 38.2 per cent to a $380,000 median, with Kingsville's $590,000 median rising 38 per cent in the past year.

Whilst these properties may not have the same lust and prestige as those closer to the city, there is certainly some merit in buying and living in these development areas, with much larger land and house sizes, less congestion on roads and a change.

As we move closer to the inner west, we see prices increase in suburbs such as Footscray, Yarraville and West Melbourne, and more units and apartments on the market. The West Melbourne median house price is $1.28 million based on 19 sales in the past 12 months. The median unit and apartment price is $552,250 based on 124 sales in the past 12 months.

Geelong
The median house price in Greater Geelong is $795,000 and the median unit price is $550,000 (REIV, 2022). In inner Geelong locations such as Geelong, Geelong West, East Geelong, South Geelong and Newtown, the median house price of $795,000 could purchase an early 1900s dwelling of three bedrooms in poor to average condition that will require renovations on a 300 to 400 square metre block of land. Whereas in mid to outer Geelong locations such as Grovedale, Armstrong Creek, Mount Duneed, Corio and Leopold, the median house price can purchase much more, such as a renovated or a new build three to four-bedroom home in good condition on a 500 to 600 square metre block of land.

Sales evidence shows the median unit price of $550,000 could purchase a small, average condition, two-bedroom unit in inner Geelong locations such as Geelong, Geelong West, East Geelong, South Geelong and Newtown. Similar to median house prices, the median unit price will purchase a larger renovated or modern unit with a decent size courtyard in mid to outer Geelong locations such as Grovedale, Armstrong Creek, Mount Duneed, Corio and Leopold.

Purchasing a house or unit at the median price in the abovementioned mid to outer Geelong suburbs could be a good buy for an investor with rental yields at circa 3.5 per cent for houses and circa four per cent for units (REIV, 2022). However, purchasing an investment property at the median price in the abovementioned inner Geelong suburbs may not be considered a good buy, as buyers will require additional funds for renovations, and rental yields for both houses and units appear to be slightly lower in inner Geelong in comparison to mid and outer Geelong.

Buyers should be aware that the Geelong property market is expected to decline further and to consider a longer holding period to allow for the market to recover prior to selling.

Perron King
Director

Warnambool
Warrnambool's median house price sits at $603,750 according to Pricefinder.

This would buy a modern dwelling of somewhere between five and ten years of age with a standard fit-out situated on a smaller allotment (typically not more than 400 square metres) and comprising three to four bedrooms.

Modern builds such as the two examples below are still seen to be solid buying and are readily let in a consistently tight rental market.

The outer western suburbs of Melbourne are littered with what seems like an endless supply of vacant land.

4 McGinness Way, Warrnambool, VIC, 3280 Sold 17 May at $610,000


4 McGinness Way, Warrnambool Source: RP Data


24 Rawlings Drive, Warrnambool Source: RP Data

For buyers seeking something more central at this price point, the options available will be quite limited. Properties found will generally require renovation or updating or as illustrated below, and be located in a compromised location such as along a train line or fronting a busy arterial roadway.

338 Raglan Parade, Warrnambool, VIC, 3280 Sold 27 July at $605,000


338 Raglan Parade, Warrnambool Source: RP Data

Warrnambool's median unit price sits at $434,500 according to Pricefinder.

The median unit price puts buyers squarely within the two-bed, one-bath category with some very solid buying occurring at this price. Many a unit situated near the Gateway Plaza complex or in a fringe central location is possible at this price point.


33 Mickle Crescent Warrnambool, VIC, 3280 Source: RP Data

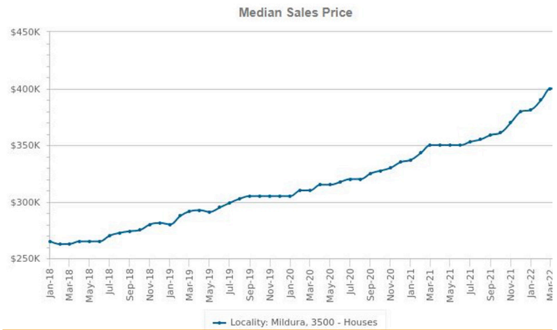
Properties found will generally require renovation or updating, and be located in a compromised location such as along a train line or fronting a busy arterial roadway.

While more modern (circa 2000 to 2005) units are available at this price, we like the purchase at 33 Mickle Crescent ,Warrnambool. This two-bedroom circa 1980 unit presented in a very neat, original form at the time of sale. 33 Mickle Crescent is located in a very well regarded area of the city with enviable proximity to the city centre, botanic gardens and recreation facilities.

Jordan Mowbray
Valuer

Mildura

The median sale price of houses in the Mildura region sits at $405,000 for June 2022, which has stabilised since March 2022 after dramatic increases during 2021.



Mildura median sales price - houses Source: CoreLogic

Within the inner city, this price point would primarily comprise older dwellings on around 500 square metre allotments as well as some smaller townhouses or units built to a good standard.

Further away from the CBD, the most likely options available at this price point would be good quality three-bedroom, one or two-bathroom dwellings constructed in the late 1980s or in the 1990s on around 700 square metre allotments with some updating, as well as some slightly newer circa 2000 built dwellings on smaller allotments.

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A recent example is 17 Noyce Court, Mildura selling for $402,000 on 11 August 2022, which is a circa 1985 three-bedroom, one-bathroom dwelling on a 628 square metre allotment which has had some recent internal upgrading internally.

17 Noyce Court, Mildura Source: realestate.com.au

Also in this price point are older 1960s conite and weatherboard dwellings which have had some updating in recent times with good presentation.

While the heat has come out of the local market and there is a risk that residential property values will ease back over coming months, we expect that buyers will remain active at this price point given the relative affordability and constant movement of buyers to and from Mildura, and also people wanting to upgrade from smaller homes to larger homes to accommodate growing families.

The higher cost of building, both in terms of land prices and construction costs, is also expected to underpin the value of established dwellings at the median price point.

Jake Garraway
Valuer

Queensland - Residential 2022

Brisbane

Brisbane's median house price is an attractive drawcard among the "big three" east coast capitals. It sits at approximately $850,000 for houses and $500,000 for units which puts our city top of mind for homeowners and investors whether they be local, interstate or those soon-to-arrive overseas buyers.

Of course, there's a broad range of options for purchasers depending primarily on location. So, let's have a look at how far that median price can take you in Brisbane.

CBD and inner city

The rules of property economics say that the closer a property is to the CBD, the more expensive it's likely to be on a pro rata/per square metre basis.

As such, there aren't a heap of detached home options available for inner-city buyers with a budget ceiling of $850,000.

You could potentially pick up an entry level (and I mean very entry level) cottage on a tiny 150 square metre site in somewhere like Petrie Terrace. It would need renovation of course, and that would add substantially to your eventual cost in the current building environment. That said, if you can find a way to rough it for a while, this sort of home gives you an asset that's literally within walking distance of the CBD.

The outlook for value gains for this type of property probably isn't great in the short to medium term. This is due to these properties having already seen substantial price growth in recent years, so expect their values to moderate somewhat in the near term. That said, their long-term potential remains excellent.

Most property commentators feel there's still some decent value growth to be seen in this market too.

Inner city units deliver more options for buyers. At $500,000 a purchaser can acquire a two-bed, two-bath unit in Bowen Hills or Fortitude Valley. For the same budget, it would also be possible to buy a decent quality two-bed, one-bath (or high quality one-bed, one-bath) unit in desirable suburbs such as Newstead or South Brisbane.

There is relatively good buying to be had in the unit space at present. Our city's plummeting vacancy rate and rising rents are attracting investor interest on the back of excellent returns. We'd expect a $500,000 two-bed unit to rent for $550 to $575 per week, reflecting a very healthy gross yield of 5.7 to six per cent. For owner-occupiers in particular, the relative affordability of units in these prime locations versus the cost of houses is proving attractive to the market. Most property commentators feel there's still some decent value growth to be seen in this market too.

Northside

Here we're talking about northside locations within approximately seven kilometres of the city centre. Suburbs such as Windsor, Grange, Lutwyche and Albion are indicative of this market.

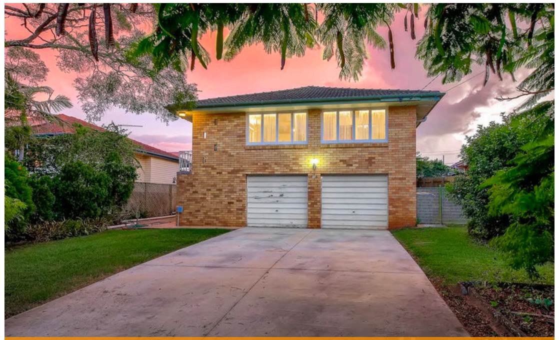
At the mid-$800,000s price point you're looking at a mix of established housing types. This includes pre-war and post-war homes as well as semi-modern structures on smaller lots of 200 to 400 square metres. Most homes will be in secondary locations such as near a busy road, train line, or possibly a flood zone because of the price point. As such, the prospect of capital gains in this market is a bit more subdued. You can, however, expect values to increase over the long term.

An alternative might be a three-bedroom, second-hand townhouse or new three-bedroom unit. Units and townhouses in these areas are still performing well if they are within proximity of amenities.

Stepping a bit further out and you'll have more choice for property within 10 kilometres of the city. Addresses worth considering are suburbs such as Aspley, Chermside and Carseldine.

In these locations you'll find entry level homes on 600 square metre blocks. Prices have even softened a little of late so opportunities have opened up further for buyers.

An example would be this property at 75 Lucan Avenue, Aspley which sold in September this year for $871,000. This is a three-bed, one-bath brick home on a 607 square metre site. It's had some partial renovation but is mostly in original condition.



75 Lucan Avenue, Aspley Source: realestate.com.au

For those with attached housing in their sights, a three-bedroom, second-hand townhouse or unit will be within that $500,000 budget but be cautious about what you acquire. In these areas, there's plenty of supply, so value growth will likely be more subdued compared to houses.

Still in the north but looking to fringe locations such as Morayfield and Burpengary, and the $850,000 budget blows the options wide open.

You can even purchase entry-level rural residential properties in original condition or high specification new builds. For example, here's one at 88-90 Sauvignon Drive, Morayfield. It has three-bed, two-bath accommodation all on 3205 square metres of land. The home is in great condition and ancillaries include pool, shed and comprehensive landscaping.

88-90 Sauvignon Drive, Morayfield Source: realestate.com.au

These areas are so affordable that even at Brisbane's median unit price of $500,000 you can purchase a detached house in these fringe locations. It would be an entry level abode on 600 to 800 square metres of land, or a new-build on around 300 square metres.

As you can see, the further purchasers travel from the CBD, the more bang they get for their budget. What this should tell both local and out-of-town purchasers – whether they're investors or those looking for a new home – is that there is something for just about everyone in the Greater Brisbane market.

That said, our valuers in this area do offer a word of caution. New investor-style housing in our fringe suburbs is still fetching a price premium. As such, they will be susceptible to value softening in the medium term. Be cautious when considering these as an option.

For a positive outlook, consider rural residential on the fringe. It has an excellent chance of holding its value. There's still solid demand for property with lots of land area, so quality homes on large lots are a good option here.

Finally, for investors looking for good cashflow returns, there's the opportunity to acquire duplex pair investments on the northern fringe within the median-price house budget.

For example, check out 43 Sunseeker Street, Burpengary which sold for $797,000 in August this year. This is a three-bed plus three-bed duplex of lowset brick construction with good access to the highway as well as services and facilities.

43 Sunseeker Street, Burpengary Source: realestate.com.au

Southside

There is, again, a diversity of southside housing options for those with median-price budgets.

For example, you can buy a detached houses in Carina, which is nine kilometres from the CBD, for up to the median price. It would be a post war home on around 600 square metres of land in original condition.

Two recent examples are 2 Breslin Street, Carina (aka 119 Florence Street, Carina) which sold in August for $865,000, and 22 Bineen Street, Carina which sold in June for $800,000. Both were three-bed, one-bath listings that would benefit from renovations.

Another suburb is Tingalpa which is positioned nine kilometres west of the city centre. Here your budget will allow for a lowset brick-and-tile, three-to-four bedroom, two-bathroom circa 1990s home. In the same general location sits Murarrie and the chance to own a post-war to 1970s home on 405 square metres with three-bed, one-bath accommodation for around $850,000.

What this should tell both local and out-of-town purchasers – whether they're investors or those looking for a new home – is that there is something for just about everyone in the Greater Brisbane market.

RESIDENTIAL

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Also, for housing in Wynnum, which is a bayside suburb located 13 kilometres from the CBD, your $850,000 will buy a post war home on a traditional sized block in this delightful area.

When we look across all these options, the best value would be in detached houses located in Carina, Tingalpa and Murarrie. They remain relatively affordable, have good facilities such as schools, retail and transport and there's easy access to the city too.

Looking to the unit median price of $500,000 and attached housing in Carina, Carina Heights, Wynnum and Tingalpa are worthy of consideration... particularly if you're a first homebuyer.

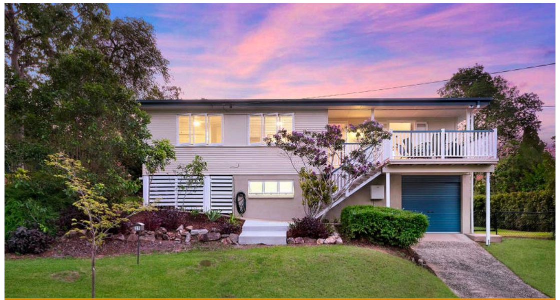
In Carina and Carina Heights, you'll find two-bed, one-bath or two-bed, two-bath townhouses around this price point. Some may be a bit older or of cheaper quality, but they will meet plenty of buyers' needs. Three-bedroom, two-bathroom townhouses in Wynnum West and Tingalpa are priced from $420,000 to $500,000 for original condition structures of 1990s to 2000s construction.

There are also units to consider in Wynnum where you can acquire a two-bed apartment for $400,000 to $500,000. The bottom of that range will get you an older unit while newer apartments are closer to the $500,000 mark. Just don't expect water views at this price point.

Heading to the mid-ring south and there are several options at the median price.

Prices have softened lately for houses in Mt Gravatt, Mt Gravatt East and Upper Mt Gravatt, but that represents good value for long-term buyers.

An example is 37 Boambillee Street, Mt Gravatt East which is currently under contract for $820,000. This four-bed highset home of around 150 square metres sits on 711 square metres of land. It was purchased in April 2020 for $685,000. We suspect, however, that just a few months ago (at the height of the frenzy) it might have achieved over $900,000.



37 Boambillee St, Mt Gravatt East Source: realestate.com.au

In addition, Runcorn and Underwood have plenty of options. You can get a four-bed, two-bath home on 600 to 700 square metres of land for around the median price.

In Eight Mile Plains, there are limited options available. One example is 434 Warrigal Road which is a circa 1980, three-bed, two-bath home on a 705 square metre lot that fronts a busy road. The home is currently under contract for $860,000.

Attached housing options at the $500,000 budget in this general area include two-bed, two-bath, one-car units in Upper Mt Gravatt. Alternatively, you can buy a circa 2000 townhouse in Eight Mile Plains, Sunnybank or Runcorn for this price. It will be a basic but functional three-bedroom, two-bathroom abode.

Units and townhouses seem to be attracting a little more demand than houses at present. Affordability is a big driver with many buyers unable to extend themselves too far in the wake of rising interest rates.

Now, let's look at some outer-southern suburbs.

Calamvale is an area worth considering for buyers with this budget. It's a well-established suburb with several local shopping centres. Also, a Fresco (Asian supermarket) opened in January 2022 at Calamvale Central Shopping Centre and is said to be the largest in Queensland. This will appeal strongly to the buyer demographic.

Parts of the suburb are also located within the desirable school catchment area of Stretton College.

Calamvale delivers a range of housing options at our price point. With $860,000 to spend, you could buy an original circa 1985 to late 1990s, onground, brick and tile, four-bed, two-bath dwelling on 500 to 800 square metres of land. The home would probably have a living area of around 140 to 200 square metres.

An alternative Calamvale purchase would be a circa 2000 to 2005, four-bed, two-bath home of lowset brick and tile built on roughly 450 square metres of land. A good example would be this property at 6 Hudson Street, Calamvale which sold recently for $860,000.

6 Hudson Street, Calamvale Source: realestate.com.au

Homes at this price level are seeing steady activity at present, although interest has softened compared to last year's frenzy for real estate. If the buyer is after a smaller block of around 450 square metres with a circa 2008 house and has been priced out of Sunnybank, then Calamvale is a great alternative.

Another southern area to check out is Loganholme.

Loganholme is the central locality for Logan City Council. It has excellent motorway access via the Logan Motorway and Pacific Motorway, plus there's private schools including Chisholm College and Calvary Christian College. Loganholme also has the River Lakes Golf Course and is about 45 minutes' drive from the Gold Coast.

$860,000 in Loganholme would buy a circa 2017, four-bed, two-bath lowset brick and tile home of around 200 square metres of living area, all on around 600 square metres of land. A great example is 6 Murphy Drive, Loganholme which sold in July for $875,000.

This sort of house should appeal to a buyer who wants a newer home with all the modern conveniences and high specs that you wouldn't get in Shailer Park or Cornubia at this price point. Mind you, for this figure you could buy a partly modernised, 1990s home of four-bed, two-bath accommodation on 1000 to 1400 square metres of land in those cheaper suburbs. A good example of this is 4 Carmen Court, Shailer Park which sold for in July for $865,000. The home delivers attractive four-bed, three-bath accommodation with almost 200 square metres of internal living space and on 1492 square metres of land.

4 Carmen Court, Shailer Park Source: realestate.com.au

Another alternative for investors would be a circa 2019, dual occupancy dwelling. This type of property usually provides three- or four-bed, two-bath accommodation on one side and two-bed, single-bath on the other, all set on 500 square metres of land.

This property at 11 Elgata Avenue, Loganholme is an excellent example.

11 Elgata Av, Loganholme Source: realestate.com.au

Another example is 9 Francis Road, Shailer Park which sold in March 2022 for $800,000. It offers a 2017 built dual occupancy of "three-bed one side, two-bed the other" configuration.

A more recent sale is 7B Atlantic Drive, Loganholme which sold above the price point for $900,000 in September this year. This is a circa 2018, onground, four-bed, two bath + two-bed, two-bath dual occupancy property that generates a yield of 4.7 to 5.0 per cent.

The $850,000 price tag might be a bit steep for some given the five per cent gross yield these duplexes generate and the fact they can't be strata titled, but there are cashflow oriented investors out there keen for these types of assets.

All in all, Brisbane has a range of options for buyers at these median prices. While some locations and property types might experience softer conditions as we head towards the end of the year, there's also a confidence that a long-term approach to ownership will deliver plenty of value upside.

David Notley
Director

Gold Coast/Tweed

Southern Gold Coast/Northern New South Wales

The Southern Gold Coast and Far Northern New South Wales areas continue to be driven by owner-occupier demand from first homeowners through to empty nesters. There is still evidence of activity from all market segments in the area.

A price point of less than $700,000 leaves very few options in the coastal segments. Options include older style two-bedroom walk up units around Tugun to Coolangatta although most options are in original dated conditions at this price point.

While some locations and property types might experience softer conditions as we head toward the end of the year, there's also a confidence that a long-term approach to ownership will deliver plenty of value upside.

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From Kingscliff through to Pottsville, there are a number of serviced apartment buildings with some investment driven options. In the coastal locations, we are also seeing one-bedroom options appear within this price point.

Heading further west in suburbs such as Banora Point, Tweed Heads West and Tweed Heads South, there are a number of options available at this price point, including older style three-bedroom townhouses and two-bedroom units.

Between $750,000 and $1.5 million, there are numerous freehold and strata options available, with dated freehold options in Coolangatta and Tweed Heads as well as modern units with ocean views in both low and high-rise complexes.

At present, agents are still reporting strong owner-occupier demand, however interest in the higher end of the market in suburbs such as Casuarina and Kingscliff is reportedly dominated by Sydney and Melbourne buyers for the most part.

12 Tamarind Avenue, Bogangar Source: realestate.com.au

Murwillumbah and Surrounds

When you head inland from the Tweed Coast, you will find the town of Murwillumbah and its surrounding villages. The median house price in Murwillumbah as of May 2022 (RPData Suburb Statistics Report) was $820,000 compared to the Tweed Shire median house price of $1.07 million. Given the effects of interest rates and the data being a little dated now, it would be assumed this median price would more likely be around or under $800,000 now.

So what is on the market around this price point? Well, there are a few options...

- A two-level circa 1980s brick and tile dwelling on the outskirts of town at 6 Opal Place, Murwillumbah in original condition on a 731 square metre lot has been on the market listed at $799,000 and has recently gone under contract.
- 439 Tweed Valley Way, South Murwillumbah, less than five minutes' drive to town is a three-bedroom, one-bathroom flood free property with Tweed River frontage and Mount Warning views with an updated 1920s character dwelling, currently listed at $779,000.
- A property on the popular Hospital Hill within walking distance to town has a character dwelling with mountain views at 5 Peter Street, Murwillumbah with an asking price of $810,000 to $840,000.

Looking for acreage? Sure thing! Although few and far between, expect to be a little further out of town and have a bit of work to do at this price point.

1820 Numinbah Road, Numinbah is 3.94 hectares and is currently on the market for $845,000. The property has a creek running through it and an old original farmhouse in desperate need of some serious love. This property lies about 25 minutes north-west of the town of Murwillumbah.

All these properties would have demanded much higher asking prices at the end of 2021 and early 2022. Agents advise it has been hit and miss; properties they think will get a lot of attention simply do not, and others they thought would lack interest have been more popular than they thought. All in all, the summary is that it is a very strange market at the moment and many agents are keen to see whether spring will bring more buyers or whether people are simply sitting on their hands to see what happens.

Northern Gold Coast: Coomera north to Eagleby

This area is part of the northern growth corridor and includes the suburbs of Coomera, Upper Coomera, Pimpama, Ormeau, Ormeau Hills and Eagleby to the north. The housing stock is predominantly freestanding dwellings with some duplex units and townhouse complexes and very limited low-rise unit development.

Reported median prices for three sample suburbs are Upper Coomera (house - $761,000, townhouse/unit - $530,000), Pimpama (house - $650,000, townhouse/unit - $502,000), Eagleby (house - $501,350, townhouse/unit - $300,000).

This region is dominated by modern style single storey homes that are mostly four bedrooms and two bathrooms constructed of brick veneer and either tiled or Colorbond roofs. Land sizes are mostly in the 350 to 450 square metre group with a lesser number falling above the 500 square metre mark. However, older established suburbs such as Coomera are still populated by larger

Looking for acreage? Sure thing! Although few and far between, expect to be a little further out of town and have a bit of work to do at this price point.

Investments in infrastructure and new townships are the key to finding the correct location to buy.

homes built on larger blocks of 600 to 800 square metres or greater. The newer estates in Coomera feature small lots of 160 to 375 square metres as developers strive to erect houses that are more affordable.

Investments in infrastructure and new townships are the key to finding the correct location to buy. There are works going on in the Coomera Town Centre where a new medical precinct and a new Costco outlet are planned. It looks like the Pimpama train station may start to materialise in the next few years too. These are catalysts for growth and price sustainability for dwellings in the neighbourhood.

This region is popular with young families with medium income as well as new rich migrants moving to the Gold Coast. If the size of land is not an issue, single level homes mostly of standard design, layout and quality of inclusions are good to buy. Whilst prices have gone up steadily with the high demand, prices are also falling gradually with the decreasing activity in the market as a result of interest rates rises. The median prices appear to be still at a level higher than the 2021 median level but expectations are for a fall to a similar price level as last year if interest rates continue to rise and the market demand weakens further.

