HERRON TODD WHITE

Month in Review

May 2023

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

Following a brief pause by the RBA there's a sense that property markets around Australia may be starting to rebound with the rate of price declines slowing and recent positive auction clearance results in both Sydney and Melbourne.

While analysis shows annual price growth has been negative in our biggest capital cities, the rate of price declines has now eased. Moreover, many markets are reporting positive monthly gains in prices which suggests we're at the end of the price correction.

These more positive results to the end of April were predominately a function of the pause in interest rates. Most economic commentary leading up to the Reserve Bank's May announcement suggested that with inflation attenuating, we are near the peak cash rate. Buyers who'd been cautious about pulling the trigger on a purchase look to have become more competitive. This was highlighted in a recent AFR report confirming two consecutive weeks where the national auction clearance rate was above 70 per cent.

Of course, this data doesn't reflect the impact of the RBA's somewhat unexpected 25 basis point rate increase this month. We may see some of the positive momentum slow as a result, however, most numbers still imply we have hit the bottom of the price cycle. It's coming through in the qualitative data as well. Our valuers across most markets have said their agent contacts are reporting increased enquiry along with more buyer participation at open homes and auctions.

If we are starting the recovery now, then the 2022 "correction" was extremely mild. The peak-to-trough fall in Australian property values has been around 10 per cent so far, which isn't significant compared to the close to 25 per cent increase in values throughout the 2021 boom run.

This combination of factors bodes well for future price growth – even if it is moderate. Rising immigration coupled with low housing supply and challenges around construction all work to increase values. The recovery may be gradual and extended in some locations, but it appears underway.

As mentioned, this opens a window of opportunity for most buyers. Acquiring property now – be it a home or investment – with a view to holding for the long term could be a savvy decision, subject to the nuances of the location and property itself. This is particularly so for buyers of lower-priced real estate in desirable locations. An understanding of what compromises you should and shouldn't make in this sector will mitigate the risks and bolster the upside. For those purchasers in particular, this issue of Month In Review is essential reading. Our residential teams around the nation discuss strategies for purchasing affordably in blue-chip suburbs.

For commercial readers, our industrial valuers discuss new construction and refurbishment in the industrial sector, while our rural specialists analyse market conditions and supply chain influences on their property sectors.

Please enjoy this month's edition of Month In Review.

Gary Brinkworth
CEO

Commercial

May 2023

National Industrial Overview

Industrial property development is an important aspect of the Australian economy. It is driven by various factors, including growth of the manufacturing and logistics sectors, advancements in technology, changes in consumer preferences and the ongoing population growth in urban areas.

The industrial property market in Australia is diverse, with a range of property types and sizes available to investors and tenants. These include warehouses, distribution centres, manufacturing facilities and logistics hubs.

It is no secret that the industrial property market across Australia has experienced strong growth in recent years. For many regions, the somewhat stagnant conditions seen from 2008 through to 2018 acted as the runway for what has been a very active five-year period when demand for industrial property has increased notably across the country. This growth has been driven by several factors, including expansion of the logistics sector and the increasing demand for high-quality and efficient industrial facilities.

Ryan Kohler
Director

It is no secret that the industrial property market across Australia has experienced strong growth in recent years.

One of the key drivers of the industrial property market in Australia is the rise of e-commerce. With more consumers shopping online, retailers and logistics companies are seeking larger warehouse and distribution centres to store and manage their inventories. This has led to a surge in demand for industrial properties in key locations such as Sydney, Melbourne and Brisbane.

In the Sydney metro region, there are few opportunities for redevelopment and despite strong demand for new stock, the lack of land on which to develop coupled with the high price of land means that development activity has been highly constrained.

South-east Queensland has seen a raft of new development occurring since 2019. Whilst there is still a steady stream of new land being delivered throughout the region, there remains a critical shortage of shovel-ready development sites available to the market at present. A similar tale is unfolding in the west of the country, with our colleagues in Perth reporting similar market conditions where a clear lack of supply is being outstripped by demand in respect of both development-ready land and contemporary built-form facilities.

In our research across the country, one of the most prevalent themes has been that of strong rental growth. In many respects, some property owners are playing catch up after a prolonged period of limited rental growth, however for new developments there are different drivers at play. The economics of completing a project when investment yields are softening coupled with ever increasing land and constructions costs means that rents are forced to rise in order to make new projects viable. For as long as the market demand continues to outstrip supply, it appears that the rental market will be forced to rise to meet these increased expectations.

In addition, there has been a shift towards sustainable and environmentally-friendly industrial facilities in Australia, in order for companies to reduce their environmental impact and align with their stated ESG policies. With many developers now incorporating sustainable design principles into their projects, including the use of renewable energy sources, green roofs and energy-efficient lighting and HVAC systems, further cost pressures are introduced to the development feasibility framework.

National Property Clock: *Industrial*

Entries coloured purple indicate positional change from last month.

Bundaberg
Fraser Coast
Geelong
Gold Coast
Sydney
Townsville

Ballina/Byron Bay
Cairns
Coffs Harbour
Hobart
Illawarra
Lismore
Mackay
Newcastle
Perth
S'thn Highlands

Brisbane
Central Coast
Ipswich
Melbourne
Sunshine Coast
Toowoomba

Adelaide
C'berra/ Q'beyan
Echuca
Gladstone
Rockhampton

Orange

Alice Springs
Darwin
Horsham
Mildura

South West WA

COMMERCIAL - INDUSTRIAL

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New South Wales - Industrial 2023

Sydney

The industrial market has been one of the strongest performing asset classes in Sydney. Capital values have increased consistently over the past few years due to strong demand and lack of supply. 2023 has seen demand slow and values are no longer deemed to be rising. We predict that this may will continue further into the year.

Rents remained largely stagnant throughout the pandemic. More recently, we have noted an uplift in industrial rental values and demand. This will have a positive impact on investment returns and may see more investors returning to the industrial market.

The market is still largely underpinned by demand outstripping supply due to a lack of stock, particularly for Torrens title property and land. The surge in demand during the pandemic was in part due to the rise of e-commerce and an increase in the need for warehousing.

In an effort to capitalise on the need for warehousing and the changes brought about by the pandemic, developers in recent years have focused on self-storage developments in the industrial sector.

The appeal of self-storage units is that there is currently strong demand for these assets. Most importantly, they have been experiencing strong rates of sale and strong capital growth. Some units have attracted rates as high as $10,000 per square metre.