For investors, there is a mismatch between renter demand and supply of rental properties. Inadequate supply is forcing rents to rise quickly and tenants are being hit with higher than usual increases in rents when their leases expire. Investors who bought during the low market are the winners but for new investors who would be paying the high market prices today, opportunities for good yields are there if they are able to secure new tenants at the latest rent levels.

Traditionally, villas, duplexes and townhouses are the popular choices for investors and renters. In recent months, owner-occupiers are being forced to consider buying townhouses as opportunities to own detached houses are fewer as many are unable to afford the high asking prices of typical standalone homes. Hence, investors are competing with first home buyers for villas, duplexes and townhouses, resulting in upward pressure in prices. One would be expected to pay in excess of $500,000 for a three-bedroom unit and more than $600,000 for the new four-bedroom townhouses targeted at owner-occupiers rather than investors. Notwithstanding this, new supply of townhouses is being added to the market in this region in the next six to 12 months and the market trend could return to the traditional norm of reduced prices for re-sales. If affordability is the main issue for an investor, Eagleby remains the best place to find units for sale for $300,000 or maybe slightly more.

The market is now slowing after a protracted and substantial price growth. Agents are reporting a slowdown in buyer interest with marketing time increasing and an apparent softening of sales prices. Generally speaking, the market appears to have reached its peak and now is at the cusp of a possible correction. Therefore, my view is that from an investment point of view there is significant risk in purchasing in this area at this time. I note that whilst the market was rising, buyer activity became frenzied with many properties being snapped up sight unseen. Many properties with significant negative features (such as poor aspect, building issues or environmental issues) were being sold in line with superior properties without these types of issues. Moving forward I think that every purchase needs to be made with careful due diligence and a longer term goal in mind.

Upper Coomera

Last month, Upper Coomera had 84 properties available for rent and 207 properties for sale. Median property prices over the past year range from $761,000 for houses to $530,000 for units. If you are looking for an investment property, consider that houses in Upper Coomera rent for $620 per week with an annual rental yield of 4.7 per cent and units rent for $490 per week with a rental yield of 5.2 per cent. Based on five years of sales, Upper Coomera has seen a compound growth rate of 29.0 per cent for houses and 30.9 per cent for units (excerpt from realestate.com.au, 9 September 2022).

Investors who bought during the low market are the winners but for new investors who would be paying the high market prices today, opportunities for good yields are there if they are able to secure new tenants at the latest rent levels.

Houses: Median Price $761,000

1 Amelia Street, Upper Coomera Source: realestate.com.au

- 1 Amelia Street, Upper Coomera: $745,000 30 August 2022

A circa 1993, single level, detached, semi modern, brick veneer and metal dwelling that is partly renovated and provides three-bedroom and two-bathroom accommodation with two-car detached garage. Areas: living - 134 square metres; outdoor - 56 square metres. Features of the dwelling include renovated kitchen and original bathroom. The property is a regular shaped, easy sloping, corner allotment slightly above road level. The site faces north with no significant views. Land area is 799 square metres.

52 Candlebark Circuit, Upper Coomera Source: realestate.com.au

- 52 Candlebark Circuit, Upper Coomera: $770,000 20 June 2022

A circa 2009, split level, four-bedroom, two-bathroom, detached modern dwelling with rendered brick walls, Colorbond roof and two-car garage. RPData supplied gross floor area -210 square metre. Features include overall modern interior with modern kitchen and bathrooms, split system air-conditioning and average standard of inclusions. The property is a regular shaped, easy sloping inside lot positioned below road level. The lot faces north-west with bushland and reserve views and has frontage to a reserve corridor. Ancillary improvements include driveway, fencing and landscaping. Land Area is 604 square metres.

26 Arondel Circuit, Upper Coomera Source: realestate.com.au

- 26 Arondel Circuit, Upper Coomera: $775,000 14 July 2022

A circa 2015, onground, four-bedroom, two-bathroom, detached modern dwelling on a concrete slab foundation with brick veneer and rendered masonry walls, Colorbond roof and two-car garage. The property has good external condition, good internal condition and good presentation. Areas (Herron Todd White records): Living - 151 square metres; outdoor - 24 square metres; other - three square metres; and car - 35 square metres. The property is a regular shaped, moderately undulating lot with a suitable building site which is a filled house site and positioned below road level. The property is cleared and faces east with local views. Access to the property is easy and direct. Ancillary improvements include exposed aggregate driveway, partially enclosed yard of timber battens construction, pedestrian gate, concrete paths, timber decking and moderate landscaping with good lawns. Land area is 450 square metres.

Townhouses/units: Median Price $530,000

54/2 Catalina Way, Upper Coomera Source: realestate.com.au

- 54/2 Catalina Way, Upper Coomera: $520,000 8 July 2022

A two storey, circa 1994, semi-modern, brick, three-bedroom, two-bathroom, attached townhouse unit, with concrete tile roof and one garage and car space. Areas (circa): living - 108 square metres; garage - 20 square metres. Ancillary improvements include inground pool, aluminium pool fencing, spa, good quality landscaping, inground sprinkler system, ground lighting, timber fencing, rendered brick and aluminium fencing and automatic security gates, exposed aggregate driveway, exposed aggregate external paving, on-site manager/caretaker; bbq pavillion. Previous sale $340,000 on 17 December 2019.

1/6 Linda Way, Upper Coomera Source: realestate.com.au

- 1/6 Linda Way, Upper Coomera: $530,000 6 May 2022

A circa 2003, three-bedroom, two-bathroom modern duplex unit on a concrete slab foundation with brick veneer walls, tile roof and double car garage. The property has average external condition, average internal condition and good presentation. Areas: living - 107 square metres; outdoor - 12 square metres; and car - 40 square metres; GFA - 159 square metres. The property has a north-easterly aspect with no significant views. Ancillary improvements include exposed aggregate driveway, fully enclosed yard of timber paling construction, timber pedestrian gate with manual access, gravel paths and moderate landscaping.

50/24 Jessica Drive, Upper Coomera Source: realestate.com.au

- 50/24 Jessica Drive, Upper Coomera: $545,000 15 May 2022

A circa 2005, three-bedroom, two-bathroom part updated villa style unit on concrete slab foundation with rendered brick walls, concrete tiled roof and one-car garage. Features updated bathroom, new vinyl plank flooring and fresh paint finishes. The property has good condition. Areas (survey plan): living - 109 square metres; outdoor - 17 square metres; and car - 18 square metres. Located within Ellington, a 70-unit complex. The subject property has an easterly aspect with no significant views. Ancillary improvements include concrete driveway, fully enclosed yard of timber construction, concrete paths, basic landscaping and common improvements include swimming pool, on-site management/caretaker, gymnasium and sauna. Previous sale $336,000 on 18 October 2018.

Pimpama

Last month, Pimpama had 179 properties available for rent and 182 properties for sale. Median property prices over the past year range from $650,000 for houses to $502,000 for units. If you are looking for an investment property, consider that houses in Pimpama rent for $550 per week with an annual rental yield of 4.8 per cent and units rent for $450 per week with a rental yield of 5.2 per cent. Based on five years of sales, Pimpama has seen a compound growth rate of 25.2 per cent for houses and 21.8 per cent for units (excerpt from realestate.com.au, 9 September 2022).

House: Median Price $650,000

71 William Boulevard, Pimpama Source: realestate.com.au

- 71 William Boulevard, Pimpama: $648,000 26 July 2022

A circa 2015, onground, four-bedroom, two-bathroom, detached modern dwelling with brick veneer and Hardiplank walls, concrete tiled roof and double car garage. The property has average external condition, average internal condition and good presentation. Areas (Herron Todd White records): living - 139 square metres; outdoor - 19

If you are looking for an investment property, consider that houses in Pimpama rent for $550 per week with an annual rental yield of 4.8 per cent and units rent for $450 per week with a rental yield of 5.2 per cent.

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square metres; and car - 36 square metres. The property is a regular shaped, easy sloping, inside lot with a suitable building site which is a filled house site and positioned slightly above road level. The property is cleared and faces south with no significant views. Access to the property is easy and direct. Ancillary improvements include exposed aggregate driveway, partially enclosed yard of timber batten construction, pedestrian gate with manual access, concrete paths and moderate landscaping. Land area is 410 square metres.

5 Woodrose Circuit, Pimpama Source: realestate.com.au

- 5 Woodrose Circuit, Pimpama: $655,000 17 May 2022

A circa 2016, single level, four-bedroom, two-bathroom, detached modern dwelling with rendered brick and imitation weatherboard walls, Colorbond roof and two-car garage. Areas (Herron Todd White records): living - 137 square metres; outdoor - 14 square metres; car - 37 square metres. Features include overall modern interior with modern kitchen and bathroom. The property is a rectangular shaped, near level, inside lot positioned slightly above road level. The lot faces south with no significant views. The property has good presentation. Land area is 405 square metres.

Townhouse/Units: Median Price $502,000

5/4 Rhiana Street, Pimpama Source: realestate.com.au

- 5/4 Rhiana Street, Pimpama: $497,000 24 June 2022

A circa 2016, three-bedroom, two-bathroom, modern three-storey attached townhouse with rendered brick and Hardiplank walls, Colorbond roof and two-car tandem garage. Areas (survey plan): living - 103 square metres; outdoor - nine square metres; car - 47 square metres. The townhouse has a north-westerly aspect with local views. Ancillary improvements include a concrete driveway, fully enclosed yard of aluminium and timber construction, aluminium and timber pedestrian gate with manual access, concrete paths, moderate landscaping and retaining walls. The property has good external condition, good internal condition and good presentation, with new PC items of average quality. Previous sale $400,000 in 2016.

42/370 Gainsborough Dr, Pimpama Source: realestate.com.au

- 42/370 Gainsborough Dr, Pimpama: $500,000 3 June 2022

A circa 2018, three-bedroom, two-bathroom modern townhouse, situated in a 139-unit complex on a concrete footings and slab foundation with rendered brick and lightweight composite clad walls, Colorbond roof and one-car garage. The property has good external condition, good internal condition and good presentation. Areas (circa): living - 122 square metres; and car - 18 square metres. The property has a northerly aspect with no significant views. Ancillary improvements include exposed aggregate driveway, partially enclosed yard of timber paling construction, concrete paths, moderate landscaping and common improvements include swimming pool and on-site management/caretaker.

Jerusha King
Associate Director

Sunshine Coast

This month, we take a look at what you can buy for the median house or unit price on the Sunshine Coast. The median house price on the coast is currently $1,094,127 which is up significantly from a low of $450,000 ten years ago at the bottom of the market in 2012. The median unit price on the coast is currently $767,187 which is up from a low of $345,000 in 2012.

At the median house price, there is the ability to purchase or build a new dwelling within many of the new estates across the coast such as Aura or Harmony, or within the hinterland townships of Palmwoods, Glasshouse Mountains or Beerwah. Typically, you would be able to find a four-bedroom, two-bathroom dwelling with a double lock up garage on 600 plus square metres of land, with some slightly older homes within the price range having pools.

It is very difficult to find a dwelling around the Sunshine Coast median price of $1,094,127 in the northern areas of the coast, with purchasers having to look slightly further out to areas such as Tewantin or further south to Coolum Beach. The house will typically be circa 20 plus years old given the uplift we have seen in the underlying land values. When we break down the statistics and look specifically at the Noosa region, the median prices jump significantly. The suburb with the highest median house price is Sunshine Beach at $3.25 million and its median unit price is $1.64 million.

At this median price you are able to get a renovated four-bedroom dwelling circa 10 years old within walking distance of the village and beach. At the median unit price, you are able to get an updated smaller two-bedroom, one-bathroom townhouse also with walking distance of the village and beach.

There is also the ability to purchase dual living properties which are highly sought after by investors at this price point as well.

8 Depper Street, Sunshine Beach Source: RP Data

- 8 Depper Street, Sunshine Beach, QLD, 4567
  - Circa 2012
  - 4 bed 2 bath 2 car
  - 536 sqm
  - $3,100,000

1/4 Park Crescent, Sunshine Beach Source: RP Data

- 1/4 Park Crescent, Sunshine Beach
  - Circa 1985
  - 2 bed 1 bath 1 car Townhouse
  - $1,680,000

Areas close to the beach or good amenities generally find house prices well above the median, however there are still options available with the ability to purchase older 1970s or 1980s dwellings that may require renovations. Many of these houses are now being demolished with the beach strip from Buddina to Bokarina going through the gentrification period. A number of these sites are now being utilised to constructed modern duplex units. The alternative to this is smaller lot sizes in areas such as Sunshine Cove in Maroochydore close to amenities and the future town centre. You are able to purchase a relatively new dwelling on a much smaller allotment of between 125 and 250 square metres which will comprise three or four bedrooms, two bathrooms and a double garage. Moving further from the coast into the hinterland townships, you are able to secure a much larger offering at this median price with the ability to get a five-bedroom home on over 2000 square metres with a pool.

There is also the ability to purchase dual living properties which are highly sought after by investors at this price point as well, including a five-bedroom, three-bathroom dual living dwelling configured to provide three bedrooms and two bathrooms to the main section of the dwelling with a double garage and a self-contained two-bedroom, one-bathroom annexed unit with a single garage.

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4 Tinnanbar Terrace, Maroochydore Source: RP Data

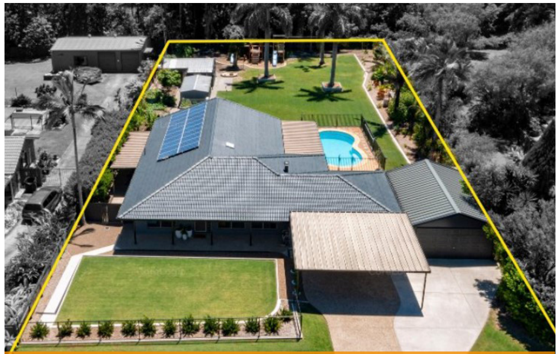
- 4 Tinnanbar Terrace, Maroochydore
  - Circa 2017
  - 2 bed 2 bath 2 car
  - 127 sqm
  - $950,000


17 Bandaroo Street, Warana Source: RP Data

- 17 Bandaroo Street, Warana
  - Circa 1980
  - 3 bed 1 bath 2 car
  - 558 sqm
  -$1,100,000


30 Kamala Close, Peregian Springs Source: RP Data

- 30 Kamala Close, Peregian Springs
  - Circa 2015
  - 5 bedroom 3 bath 3 car
  - Dual living dwelling
  - 612 sqm
  - $1,070,000


7 Sidney Drive, Beerwah Source: RP Data

- 7 Sidney Drive, Beerwah
  - Circa 2001
  - 5 bedroom 3 bathroom 6 car
  - ,014 sqm
  - $1,100,000

With the median price of units being much lower than dwellings, you are able to find good quality units in highly sought-after tourist locations in Mooloolaba and Caloundra.

Taking the central Sunshine Coast area for example, for around the median unit price you can purchase a modern two-bedroom, two-bathroom unit in a sought-after location in Mooloolaba with an ocean view or alternatively you are able to purchase a larger three-bedroom townhouse further from the beach in Buderim for around the same price.


11/139 Burnett Street, Buderim Source: RP Data

- 11/139 Burnett Street, Buderim
  - Circa 2001
  - bed 2 bath 2 car
  - $780,000

902/29-37 First Avenue, Mooloolaba Source: RP Data

- 902/29-37 First Avenue, Mooloolaba
  - Circa 2004
  - 2 bed 2 bath 1 car
  - $750,000

Stewart Greensill
Director

Rockhampton

The Rockhampton residential market can be broken down into four areas of interest: North Rockhampton; South Rockhampton; Gracemere; and The Capricorn Coast (Yeppoon and Emu Park). We are concentrating on houses only due to the limited number of sales of units in the region. Median prices have been taken as at 30 June 2022.

The median for North Rockhampton is $362,000 (source: Pricefinder). A mixture of options is available at this price range. You can buy partly to fully renovated low and highset older dwellings in some of the older residential areas or an original circa 1970s or 1980s dwelling.

North Rockhampton home Source: Herron Todd White

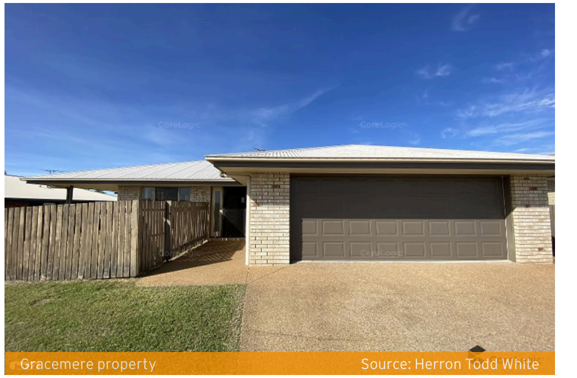
This circa 1975 brick onground dwelling recently under contract for $350,000 provides four-bedroom accommodation with original fit-out. Investors could expect to get around the $420 to $450 per week rent.

South Rockhampton's median house price of $322,000 (source: Pricefinder) will mostly provide older style dwellings located in West Rockhampton, Wandal and fringes of Allenstown and The Range. On offer is a mixture of mostly original and older renovated dwellings depending on the suburb.

South Rockhampton property Source: Herron Todd White

A circa 1950s highset dwelling located on the fringe of The Range sold for $320,00 in May 2022, providing a refurbished basic three-bedroom plus study older highset house (photo source: RPData). An investor could expect to get around $400 to $420 per week rent.

The outer lying satellite suburb of Gracemere shows a median house price of $354,750 (source: Pricefinder). Gracemere offers a mixture of semi-modern and modern dwellings providing three- and four-bedroom options in this price bracket. This price bracket has traditionally seen a mixture of investors and entry level or first home buyers.



Gracemere property Source: Herron Todd White

This circa 2010 brick onground dwelling providing four-bedroom accommodation in Gracemere sold for $352,500 in June 2022. Investors could expect to get rent of around $460 to $480 per week (photo source: RPData).

The Capricorn Coast (4703), located a short drive to the east of Rockhampton, covers an area of Yeppoon and surrounding suburbs. The median house price at the Coast is $592,650 (source: Pricefinder). This price range offers a range of semi-modern three- and four-bedroom dwellings providing basic but comfortable accommodation.

Taranganba home Source: Herron Todd White

This circa 1995 brick onground dwelling that has been refurbished internally and improved with a detached shed sold for $590,000 in Taranganba (a centrally located suburb of the Capricorn Coast) for $590,0000. An investor could expect to get rent of around $560 to $600 per week (photo source: RPData).

Steve McDonald
Valuer

Gladstone

The median house prices for suburbs in the Gladstone region seem to vary fairly widely between $260,000 and $671,750 for dwellings and between $160,000 and $290,000 for units according to realestate.com.au.

In suburbs such as Telina ($410,000), New Auckland ($420,000) and Kirkwood ($460,000), the median price will get you a reasonably modern four-bedroom, two-bathroom dwelling with a double garage. If your budget is a bit tighter, then suburbs such as Barney Point ($260,000) and Toolooa ($265,000) offer typically low set three-bedroom, one-bathroom dwellings built around the 1960s to the 1980s. Tannum Sands is a beachside suburb and at its median price of $487,500, you will get a circa 1990s on ground four-bedroom, two-bathroom dwelling. The top end of town is the rural residential suburb of Beecher with a median house price of $671,750. For this price you would get a large reasonably modern home with perhaps a shed or pool on a block ranging in size from about 4000 square metres to about two hectares.

Despite the significant growth our market has seen over the past couple of years, we remain one of the most affordable regional cities on the east coast of Queensland.

The median price for older typically 1980s two-bedroom, one-bathroom, two-storey townhouses in the central suburbs of West Gladstone and South Gladstone is $160,000. The median price in Central Gladstone is $255,000. This suburb comprises a mix of older townhouses and modern, highrise apartments. In Glen Eden, the median unit price is $255,000. This suburb comprises various modern townhouse complexes which typically provide three bedrooms and two or three bathrooms.

The median house and unit prices for Gladstone are still significantly cheaper than several of our regional neighbours. Despite the significant growth our market has seen over the past couple of years, we remain one of the most affordable regional cities on the east coast of Queensland.

Regan Aprile
Director

Bundaberg

The 12-month median house price for the whole of the Bundaberg region is $335,000 for houses and $270,000 for units.

In the $300,000 to $350,000 price range in Bundaberg North, Svensson Heights, Avenell Heights, Bundaberg South, Bundaberg West and Walkervale, buyers can find a mix of older 1930s to 1970s dwellings with varying numbers of bedrooms, bathrooms and ancillary improvements. Kepnock offers slightly more modern 1960s to 1990s dwellings in this price bracket, whilst Thabeban offers 1970s to 2010s builds, also with varying number of bedrooms and bathrooms depending on the location.

For units, there is a little bit more choice of locations and age of properties with Kalkie, Avenell Heights and East Bundaberg offering more modern 2010 onwards builds with a minimum of two bedrooms and one bathroom.

The coastal township of Bargara has a 12-month median house price of $565,000 and $438,000 for units. In this price range in Bargara, you can buy an older, circa 1980s, 1990s or 2000s house within a couple of blocks of the beach, or a slightly more modern circa 2000 to 2015 house further away from the beach and esplanade, but within easy driving distance. Units in the median price range are rare, with realestate.com.au listing only one unit for sale, however the unit is a dual key apartment that has direct access to Kelly's beach. Sub $400,000 gives you a little more choice in age, style and location, whereas over $450,000 gives you plenty of choice of modern units within close proximity to the beach.

The recent increases in interest rates have had an effect on the major city markets, which usually has a flow on effect to the regional markets. Agents are reporting some signs of slowing in the market with less buyer enquiry, buyers being more willing to negotiate on prices and some increases to the selling time frames, compared to buyer activity 12 months ago.

Rents continue to remain tight with high demand and low vacancy rates, so for an investor the Bundaberg region offers a good investment option at the moment. We do caution though that there is always a risk of decreases in property values. Part of buying and selling property is weighing up all the potential risks and benefits.

Megan Matteschek
Valuer

Mackay

Based on the 4740 postcode, the median house price in Mackay for the June quarter was $436,500 or $425,000 for the 12 month period. For units over the same period, the June quarter was $274,000 with the 12-month period being $259,500.

So, what can you get for the median price? For houses, it gives a wide cross section of choices depending on location, style and ancillary improvements. In the older established suburbs around Mackay, the median price will get you a part renovated low or highset older style (1940s to 1970s) dwelling, probably with a shed, in good condition. If you are chasing a pool or fully renovated, you are probably out of luck at the median price level.

Further out, in the established northern and northern beaches suburbs, the median price can still buy an onground 1990s style brick dwelling in average condition. If rural residential is your preferred option, it is getting more and more difficult to find acreage properties at the median house price. This price would only get you an older style dwelling on a smaller land area, or a livable shed or larger vacant allotment only for this money.

Units have a far greater choice at the median level, mainly due to the large variance in prices of units across Mackay, with small one-bedroom units available well under $200,000, while large penthouses in town and the harbour are well over $800,000! For $274,000, you can buy a good quality two-bedroom attached unit in one of the 1990s onground complexes across Mackay. You can also buy smaller one- and two-bedroom units located within the high rise towers in Mackay.

Michael Denlay
Director

Hervey Bay

The median house price in Hervey Bay across a cross section of suburbs ranges from $485,000 to $575,000, according to realestate.com.au. Properties in this price range are typically built in the 1990s and provide standard four-bedroom, two-bathroom accommodation with some renovations and established ancillary improvements. Lot sizes generally range between 600 to 1,000 square metres and are situated in the older established suburbs of Torquay, Pialba, Scarness, Urangan and Point Vernon. Research indicates that most properties in these localities have risen between $200,000 to $300,000 over the past two years, which is coming off a very low base with minimal growth in the years preceding this time. Some opportunistic homeowners who bought in 2018 and 2019 have cashed in on this windfall more recently, along with many investors selling to owner-occupiers which has severely depleted the volume of dwellings available for rent. Maryborough currently has a median house price of $334,000, a rise of $124,000 compared to 2020.

The median unit price ranges from $338,000 to $430,000 for the above mentioned suburbs in Hervey Bay. Units in this price category may be a mix of old and new unit stock with many developments located within walking distance of the beach. The majority would offer two or three bedrooms, one or two bathrooms, with single carport or built-in garage. The unit median price for Maryborough is $230,000 demonstrating a 37.7 per cent rise over the past 12 months.

Given the market is at its peak after a long rising trend, it is not currently considered a good time to buy detached dwellings or units. However, it will be interesting to observe how the property market performs in the next few years with rising interest rates and inflationary pressures impacting affordability going forward.

Tracy Lynd
Valuer

Emerald

The Emerald median house price is currently $315,000 for a four-bed, two-bath, two-car dwelling. The median unit price is currently $210,000 for a three-bed, one-bath, one-car unit. These statistics have been sourced from RPData from sales over the past six months.

A four-bed, two-bath, two-car dwelling for $315,000 in Emerald would likely be located in an older established area of town, possibly flooded or in a flood risk area and likely between 20 and 30 years old. Houses like this would be of fair condition likely needing some refurbishment, have modest living areas between approximately 90 and 130 square metres and limited ancillary improvements.

A three-bed, one-bath, one-car unit for $210,000 in Emerald would likely be located in an older established area of town, likely between 10 and 30 years old. Units like this would be of fair condition

A four-bed, two-bath, two-car dwelling for $315,000 in Emerald would likely be located in an older established area of town, possibly flooded or in a flood risk area and likely between 20 and 30 years old. Houses like this would be of fair condition likely needing some refurbishment.

likely needing some refurbishment and have a modest living area between approximately 70 and 90 square metres.

With tightening rental conditions in Emerald, dwellings in this segment of the market would likely attract a rental of between $420 and $450 per week and units would likely attract a rental of between $320 and $380 per week.

New four-bed, two-bath, two-car dwellings in Emerald are selling for between $480,000 and $580,000 depending on quality and ancillary improvements which is significantly higher than the median house price. The significant increases in the cost of construction material putting pressure on the new house market combined with increasing caution resulting from steadily increasing interest rates and limited rental availability may redirect buyers' interest to houses at this price point.

Kellie Blomfield
Valuer

Townsville

The median house price for Townsville sits at $385,000.

At this price point in the inner city market, only units are available. Houses in the inner city will generally start at $450,000 to $500,000. The unit market offers a range of product at and around $385,000 ranging from renovated two-bedroom, one-bathroom units through to older units requiring renovations either now or in the near future but offering additional accommodation (two-bedroom, two-bathroom, or possibly three-bedrooms, two-bathroom). The unit market remains slower than the established home market, however recent capital growth has been seen in both market segments. The inner-city housing market has far outpaced the unit market however.

The mid ring is a more diverse category of properties with many more available options. Almost all options in this price point are established homes (maybe 40 to 70 years old) ranging from dwellings requiring renovation on small blocks in better locations through to renovated homes on larger allotments. The smaller homes may be two and three bedrooms with one bathroom. The larger homes will be generally three to four bedrooms with one or two bathrooms and in various stages of renovation. All of these are still within a five-to-ten-kilometre radius of the city centre. There are still good buys to be had in this market at this price point.

The outer ring offers homes built in the past 10 to 20 years offering three and four bedrooms, two bathrooms, double garage and reasonable sized allotments. These properties are approximately 12 to 20 kilometres from the city. They will also offer various stages of renovation from original through to mostly if not fully renovated.

The housing market has increased strongly over the past nine to 12 months. All areas are showing capital growth, with the most noticeable market segments being the city and fringe city dwellings and the rural residential market. In addition over this same period we have seen an influx of out-of-town investors purchasing duplexes and flats which has led to good growth in that market segment and a compression of yields.

Most recently it appears that the market has begun to settle with agents advising that buyer interest has reduced however good quality buyers are still in the market. Further these buyers are ready and willing to buy with pre approvals in place and prepared to make offers in a timely manner. This has resulted in no foreseeable softening in prices at this stage.

Darren Robins
Director

Cairns

The median price for the Cairns LGA for the 12 months ended 30 June 2022 was $515,000 for houses and $262,500 for units (CoreLogic). The median price is the middle price in a range of sale prices. The median price can be skewed upwards or downwards due to compositional change, e.g. the upper end performing better than the lower end or vice versa. The median price for Cairns has been rising over the past 12 months. The median for the 12 months ended 30 June 2021 was $451,750 for houses and $225,000 for units.

The median price for the Cairns LGA for the 12 months ended 30 June 2022 was $515,000 for houses and $262,500 for units.

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According to realestate.com.au, the current median house price for Toowoomba and its surrounding suburbs (4350) is listed as $479,000 with the median unit price at $320,000.

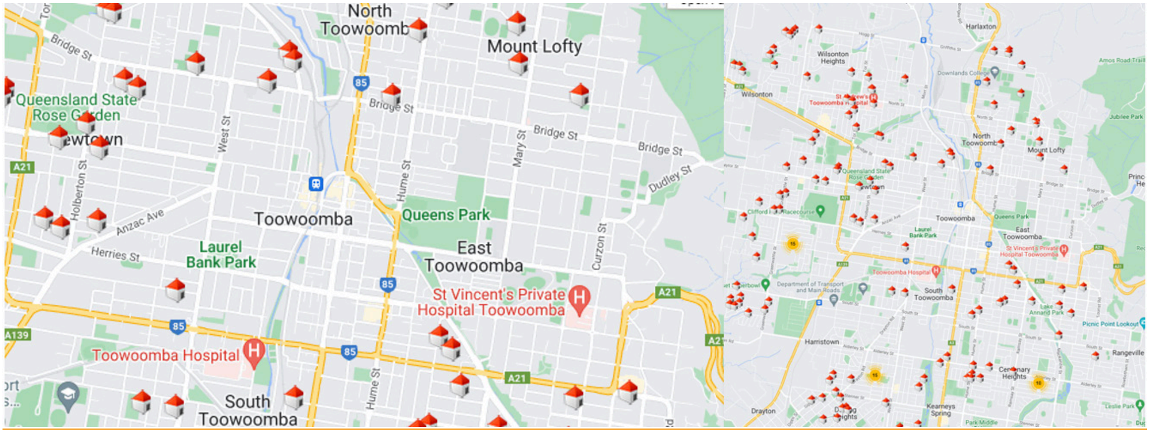
Realestate.com.au currently has 790 houses listed for sale in Cairns Greater Region with 278 advertised with an asking price up to $500,000 and 544 advertised with an asking price above $500,000. There are 406 units, apartments, villas and townhouses advertised, with 154 advertised with an asking price up to $250,000 and 268 advertised with an asking price above $250,000. It is interesting that there are a lot more properties advertised with an asking price above the median price than under the median price.

As a generalisation, units in Cairns below the median price tend to be older units suited mainly to investors and tourism units which cannot be permanently occupied. Houses in Cairns below the median price mostly tend to be located on the south side or in the "M" suburbs west of Cairns (although there are still many houses above the median price in these areas).

Craig Myers
Director

Toowoomba/Darling Downs

According to realestate.com.au, the current median house price for Toowoomba and its surrounding suburbs (4350) is listed as $479,000 with the median unit price at $320,000. Pricefinder results show that 171 residential dwellings sold in the 4350 locality within the previous six months within this median price point of $450,000 to $500,000. So where and what sort of properties does this amount of money buy in Toowoomba at present?



Source: Pricefinder

When looking at the location of these median house sales, the Pricefinder mapping shows an obvious lack at this price point within the Toowoomba CBD and closer surrounding suburbs of Toowoomba City, East Toowoomba and Rangeville. These well-established older suburbs with renovated period homes represent a generally more desirable higher price point being in close proximity to retail, education and health services and transport links to Brisbane. Suburbs such as Prince Henry Heights, Kensington Heights and Middle Ridge generally represent newer more affluent dwellings in close proximity to the escarpment and scenic views. These suburbs are noticeably absent from the median house mapping also.

By the mapping, the median house sales generally begin in the ring formed north of Bridge Street, south of James Street and west of Holberton Street. In real distance terms, the north and south ring commences approximately one kilometre from the centre of Toowoomba, being the intersection of Ruthven and Margaret Streets. Holberton Street is approximately two kilometres from this location.

Beyond this higher price point ring, the suburbs that dominate median price house sales are congregated around Newtown and Glenvale in the west, Darling Heights, Harristown and Kearneys Spring in the south-west, South Toowoomba and Centenary Heights in the south, Wilsonton in the north-west and smaller numbers in North Toowoomba and Mt Lofty in the north.

Below are some examples of what the median price of approximately $479,000 will buy in each of these suburbs.

$482,900

60 Shelby Street, Glenvale

3 2 2 400m^2 | House

Sold on 07 Sep 2022

$470,000

445 Stenner Street, Harristown

3 1 2 736m^2 | House

Sold on 22 Aug 2022

$466,000

42 Cleary Street, Centenary Heights

4 1 2 844m^2 | House

Sold on 22 Aug 2022

$475,000

170 Long Street, South Toowoomba

3 1 2 551m^2 | House

Sold on 07 Sep 2022

$499,000

14 Lochel Street, Mount Lofty

3 1 1 534m^2 | House

Sold on 06 Jul 2022

$484,000

1/4 Walton Street, North Toowoomba

3 1 1 430m^2 | House

Sold on 18 Jul 2022

$460,000

26 Charles Street, Newtown

2 1 2 749m^2 | House

Sold on 29 Jul 2022

$480,000

16 Sapphire Court, Kearneys Spring

3 1 2 588m^2 | House

Sold on 02 Aug 2022

$486,500

12 Lyness Court, Wilsonton Heights

3 2 2 603m^2 | House

Sold on 12 Jul 2022

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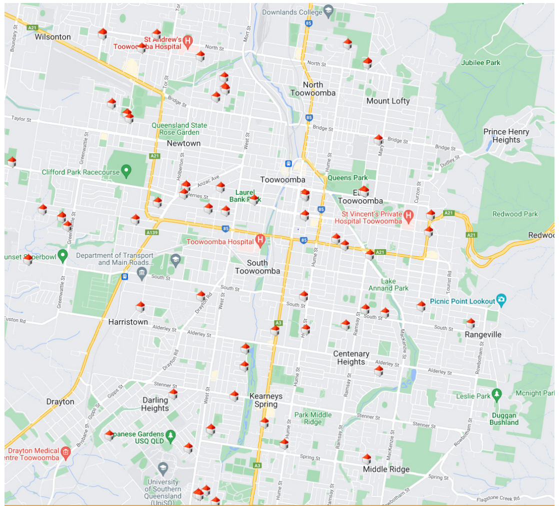
Unit sales within the median price point of $320,000 were far fewer over the previous six months with 81 sales listed on Pricefinder. When mapped, these sales were very much spread out across the entirety of Toowoomba and not within specific rings, however a correlation can be drawn towards units and their proximity to major thoroughfares throughout the city.



Source: Pricefinder

Below is a sample of what type of unit approximately $320,000 will buy in the Garden City (source: realestate.com.au).

These properties provide a relatively good entry level price point in the current market for those who otherwise may be priced out of the market, especially when compared to the newer builds in good locations. The majority of the units are also situated closer to main thoroughfares, public transport and shopping amenities.

Whilst these properties would attract buyers with their lower price points and affordability, not all locations provide the same value. Buyers should

$320,000

1/247 Herries Street, Newtown

2 2 1 | Unit

Sold on 02 Sep 2022

$341,500

Unit 1/212 South St, South Toowoomba

2 1 1 | Unit

Sold on 05 Aug 2022

$315,000

2/90 North Street, North Toowoomba

2 1 1 159m² | Unit

Sold on 11 Jul 2022

$305,000

7/53 Drayton Road, Harristown

2 1 1 | Unit

Sold on 12 Aug 2022

$332,200

2/13 Opal Street, Glenvale

3 2 1 127m² | Unit

Sold on 18 Jul 2022

$335,000

10/43 McGregor Street, Wilsonton

2 1 2 | Unit

Sold on 20 Jun 2022

The forecast is for units in the Toowoomba region to remain steady and there has been continuous demand over the previous 12 to 24 months, especially surrounding the University.

be cautious regarding units in the outer, older suburbs due to their age and distance from the city centre and less amenities available, such as North Toowoomba and Wilsonton. Suburbs that do offer good buying would be those situated in and near Darling Heights and Kearney's Spring due to their proximity to the University given the higher demand experienced from both younger owner-occupiers and investors targeting university students. For those buyers focusing on modern properties, Glenvale and the outer, developing suburbs create a great opportunity to enter the market around the median unit price point, especially compared to houses in the same area, yet still offering similar accommodation of three bedrooms and two bathrooms. An example is 2/13 Opal Street, a three-bedroom, two-bathroom unit which sold for $332,200 whilst 60 Shelby Street is a three-bedroom, two-bathroom dwelling that sold for $482,900.

The forecast is for units in the Toowoomba region to remain steady and there has been continuous demand over the previous 12 to 24 months, especially surrounding the University. With the cost of living continually increasing, there could be a stronger demand for units in developing suburbs such as Glenvale where a new, modern property is more affordable with less yard maintenance but provides a similar accommodation to detached dwellings.

Throughout Toowoomba, there are limited property types outside of units and houses and they generally have a wide price range, location and age. Approximately 30 sales in the past year fall into the category of villas and townhouses and their sale prices vary greatly from a three-bedroom, two-bathroom townhouse in Mount Lofty which sold for $730,000 to a three-bedroom, one-bathroom townhouse in South Toowoomba which sold for $230,000. Whilst these villas and townhouses offer a great variety of accommodation, location, price and quality, there is only a small quantity available to the Toowoomba market with just ten currently listed for sale across the Toowoomba region.

Marissa Griffin
Director

South Australia - Residential 2022

Adelaide and surrounds

The metropolitan median house price has charged forward over the past 18 months to a high point of $650,000. On the back of RBA cash rate rises, the heat appears to now be coming out of the market with the June quarter of 2022 having the lowest growth rate since the corresponding quarter of 2020. Depending on location and distance from the CBD, $650,000 may be the entry level or top of the market, meaning a multitude of property types are available at this price point.

Within the inner ring, buying at the median dwelling price can be difficult with many of the suburbs with close proximity to the CBD having median dwelling values in excess of $1 million. This price point is considered entry level with attached housing in the form of units and townhouses being most prevalent. Properties within the inner south and east transact at higher price levels than the remainder of the inner ring, restricting the number of properties available at $650,000. Searches have revealed 51 transactions occurring over the past six months in the $600,000 to $700,000 range in the inner south and east LGAs of Burnside, Norwood, Payneham, St Peters and Unley whereas 233 transactions occurred within the same parameters in the inner north and west LGAs of West Torrens, Walkerville, Prospect and Charles Sturt. Examples of what's available at the median in the inner ring include: 1/40 George Street, Norwood achieving $650,000 and comprising a two-bedroom, one-bathroom semi-detached townhouse which has been partially updated; 2/9 Mitchell Street, Hyde Park achieving $670,000 and comprising a two-bedroom, one-bathroom semi-detached character dwelling which has been renovated internally; and 1B Roebuck Street, Mile End achieving $604,000 and comprising a semi modern semi-detached dwelling disposed as three bedrooms and one bathroom.

2/9 Mitchell Street Hyde Park Source: realestate.com.au

1/40 George Street Norwood Source: realestate.com.au

The middle ring brings greater affordability with traditional detached dwellings, newer infill development and development sites becoming available at the $650,000 price point. Looking at the compass: in the north-east, $650,000 would have bought you 4B Parkview Place, Athelstone a circa 2000s three-bedroom, two-bathroom courtyard home; in the north-west, $620,000 would have bought you 14 Caskay Street, Woodville North, a fully renovated circa 1950s dwelling on 390 square metres of land; and south of the city, $690,000 would have bought you 20 Allambee Avenue, Edwardstown a dilapidated circa 1960s three-bedroom, one-bathroom detached brick dwelling on 800 square metres.

Moving to the outer ring, it's a tale of north and south with each having significantly different market dynamics. Situated approximately 20 kilometres north of the CBD is the city of Playford. Suburbs within the city of Playford have the lowest entry price point of all metropolitan councils. Searches have revealed the past six months yielded 41 sales within the $600,000 to $700,000 price bracket whereas the $300,000 to $400,000 price bracket yielded 500 plus transactions during the same six-month period. With the median dwelling price representing the upper limits of the market in this location, this price point is geared towards owner-occupiers. These buyers can expect modern properties with increased levels of accommodation and site improvements. Examples of what's available at this price level include: 49 Kingate Boulevard, Blakeview, a four-bedroom, two-bathroom single level circa 2011 dwelling with modern fixtures and fittings; and 17 Kurrie Street, Hillbank, a fully renovated circa 1970s dwelling disposed as four bedrooms and two bathrooms

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and further improved with a swimming pool. These properties achieved sale prices of $650,000 and $646,000 respectively.

The outer north has historically been a hunting ground for investors with gross yields in excess of six per cent common. A savvy investor could have purchased 64 Mainwaring Crescent, Davoren Park ($225,000), 24 Gores Road, Davoren Park ($210,000) and 21 Cockshell Street Davoren Park ($200,000) for under $650,000. Each of these properties comprises circa 1960s three-bedroom dwellings which have the potential to achieve a weekly rental of $270, providing gross yields of between six and seven per cent.

64 Mainwaring Crescent Davoren Park Source: realestate.com.au

24 Gores Road Davoren Park Source: realestate.com.au

21 Cockshell Street Davoren Park Source: realestate.com.au

Heading 20 kilometres south of the CBD, you will find the heart of the city of Onkaparinga. A large proportion of this council area hugs the coastline as it peters out towards the Fleurieu Peninsula. Having proximity to the coast is one of several key drivers of price levels outperforming in the north. Price points throughout this council typically fall around $500,000 to $600,000. The past six months have yielded close to 300 transactions in the $600,000 to $700,000 price bracket. A broad mixture of detached dwellings is available at this price point ranging from 1950s dwellings in the established suburbs of Old Noarlunga and Christies Beach to modern infill developments in the suburbs of Seaford Heights and Moana. The median dwelling price of $650,000 could have bought both 58 Cook Street, Seaford Meadows, a circa 2016 four-bedroom, two-bathroom dwelling on 475 square metres of land or 29 Bathurst Avenue, Moana, a circa 1960s three-bedroom, one-bathroom dwelling on a 686 square metre allotment located approximately 100 metres from the beach.

29 Bathurst Avenue Moana Source: realestate.com.au

Depending on buyer motivation, median price buys are available in all directions and distances from the CBD.

Nick Smerdon
Property Valuer

Mount Gambier

Mount Gambier has a median house price of $340,500 which is an increase from $283,750 at the same time last year. This price range offers an affordable entry point for first home buyers or investors. Over the past 12 months, investors have been very active at this price point which has seen property in less sought-after locations show sharp increases in value with investors chasing strong rental yields.

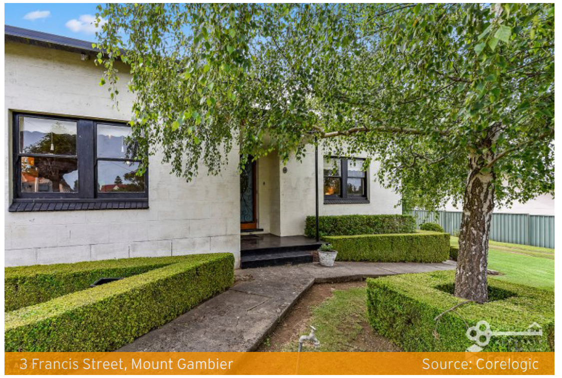
$340,000 offers a broad range of property types however would most commonly be a three-bedroom, one-bathroom dwelling on a reasonable size allotment of 600 to 900 square metres. Coming in just over the median house price at $350,000, the property at 5 Buronga Avenue, Mount Gambier

Mount Gambier has a median house price of $340,500 which is an increase from $283,750 at the same time last year.

features three bedrooms, one bathroom and carport on 880 square metres. The dwelling has a living area of approximately 110 square metres and features a small pergola area. This property is situated in a secondary location near government housing and commercial property.

5 Buronga Avenue, Mount Gambier Source: Corelogic

Closer to the CBD in a more sought-after location, the median house price offers fewer options. This older 1950s house at 3 Francis Street achieved $360,000 and features two bedrooms and one bathroom on a generous 1,013 square metre allotment, however was in below average condition and featured no car accommodation or outdoor area. This property appeals to a first home buyer looking to renovate in a central location within walking distance of Commercial Street.



3 Francis Street, Mount Gambier Source: Corelogic

For units, the median price sits at approximately $240,000 which is an increase from $200,000 twelve months ago. This price point offers a large variety of units, however typically will offer two bedrooms, one bathroom and some car accommodation.

3/10 William Street, Mount Gambier Source: Corelogic

The above property at 3/10 William Street, Mount Gambier achieved $245,000 and features an attached strata unit with two bedrooms, one bathroom, single garage and original décor situated in a central location.

Adrian Castle
Valuer

Western Australia - Residential 2022

Perth

With interest rates continuing to rise and confidence in the housing market beginning to wane, what better time than now to look at where we are with median house prices in Western Australia and what may be a wise use of capital at these price points throughout the state. This month we take a deep dive into median house prices and their movements in our metro and regional areas and discuss the trends and opportunities that have arisen or that may arise in the short to medium term.

Perth Metro – North-West

Some northern suburbs on the western side of the Mitchell Freeway have experienced strong annual growth rates ranging from 10 to 40 per cent and offer a quantity of properties for the median house price. Suburbs such as Karrinyup, Carine, Duncraig, Marmion and Sorrento generally outperform other areas due to their great location – just 10 to 15 kilometres from the Perth CBD and within close proximity to vast infrastructure and the coast. Duncraig's median house price of $850,000 can purchase a circa 1980s four-bedroom, two-bathroom dwelling that is renovated or in good condition, on a large block of 700 to 900 square metres, oftentimes with a pool. Karrinyup and Carine's median house price of slightly above $1 million can buy you a house on a large block, with this price affording a renovated four-bedroom, two-bathroom home in Carine, but likely a smaller, original three-bedroom, one-bathroom home in Karrinyup, due to a big difference in land values. There are also modern, two-storey strata titled residences on 200 to 400 square metre lots on offer in Karrinyup. Coastal suburbs Sorrento and Marmion both have a median house price of around $1.3 million, however Marmion has experienced 40 per cent annual growth whilst Sorrento has only seen 18 per cent. Whilst both suburbs show strong growth, we could account for the difference in a larger number of high-estimate transactions in Marmion that possibly distorted this figure. In both suburbs, dwellings on offer at this price include older but good condition, possibly renovated, four-bedroom, two-bathroom dwellings on 700 to 800 square metre lots. There are limited alternative investment options as standalone dwellings dominate the market, but it is possible to source land with development potential or a luxury off-the-plan apartment with views. The caution in buying in these suburbs is similar to the majority of the market, whereby a downturn in the market can hurt capital values, especially after experiencing strong growth, however in our experience, we have seen that these locations generally see good long-term performance compared to others.

These properties are still experiencing good demand from first home buyers, owner-occupiers and local and interstate investors.

The outer-northern coastal suburb of Alkimos is very popular with buyers, with the suburb offering a median house price of $452,500 and experiencing 10 per cent capital growth over the past 12 months (according to the Real Estate Institute of WA). At this price point, the suburb has modern, three and four-bedroom, two-bathroom homes on 300 to 400 square metres of land close to the coast on offer. Slightly further from the coast, suburbs such as Butler, Merriwa and Clarkson have slightly more affordable median house prices at $410,000, $385,388 and $433,500 respectively. Buyers can find a range of dwellings at these price points including older or renovated dwellings with three to four bedrooms and one to two bathrooms on 500 to 800 square metre lots, or modern three and four-bedroom, two-bathroom dwellings on 300 to 500 square metre lots. These properties are still experiencing good demand from first home buyers, owner-occupiers and local and interstate investors. Whilst these suburbs offer relatively good value for money and investors will be keen on the rising rents throughout the area, they also comprise high volumes of similar stock which may outweigh demand as the cost of borrowing increases and capital values stabilise.