Sydney industrial Source: Herron Todd White

That said, storage units are also very affordable. This makes them well suited to first time investors and self-managed super funds. They offer a reasonable return on investment with generally stable rental income. Very little in the way of management is required.

These types of properties are also much cheaper to build than conventional warehousing as there is no need for offices, showrooms or other amenities. In the current climate of high construction costs, this too forms a key reason why developers are attracted to this type of development.

Developers in recent years have focused on self-storage developments in the industrial sector.

In terms of other new construction, there are few opportunities for redevelopment due to the lack of land available. Despite strong demand for new stock, the lack of land on which to develop and the high price of land has constrained development. The land that has been available in western Sydney has been somewhat limited to institutional-grade development.

Despite this however, over the past few years there has been some new development, particularly in the western suburbs. This has been mainly due to older, under-improved sites being redeveloped. Most of this new development has been strata units that have been popular with small businesses requiring additional space for warehousing and light industry.

Looking ahead, the lack of available land means that supply is unlikely to change but the market is likely to see continued slowing this year.

Angeline Mann
Commercial Director

Wollongong

There continues to be significant activity in the industrial segment which is being driven by basic supply and demand fundamentals. Owner-occupiers and developers are competing for whatever sites are available which is starting to result in older stock being demolished to make way for new construction and existing owners with surplus land developing for either expansion space or to cash in from a buoyant market.

Developers are scrambling to bring medium to large bay warehouses to the market, most pundits feeling that the small bay segment is well stocked. There continues to be limited supply of vacant lots with Yallah Industrial Estate complete and all sold.

Scott Russell
Director

Newcastle

Stock, or lack of it, continues to be the common theme in the Newcastle industrial market. Sales are slowing, which could be indicative of economic uncertainty, but the underlying issue is one of stock. In recent months there have been a good number of sales across the main sectors of industrial, being strata units and stand-alone properties, but as the agents say, they could always do with more.

In recent months there have been a good number of sales across the main sectors of industrial, being strata units and stand-alone properties, but as the agents say, they could always do with more.

2022 saw a number of newer developments being finalised in the region and these units have mostly sold to owner-occupiers. Generally speaking, these owners are either tradespeople growing out of their smaller existing units or residential unit owners needing more space to store belongings as they downsize and move closer to the CBD.

At the other end of the spectrum, the larger stand-alone industrial property market is continuing at a reasonable rate. There have been a number of sales in the tightly held inner city industrial precincts in recent months.

Even as the newer unit developments sell down, demand remains consistent in all of the key precincts. This means that there are opportunities within the region in the industrial market in the short to medium term.

Scott Beker
Valuer

Victoria - Industrial 2023

Melbourne

The industrial construction industry is influenced by a range of factors, including economic conditions, technological advancements, government regulations, and environmental concerns. The current environment of rising interest rates and inflated construction costs certainly makes for a challenging time in the construction industry. Despite this, in 2023 we are set to see a record year for development completions, as the significant capital invested by developers in 2020 and 2021 continues to materialise through project completions. It will certainly be an interesting observation to see if these projects are completed on time as builders and investors are faced with this challenge of rising material costs and the increased cost of borrowing.

With high building costs, one would think that the idea of refurbishment or renovation would be the flavour of the month, however we are continually seeing warehouse owners opt for new construction. Why?

Whilst the idea of rebuilding warehouses in a booming industrial sector may appear to be somewhat counterintuitive, warehouse owners have indicated that old buildings just aren't meeting the requirements of tenants. Demand is surging for high-quality industrial space close to city centres, and businesses want warehouses that are ready for automation and sustainability features. Many of the older style warehouse buildings are inadequate for modern day business, with many unable to house the simplest of automation systems. Many of the older assets only offer sub-11 metre heights, whilst new style warehousing can be 15 metres high and hold 40 per cent more product on the same footprint. It is certainly going to be interesting over the coming months to see whether this trend continues when more developable land becomes available. With the continual rise of holding and building costs and inflationary pressures, we may see demand for new builds soften.

There are several major developments underway in the industrial sector in Melbourne. Some of these include:

- **The Perri Project** which is a $30 million development in Port Melbourne now under construction. This is a former manufacturing site located at 359 Plummer Street. The site was purchased for $15.5 million and is approximately 8000 square metres. The site will undergo extensive upgrades to maximise the potential of the building and deliver a suite of ready-to-occupy industrial and commercial spaces comprising of offices, showrooms and warehouses.
- **The M2 Industry Park** is an industrial park in Dandenong South and offers a range of industrial properties, including warehouses, distribution centres, and office space. It is one of the largest industrial parks in Melbourne and is home to several major companies.

These are just a few examples of the major developments underway in the industrial sector in Melbourne. The city is experiencing significant growth in this sector, with a range of new industrial parks, precincts and developments being built to meet the demand for the industrial sector.

Nick Michael
Director

Whilst the idea of rebuilding warehouses in a booming industrial sector may appear to be somewhat counterintuitive, warehouse owners have indicated that old buildings just aren't meeting the requirements of tenants.

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Queensland - Industrial 2023

Brisbane

The first quarter of 2023 has seen a continued slowing in transaction volume across the industrial sector. Vendor and purchaser expectations are still taking time to align given the substantial growth over the past 12 to 18 months followed by ten straight interest rate increases. The owner-occupier market has been relatively stable throughout the first quarter of 2023, with a very strong rental market being a major driving factor in combination with a lack of available stock. The investment market has been the hardest hit as a result of the RBA's rate rises. Anecdotal evidence from leading agents within the Brisbane industrial market have reported signs that investment yields have softened from 50 to 100 basis points. We note that a large amount of the transactions settling in the first quarter of 2023 were predominately negotiated towards the end of 2022 and as such, the extent of this yield softening is yet to be reflected in the current market.

The Brisbane industrial rental market is continuing to move from strength to strength with vacancy levels at historic lows. Rental rates for both prime and secondary accommodation across Brisbane have shown significant increases over the past six months. In combination with this, incentives being offered have decreased substantially, showing a lessor-dominated market driven by the lack of available stock. Supply pipelines are proposed to increase for 2023 which may result in rental stabilisation however given the current condition of the construction industry, construction timeframes and challenges with feasibility have the very real potential to delay this new stock.

New developments due to come online in 2023 at the smaller end of the market include 19-25 Gould Lane, Herston and 243 Sherbrooke Road, Willawong. The Gould Lane development includes architecturally designed workstore units which we have been advised are achieving circa $6000 to $7000 per square metre. 243 Sherbrook Road is another strata-titled unit development located in a somewhat secondary industrial location which is currently on the market and due to commence this year.