Perth Metro – North-East

The north-east section of the Perth metro area is dominated by the first and second home buyer market in suburbs such as Aveley, Ellenbrook, Brabham, Dayton and Henley Brook. These relatively new land estate developments have seen a steady supply of new stock come to the market, however in recent times with the influx of government grants, the rate at which new stock has arrived has been accelerated. Interestingly Brabham has outperformed all the surrounding suburbs by a considerable amount. Annual growth has hit 16.2 per cent with a median house price of $484,000 whilst Dayton next door has seen a modest 4.1 per cent growth and a median price of $453,000. Just to the north, both Aveley and Ellenbrook have also experienced solid growth of eight per cent over the past 12 months, with Aveley having a higher median price of $475,000 compared to Ellenbrook's $437,000. Brabham has experienced a flurry of new residential development as well as the commencement of major civil infrastructure projects. These factors have likely fuelled the outperformance of growth compared to its neighbouring suburbs.

Initial works for the Metronet station at Whiteman Park have commenced and the Whiteman Edge Shopping Centre anchored by Coles has been completed, complemented by a number of secondary outlets such as KFC, McDonalds, 7/11 along with childcare and medical centres. A vast array of modern and expansive parks litter the suburb, making for an extremely inviting locale with what will soon have great connections to the CBD and airport. The government grants have clearly had a significant influence on the rate at which Brabham has been developed and it is likely from the data available that a lot of the gains made on the sales are due to the quality and age of the product available to the market compared to similar but older products in Dayton.

Take this property in Lignum Street, Brabham as an example. The 312 square metre allotment was purchased in June 2020 for $207,000 and after construction of the 2021 build, it was sold in May this year for $527,000 with the product having a fairly standard, clean, level of finish (stone benchtops, floor and wall cupboards to kitchen, reverse cycle ducted air conditioning). Given construction price increases were yet to bite, there appears to be a reasonable profit margin in this exercise.

Lignum Street, Brabham Source: RP Data

This property in Cranbrook Way, Brabham is another instance of newly built stock coming to market post-build. The 315 square metre allotment was purchased in October 2019 for $215,000 and the 2020 completed dwelling sold in December 2021 for $475,000. The property has a slightly inferior standard finish to the Lignum Street property mentioned previously which illustrates the variance in the price points available to purchasers.

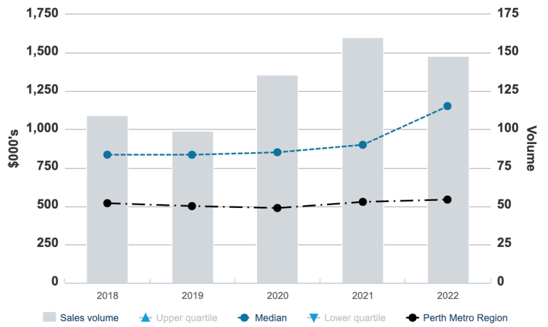
Cranbrook Way, Brabham Source: RP Data

The key takeaway from these examples is that there is a premium offered for newly built dwellings hitting the market. With Brabham having a steady number of these newly constructed dwellings hitting the market and selling, this premium can be seen to have an effect on the median house price and growth rates. Buyer sentiment has now shifted from building to buying established as a result of the chaotic and heated builder's market at present. Buying a 2020 to 2022 built home that has completed construction can save the buyer a significant level of stress in these uncertain times of the construction market, while still being able to live in a fairly new home and in some cases, a home that has yet to be lived in.

The figures above show the clear tendency of purchasers to lean towards a newly built home in the north-east and with a healthy number of these new builds being mortgaged, the steep rise in interest rates may see a number of these homes having to come to the market if owners are unable to meet the debt servicing requirements for their mortgages. That said, the benefits of the locale may outweigh the risks as good infrastructure projects coming to completion within the next three to five years allow for greater access to the area, further enhancing its desirability. The potential for growth remains strong and while the construction market remains hot with building costs inflated, newly completed homes will continue to attract a premium price for investors.

Inner North

The inner north region of Perth metro is one of varied opportunities and plenty of character. Consisting of suburbs such as Mount Lawley, North Perth, Yokine, Coolbinia, Dianella and Inglewood, it also provides great opportunity for infill projects. North Perth in particular is an interesting point of discussion. The suburb has now joined the one-million-dollar club in terms of median price, illustrating its growth potential and status as an investor's paradise.



North Perth Median Price Trend Source: REIWA

The past 12 months have seen the median house price jump from $900,000 to $1.15 million, an annual growth of 27.8 per cent which far outperformed the 2.7 per cent Perth metro average. Mount Lawley saw a 12.8 per cent rise with a median price of $1.21 million, Dianella experienced a 12 per cent rise with a $700,000 median and Mount Hawthorn enjoyed a staggering 34.4 per cent annual growth with the median now sitting at $1.28 million. The extremely desirable location of these inner northern suburbs, which are well established with a full service of amenities in any direction regardless of where you are located, makes it a very attractive region to buy in. Strong demand for near city living has forced councils into rezoning these established inner areas to allow for higher density infill dwellings. A number of larger lots remain in the inner north with potential for high standard finish duplexes and triplexes to be constructed or indeed low to medium rise apartment complexes.

Loftus Street, North Perth Source: RP Data

This property in Loftus Street is an 855 square metre allotment purchased for $1.2 million in November 2021, and enjoys a density coding of R60. There is potential for a five to six dwelling development subject to relevant approvals. This is the type of purchase that indicates what can be acquired around the median price point for the area. Although there is a risk of overspending for a property in the short term, location is everything and with working from home becoming more normal, the attractiveness of still living close to the office for that perfect mix of both makes these suburbs highly desirable. A lack of supply mixed with the aforementioned desirability of the suburbs allows for good potential for capital growth or to investigate development opportunities now that construction prices appear to have peaked and are likely to return to more normal margins.

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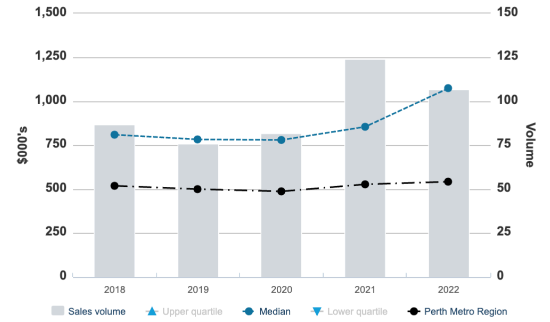
Fremantle

The port city of Fremantle has been an area receiving strong interest from buyers with its energetic and lively atmosphere and a wide range of amenities available. The notion of "Location! Location! Location!" really does ring true for Fremantle, with the median house price for the suburb surging by 25.7 per cent over the past year, and the median price jumping from $855,000 in 2021 to currently sit at $1.075 million.



Fremantle Median Price Trend Source: REIWA

Popular buys that fall within the median price range are character two or three-bedroom homes or grouped dwellings on smaller lots. Other options to consider at this price point are apartments with two or three bedrooms that boast coastal views, with factory conversion units a real hit at the moment.

Henry Street, Fremantle Source: RP Data

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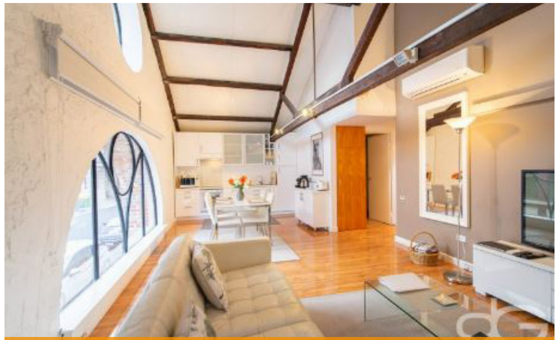
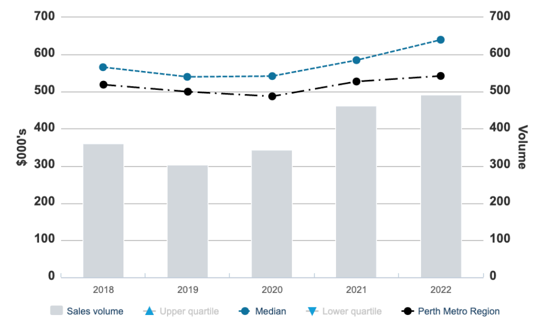

Henry Street, Fremantle — Source: RP Data



Canning Vale Median Price Trend — Source: REIWA

Formosa Pass, Canning Vale — Source: RP Data

An example displayed above is a converted factory warehouse unit located in the heart of Fremantle's west end. It is a two-bedroom, two-bathroom unit which sold in February for $1.135 million. A caution to be aware of when purchasing a property in Fremantle is the maintenance that may be required due to the age of many dwellings. A huge positive for Fremantle however lies in its location and the character of the whole area. The unique landscape, atmosphere, character and authenticity of the suburb will always lure residents and visitors to the town.

South-East

Taking a look at the south-east corridor of Perth, Canning Vale is a popular suburb with families, although the median price is higher than the entry level buy in other suburbs due to its superior level of public amenities and proximity to employment hubs. Canning Vale has a median price of $640,000 with the suburb experiencing an increase in annual growth of 9.4 per cent.

At the median price point of Canning Vale, the properties you would be looking at are generally circa early 2000s built dwellings offering four-bedroom and two-bathroom accommodation on land that can range anywhere between 400 and 700 square metres. Internally it would look a touch dated, reflecting the median price for the area. Normally it is a step up from the entry level products and is worth the money for people looking to get closer towards the centre of Perth CBD in decent sized accommodation on a decent sized allotment. An example can be seen in the photos below of a typical Canning Vale property, circa 2004 built, four-bedroom, two-bathroom home that sits on a 669 square metre block.

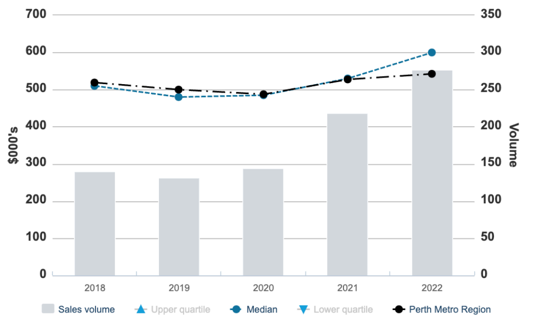

Formosa Pass, Canning Vale — Source: RP Data

Moving a little further south-east, Piara Waters and Harrisdale have become popular suburbs due to their slightly better affordability, although they generally feature a higher ratio of smaller but more modern dwellings on smaller allotments.

Taking a look at Piara Waters, the suburb has experienced an increase in annual price growth of 13.2 per cent, with the annual median price sitting at $600,000. Products you can purchase

Taking a look at the south-east corridor of Perth, Canning Vale is a popular suburb with families, although the median price is higher than the entry level buy in other suburbs due to its superior level of public amenities and proximity to employment hubs.

at that price point are modern four-bedroom or three-bedroom, two-bathroom homes on 300 to 500 square metre lots. In terms of these products, there are a positive and a negative to consider. The positive is that you are getting a more modern product rather than a dated home that may require a higher level of maintenance or renovation, while the possible caution of buying a property here is the fact that there is a significant amount of competing supply.



Piara Waters Median Price Trend Source: REIWA

Claymore Place, Piara Waters Source: RP Data

Claymore Place, Piara Waters Source: RP Data

Displayed above is a circa 2016, four-bedroom, two-bathroom home on a 375 square metre block. It is an example of what you can purchase at the median price point in the suburb. This particular property sold in April for $600,000.

Mandurah

Moving to the Peel region south of Perth, areas such as Rockingham and Mandurah provide a range of options that offer relative affordability compared to other areas closer to Perth. Rockingham is a popular choice for families and investors due to its relative affordability and potential for reasonable rental returns due to strong rental demand. A typical purchase for the area at the moment is likely to be a 1980 or 1990s three or four-bedroom home on over 600 square metres of land. A great example is this property in Casserley Road in Rockingham which sold for $421,000 in March this year. This 1983 built, four-bedroom, one-bathroom property on 681 square metres of land was rented out following the sale for $450 per week, reflecting a gross return of 5.5 per cent.

Casserley Road, Rockingham Source: RP Data

Looking further south to the developing northern suburbs of Mandurah, suburbs in this region offer affordable opportunities to build or buy a modern home. Suburbs such as Madora Bay, Meadow Springs and Lakelands have good levels of land still available on the market with prices in the low $200,000s typically for a lot in the 400 to 500 square metre range. For many, the idea of building has lost its appeal due to the blowout in construction costs we've seen in the past 12 months which gives established stock in these suburbs good appeal with median prices sitting at very attractive levels for a modern family home. For $15,000 above the median price in Meadow Springs, you could get a property like this one in Broadmoor Loop. This property sold for $468,000 in April this year and is a 2015 built, four-bedroom, two-bathroom home on 480 square metres. With 185 square metres of living area, a property like this is a great entry level option for young families or may even appeal to investors with typical rentals in the area for this type of property now sitting around the $500 to $550 per week range.

Broadmoor Loop, Meadow Springs Source: RP Data

In terms of affordability in the Perth metropolitan area, it doesn't get much better than Mandurah and Coodanup, with median prices of $320,000 and $333,000 respectively. These areas offer a large range of property types, with modern strata units, 1980s duplex units and established dwellings on blocks of over 800 square metres all falling into this price range. There are plenty of opportunities available for a variety of buyers. Modern strata units offer a good downsizing option in close proximity to the Mandurah City centre, while much of the older stock offers good investment opportunities or affordable stock that may appeal to buyers looking to renovate.

Regional - Mining Markets

Historically, the Pilbara and Goldfields regions of Western Australia have experienced house price volatility due to the influence of significant investments in the cyclical mining resources sector and investing in these areas should be done with eyes wide open.

In the north-west, the townsite of Karratha has benefited from significant government investment since the last resources cycle ended and currently has a more stable permanent population base than any time in its past. All suburbs of Karratha have a median house price ranging between $470,000 and $500,000 which can generally buy a part-renovated three-bedroom, one-bathroom house on a 650 to 750 square metre block, or at the upper end, a smaller and more modern home on a cottage lot around 300 square metres. Whilst the larger land sizes can be beneficial, the majority of dwellings at this price point are circa 1970s or 1980s built and can demand funds for renovations, repairs and maintenance. Other investment options might include units or apartments, but there can be a significant difference in strata fees that will eat into one's returns. Insurance costs are a factor buyers must consider in these cyclone-prone regions. In terms of pricing, the market has slowed somewhat but rents are still rising, and resource infrastructure projects in the area have commenced, hence we expect to see further upward pressure on rents and therefore house prices.

Broome experienced capital growth of 27 per cent in the past 12 months, but capital values are starting to feel the effects of rising interest rates.

Port Hedland and South Hedland are subject to similar market conditions as Karratha, although have not benefited from the same level of government infrastructure expenditure. Port Hedland's median house price of $644,500 can buy a renovated three-bedroom, one-bathroom house in a good part of town (eg Cooke Point, Pretty Pool), and South Hedland's median house price of $410,000 can purchase the same, although lacks the proximity to the coast. Port Hedland appears to be the most attractive option at this point in time, as the West End Buy-Back Scheme nears finalisation, which will effectively reduce housing options in the area of town closest to the Port Hedland town centre. Investment returns of over 10 per cent are not uncommon in the area, although it must be remembered that these areas are also subject to higher maintenance costs and insurance premiums, which can decrease yields by as much as four to five per cent. Rental growth is expected to improve, but capital values are starting to feel the pinch of higher interest rates.

Moving into the inland Pilbara area, Newman's median house price of $315,000 can purchase a reasonable three-bedroom, one-bathroom house in an average street. The town has experienced capital growth of 8.6 per cent in the past 12 months and gross yields of ten per cent are not uncommon. It is expected that rents will continue to improve, potentially overtaking inflation rates, however the cautionary tale of this is the difficulty to later find a buyer, especially in a downward cycle, prolonging the holding period for an investor.

In the sought after Kimberley town of Broome, the median house price currently sits at $610,000. At this price point, you can purchase a modern four-bedroom, two-bathroom house in town, or an older three or four-bedroom, two-bathroom house in some parts of Cable Beach. Broome experienced capital growth of 27 per cent in the past 12 months, but capital values are starting to feel the effects of rising interest rates and limited affordability in some areas and investor activity has dropped off as well. Rentals are in very short supply in Broome, resulting in good returns and the potential for further rental growth for investors, but again, high maintenance costs, strata fees and insurance premiums are something to consider when buying.

Moving south into the Goldfields region, Kalgoorlie-Boulder is another significant population centre in Western Australia that relies heavily on the prosperity of the mining industry.

The median house price in Kalgoorlie-Boulder is $331,250 and this would allow a purchaser to pick up a house on a full block (1000 square metres) in Boulder or South Kalgoorlie however would only get you a house on a half block (500 square metres) in the more desirable suburbs of Piccadilly and Lamington.

Like most of the state, there is a significant undersupply of rental properties available to the market throughout Kalgoorlie-Boulder and this has pushed rental prices upwards. Any properties offered to the market have often been able to find a tenant within a number of weeks with multiple offers, resulting in an increase in investor activity.

Hannan Street, Kalgoorlie Source: RP Data

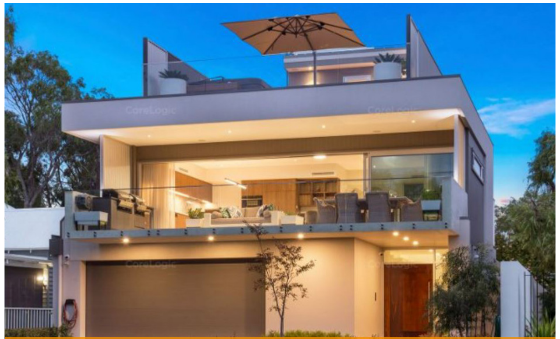
Hannan Street, Kalgoorlie Source: RP Data

This sale with the famous address of Hannan Street, Kalgoorlie provides a prime example of a rental return opportunity in a central location, whilst illustrating the capital growth that has already occurred throughout the town. The property was sold in February 2020 for $135,000, underwent a renovation and then sold again in June 2022 for $275,000 with an attached gross rental yield of 8.8 per cent. Strata properties such as this one are in high demand by tenants such as mining companies and government departments due to their low maintenance nature and the ability to have sub-tenants cycle through the property, whereas green title properties generally appear to show a more stable trend as they tend to be bought or rented by families who have moved into the area on a more permanent basis.

Regional South-West

In Western Australia's southwest region, relying on the median house price as a guide to a suburb can leave you with a misconceived idea of the locality, especially when the suburb comprises a range of different properties from older homes close to the town centre to newer properties on small allotments in modern subdivisions. This is made even more complicated when it includes exclusive areas with executive standard homes and ocean views.

Taking Dunsborough as a case in point, the current median house price is $790,000 with which you could buy either a good quality 2018 built four-bedroom, two-bathroom project home on a 530 square metre lot in Dunsborough Lakes or a 2000 built three-bedroom, two-bathroom strata unit on 450 square metres closer to town. These are a far cry from the multi-million-dollar properties along the foreshore in Old Dunsborough which tend to skew the statistics. Without these higher value properties, the median house price in Dunsborough Lakes would definitely be lower. RP Data currently shows 28 settled transactions in the Dunsborough area for over $1 million in the past six months, including this property on Geographe Bay Road which sold for $4.45 million in April this year. These higher end sales skew the statistics and don't provide a true reflection of sales in areas such as Dunsborough Lakes.



Geographe Bay Road, Dunsborough Source: RP Data

A similar story can be told of West Busselton which is divided into the more desirable beachside locality north of Bussell Highway and the more affordable area south of the highway. The median house price here is $507,000. This unfortunately will not get you much north of the highway, with most transactions occurring well above this mark. However, you could pick up a 1971 built, three-bedroom, two-bathroom dwelling on the highway with a land area of 880 square metres for around the median house price, or alternatively, a 2006 built three-bedroom, two-bathroom strata unit on 250 square metres.

Australind is also divided, in this instance by the river with the estuary side to the east of the river comprising a mix of older 1980s and 1990s houses and more modern high-quality homes with estuary views. East of the river in the Treendale section, the homes are typical of a modern large subdivision style development. The median house price in Australind is $425,000

In Western Australia's southwest region, relying on the median house price as a guide to a suburb can leave you with a misconceived idea of the locality.

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which unfortunately will not get you any estuary views. You could however get a 1988 built, four-bedroom, two-bathroom dwelling with a land area of 840 square metres on the estuary side of the river or a 2011 built, four-bedroom, two-bathroom house with a land area of 750 square metres east of the river.

In South Bunbury the median house price of $400,000 could get you a 1958 built three-bedroom, one-bathroom dwelling on 800 square metres or a newer project style four-bedroom, two-bathroom unit on 450 square metres.

Margaret River is a very diverse suburb with a wide range and style of properties. The median house price in Margaret River is $587,500 for which you can purchase a circa 2010, four-bedroom, two-bathroom dwelling on 500 square metres. This price bracket is typical for the newer suburbs at the south end of town in areas such as Rapid's Landing and Brookfield where high volumes of transactions are occurring. In other areas of town, we are now seeing transactions of properties on larger lots of land sell for comfortably over $1 million. These properties are in high demand and offer purchasers a chance to live within close proximity of the town centre with a large yard space. This property on Ashton Street is a great example, having sold for $1.445 million in June. The property is a five-bedroom, three-bathroom dwelling on a half-acre block that sits on the western fringe of the town centre.

Ashton Street, Margaret River Source: RP Data

Esperance

On the south-east coast of Western Australia, the coastal town of Esperance is a popular tourism destination due to its mild climate and astoundingly beautiful beaches. The median house price in Esperance sits just below $400,000 and there is a range of options available at this price point. A typical purchase at this price point is a renovated three or four-bedroom, one-bathroom dwelling on a quarter-acre block in a central location. This property on Padbury Street is a great example, having sold in March for $390,000. The property is a circa 1977 built, three-bedroom, one-bathroom dwelling on a 1,000 square metre allotment. The property has been updated throughout with new bathrooms, kitchen, window treatments and flooring.

Padbury Street, Esperance Source: RP Data

Other options at this price point include townhouses in sought after locations close to the esplanade, such as this group dwelling on Dempster Street. This property is a three-bedroom, one-bathroom townhouse set two streets back from The Esplanade and sold for $427,000 in May this year.

Dempster Street, Esperance Source: RP Data

Areas at this price point to be cautious of include the outer suburbs of Sinclair and Nulsen. These areas have performed well over the past 18 months due to a lack of supply in the region, however in a softer market these are likely to be the first areas to underperform due to their inferior location in comparison to other areas in the Esperance region.

Chris Hinchliffe
Director

The median house price in Margaret River is $587,500 for which you can purchase a circa 2010, four-bedroom, two-bathroom dwelling on 500 square metres.

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Northern Territory - Residential 2022

Darwin

With no suburbs reaching a median house value of over $1 million, Darwin remains relatively affordable in comparison to other capital cities. Comparatively, values have not fluctuated as drastically as those in other capitals, highlighted by the negative turn of values in Sydney and Melbourne. As a result of the steady maintained growth over the past two years, the Darwin market in many ways has fewer risks to buyers than Sydney or Melbourne. Darwin house values increased by three per cent in the June quarter, taking Darwin's median house value to $589,000. Median unit values also increased in the June quarter to $378,000, showing a one per cent increase (CoreLogic).