19-25 Gould Lane, Herston Source: Knight Frank

243 Sherbrooke Road, Willawong Source: Dugan and Co.

Larger stock due to be completed through this year includes the new circa 20,000 square metre, purpose-built Pillow Talk facility located in Darra and also The Gateway complex located at 33 Goodman Place, Murrarrie which is set to offer tenancies from 5000 to 13,000 square metres.

In addition to the aforementioned new industrial stock coming to market, we also note sectors of refurbished industrial property which have been

25 Kiln Street, Darra Source: Cottee Parker

33 Goodman Place, Murarrie Source: Goodmans

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Construction costing and the availability of labour will be significant determining factors moving forward for new development projects.

offered to market. 30 Dulacca Street, Acacia Ridge was a pre-existing, older style warehouse building which was fully refurbished and strata-titled in 2022 to now accommodate eight strata-titled units. These units have been reportedly achieving circa $3000 to $4000 per square metre on a completed basis.

Construction costing and the availability of labour will be significant determining factors moving forward for new development projects. We have been advised of some early anecdotal evidence that construction prices may start to plateau throughout 2023. This potential levelling out of costs is yet to transfer into lower costs to the consumer.

A large underpinning factor affecting future viability of developments is underlying site values which performed strongly over the past 12 months. The general scarcity of industrial land throughout the greater Brisbane area has led to strongly performing sales in new industrial subdivisions. We have seen a rapid appreciation in industrial land values over the past 12 months which may result in a correction in land values becoming evident. This will in turn play a role in project feasibility in combination with the future trajectory of construction pricing. The most recent hold on interest rate rises may help with some stability and business confidence moving forward, however future interest rate rises are certainly not out of the question.

Loughlin Batch
Valuer

Gold Coast

New industrial development on the central Gold Coast has been dominated by strata industrial complexes. This trend has been evident in the marketplace over the past two years, in which industrial land values and construction costs have increased substantially, making it more difficult to find feasible projects.

One such strata development recently delivered (titles issued early 2023) is Bundall Base by the Potter Group – this is a boutique development on Straithaird Road comprising 16 strata-titled self-storage warehousing units. This project was sold and constructed during 2022, when strong rates of circa $5500 to $6000 per square metre were achieved.

Over the past few years, this type of project has been met with extremely strong demand by owner-occupiers acquiring small units for personal storage, however the economic and interest rate environment is changing rapidly and there is a shift away from discretionary spending. Overall, some level of stabilisation or softening is expected for this market segment.

Bundall Base 8 Strathaird Road, Bundall   Source: commercialrealestate.com.au

Other notable developments on the central Gold Coast are within the new Gold Coast Logistics Hub estate at Arundel and the City Links estate in Carrara.

Stage 2 of the LOGOS developed multi-unit industrial complex at 12 Distribution Court, Arundel has been recently completed and we understand that the stage is almost fully leased. There are several recently completed and under construction freestanding buildings in the City Links estate, the majority of which are owner-occupied premises.

On the southern Gold Coast and more recently in the Tweed Shire, small self-storage style industrial unit complexes also continue to be in vogue, especially with owner-occupiers, however more recently, it appears that the local occupier market may be becoming exhausted as sale rates are slowing.

A new development known as The Quarter at 46 Junction Road, Burleigh Heads, is nearing completion and as of mid-March was almost fully sold. The project includes units mostly approved for self-storage which have full mezzanine levels with more recent sales achieving over $6000 per square metre of total floor area. There are further developments planned in the region for similar premises and some include café or showroom units at the street front, capitalising on higher order use to support the traditional light industrial use of the internal units.

The Yatala Enterprise Area is an expansive industrial region adjoining the Pacific Motorway in the northern Gold Coast growth corridor. The considerable expansion of the area has resulted in increased congestion along the service roads and at major intersections, although recently completed and planned intersection upgrades are helping to alleviate this.

Development in the region is dominated by new builds in the new estates of Yatala Logistics Hub, Empire Industrial Estate and Vantage Yatala. Construction of the LogistX Business Park is also well underway. The construction type of choice is full concrete tilt panel, while some larger buildings have been constructed with dado walls (concrete base and sheet metal upper).

LogistX Business Park Source: commercialrealestate.com.au

Land prices have increased substantially over recent years and serviced lots are now typically priced at $550 to $600 per square metre, with availability very low. A high exposure lot at the entry to the Yatala Logistics Hub recently sold and settled for $617 per square metre of usable land (circa 6000 square metres).

Ryan Kohler
Director

Sunshine Coast

Over the past two to three years, industrial construction on the Sunshine Coast has been heavily influenced by the development of strata-titled complexes generally featuring sub-400 square metre units. This product has been in high demand, particularly from owner-occupiers, and has frequently sold out prior to completion. This demand, combined with the relative simplicity of these projects, has encouraged a surge in new developments.

The escalating costs of construction and high land prices have made pursuing new developments increasingly difficult over the past six to nine months. Consequently, we have observed that owner-occupiers have become somewhat the dominant buyer profile, as the price of underlying land has become too steep for most developers. As a result, owner-occupiers have continued to construct purpose-built stand-alone facilities that cater to their specific needs within various developing estates.

As land supply is likely to be constrained across the Sunshine Coast for the short to medium term, we expect to see more refurbishment and repositioning of existing assets within established estates, similar to what is seen in larger and more established metropolitan industrial markets. We believe that owner-occupiers and investors alike will take advantage of these opportunities.

A recent example of such refurbishment occurred in Warana's established and tightly held industrial precinct, which is centrally located and has no

Before refurbishment - 35 Production Avenue, Warana Source: RP Data

After refurbishment - 35 Production Avenue, Warana Source: RP Data

further land supply. The area provides a mixture of semi-modern and older industrial holdings. In July 2022, 35 Production Avenue was purchased for $2.05 million and was then refurbished and reconfigured to a single tenancy for a proposed tenant's occupation. The property sold shortly after in February 2023 for $3.17 million, having been leased to a single international tenant (GPC Asia Pacific Pty Ltd T/A Napa Auto Parts) on a 7+5+5-year term.

Jaydon McDowell
Associate Director

Strata-titled complexes have been in high demand, particularly from owner-occupiers, and have frequently sold out prior to completion.

Rockhampton

The Rockhampton industrial market continues to perform strongly on the back of a number of major construction and industry projects either planned or underway in the region. There is limited land stock and the market is tightly held, particularly in the longer standing industrial precinct of North Rockhampton (Kawana Industrial Area). Larger parcels of land remain available in the targeted industrial growth areas of Gracemere and Parkhurst which are outlying to town and well positioned to major transport routes.