Geographically, the city of Darwin is situated on a peninsula and generally, the premium suburbs are located along the coast north of the CBD. The properties listed below illustrate the housing product a buyer can expect to achieve at or around the median price of $589,000 and the unit product available at around the median of $378,000.

This dwelling in the inner Darwin suburb of Stuart Park recently sold for $610,000. Though this original, three-bedroom, one-bathroom elevated dwelling is basic, it still offers good value considering any land within five minutes of the CBD is highly sought after.

Stuart Park home Source: realestate.com.au

The satellite town of Palmerston, 30 minutes south of Darwin's CBD will offer buyers a vastly different product. This four-bedroom, two-bathroom dwelling with pool is little more than 15 years old and recently sold for $600,000. This area tends to be very popular with young families as it is far more affordable to purchase a well finished product.

Palmerston property Source: realestate.com.au

Sold for $375,000, this two-bedroom, two-bathroom, semi-modern unit on the outskirts of Darwin's CBD enjoys golf course views and is what a potential buyer can expect for the median unit price. With the market stabilising in Darwin, we are seeing investors come back and this tends to be a popular product with good returns of around six per cent being achieved.

CBD fringe home Source: realestate.com.au

Within the northern suburbs of Darwin, units tend to be limited to a few pockets. Located along the coast about 15 minutes from Darwin's CBD is Nightcliff, where apartment living is very popular. This premium suburb attracts high values and recently, this two-bedroom, two-bathroom unit located one block from the coastline sold for $380,000. This area is popular with young professionals due to the lifestyle it offers.

Cameron McDonell
Valuer

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Alice Springs

According to data provided by the Real Estate Institute of the Northern Territory, the median house price in Alice Springs for the quarter ended 30 June 2022 was $531,000, which represents an increase of 6.4 per cent over the past 12 months. The median unit price was $334,750, a modest increase of 0.4 per cent for the year.

This month we are looking at properties that have sold recently for close to the median values. A good example of a house sale within this price range was completed in August in the suburb of Braitling. It is a three-bedroom, two-bathroom circa 1980s brick home with a living area of 147 square metres, covered outdoor areas totalling 61 square metres and secure under cover parking for five vehicles. The property sold for $530,000. The kitchen and main bathroom have both been renovated in the past five years whilst the ensuite remains in largely original condition. The overall presentation of the house is good and it's located in a cul-de-sac on an 806 square metre allotment. Interestingly, the property had previously been sold in February 2020 for $490,000 with the overall property characteristics not having changed significantly between sales. This represents an increase in value of $40,000 over the two and a half years or 8.2 per cent growth.

The property is typical of what can be purchased in the median price range. You'd expect to have a living area of over 120 square metres, two bathrooms and secure parking for at least two vehicles. It would be at least partly renovated and generally in good condition throughout. The only exception to this would be in the golf course area, where an average three-bedroom, two-bathroom dwelling would start at around $600,000 and go up from there. In all other areas of Alice Springs, $531,000 would get you a good quality dwelling, similar to the example property we have detailed above.

7 Turner Ct, Braitling Source: Herron Todd White

The median unit price for the June quarter was $334,750 and we recently had the opportunity to inspect a circa 1993, two-bedroom, one-bathroom unit in the suburb of The Gap. It's located in a nine-unit complex and is a detached unit of rendered block construction and a living area of 103 square metres. The unit is under contract for $338,000. It presents in largely original condition however is generally well presented. Estimated rental return on the unit would be approximately $400 per week.

The median unit price of $334,750 will generally get you a two-bedroom, one-bathroom unit in good overall condition, with a living area of at least 90 square metres or in certain areas of town you may be able to get a slightly older, three-bedroom, one-bathroom unit in fair to average condition with living areas up to 110 square metres.

Regardless of property type, there are some locations in Alice Springs that you should be cautious about investing in any property over the median price. Certain areas within most suburbs contain concentrations of public housing and sale prices within these areas tend to be below median values, even if similar properties have been selling at above median prices in other, more desirable locations. In short, there are certain locales where, regardless of the size and quality of the property, there is a ceiling price which buyers are not prepared to go above. It's a case of the old property adage, "It's all about 'Location! Location! Location!'"

3/2 Flint Ct, The Gap Source: Herron Todd White

Peter Nichols
Valuer

Regardless of property type, there are some locations in Alice Springs that you should be cautious about investing in any property over the median price.

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Australian Capital Territory - Residential 2022

Canberra

The median house price for Canberra according to the Domain House Price Report put Canberra's median house price at $1,134,678 for the December 2021 quarter. The same Domain report put the quarter of March 2022 median house price at $1,124,952. When comparing these quarters, we can see that there was a decrease of 0.9 per cent. Looking at the June quarter, we saw the median price for 2022 was $1,154,535 which was a quarter-on-quarter increase of 1.8 per cent which nullified the pullback in property prices we saw earlier in the year. When looking at a year-on-year price in June 2021, the median house price was $1,015,833 which was an annual increase of 14.3 per cent.

HOUSES UNITS

Canberra Embed

CAPITAL CITY	MAR-22	DEC-21	MAR-21	QOQ	YOY
Canberra	$1,124,952	$1,134,678	$929,201	0.9% ▼	21.1% ▲

HOUSES UNITS

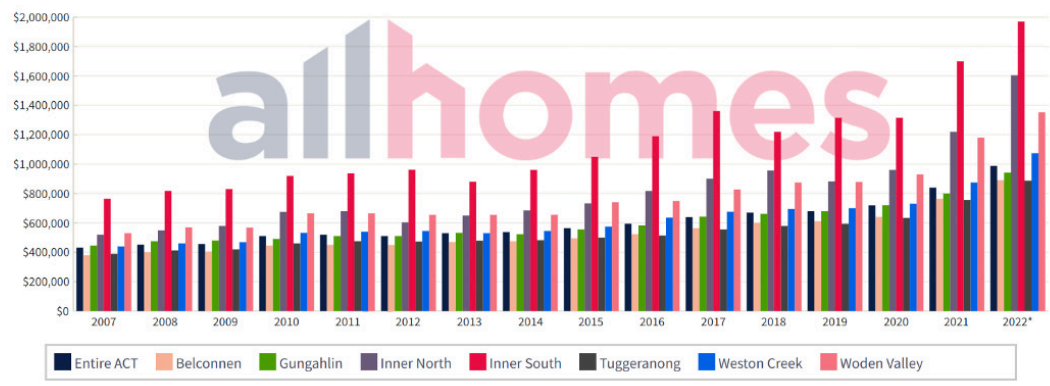
Canberra Embed

CAPITAL CITY	JUN-22	MAR-22	JUN-21	QOQ	YOY
Canberra	$1,154,535	$1,133,918	$1,010,445	1.8% ▲	14.3% ▲

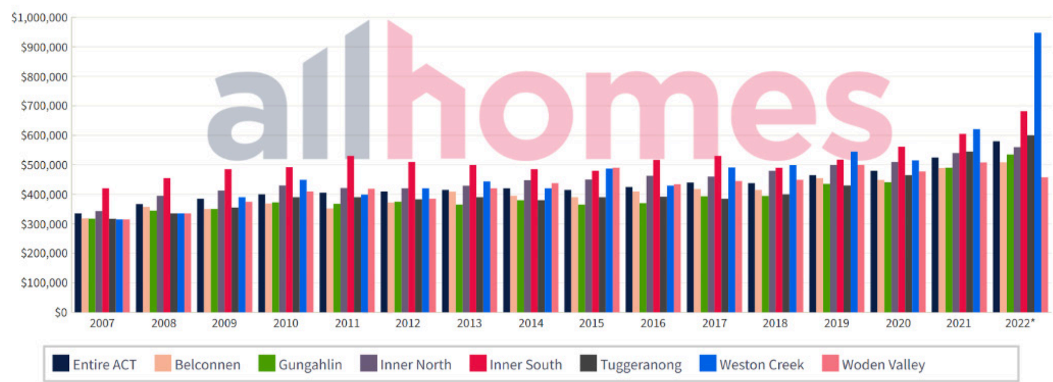
Source: domain.com.au

The median dwelling price according to the Australian Bureau of Statistics was $1.028 million in the 2022 March quarter. When looking at the different types of properties that could be bought in that price range, both houses and units would be suitable depending on the area you are looking at.

Median House Price by Region



Median Unit Price by Region



Source: Allhomes, 2022

In the above report by AllHomes, we can see the median prices by region.

According to a report by AllHomes, if you were looking to buy a house under the median dwelling price of $1.028 million, then it would be harder to find properties in the inner north and inner south as the medians for those regions sit at $1.605 million and $1.907 million respectively. It would

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We are expecting a stable market where the past few years of buoyancy should calm down.

also be a bit tricky to find something in the Woden Valley region under the median dwelling price as the median house price is $1.353 million which sits above the ACT median dwelling price. The Weston Creek, Belconnen and Gungahlin regions would be your best options if you were looking at buying something under or around the median dwelling price. If looking at units, all regions would be good to look at with the highest region being Weston Creek having a median unit price of $947,500.

When looking at the current market and what is predicted to occur, we can see that there has been a slight pullback from the peak of the market earlier in the year however the market is starting to stabilize and the interest rate hikes are set to slow down as well. Buyers are now being attracted to properties considered to be affordable to live in. As Nick Boyd from Belle Property said, "Due to the average sale price being lower than some other capital cities - principally Sydney and Melbourne - the attraction of more affordable living will become increasingly important as interest rates rise." He also said that the Canberra market is expected to continue along steadily but it won't be as buoyant as it has been in the past few years. Liam Wignell from the Property Tribune also stated that Brady Yoshia of Brady Marcs Buyer's Advisory expects the sales market in Canberra to remain steady and stable over the next year to five years. Ms Yoshia also noted that "Some areas may see prices pull back slightly however there will be a lot of investors taking advantage of good capital growth and high rental yields."

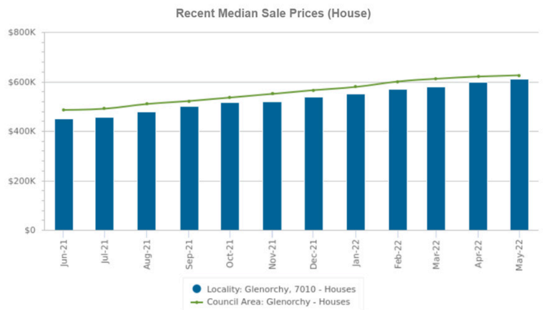
If you are still looking to buy or are waiting for the property market to pull back a bit, the stabilization of the market will mean that we will be turning to a more normal market than what we have been seeing recently. History has proved the Australian property market to be strong meaning that even if you were to buy at a higher price, the property market traditionally recovers. We are expecting a stable market where the past few years of buoyancy should calm down.

Kush Sen
Assistant Property Valuer

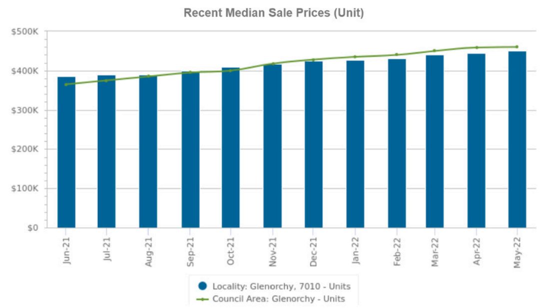
Tasmania - Residential 2022

Hobart and surrounds

According to Corelogic RPdata, currently the median sale price of houses in Glenorchy LGA is $610,000 and $460,000 for units. In comparison to other suburbs in Greater Hobart, the Glenorchy LGA still provided good opportunities for investors and first home buyers to get into the market or seek higher rental yield. Over 41 per cent of homes are currently rented with median rental yield of approximately 4.75 per cent.



Source: Corelogic RPdata



Source: Corelogic RPdata

4 Paringa Road, Glenorchy, TAS, 7010 is a typical three-bedroom, one-bathroom weatherboard home on a standard residential lot that was sold in early 2022 for $625,000 and is currently rented for $550 per week, representing a gross yield of 4.58 per cent.

4 Paringa Road, Glenorchy Source: CoreLogic RPData

4 Paringa Road, Glenorchy Source: CoreLogic RPData

1/213A Tolosa Street, Glenorchy, TAS, 7010 is a freestanding semi-modern townhouse located in the popular area with two bedrooms, one bathroom and garage under. The property was sold to an investor for $$496,000 on 25 May 2022 and has recently been rented for $470 per week which repersents a gross yield of 4.93 per cent.

1/213A Tolosa Street, Glenorchy Source: CoreLogic RPData

The local market in Glenorchy GLA obviously is being hit by rising interest rates in recent times and prices shifing slightly down, however most selling agents report that demand for properties in the $400,000 to $600,000 range has remained relatively steady over the past months. The buyer profile for this area is generally young familes purchasing their first home or first inverstment for renovation.

Stephen Liu
Valuer

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HERRON TODD WHITE RURAL

Rural

October 2022

NSW Central Tablelands

The rural property market continues to be reasonably active.

We note the recent sale of a relatively large holding in the Euchareena area, Womera and Springville, 755 Eadevale Road, Euchareena (18 August 2022, $11.4 million, 1416 hectares), an improved grazing holding located 30 kilometres north of Molong and showing $8,050 per hectare overall.

Sales occurring over the next several months, particularly re-sales of individual properties, will be very useful in clarifying how the market is trending and they may give some indication of whether there is a change in market sentiment occurring.

Craig Johnstone
Director

Southern NSW

The spring selling season is well underway in central and southern New South Wales with a number of holdings coming on to the market in recent weeks. Early reports from agents across the region suggest that value levels are plateauing at last, with purchasers running the numbers on acquisitions with potential interest rate increases in mind. They are increasingly making purchasing decisions based on return metrics rather than a fear of missing out, which has largely driven price gains over the past 18 months or so. Buyers are being advised to consider their overall equity positions as holding debt has become almost twice as expensive as it was just a few months ago and further increases are likely to occur.

Southern NSW Source: HTW

This has been evidenced with a couple of properties passing in at recent auctions or failing to meet the vendor's expectations during expressions of interest processes. Negotiations are becoming more protracted.

Another overwhelming sentiment being communicated by buyers is that we have reached the end of the current capital gain cycle and it may be many years before we see another upswing in values and corresponding increases in equity. That said, we don't expect a major correction in values anytime soon given the positive seasonal outlook (a third La Nina on the way) and continuing historically high prices across most rural commodities, particularly grains and livestock. These factors are providing healthy farm incomes and giving operators the ability to service current debt levels.

Andrew Garnsey
Valuer

Mildura

There continue to be mixed fortunes in the local rural sector.

September typically either makes or breaks a good season in the Mallee and with continued cool wet weather, most grain growers are looking at another well above average season. Optimism is high that 2022 will result in a third consecutive above average season, which will coincide with above average commodity prices.

We continue to see leveraging in the dryland cropping sector. Most farmers are wanting to expand their cropping programs in order to get the benefit from investing in the latest spraying, seeding and harvesting machinery. For a large-scale farmer, the decision to outbid the neighbours to buy more land is justified by the resulting lift in the value of their existing holding. If you are big enough, you can absorb the extra debt into an appreciating asset base. This strategy will work well while seasons are good and interest rates are low.

Recent sales of land in the Chinkapook and Nandally districts have eclipsed previous record prices and highlight a near doubling of land values in the Mallee during the past 24 months. We expect to see more properties come on the market, with the current strong land prices likely to bring forward some retirement plans.

A good test of buyer sentiment will be Petro Station, a large-scale cropping property located approximately 50 kilometres north of Mildura. This property, which includes approximately 9000

Accolade Ltd, one of the region's largest wine producers, is offering their contracted growers $1000 per hectare to mothball or $1250 per hectare to remove their red varieties, in effect advising growers to minimise their inputs this season.

HERRON TODD WHITE RURAL

hectares of arable land and is in a 290 millimetre average rainfall belt, was purchased in late 2017 and is now being re-offered for sale.

Meanwhile many of the horticultural industries in our region continue to be affected by subdued commodity prices which are now down on the strong prices seen between 2016 and 2020. While returns from citrus, table grapes and almonds are all down, the red wine grape sector has been the most seriously affected. All wineries are carrying large stocks of unsold wine and are giving their growers plenty of notice that they won't have room in their tanks for the entire crop in 2023. Accolade Ltd, one of the region's largest wine producers, is offering their contracted growers $1000 per hectare to mothball or $1250 per hectare to remove their red varieties, in effect advising growers to minimise their inputs this season.

White grapes remain in a more balanced supply, with growers expecting to see similar pricing in 2023.

The cool start to spring is frustrating for most horticultural producers and will possibly result in later crop maturity and smaller fruit size.

Graeme Whyte
Director

Echuca/Deniliquin

The general market for northern Victoria and the Southern Riverina region of New South Wales has seen a steadying over the past two months with agents reporting reduced enquiry and a couple of recent sales at below general expectations. This was evident when Glen Alvie, a 226.2 hectare irrigable mixed farming holding located north-west of Finley (Southern Riverina) was passed in at auction on 15 September 2022 for $1.94 million with an expected selling range of $2.1 million to $2.2 million.

A 462.3 hectare property in the Kyabram farming district in the Goulburn Valley region of northern Victoria sold for approximately $8 million via expression of interest in August. The property has four pivot irrigators and well regarded arable loam country throughout. There were eight interested parties and the property sold within current market expectations to a local cropping and grazing enterprise looking to expand its existing holdings in the region.

The recent interest rate rises coupled with much higher input costs and uncertainty around commodity prices are considered to have the potential to slow demand in our region.

Oliver Boyd
Valuer

Darling Downs

The local market remains relatively strong though with increased signs of a stabilisation of market values and the decline in the previously established seller's market conditions. This is evidenced by the increase in listings occurring in many locations across southern Queensland and an apparent increase in average time on market for listings. Since our previous edition, the decline in the EYCI has somewhat reversed and now stabilised, to be at the time of writing circa 10 to 15 per cent below the January 2022 peak.

The recent interest rate rises coupled with much higher input costs and uncertainty around commodity prices are considered to have the potential to slow demand in our region.

Bellevue, 233 Bellevue Road, Roma, reportedly sold for $6 million. The 548-hectare Brigalow, Belah, Bottletree beef finishing operation with 400 hectares cultivated to forage, 112 megalitre water licence and developed 1580 SCU feedlot with DA for 5000 SCU was improved with good quality infrastructure.

233 Bellevue Road, Roma Source: realestate.com.au

Rayford Park, Miles/Condamine reportedly sold for $2.75 million. The 562.92 hectare holding was developed as a mixed farming operation with approximately 223 hectares of dryland cultivation with the balance grazing and featured an undeveloped 144 megalitre water allocation from the Dogwood Creek. The property was well improved with a renovated Queenslander, cottage, steel cattle yards and associated shedding.

Rayford Park Source: realestate.com.au

Well Station, Hawkwood Source: realestate.com.au

Well Station on Carters Road in the Hawkwood area located to the north of Chinchilla, a 3132 hectare freehold and 22 hectare leasehold property, sold for $6.05 million. The property provided approximately 405 hectares of red softwood scrub soils, 931 hectares of broadleaf ironbark forest country being predominantly black soil which has been recently tordoned to selectively clear regrowth areas and 1818 hectares of timbered country as advised. The property is well fenced and watered and is improved with two cottages, steel cattle yards and associated shedding.

Bart Bowen
Director

NT/Kimberley

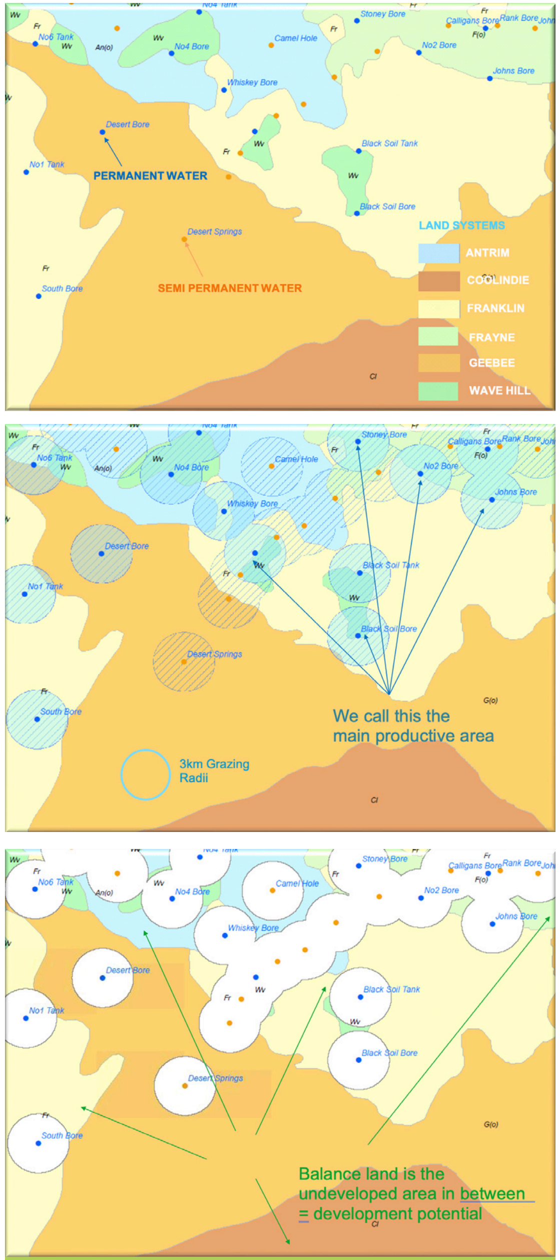
For pastoral leases (cattle stations) across the Northern Territory and Kimberley, we typically utilise the beast area value or, more accurately, the dollar per adult equivalent unit of value ($/AE) to apply market values to these large, predominantly grazing assets. The $/AE is derived from market transactions where the sales price (analysed bare of livestock, plant and equipment) is divided by the current carrying capacity. More specifically however, we break the $/AE down to rates which reflect the value attributable to: 1) the country currently in production (or the main productive area); 2) the value of the country not yet under production (or balance land); and 3) the value of buildings, yards, support infrastructure etc.

In order to determine the $/AE over the main productive area, we need to firstly determine the latter's area and how many AEs it can carry, ie. the current carrying capacity. To do this we typically do the following:

- Undertake a ground and aerial inspection of the property (can be between 100 and 800 kilometres flying and 100 to 300 kilometres per property);
- Apply the latest in scientific research data and methodology available to develop sustainable carrying capacity estimates for the land types of the Northern Territory;
- Combine this with the experience of local producers, expert opinions and grazing records where available (and appropriate).