The South Rockhampton industrial precinct in the CBD is typically made up of older industrial sheds on smaller blocks. With a rising trend for heavier industrial businesses to decentralise, sheds are typically being refurbished or rebuilt into alternative light industrial, bulky goods retail or recreational usages such as gyms, service centres or showrooms. As well as this, the increase in construction of NDIS accommodation has seen industrial parcels in this area purchased and targeted for this usage.

Across the river from the CBD in Park Avenue, construction has commenced on the most recent industrial land subdivision at an 8.19-hectare site of former railway service yards comprising several industrial warehouse buildings and ground storage areas. On completion, the site is expected to have 12 lots for light industrial usage, ranging from 1590 square metres up to 9070 square metres.

Owner-occupiers remain very active in the market with industrial businesses expanding or relocating to better-suited premises and Rockhampton's market remaining relatively affordable.

Greg Williams
Director

Traditionally an industrial town, with the top two employment sectors being manufacturing and construction, Gladstone has had a cyclical history and has been largely dependent on major projects.

Gladstone

Gladstone's industrial market has been relatively stable with steady growth occurring as a result of increased demand for industrial land and buildings. Traditionally an industrial town, with the top two employment sectors being manufacturing and construction, Gladstone has had a cyclical history and has been largely dependent on major projects.

After seeing a downturn post completion of the LNG project construction phase, the economy has been seeing recent and steady improvements over the past twelve months with a number of new industry projects both underway and proposed. Agents are reporting limited stock for either lease or purchase, mostly in the traditional and central light to medium industrial locations of South Gladstone and Barney Point.

The 27,194-hectare State Development Area located 20 kilometres west of Gladstone is targeted for larger, heavy industrial development with multiple land parcels available and on the market for general industry. Gladstone has been earmarked as one of Australia's renewable energy powerhouses, with the Queensland Government entering into a partnership with leading renewable energy and hydrogen company, Fortescue Future Industries, to build one of the world's largest hydrogen-equipment manufacturing facilities (State Development Queensland). The project is expected to create considerable employment opportunities and a catalyst for other renewable energy initiatives in the area.

The year ahead should remain stable, however with Gladstone's cyclical history, this may change quickly should a number of large projects commence.

Graham Gross
Valuer

Wide Bay

The industrial markets throughout the Wide Bay appear to be continuing to perform well despite the rising interest rate environment. At the time of writing, there appear to be low vacancies across the market reported by leading local agents in Bundaberg, Hervey Bay and Maryborough.

Gross face rents for both secondary and primary stock have increased over the past 12 to 18 months because of low vacancies in the market. Anecdotal evidence suggests local and non-local investor demand remains firm should the right property present itself, however there appears to be greater emphasis on tenant quality, lease terms and rental sustainability to cover debt serviceability requirements.

Ben Harnell
Associate Director

Townsville

Townsville's industrial market continues its positive trajectory of the past three years with the lion's share of volume being in the sub $1 million price

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bracket underpinned by owner-occupiers and small scale investors.

With the increased activity in the mining sector, we anticipate continued growth in the support services industry although we also see potential in the engineering and manufacturing space. Established areas such as Shaw, Bohle and Mount St John are seeing continued focus although recent large scale land development in the Townsville State Development Area at Stuart and Cluden indicates strong local and national commitment to the road transport, logistics and warehousing sectors. This has triggered both build to occupy and build subject to a long-term lease options.

Whilst showing signs of promise, these commitments are not without risk and certainly the continued uplift in construction costs questions the ultimate viability of such capital investment on paper. It is likely that the escalation in construction costs, supply chain issues and potential for extended delivery horizons may delay or inhibit new construction over the short term.

Recent construction would indicate a lean towards lighter scale, mid-clearance cold form construction of warehouses which supports the small to medium-scale end of the market. Larger scale, high clearance engineered portal frame or clear span buildings are built for purpose and typically under design and construct scenarios. Typically, these larger ticket items are backgrounded on long lease terms and economic rents that provide a project-based margin and may not reflect current market attuned development metrics which introduce reversionary downside risk at market review.

On balance, Townsville is well-placed for future on-shoring prospects with the ability to introduce manufacturing locally. The potential to supply to local markets is a positive which opens up the possibility of exporting to overseas markets. In any case, the industrial sector as an overarching segment will continue its growth phase, all things being equal.

Jamison Sayce
Associate Director

Cairns

The industrial market has seen significant value increases over the past two years and values are now at record levels. The market overall is very heated and achieving values at record levels. This is assumed to be off the back of record low interest rates. Achieved value levels for improved property are also considered a reflection of a strongly performing rental market and yield compression over the past 12 to 24 months.

There is pent up demand for quality industrial property and very limited stock available either in the prime industrial precinct of Cairns or the industrial estates to the north and south of the Cairns region.

The smaller and more affordable commercial market is dominated by owner-occupiers with agents advising strong buyer activity and pent-up demand in the sub $2 million and particularly the sub $1 million industrial space.

Pure investment stock is limited and the market is strong, however properties in the sub $2 million space typically achieve higher value levels if sold with vacant possession unless offered to the market with a quality lease covenant.

Land value levels have increased substantially over the past 12 months due to a near total lack of vacant land stock and it is assumed this will correlate to higher unimproved land values (and associated land tax) moving forward. This along with increased insurance premiums may negatively impact net incomes.

It is difficult to gauge how market conditions will fare in the coming 12 months, however higher inflation and higher interest rates are increasing the likelihood of a correction in property values. Overall, the market is very heated and considered to be nearing or at its peak.

While economic conditions suggest softening of the market in the coming year, we consider the limited availability of industrial land and high building costs will result in property maintaining reasonably high value levels in the short term.

Shane Quinn
Director

Toowoomba

Toowoomba's industrial market has been influenced by several factors over the past 12 to 18 months, including growth in the region's manufacturing and agricultural sectors, growth in e-commerce and the relocation of businesses to regional areas. Strong economic conditions resulted in continued demand for secure

There is pent up demand for quality industrial property and very limited stock available either in the prime industrial precinct of Cairns or the industrial estates to the north and south of the Cairns region.

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investment properties in 2022 resulting in record low yields, however interest rate increases have seen reduced demand in the first quarter of 2023.

There has been minimal speculative development of industrial property over the past two to three years with activity generally restricted to refurbishment of small industrial tenancies to attract tenants or for owner occupation.

The majority of new construction activity has been by owner-occupiers who have outgrown existing premises and have developed or plan to develop premises in developing industrial estates in the Charlton Wellcamp area to the west of Toowoomba. An exception to the above is the purchase and subsequent refurbishment of the former Toowoomba Regional Council depot in Anzac Avenue by a local camping goods retailer for use as a distribution centre for their stores along the east coast.

Examples of new industrial construction include:

- Construction of a new office and factory complex by Bradmans Windows & Doors on the Warrego Highway, Charlton. The business currently operates from leased premises in Taylor Street, Wilsonton and it is assumed they will vacate these premises following completion of construction.
- Construction of a new transport depot in Moorebank Road, Charlton for owner-occupation by Hillmans Transport; the depot has an office and warehouse footprint of 1668 square metres with extensive hardstand.
- Construction of a new dealership for RDO Equipment/John Deere in a new industrial subdivision, Aatlis Precinct, Wellcamp on the outskirts of Toowoomba. The business currently operates from leased premises in Taylor Street, Wilsonton and it is assumed they will vacate these premises following completion of construction in early 2024.
- Construction of new office and workshop buildings for Excavation Equipment on owner-occupied property at 77 Carrington Road, Torrington.
- Development approval for 10,152 square metres of office and workshop buildings for Kotzur Toowoomba on Leesons Road, Charlton.

A negative impact of the above activity is that several large industrial buildings may be offered for sale or lease over the next six to twelve months.

Ian Douglas
Director

South Australia - Industrial 2023

Adelaide

The South Australian industrial market continues to prove resilient irrespective of construction challenges in the industry and nine previous months of interest rate rises. Good levels of demand in the market coupled with limited supply have led to a continued increase in land values and rental rates with forecasts remaining strong. Adelaide has observed sustained interest in catchment areas of outer north and outer south suburbs with user, investor and developer interest seeking the larger levels of land supply available. Further, there has been limited market evidence of building refurbishment within inner and outer metropolitan areas given the scarcity of land and rentals available, forcing tenants to retain occupation of lower grade and older industrial buildings.

Some research reports have claimed the Adelaide industrial market is set to see 65,900 square metres of development expected to be completed by Quarter 3, 2024, with 74 per cent expected to have already been completed prior to the end of Quarter 1, 2023. A significant 85 per cent of this proposed supply will be in inner and outer north precincts which can be attributed to the lack of supply in these catchment areas and significant demand.

Adelaide has not been shown to experience noticeable industrial refurbishment; small capital works have been employed here and there but the overall trend is for new builds. Recent reductions in construction costs paired with limited leasing space have created an imbalance in the market for developers. We have noticed an increasing prevalence of new developments comprising smaller product warehouses, attempting to reach equilibrium between supply and demand in Adelaide's industrial market with the shortage of stock identifiable. This is shown at 35 Eastern Parade, Port Adelaide which comprises a 14,755 square metre site currently under contract at approximately $500 per square metre with a proposed development of 30-plus warehouses..

35 Eastern Parade, Port Adelaide Source: CBRE

The Adelaide industrial market has experienced a shift from investment properties with long-term lease profiles to those properties with weaker lease covenants and shorter Weighted Average Lease Expiry rates (WALE's). Local agents are claiming investors are looking to capture under-rented or properties with development potential given the reasons previously mentioned.

Market evidence notes average WALE's in 2020 and 2021 were approximately 9.9 years and 7.3 years (by income), indicating demand for longer, more secure investments during periods of uncertainty, or when COVID-19 and its macro-economic influence was a more overarching concern. However, research from 2022 through to early 2023 indicates a lower average WALE of approximately 4.0 years (by income), demonstrating the market elements for future development and a willingness for purchasers to acquire assets where a market rent review is more frequent. We consider that this noted drop in achieved WALE's is underpinning and stabilising passing yields in the face of a rising interest rate environment and is based on the opportunities to achieve short-term rental growth.

Ben Millar
Property Valuer

We have noticed an increasing prevalence of new developments comprising smaller product warehouses, attempting to reach equilibrium between supply and demand in Adelaide's industrial market with the shortage of stock identifiable.

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Western Australia - Industrial 2023

Perth

The industrial property market in Western Australia commenced the 2023 calendar year arguably at the peak of the sector's property cycle.

Whilst new construction activity had 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 has been constrained by a finite supply of land in these and other core industrial precincts.

With limited new land to be released in the Perth metropolitan region this year, industrial land values have exhibited positive market movement.

Similarly, given the lack of suitable stock in the core industrial estates, there has been a rise in the number of new projects in peripheral, previously shunned locations such as Neerabup.

Demand for older style stock has demonstrated signs of life again with a steady take-up of space that had previously sat vacant for a prolonged period.

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

Activity in the owner-occupier market remains steady given the limited stock of large scale and quality premises available which has been compounded by construction industry challenges.

Construction material supply chain disruptions and labour shortages have contributed to a pronounced escalation in build costs (up to 50 per cent in some instances) and often delays in project timelines. Whilst market rental rates initially lagged, they have rapidly gathered momentum.

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

Increased onshore manufacturing (for example, pharmaceutical and medical supplies) is also contributing to construction activity, especially for owner-occupiers.

There is also an increasing focus on sustainability and energy efficiency. Developers and tenants alike are increasingly looking for buildings designed to minimize their environmental impact and align with ESG policies.

There has been a smattering of new strata-titled developments being created in secondary industrial precincts such as Forrestdale and Gnangara. The product, typically consisting of industrial units ranging from 150 to 350 square metres in size, is tried and tested.

Infrastructure projects including the NorthLink WA and Forrestfield Airport Link have also assisted to trigger new construction activity.

NorthLink WA was a $1.02 billion transport project in Perth's east-north-eastern corridor providing a non-stop transport route from Morley to Muchea. The project was completed in April 2020 and has begun to directly benefit existing industrial estates in that corridor whilst also providing the impetus for developers to create new industrial land in Muchea catering to the freight transport sector.

Forrestfield Airport Link, a new passenger rail line linking Perth City to Perth Airport and continuing further east to the suburb of Forrestfield, forms part of the state government's Metronet project. This project has already enhanced the profile of the Forrestfield industrial precinct and driven new development, particularly around the train station, albeit on a limited scale due to geographical constraints. The Airport Line was officially opened in October 2022.

The impact of the succession of cash rate increases by the Reserve Bank of Australia since May 2022 on the industrial construction sector is yet to be fully determined. As usual there is a lag factor whilst the market digests the implications of higher interest rates on funding structures.