We also need:

- land system or land unit data and relevant reports;
- accurate recording of all permanent and semi-permanent water points (from our inspection) to generate a map for the property. Here's an example:



Example Property Map Source: Herron Todd White

RURAL

HERRON TODD WHITE RURAL

We need to take into consideration the current land condition. Land condition determines the capacity of grazing land to produce useful forage and is a measure of how well the grazing land ecosystem is working. We typically use the following categories to assess land condition:

Rating	Soil	Pasture	Weed	Woodland	Pasture Growth
A All of these features	No erosion and good surface condition	Good coverage of 3P grasses*, little bare ground (<30%) in most years	Few weeds and no significant infestations	No signs of woodland thickening	Max 100%
B (At least one or more of these features)	Some signs of previous erosion and some current signs of erosion	Some decline in the presence of 3P grasses and/or bare ground(more than 30%, but less than 50% in most years)	Small infestations of weeds	Some thickening in the density of woodland plants	Falls to 75%
C (One or more of these features)	Obvious signs of past erosion and/or current susceptibility to erosion	General decline in the presence of 3P species and/or bare ground (>50% in most years)	Obvious presence of weeds	General thickening in the density of woody plants	Falls to 45%
D (One or more of these features)	Severe erosion, scalding or compaction resulting in a hostile environment for plant growth	General lack of and perennial grasses or forbs	Large weed infestations covering significant areas	Thickets of woody plants that cover significant areas	Falls to 20%

The above information is analysed into a carrying capacity table which will look something like the one below:

Land System		3km GR (sqkm)	Pasture kg/Ha	Utlsn	Access	Animal intake	Land Condition	AE/sqkm	CC (AE)
Main Productive Area									
Grazing access year-round:									
Wave Hill	Grey or brown cracking clays, small areas of brown loams to red clays. Mainly Bluegrass, Mitchell, Panicum, Feathertop, small areas of ribbon or limestone.	57.9	2,425	20%	100%	2,920	*B*	16.6	962
Frayne	Mainly brown loams, some cracking clay. Mainly Kangaroo, White, Ribbon, some Bluegrass, Panicum, Feathertop.	67.3	1,700	15%	100%	2,920	*B*	8.7	587
Antrim	Mostly rocky outcrops with basalt boulders and pockets of red clay soils. Limestone grass, Spinifex, Annual Sorghum.	37.8	1,900	10%	100%	2,920	*B*	6.5	246
Geebee	Sandy loams and clay loams over laterite. Soft Spinifex, Wiregrass.	43.9	850	10%	100%	2,920	*B*	2.9	128
Franklin	Mainly shallow reddish soils with laterite, some loam and clay soils. Mainly Soft spinifex, Annual Sorghum, some Themeda, Whitegrass.	169.4	700	5%	90%	2,920	*B*	1.1	183
Coolindie	Deep red and yellow sands. Soft Spinifex.	0.0	650	5%	100%	2,920	*B*	1.1	0
Total: Year-round grazing		376						5.6	2,106
Wet season grazing only: *									
5% highly productive (20.8 AE/sqkm), 81% moderate (8.1 - 10.9) & 14% low productivity (1.1 - 2.9)		115					*A-B*	6.9	795
Main Productive Area		491						5.9	2,901
Area Outside 3km radii comprising:									
Land suitable for grazing expansion							*A-B*		
2% highly productive (20.8 AE/sqkm), 17% moderate (8.1 - 10.9) & 81%		1,069				*Potential*	*additional CC:*	*4.9*	*5,257*
Land NOT suitable for grazing expansion									
100% low productivity (1.3 - 1.4AE/sqkm)		712						*1.4*	
Sub Total: balance Land outside of 3km radii		1,782							
Total									2,901
Adopt		2,273						1.3	2,900

If we are analysing a sale, we apply the carrying capacity information above to determine the $/AE for: 1) the main productive area; and 2) the balance land, ie. $/Potential AE. As a broad overview we also analyse an overall $/AE overall which is simply the sale price analysed bare divided by the current carrying capacity. The latter is a very broad analysis only and is difficult to apply between properties unless they have very similar proportions of developed country to undeveloped country and similar levels of buildings and yards.

Finally, the values analysed from a number of sales will be taken into consideration and applied back into the productive capacity assessment for the property we are valuing, again, applying: 1) a $/AE over the main productive area; 2) a $/potential AE; and then add on the value of buildings, yards etc. The total value can then be divided by the current carrying capacity to view the overall $/AE or beast area value.

Frank Peacocke
Director

Property Market Indicators

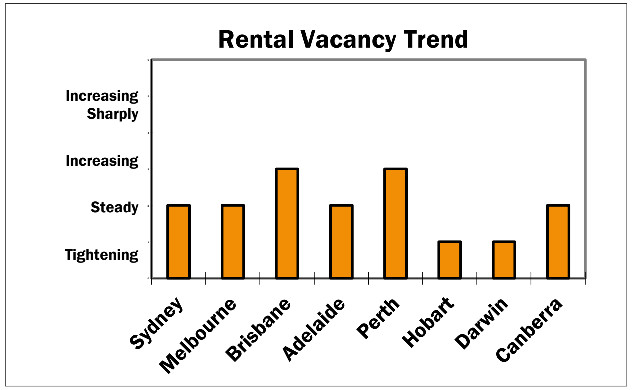
October 2022

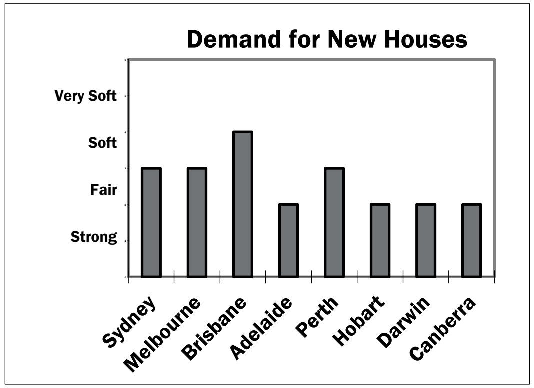
Capital City Property Market Indicators – Houses

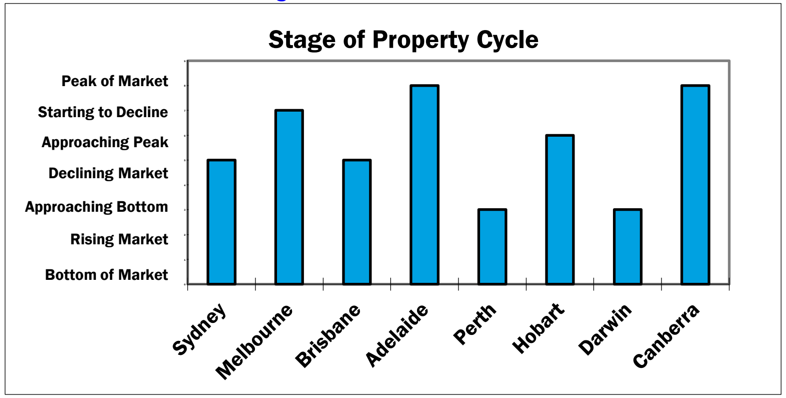
Factor	Sydney	Melbourne	Brisbane	Adelaide	Perth	Hobart	Darwin	Canberra
Rental Vacancy Situation	Shortage of available property relative to demand	Shortage of available property relative to demand	Severe shortage of available property relative to demand	Severe shortage of available property relative to demand	Severe shortage of available property relative to demand	Shortage of available property relative to demand	Shortage of available property relative to demand	Shortage of available property relative to demand
Rental Vacancy Trend	Tightening	Tightening	Steady	Tightening	Steady	Tightening sharply	Tightening sharply	Tightening
Demand for New Houses	Fair	Fair	Soft	Strong	Fair	Strong	Strong	Strong
Trend in New House Construction	Steady	Steady	Steady	Declining	Steady	Declining significantly	Declining significantly	Declining
Volume of House Sales	Declining	Declining	Declining	Increasing	Increasing	Increasing strongly	Increasing	Increasing strongly
Stage of Property Cycle	Declining market	Starting to decline	Declining market	Peak of market	Rising market	Approaching peak of market	Rising market	Peak of market
Are New Properties Sold at Prices Exceeding Their Potential Resale Value	Occasionally	Occasionally	Occasionally	Frequently	Occasionally	Very frequently	Occasionally	Occasionally

Red entries indicate change from previous month to a higher risk-rating

Blue entries indicate change from previous month to a lower risk-rating





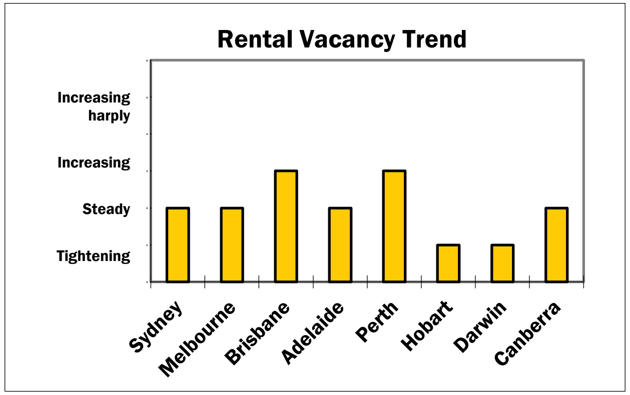


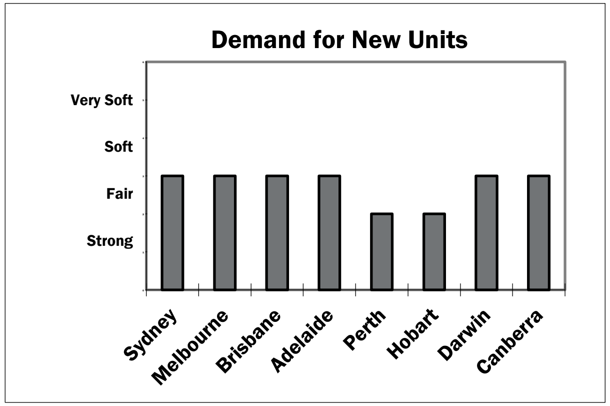
Capital City Property Market Indicators – Units

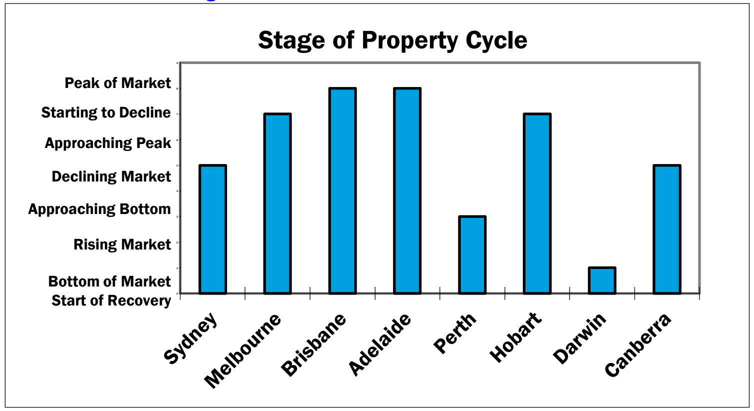
Factor	Sydney	Melbourne	Brisbane	Adelaide	Perth	Hobart	Darwin	Canberra
Rental Vacancy Situation	Shortage of available property relative to demand	Balanced market	Severe shortage of available property relative to demand	Severe shortage of available property relative to demand	Severe shortage of available property relative to demand	Shortage of available property relative to demand	Shortage of available property relative to demand	Shortage of available property relative to demand
Rental Vacancy Trend	Tightening	Tightening	Steady	Tightening	Steady	Tightening sharply	Tightening sharply	Tightening
Demand for New Units	Fair	Fair	Fair	Fair	Strong	Strong	Fair	Fair
Trend in New Unit Construction	Steady	Steady	Increasing	Steady	Declining	Declining significantly	Declining	Declining
Volume of Unit Sales	Declining	Declining	Steady	Steady	Increasing	Increasing strongly	Increasing	Steady
Stage of Property Cycle	Declining market	Starting to decline	Peak of market	Peak of market	Rising market	Approaching peak of market	Start of recovery	Declining market
Are New Properties Sold at Prices Exceeding Their Potential Resale Value	Frequently	Almost never	Occasionally	Occasionally	Occasionally	Very frequently	Almost never	Occasionally

Red entries indicate change from previous month to a higher risk-rating

Blue entries indicate change from previous month to a lower risk-rating





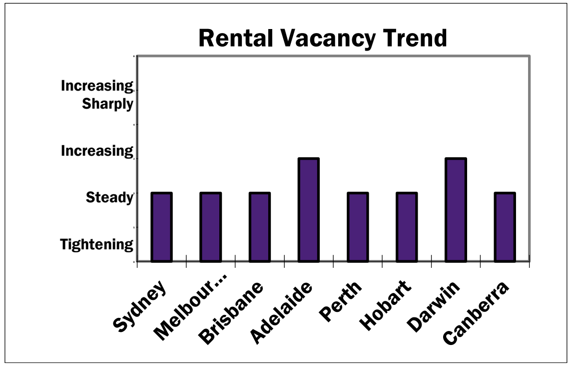


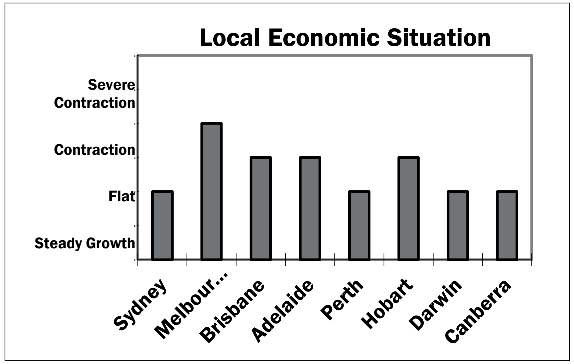
Capital City Property Market Indicators – Industrial

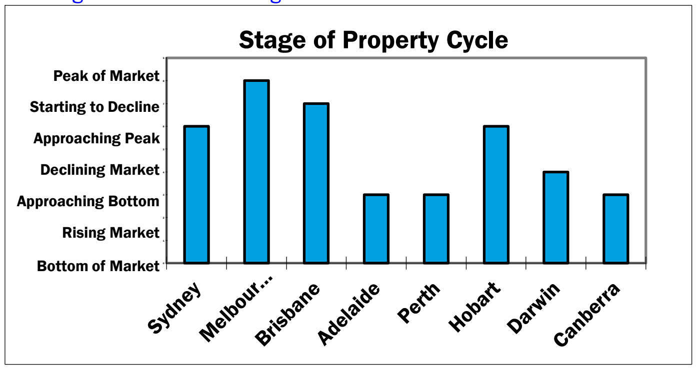
Factor	Sydney	Melbourne	Brisbane	Adelaide	Perth	Hobart	Darwin	Canberra
Rental Vacancy Situation	Shortage of available property relative to demand	Shortage of available property relative to demand	Severe shortage of available property relative to demand	Balanced market	Shortage of available property relative to demand	Severe shortage of available property relative to demand	Over-supply of available property relative to demand	Shortage of available property relative to demand
Rental Vacancy Trend	Tightening	Tightening	Tightening	Steady	Tightening	Tightening	Steady	Tightening
Rental Rate Trend	Increasing	Increasing	Increasing strongly	Stable	Increasing	Increasing	Stable	Increasing
Volume of Property Sales	Declining	Steady	Declining	Steady	Declining	Declining	Steady	Increasing
Stage of Property Cycle	Approaching peak of market	Peak of market	Starting to decline	Rising market	Rising market	Approaching peak of market	Approaching bottom of market	Rising market
Local Economic Situation	Steady growth	Contraction	Flat	Flat	Steady growth	Flat	Steady growth	Steady growth
Value Difference between Quality Properties with National Tenants, and Comparable Properties with Local Tenants	Small	Significant	Significant	Significant	Significant	Significant	Significant	Small

Red entries indicate change from 3 months ago to a higher risk-rating

Blue entries indicate change from 3 months ago to a lower risk-rating





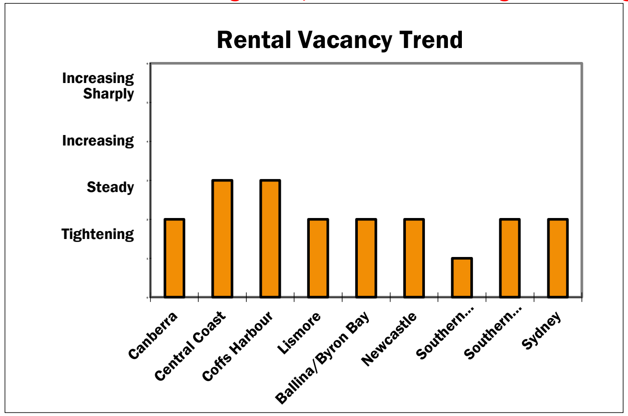


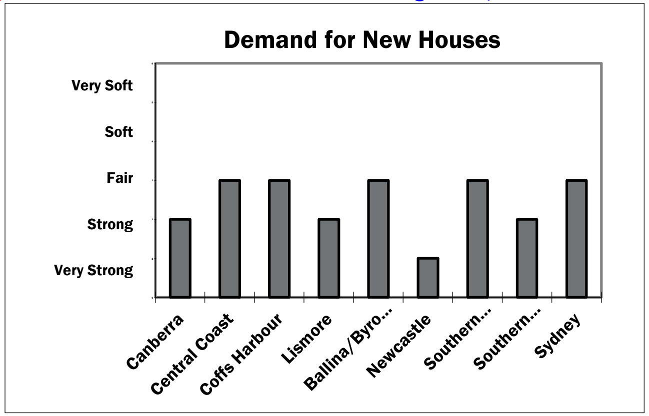
East Coast New South Wales Property Market Indicators – Houses

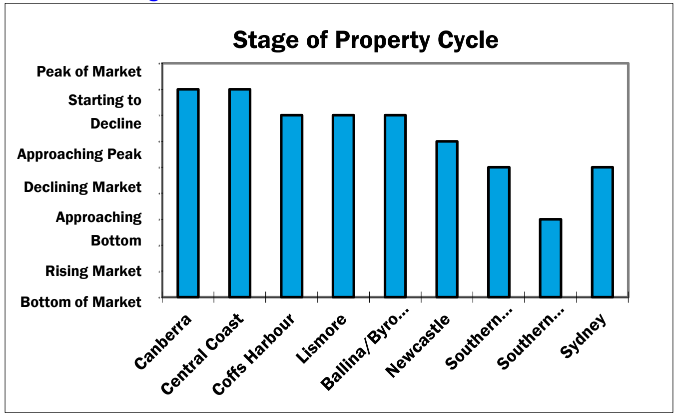
Factor	Canberra	Central Coast	Coffs Harbour	Lismore	Byron Bay/Ballina	Newcastle	Southern Highlands	Southern Tablelands	Sydney
Rental Vacancy Situation	Shortage of available property relative to demand	Shortage of available property relative to demand	Balanced market	Shortage of available property relative to demand	Balanced market	Shortage of available property relative to demand	Severe shortage of available property relative to demand	Shortage of available property relative to demand	Shortage of available property relative to demand
Rental Vacancy Trend	Tightening	Steady	Steady	Tightening	Tightening	Tightening	Tightening sharply	Tightening	Tightening
Demand for New Houses	Strong	Fair	Fair	Strong	Fair	Very strong	Fair	Strong	Fair
Trend in New House Construction	Declining	Steady	Steady	Steady	Steady	Declining significant-ly	Increasing	Declining	Steady
Volume of House Sales	Increasing strongly	Steady	Steady	Steady	Steady	Increasing strongly	Steady	Increasing strongly	Declining
Stage of Property Cycle	Peak of market	Peak of market	Starting to decline	Starting to decline	Starting to decline	Approaching peak of market	Declining market	Rising market	Declining market
Are New Properties Sold at Prices Exceeding Their Potential Resale Value	Occasionally	Occasionally	Almost never	Almost never	Almost never	Occasionally	Frequently	Frequently	Occasionally

Red entries indicate change from previous month to a higher risk-rating

Blue entries indicate change from previous month to a lower risk-rating



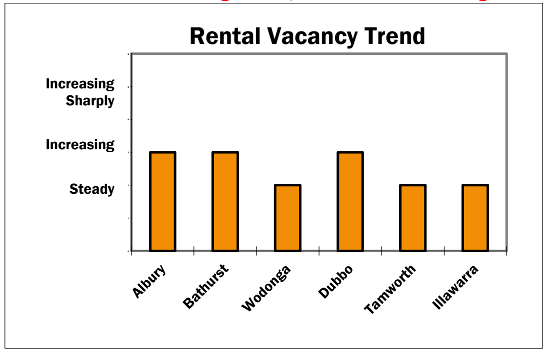


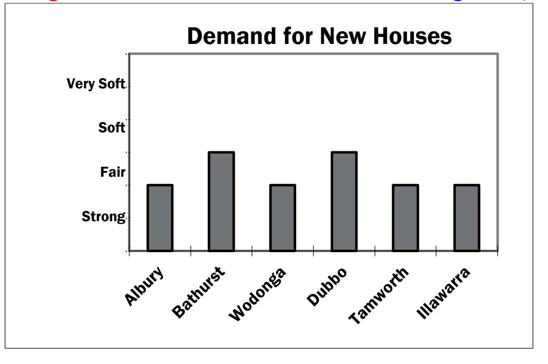


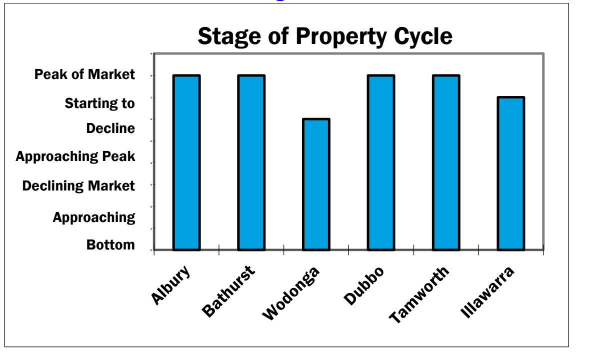
Country New South Wales Property Market Indicators – Houses

Factor	Albury	Bathurst	Wodonga	Dubbo	Tamworth	Illawarra
Rental Vacancy Situation	Shortage of available property relative to demand	Balanced market	Shortage of available property relative to demand	Balanced market	Shortage of available property relative to demand	Shortage of available property relative to demand
Rental Vacancy Trend	Steady	Steady	Tightening	Steady	Tightening	Tightening
Demand for New Houses	Fair	Fair	Very strong	Fair	Strong	Fair
Trend in New House Construction	Steady	Steady	Declining significantly	Steady	Steady	Steady
Volume of House Sales	Increasing	Increasing	Increasing strongly	Increasing	Increasing	Declining
Stage of Property Cycle	Peak of market	Peak of market	Approaching peak of market	Peak of market	Peak of market	Starting to decline
Are New Properties Sold at Prices Exceeding Their Potential Resale Value	Occasionally	Almost never	Occasionally	Very frequently	Occasionally	Frequently

Red entries indicate change from previous month to a higher risk-rating
Blue entries indicate change from previous month to a lower risk-rating







East Coast New South Wales Property Market Indicators - Units

Factor	Canberra	Central Coast	Coffs Harbour	Lismore	Byron Bay/Ballina	Newcastle	Southern Highlands	Southern Tablelands	Sydney
Rental Vacancy Situation	Shortage of available property relative to demand	Severe shortage of available property relative to demand	Balanced market	Shortage of available property relative to demand	Shortage of available property relative to demand	Shortage of available property relative to demand	Severe shortage of available property relative to demand	Balanced market	Shortage of available property relative to demand
Rental Vacancy Trend	Tightening	Steady	Steady	Tightening	Tightening	Tightening	Tightening sharply	Steady	Tightening
Demand for New Units	Fair	Strong	Fair	Strong	Strong	Strong	Fair	Fair	Fair
Trend in New Unit Construction	Declining	Declining	Increasing	Steady	Declining	Declining	Declining	Steady	Steady
Volume of Unit Sales	Steady	Increasing	Steady	Steady	Increasing	Increasing	Declining	Steady	Declining
Stage of Property Cycle	Declining market	Peak of market	Starting to decline	Starting to decline	Starting to decline	Approaching peak of market	Declining market	Start of recovery	Declining market
Are New Properties Sold at Prices Exceeding Their Potential Resale Value	Occasionally	Occasionally	Almost never	Almost never	Almost never	Occasionally	Frequently	Occasionally	Frequently

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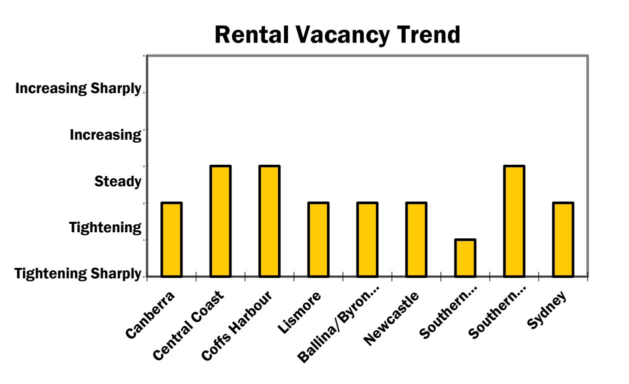
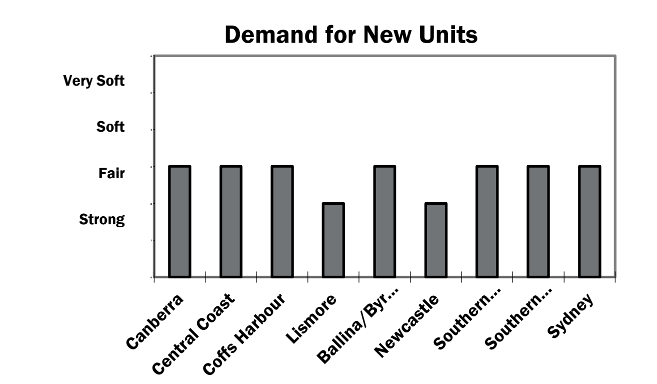
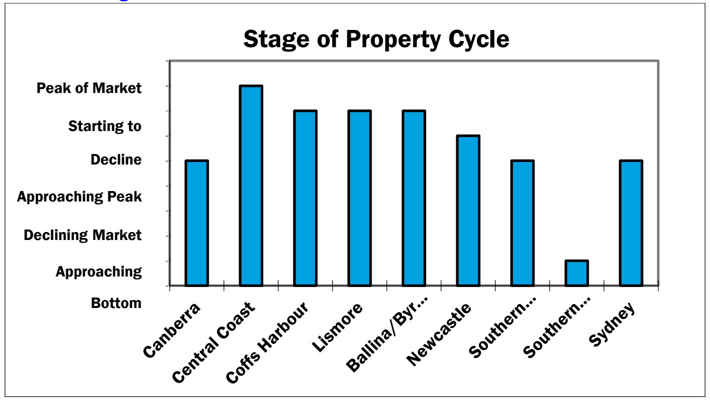
Blue entries indicate change from previous month to a lower risk-rating







Country New South Wales Property Market Indicators - Units

Factor	Albury	Wodonga	Bathurst	Dubbo	Tamworth	Illawarra
Rental Vacancy Situation	Shortage of available property relative to demand	Shortage of available property relative to demand	Balanced market	Balanced market	Shortage of available property relative to demand	Shortage of available property relative to demand
Rental Vacancy Trend	Steady	Tightening	Steady	Steady	Tightening	Steady
Demand for New Units	Fair	Strong	Fair	Fair	Strong	Fair
Trend in New Unit Construction	Steady	Steady	Declining	Declining	Steady	Steady
Volume of Unit Sales	Increasing	Increasing strongly	Increasing	Steady	Increasing	Declining
Stage of Property Cycle	Peak of market	Rising market	Peak of market	Rising market	Peak of market	Starting to decline
Are New Properties Sold at Prices Exceeding Their Potential Resale Value	Occasionally	Occasionally	Almost never	Occasionally	Occasionally	Frequently

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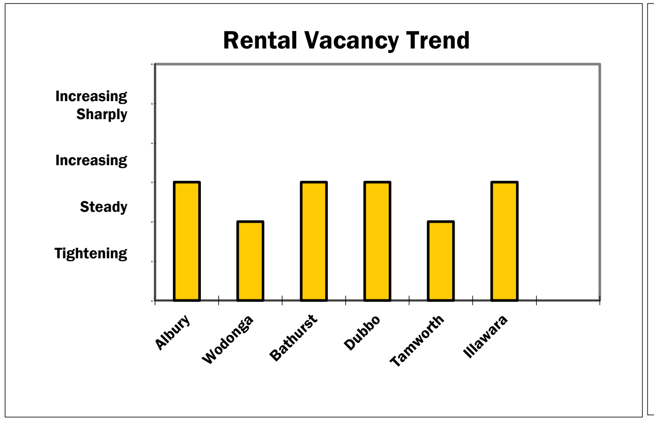

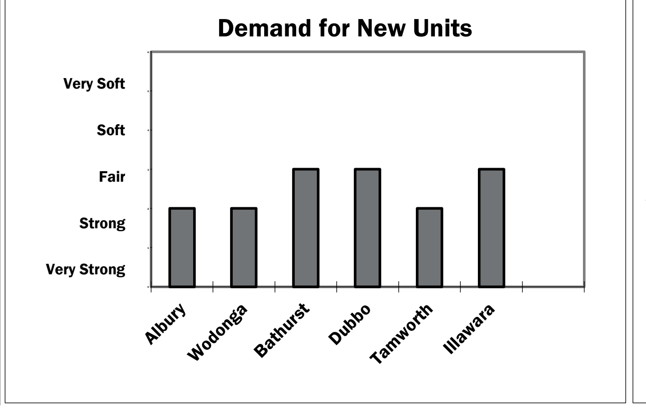

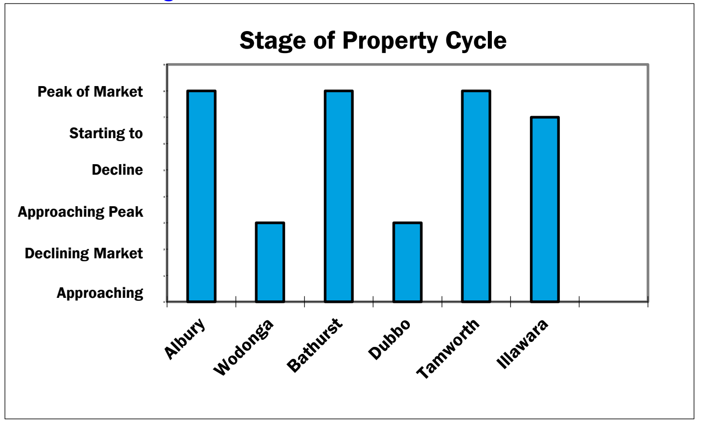

East Coast & Country New South Wales Property Market Indicators – Industrial

Factor	Canberra	Central Coast	Coffs Harbour	Lismore	Ballina/Byron Bay	Newcastle	Southern Highlands	Sydney
Rental Vacancy Situation	Shortage of available property relative to demand	Balanced market	Shortage of available property relative to demand	Shortage of available property relative to demand	Shortage of available property relative to demand	Balanced market	Balanced market	Shortage of available property relative to demand
Rental Vacancy Trend	Tightening	Steady	Tightening	Steady	Steady	Steady	Tightening	Tightening
Rental Rate Trend	Increasing	Stable	Stable	Stable	Stable	Increasing	Increasing	Increasing
Volume of Property Sales	Increasing	Declining	Steady	Steady	Steady	Steady	Increasing	Declining
Stage of Property Cycle	Rising market	Starting to decline	Approaching peak of market	Rising market	Approaching peak of market	Rising market	Approaching peak of market	Approaching peak of market
Local Economic Situation	Steady growth	Flat	Flat	Flat	Steady growth	Flat	Steady growth	Steady growth
Value Difference between Quality Properties with National Tenants, and Comparable Properties with Local Tenants	Small	Significant	Significant	Small	Small	Small	Significant	Small

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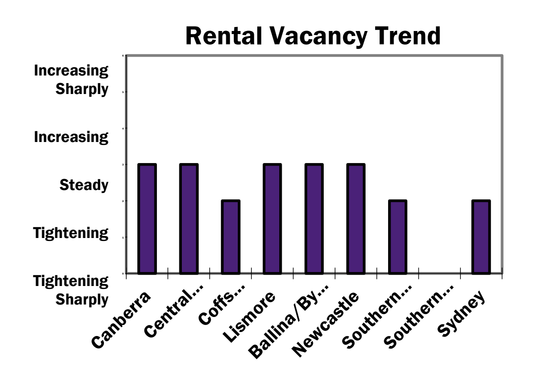

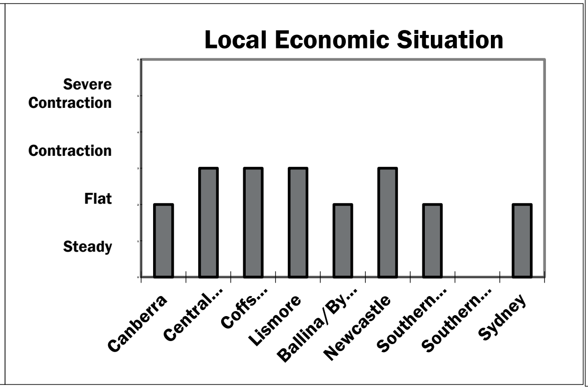

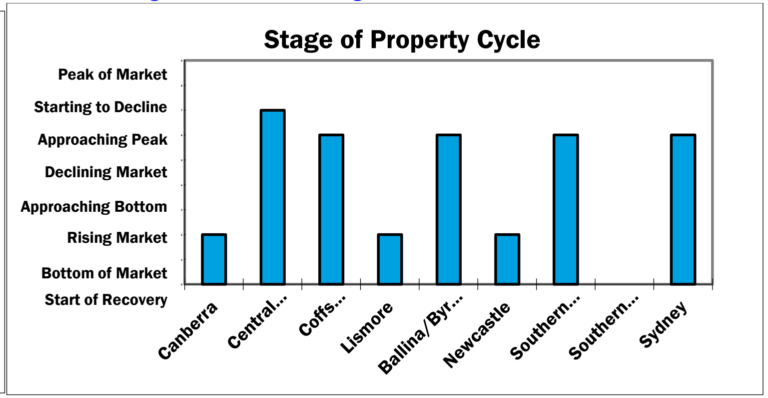

Victorian and Tasmanian Property Market Indicators – Houses

Factor	Geelong	Melbourne	Shepparton	Mildura	Mount Gambier	Hobart	Burnine/ Devenport	Launceston
Rental Vacancy Situation	Balanced market	Shortage of available property relative to demand	Shortage of available property relative to demand	Shortage of available property relative to demand	Severe shortage of available property relative to demand	Shortage of available property relative to demand	Shortage of available property relative to demand	Shortage of available property relative to demand
Rental Vacancy Trend	Steady	Tightening	Steady	Tightening	Tightening sharply	Tightening sharply	Steady	Steady
Demand for New Houses	Fair	Fair	Fair	Fair	Strong	Strong	Fair	Fair
Trend in New House Construction	Steady	Steady	Steady	Steady	Steady	Declining significantly	Increasing	Increasing
Volume of House Sales	Declining	Declining	Increasing	Steady	Steady	Increasing strongly	Steady	Steady
Stage of Property Cycle	Starting to decline	Starting to decline	Peak of market	Peak of market	Peak of market	Approaching peak of market	Starting to decline	Starting to decline
Are New Properties Sold at Prices Exceeding Their Potential Resale Value	Occasionally	Occasionally	Occasionally	Occasionally	Occasionally	Very frequently	Frequently	Frequently

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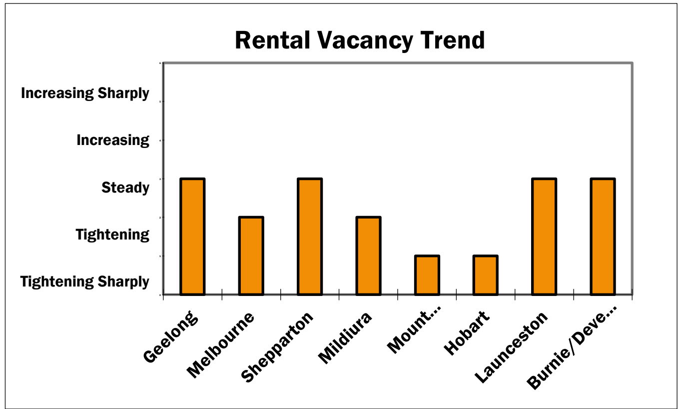
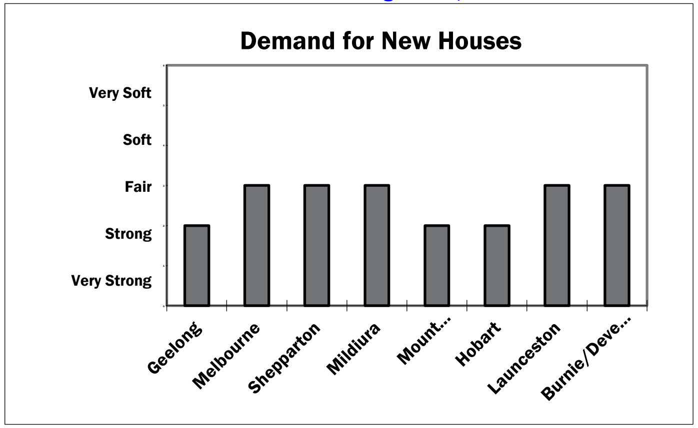
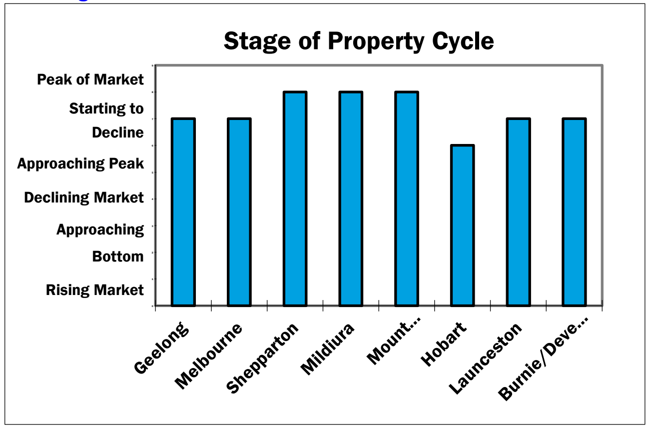
Blue entries indicate change from previous month to a lower risk-rating







Victorian and Tasmanian Property Market Indicators – Units

Factor	Geelong	Melbourne	Shepparton	Mount Gambier	Mildura	Hobart	Launceston	Burnie/Develport
Rental Vacancy Situation	Balanced market	Balanced market	Shortage of available property relative to demand	Shortage of available property relative to demand	Shortage of available property relative to demand	Shortage of available property relative to demand	Shortage of available property relative to demand	Balanced market
Rental Vacancy Trend	Steady	Tightening	Steady	Tightening sharply	Tightening	Tightening sharply	Steady	Steady
Demand for New Units	Fair	Fair	Fair	Strong	Fair	Strong	Fair	Fair
Trend in New Unit Construction	Steady	Steady	Steady	Steady	Steady	Declining significant-ly	Increasing	Steady
Volume of Unit Sales	Declining	Declining	Increasing	Increasing	Steady	Increasing strongly	Steady	Declining
Stage of Property Cycle	Starting to decline	Starting to decline	Peak of market	Rising market	Peak of market	Approaching peak of market	Starting to decline	Starting to decline
Are New Properties Sold at Prices Exceeding Their Potential Resale Value	Occasionally	Almost never	Almost never	Occasionally	Occasionally	Very frequently	Frequently	Occasionally

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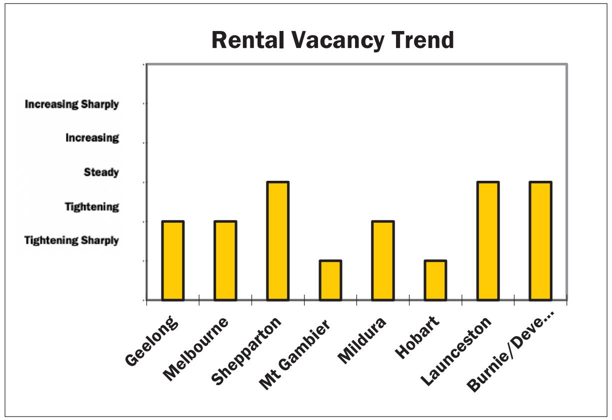
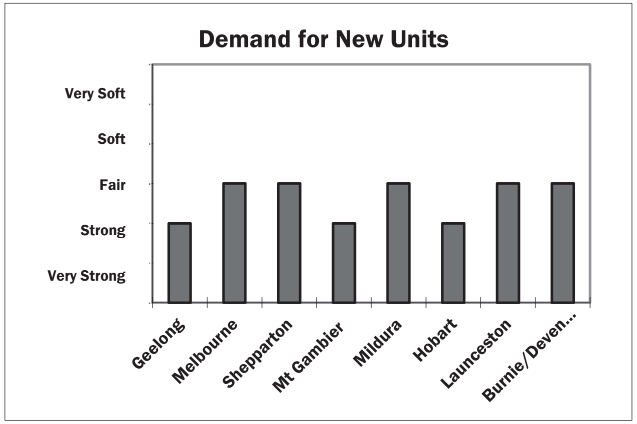
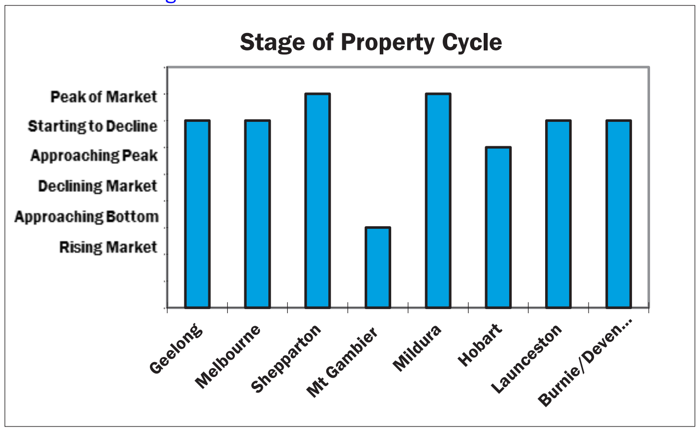
Blue entries indicate change from previous month to a lower risk-rating







Victorian and Tasmanian Property Market Indicators – Industrial

Factor	Geelong	Echuca	Horsham	Melbourne	Mildura	Hobart
Rental Vacancy Situation	Balanced market	Balanced market	Over-supply of available property relative to demand	Shortage of available property relative to demand	Balanced market	Severe shortage of available property relative to demand
Rental Vacancy Trend	Steady	Steady	Steady	Tightening	Steady	Tightening
Rental Rate Trend	Stable	Stable	Stable	Increasing	Stable	Increasing
Volume of Property Sales	Steady	Steady	Steady	Steady	Steady	Declining
Stage of Property Cycle	Rising market	Rising market	Start of recovery	Peak of market	Start of recovery	Approaching peak of market
Local Economic Situation	Steady growth	Flat	Flat	Contraction	Steady growth	Flat
Value Difference between Quality Properties with National Tenants, and Comparable Properties with Local Tenants	Significant	Small	Significant	Significant	Small	Significant

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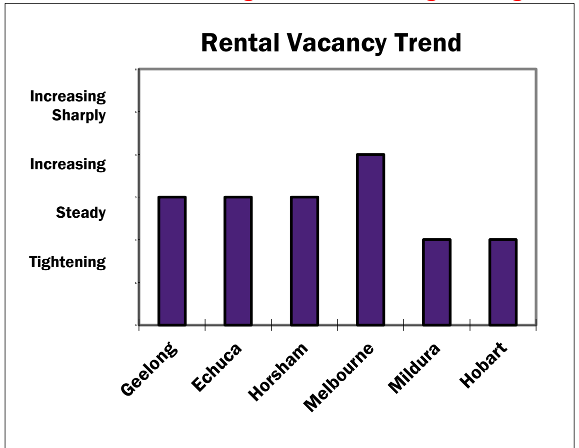

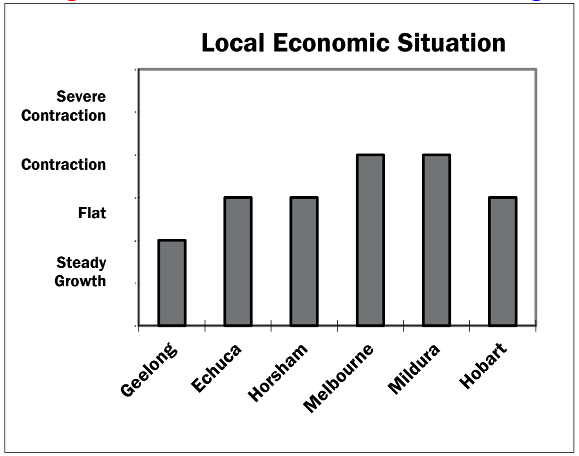

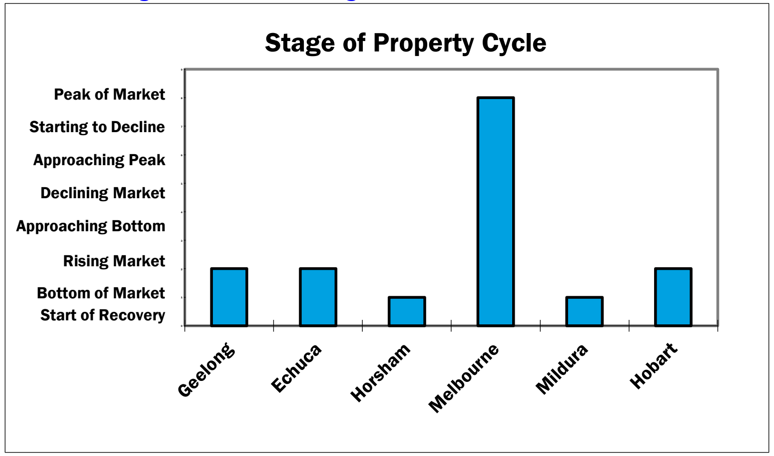

Queensland Property Market Indicators – Houses

Factor	Cairns	Townsville	Whitsunday	Mackay	Rockhampton	Emerald	Gladstone	Bundaberg	Hervey Bay	Sunshine Coast	Brisbane	Ipswich	Gold Coast	Toowoomba
Rental Vacancy Situation	Shortage of available property relative to demand	Severe shortage of available property relative to demand	Severe shortage of available property relative to demand	Shortage of available property relative to demand	Severe shortage of available property relative to demand	Shortage of available property relative to demand	Shortage of available property relative to demand	Severe shortage of available property relative to demand	Severe shortage of available property relative to demand	Shortage of available property relative to demand	Severe shortage of available property relative to demand	Severe shortage of available property relative to demand	Severe shortage of available property relative to demand	Severe shortage of available property relative to demand
Rental Vacancy Trend	Tightening	Tightening	Tightening sharply	Tightening	Steady	Tightening	Steady	Tightening	Tightening	Tightening	Steady	Steady	Steady	Tightening sharply
Demand for New Houses	Strong	Fair	Strong	Fair	Strong	Strong	Fair	Strong	Very strong	Strong	Soft	Soft	Fair	Very strong
Trend in New House Construction	Declining	Steady	Declining	Steady	Steady	Steady	Steady	Steady	Declining significantly	Declining significantly	Steady	Steady	Steady	Declining
Volume of House Sales	Increasing	Increasing	Increasing	Increasing	Increasing strongly	Steady	Declining	Increasing	Increasing strongly	Steady	Declining	Declining	Steady	Increasing strongly
Stage of Property Cycle	Rising market	Rising market	Rising market	Rising market	Rising market	Rising market	Rising market	Approaching peak of market	Approaching peak of market	Peak of market	Declining market	Declining market	Starting to decline	Rising market
Are New Properties Sold at Prices Exceeding Their Potential Resale Value	Occasionally	Almost never	Occasionally	Occasionally	Occasionally	Occasionally	Occasionally	Occasionally	Occasionally	Occasionally	Occasion-ally	Occasionally	Occasio nally	Frequently