Nevertheless, the clear lack of supply in the market, both in respect of development-ready land and contemporary built-form facilities, is likely to hold the key to the sustainability of the industrial market performance for the remainder of 2023.

Greg Lamborn
Director

Northern Territory - Industrial 2023

Darwin

Darwin has endured an oversupply of industrial property, both land and built form, since about 2015, when demand dropped off upon completion of construction of the Inpex project.

Whilst there appear to have been some early shoots of improvement in the industrial market over the past 12 months, value levels and rental levels are still well below the peaks of those heady days.

There are no formal vacancy surveys in Darwin of industrial property, but it appears that the available supply of quality accommodation is gradually being taken up, however the vacancy rate for secondary space, such as pre-cyclone accommodation in Winnellie, remains stubbornly high.

Many owners and tenants are choosing to stay in this type of accommodation, at least until such time as economic conditions improve, and they have the confidence to expend more money on their businesses.

Those conditions will need to improve substantially before new industrial developments can be justified on a financial basis. By way of illustration, warehouse rents generally cap out at about $150 per square metre per annum in Darwin. In the current environment of rising costs and interest rates, at least another 30 per cent on top of this (to about $200 per square metre per annum) would be required for a project to be economically viable.

Of course, a number of businesses have pushed ahead with projects for their own accommodation requirements, but this can only be rationalised on the basis of other business benefits rather than economic cost.

Terry Roth
Director

Whilst there appear to have been some early shoots of improvement in the industrial market over the past 12 months, value levels and rental levels are still well below the peaks of those heady days.

COMMERCIAL - INDUSTRIAL

HERRON TODD WHITE COMMERCIAL

Residential

May 2023

National Residential Overview

Recent residential property news has centred on rapidly increasing interest rates and their effect on residential property prices. As always, the impact has not been uniform across all market segments as defined by geography, price band and quality.

In April, there was evidence the market was starting to stabilise in the face of an interest rate hold, however on 3 May, the Reserve Bank of Australia (RBA) decided that despite the possibility inflation may have already peaked, it was still uncomfortably above the desired target range and a further 25 basis point increase was warranted.

Although in some locations residential property values have fallen (notably Sydney, Melbourne and Brisbane), properties in Adelaide and Perth have fared better. Residential property in the lower price range in capital cities and in regional areas has generally not seen a significant drop in value.

While the affordability of dwellings in the lower price range hasn't changed much – based on the concept that affordability is the purchase price as a multiplier of household income – serviceability is an increasing issue for many potential purchasers. Put another way, the proportion of monthly household income required to meet mortgage repayments is rising. In the wake of diminished serviceability, many aspiring owner-occupier purchasers have had to remain (or indeed enter) the rental market. This increase in demand for rented accommodation along with the limited supply of rentals has seen investors increase rents to help offset their own mortgage repayments.

Given all of this, the concept of cheap property can be taken to mean a property that sits within the affordability and serviceability constraints of most potential purchasers. Property that's in a blue-chip location is likely to already reflect the benefits of that in its price. So what options are open to buyers wanting to buy affordably without compromising on location?

One strategy might be to buy the 'worst property in the best street' with a view to realising the site's potential by renovating or building a better dwelling (or two) in the future.

Another strategy is to identify emerging locations where the market is yet to fully identify and reflect the area's potential in the prices being paid. With many significant infrastructure projects underway across the country aimed at driving economic growth, there are several examples that might meet the criteria of buying cheap property in good locations.

For example, the 2026 Commonwealth Games is being supported by the construction of sporting facilities and other infrastructure in regional Victoria. Regardless of whether there's an increase in residential property values, there will be a significant improvement in local amenities. In South Australia, the area around Sellicks Beach is set to benefit from improved road infrastructure and the further development of services in Aldinga as part of the Fleurieu Connections Alliance program. In New South Wales, St Mary's in Western Sydney will benefit from significant development in the town centre and has good transport, being about 15 minutes away from the new airport and 35 minutes from Sydney by train.

These are just a few illustrations of growth drivers – there are many more to choose from around the nation. Suffice to say there are paths to buying cheaply in great locations, but smart buyers will rely on independent professional advice before making major decisions on where and what to purchase.

Kevin Brogan,
National Director,
Group Risk and Compliance

As always, the impact has not been uniform across all market segments as defined by geography, price band and quality.

National Property Clock: *Houses*

Entries coloured orange indicate positional change from last month.

Peak of Market: Albany, Alice Springs, Bathurst, Broome, Canberra, Darwin, Dubbo, Mildura, Mount Gambier, Newcastle, South West WA, Tamworth, Toowoomba

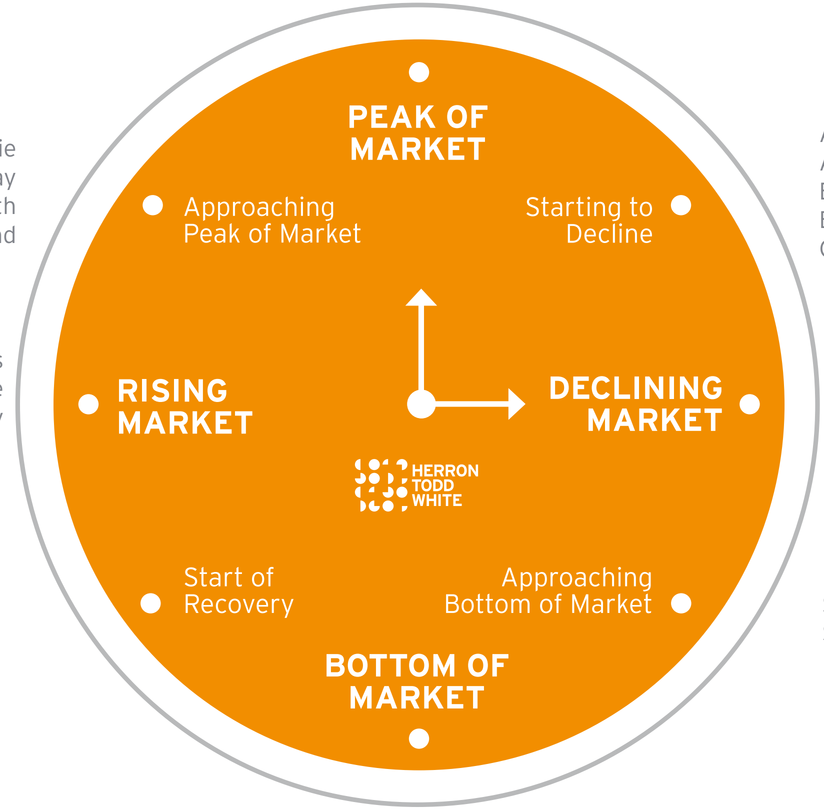
Starting to Decline: Adelaide, Adelaide Hills, Barossa Valley, Burnie/Devonport, Central Coast, Gold Coast, Launceston, Melbourne, Shepparton, Sunshine Coast