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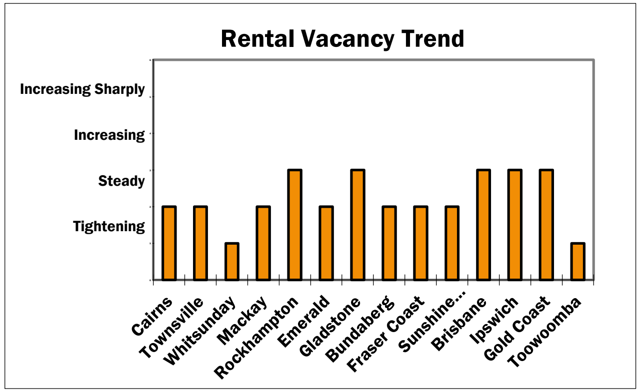
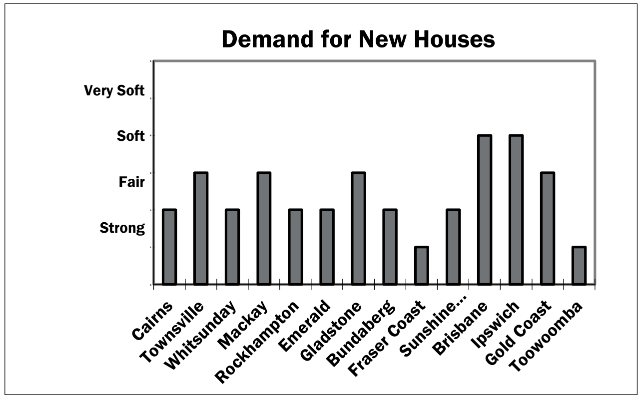
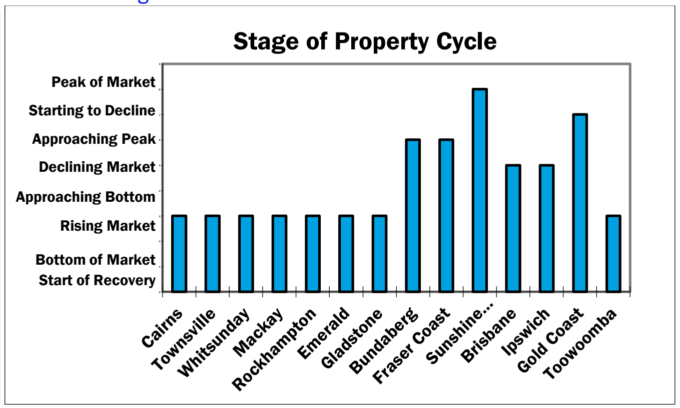
Blue entries indicate change from previous month to a lower risk-rating







Queensland Property Market Indicators – Units

Factor	Cairns	Townsville	Whitsunday	Mackay	Rock-hampton	Emerald	Gladstone	Bundaberg	Hervey Bay	Sunshine Coast	Brisbane	Ipswich	Gold Coast	Toowoomba
Rental Vacancy Situation	Shortage of available property relative to demand	Severe shortage of available property relative to demand	Severe shortage of available property relative to demand	Shortage of available property relative to demand	Severe shortage of available property relative to demand	Shortage of available property relative to demand	Shortage of available property relative to demand	Severe shortage of available property relative to demand	Shortage of available property relative to demand	Shortage of available property relative to demand	Severe shortage of available property relative to demand	Severe shortage of available property relative to demand	Shortage of available property relative to demand	Shortage of available property relative to demand
Rental Vacancy Trend	Tightening	Tightening	Tightening sharply	Steady	Steady	Tightening	Steady	Tightening	Tightening	Tightening	Steady	Steady	Steady	Tightening
Demand for New Units	Strong	Soft	Strong	Fair	Fair	Very soft	Fair	Fair	Fair	Strong	Fair	Fair	Fair	Strong
Trend in New Unit Construction	Declining	Increasing	Steady	Steady	Steady	Increasing strongly	Steady	Steady	Steady	Declining	Increasing	Increasing	Declining	Declining
Volume of Unit Sales	Increasing	Increasing	Increasing	Increasing	Increasing	Increasing	Declining	Increasing	Increasing	Steady	Steady	Steady	Steady	Increasing
Stage of Property Cycle	Rising market	Rising market	Rising market	Rising market	Rising market	Rising market	Rising market	Approaching peak of market	Approaching peak of market	Peak of market	Peak of market	Peak of market	Peak of market	Start of recovery
Are New Properties Sold at Prices Exceeding Their Potential Resale Value	Occasionally	Almost never	Occasionally	Occasionally	Occasion-ally	Occasionally	Occasionally	Occasionally	Occasionally	Occasionally	Occasion-ally	Occasion-ally	Occasionally	Occasionally

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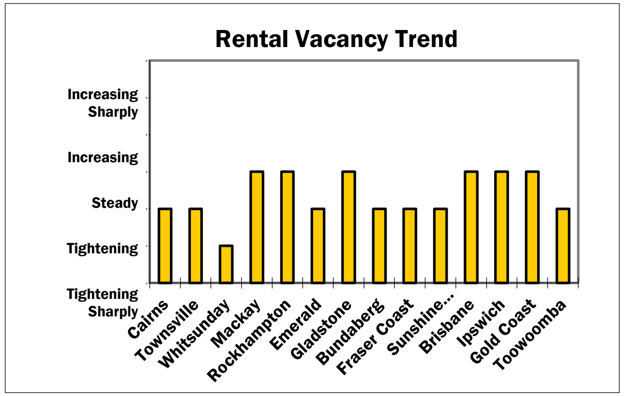

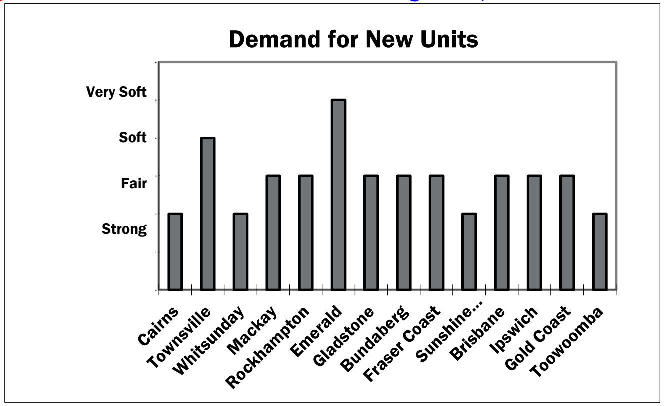

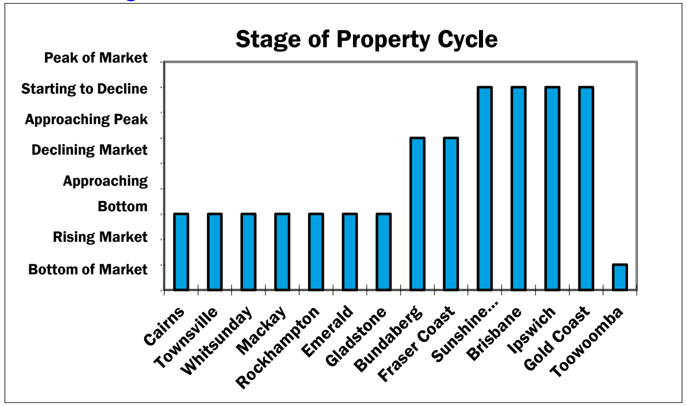

Queensland Property Market Indicators – Industrial

Factor	Townsville	Mackay	Rockhampton	Gladstone	Bundaberg	Hervey Bay	Sunshine Coast	Brisbane	Ipswich	Cairns	Gold Coast	Toowoomba
Rental Vacancy Situation	Balanced market	Balanced market	Shortage of available property relative to demand	Balanced market	Shortage of available property relative to demand	Shortage of available property relative to demand	Shortage of available property relative to demand	Severe shortage of available property relative to demand	Shortage of available property relative to demand	Shortage of available property relative to demand	Severe shortage of available property relative to demand	Balanced market
Rental Vacancy Trend	Tightening	Steady	Tightening	Steady	Steady	Steady	Tightening	Tightening	Tightening	Tightening	Tightening	Steady
Rental Rate Trend	Stable	Stable	Increasing	Stable	Increasing	Increasing	Increasing	Increasing strongly	Increasing	Increasing	Increasing	Stable
Volume of Property Sales	Increasing	Steady	Increasing	Steady	Increasing	Increasing	Increasing	Declining	Declining	Steady	Declining significantly	Steady
Stage of Property Cycle	Approaching peak of market	Approaching peak of market	Rising market	Rising market	Rising market	Rising market	Peak of market	Starting to decline	Starting to decline	Approaching peak of market	Peak of market	Start of recovery
Local Economic Situation	Steady growth	Steady growth	Steady growth	Flat	Steady growth	Steady growth	Steady growth	Flat	Flat	Steady growth	Steady growth	Steady growth
Value Difference between Quality Properties with National Tenants, and Comparable Properties with Local Tenants	Small	Significant	Significant	Significant	Small	Small	Significant	Significant	Significant	Small	Small	Large

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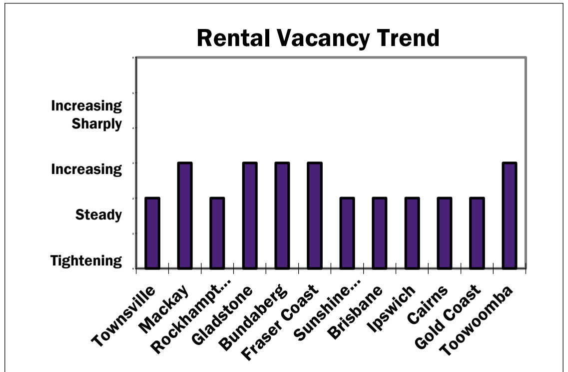
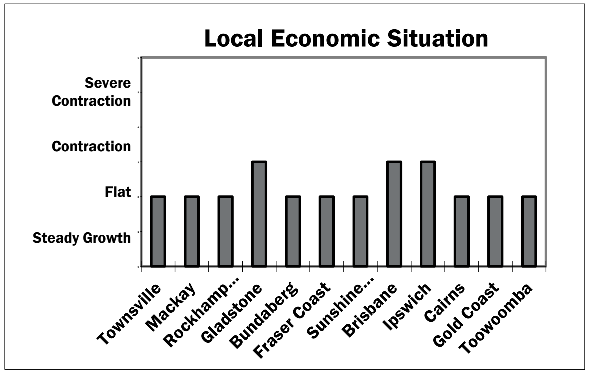
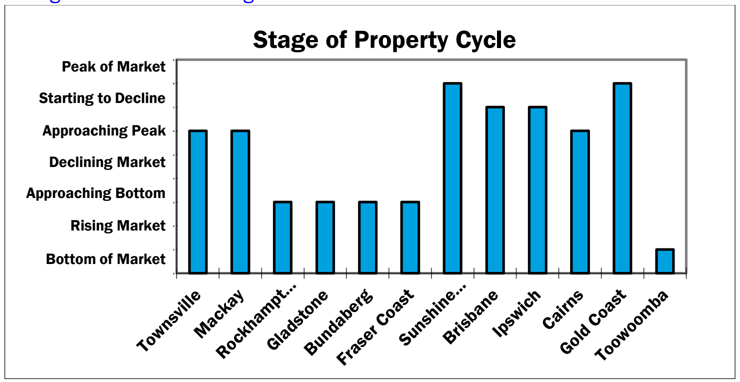




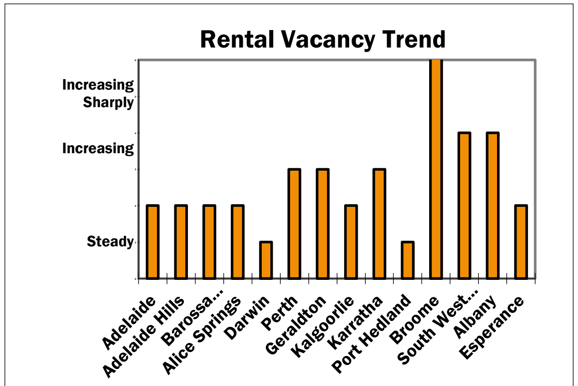


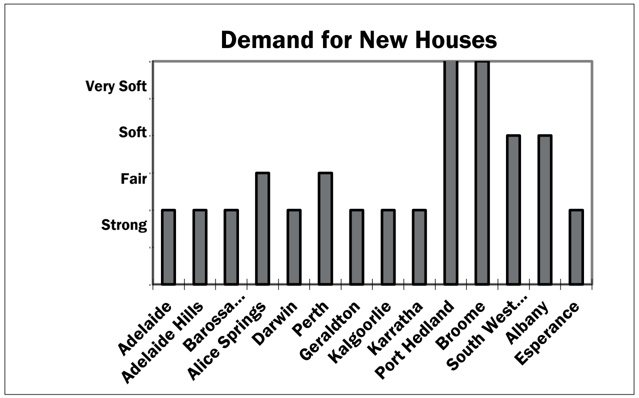
SA, NT and WA Property Market Indicators - Houses

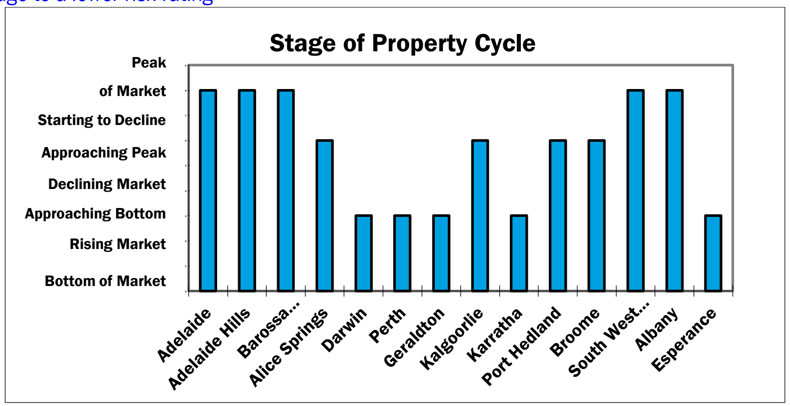
Factor	Adelaide	Adelaide Hills	Barossa Valley	Alice Springs	Darwin	Perth	Geraldton	Kalgoorlie	Karratha	Port Hedland	Broome	South West WA	Albany	Esperance
Rental Vacancy Situation	Severe shortage of available property relative to demand	Severe shortage of available property relative to demand	Severe shortage of available property relative to demand	Shortage of available property relative to demand	Shortage of available property relative to demand	Severe shortage of available property relative to demand	Shortage of available property relative to demand	Shortage of available property relative to demand	Shortage of available property relative to demand	Shortage of available property relative to demand	Severe shortage of available property relative to demand	Shortage of available property relative to demand	Shortage of available property relative to demand	Shortage of available property relative to demand
Rental Vacancy Trend	Tightening	Tightening	Tightening	Tightening	Tightening sharply	Steady	Steady	Tightening	Steady	Steady	Tightening	Increasing	Increasing	Steady
Demand for New Houses	Strong	Strong	Strong	Fair	Strong	Fair	Fair	Fair	Strong	Strong	Strong	Soft	Soft	Fair
Trend in New House Construction	Declining	Steady	Steady	Increasing	Declining significantly	Steady	Declining	Declining	Declining	Declining	Declining	Increasing	Increasing	Declining
Volume of House Sales	Increasing	Increasing	Increasing	Declining	Increasing	Increasing	Increasing	Increasing	Steady	Increasing	Increasing	Declining	Declining	Increasing
Stage of Property Cycle	Peak of market	Peak of market	Peak of market	Approaching peak of market	Rising market	Rising market	Rising market	Approaching peak of market	Rising market	Approaching peak of market	Approaching peak of market	Peak of market	Peak of market	Rising market
Are New Properties Sold at Prices Exceeding Their Potential Resale Value	Frequently	Frequently	Frequently	Occasionally	Occasionally	Occasionally	Occasionally	Occasionally	Occasionally	Almost never	Occasionally	Occasionally	Occasionally	Almost never

Red entries indicate change from 3 months ago to a higher risk-rating

Blue entries indicate change from 3 months ago to a lower risk-rating







SA, NT and WA Property Market Indicators – Units

Factor	Adelaide	Adelaide Hills	Barossa Valley	Mount Gambier	Alice Springs	Darwin	Perth	Geraldton	Kalgoorlie	Karratha	Port Hedland	Broome	South West WA	Albany	Esperance
Rental Vacancy Situation	Severe shortage of available property relative to demand	Severe shortage of available property relative to demand	Severe shortage of available property relative to demand	Severe shortage of available property relative to demand	Shortage of available property relative to demand	Shortage of available property relative to demand	Severe shortage of available property relative to demand	Shortage of available property relative to demand	Shortage of available property relative to demand	Shortage of available property relative to demand	Shortage of available property relative to demand	Severe shortage of available property relative to demand	Severe shortage of available property relative to demand	Severe shortage of available property relative to demand	Shortage of available property relative to demand
Rental Vacancy Trend	Tightening	Tightening	Tightening	Tightening sharply	Tightening	Tightening sharply	Steady	Steady	Tightening	Steady	Tightening	Tightening	Tightening sharply	Tightening sharply	Steady
Demand for New Units	Fair	Fair	Fair	Fair	Fair	Fair	Strong	Fair	Fair	Strong	Strong	Strong	Strong	Strong	Fair
Trend in New Unit Construction	Steady	Steady	Steady	Steady	Increasing	Declining	Declining	Steady	Steady	Steady	Steady	Steady	Declining significantly	Declining significantly	Steady
Volume of Unit Sales	Steady	Steady	Steady	Steady	Declining	Increasing	Increasing	Increasing	Increasing	Steady	Increasing	Increasing	Increasing	Increasing	Steady
Stage of Property Cycle	Peak of market	Peak of market	Peak of market	Peak of market	Approaching peak of market	Rising market	Rising market	Rising market	Approaching peak of market	Rising market	Approaching peak of market	Rising market	Peak of market	Peak of market	Rising market
Are New Properties Sold at Prices Exceeding Their Potential Resale Value	Occasionally	Occasion-ally	Occasion-ally	Occasion-ally	Occasion-ally	Almost never	Occasion-ally	Occasionally	Occasionally	Occasion-ally	Almost never	Almost never	Occasionally	Occasionally	Almost never

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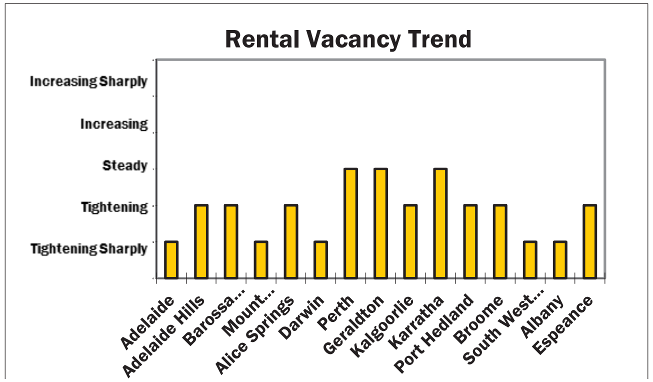

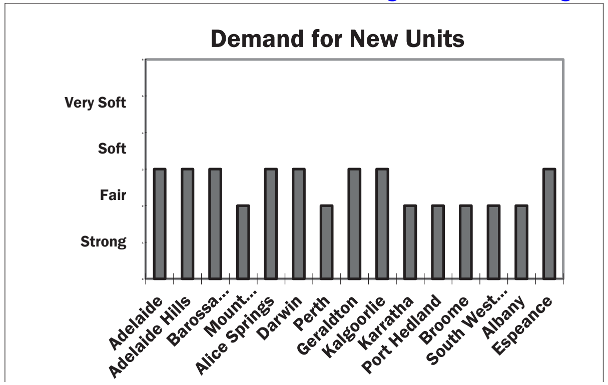

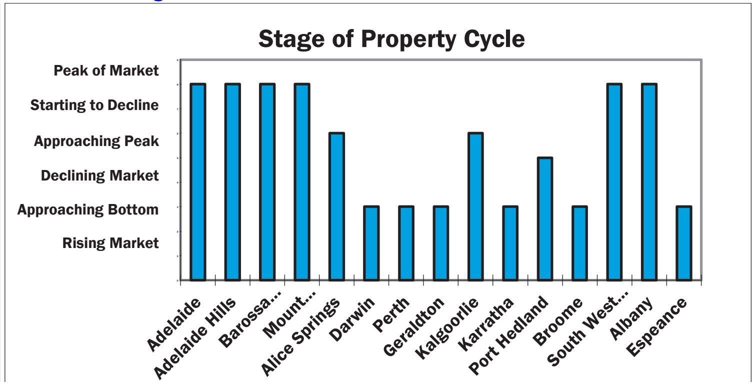

SA, NT and WA Property Market Indicators – Industrial

Factor	Adelaide	Alice Springs	Darwin	Perth	South West WA
Rental Vacancy Situation	Balanced market	Over-supply of available property relative to demand	Over-supply of available property relative to demand	Shortage of available property relative to demand	Over-supply of available property relative to demand
Rental Vacancy Trend	Steady	Steady	Steady	Tightening	Increasing
Rental Rate Trend	Stable	Stable	Stable	Increasing	Declining
Volume of Property Sales	Steady	Steady	Steady	Declining	Steady
Stage of Property Cycle	Rising market	Approaching bottom of market	Approaching bottom of market	Rising market	Approaching bottom of market
Local Economic Situation	Flat	Flat	Steady growth	Steady growth	Contraction
Value Difference between Quality Properties with National Tenants, and Comparable Properties with Local Tenants	Significant	Small	Significant	Significant	Large

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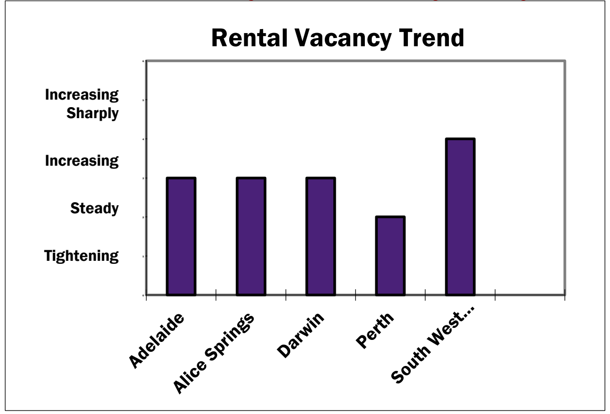

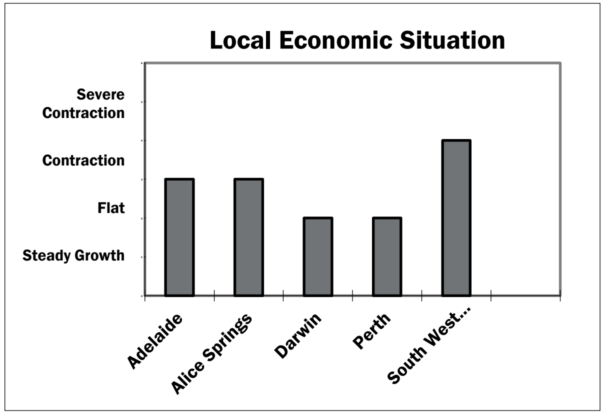

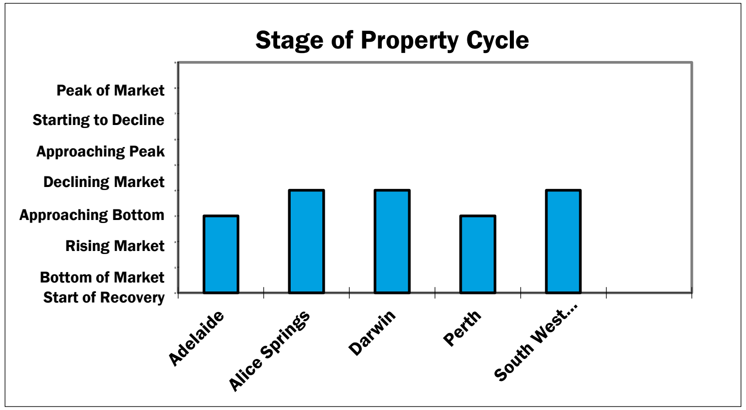

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