Declining Market: Albury, Ballina/Byron Bay, Brisbane, Coffs Harbour, Geelong, Hobart, Ipswich, Lismore, Wodonga

Approaching Bottom of Market: Illawarra, Southern Highlands, Sydney

Approaching Peak of Market: Bundaberg, Cairns, Fraser Coast, Geraldton, Gladstone, Kalgoorlie, Mackay, Perth, Port Hedland

Rising Market: Emerald, Esperance, Karratha, Rockhampton, Sthn Tablelands, Townsville, Whitsunday



RESIDENTIAL

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National Property Clock: *Units*

Entries coloured blue indicate positional change from last month.

Albany
Alice Springs
Bathurst
Brisbane
Burnie/Devonport
Mildura
Mount Gambier
Newcastle
Shepparton
South West WA
Tamworth
Toowoomba

Adelaide
Adelaide Hills
Barossa Valley
Central Coast
Gold Coast
Ipswich
Launceston
Melbourne
Sunshine Coast

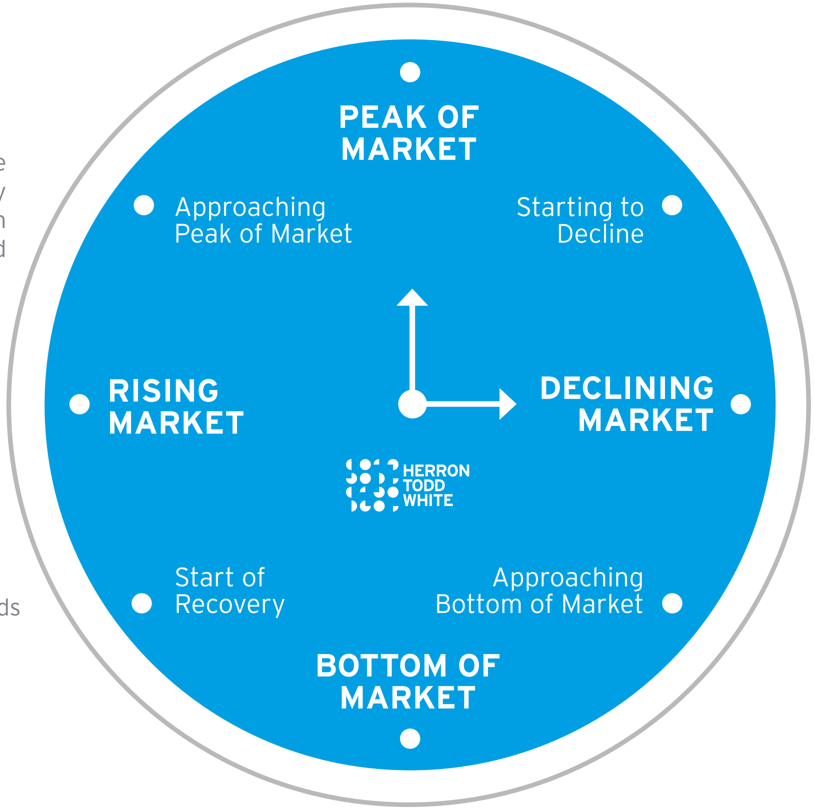
Albury
Ballina/Byron Bay
Canberra
Coffs Harbour
Geelong
Hobart
Illawarra
Lismore
Wodonga

Southern Highlands
Sydney

Sthn Tablelands

Cairns
Darwin
Dubbo
Emerald
Esperance
Geraldton
Karratha
Rockhampton
Townsville
Whitsunday

Broome
Bundaberg
Fraser Coast
Gladstone
Kalgoorlie
Mackay
Perth
Port Hedland



RESIDENTIAL

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New South Wales - Residential 2023

Sydney

Sydney is well known for having some of the most sought-after suburbs in Australia, with nine of the top ten most expensive suburbs in Australia being in Sydney, according to CoreLogic's Best of the Best 2022 report. However there are opportunities for those with a lower (or "beer") budget to be able to enjoy all the benefits of living in these highly regarded localities at a significantly more affordable price.

North Western Sydney

What makes a top tier location? In the north-west of Sydney, the locals would argue that family-friendly neighbourhoods with local parks and quality local schools would be the top must haves. Much of the north-west of Sydney comprises young families starting out and upgraders with older children at primary school or high school who desire larger homes catering for everyone in the family.

One suburb that remains resilient during any market slowdown is Baulkham Hills. This suburb offers a wide variety of property ideal for families with quality parks and local schools. Much of the real estate transactions are based on being located within certain school catchments. This resilience to market forces highlights that it is a sought-after location.

The current median house price for Baulkham Hills is $1.65 million (realestate.com.au), only reducing by 2.9 per cent in the past 12 months. This is a great result given the performance of other suburbs in Sydney, with many recording over ten per cent reductions in the past 12 months. Baulkham Hills has improved some 37 per cent since the start of the pandemic in March 2020.

At the median dwelling value, you could have purchased 62 Mullane Avenue, Baulkham Hills selling for $1.635 million in April through local agent Manor Real Estate.

This property is located in the sought-after Matthew Pearce School catchment and provides four bedrooms, two bathrooms with a one-car garage and an updated interior on a 695 square metre block. This is a neat home and will serve most families well for many years to come.

Our tip, if you have the money, is to get in at the entry level of this area and knock down and rebuild. There is high demand for quality new homes in this area which in some cases exceed the value of the existing block and the cost to build the new dwelling.

Take for example 74 Burrandong Crescent, Baulkham Hills, which sold for $1.365 million in November 2022 via Response Real Estate. It's a dated three-bedroom, one-bathroom dwelling with a single garage on 696 square metres of land, a true entry level dwelling in the Matthew Pearce catchment.

74 Burrandong Crescent, Baulkham Hills Source: realestate.com.au

Contrast that sale for $1.365 million with the sale of 14 Appian Circuit, Baulkham Hills in December 2022 for $3.385 million via Uniland Real Estate. This was a new suburb record at the time.

14 Appian Circuit, Baulkham Hills Source: realestate.com.au

There are opportunities for those with a lower (or "beer") budget to be able to enjoy all the benefits of living in these highly regarded localities at a significantly more affordable price.

This property is a quality built, five-bedroom, three-bathroom dwelling with a double garage improved upon 901 square metres of land. This dwelling is seven years old and features a quality fit out. It is a short walk to Matthew Pearce School.

What the Appian Circuit sale highlights is that in this instance, there is approximately $2 million in price difference between the two properties. This is a large gap between an entry level dwelling and a quality modern home and allows for a substantial amount of room for savvy investors to build a new home and potentially profit.

North Shore

The Lower North Shore is often headlined by the affluent suburb of Mosman. Mosman is positioned on the northern side of the Sydney Harbour Bridge, approximately eight kilometres north-east of the Sydney CBD, surrounded by Sydney and Middle Harbour and with access to multiple beach areas. With numerous sales occurring above $10 million dollars each year in Mosman, including last year's $33 million record-breaking price, finding cheap property has to be considered relative to the current median house price of $4.9 million (realestate.com.au).

For those looking to buy into the Mosman housing market at an entry level price point, compromises will have to be made which usually include the property featuring a small land area, busy road location, basic improvements and often the lack of on-site parking. $1.75 million to $2 million is a realistic entry point in the current market, significantly less than the median house price.

A recent example of such a sale was on Spit Road in Mosman and although the sale price has yet to be confirmed, it appeared to sell for close to the auction price guide of $1.75 million. Spit Road is the main arterial road running through Mosman and this property is therefore definitely considered to be in a secondary location. The dwelling itself is a circa 1910, semi-detached residence, comprising three-bedroom, one-bathroom accommodation, positioned on a 245 square metre allotment. The dwelling has been previously renovated and features well-retained and appealing period features. It currently lacks any on-site car accommodation and with no adjacent street parking available on Spit Road, this is certainly considered detrimental to value.

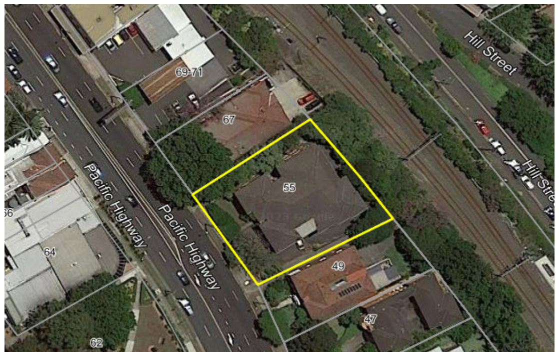
Although this entry level sale example has some less desirable attributes, it is almost one-third of the Mosman median sale price, is in close proximity to the very popular Balmoral Beach and within walking distance to shopping and restaurants in Mosman Village. It is also noted that there is potential to add immediate value to the property with a current development application lodged for on-site parking. The property previously sold in November 2016 and although renovated since, shows that capital growth is still likely to occur.

Mosman entry level sale Source: realestate.com.au

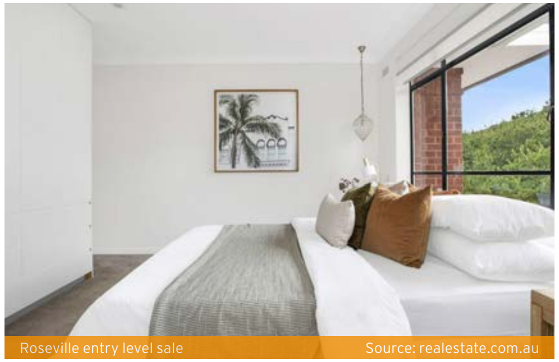
Roseville on Sydney's Upper North Shore is another very prominent suburb, positioned approximately 12 kilometres north-west of the Sydney CBD, with access to a main train line, bus routes and multiple highly regarded schools. As with Mosman, entry level price points are all relative to the median price of an area, which is currently $3.625 million for houses and $924,000 for units in Roseville (realestate.com.au).

Entry level buyers are more common in Roseville with opportunities more common in the unit market due to older style developments presenting lower price points for potential buyers. We see first time homebuyers, downsizers and investors active at the entry level price point with the appeal of buying into a highly regarded suburb at a relatively low price being very enticing. $600,000 is around the entry mark for a unit in Roseville with sacrifices made including an older style unit complex, busy road location and sometimes impacted by rail noise.

One such example is the recent sale of a unit at 55 Pacific Highway, Roseville, on an arterial road adjacent to a rail line at the rear, selling in February this year for $650,000. The unit itself comprises one-bedroom, one-bathroom accommodation with an enclosed balcony and single lock-up garage, in an older style, circa 1960, walk-up brick complex. This unit actually features a basic renovated kitchen and bathroom, putting it slightly above the lowest entry point, although is indicative of the property style at the lower end of the market.



Roseville entry level sale Source: CoreLogic


Roseville entry level sale Source: realestate.com.au

The appeal of this entry level price in the Roseville unit market is potential capital growth due to the relatively strong demand in such a highly regarded suburb that has all the basic investment fundamentals. For investors, current strong rental growth has improved yields significantly and with the interest rate cycle appearing to be near the peak, confidence has improved in the unit investment sector all over the North Shore.

Northern Beaches

Manly is arguably the most iconic and sought-after suburb on the Northern Beaches at any price level or property type. This bustling suburb offers a variety of attractions, including the famous Manly Beach, great shopping and dining options and easy access to the city.

In order to recognize and appreciate value, we first require a baseline understanding of local market and the median price for each property type. The median house price is currently sitting around $3.85 million and more specifically, $3.6 million for a three-bedroom dwelling and $5.075 million for a four-bedroom dwelling. The median unit price is $1.85 million – $950,000 for a one-bedroom, $1,812,500 for a two-bedroom and $2.875 million for a three-bedroom unit (realestate.com.au).

A property at 30 George Street, Manly, sold on 22 March 2023 for $2.65 million and represents the bottom end of the Manly housing market. It is the lowest freehold Torrens title sale this year and the seventh lowest transaction over the past 12 months (CoreLogic). The sale comprises a circa 1915 federation style, semi-detached, three-bedroom, one-bathroom dwelling situated on a 186 square metre parcel of land. The major drawbacks to the property are the semi-detached style, internal dwelling size, small rear yard and lack of off-street parking - all culminating in reducing the marketability and eventual sale price.


30 George Street, Manly Source: CoreLogic

6/22 Malvern Avenue, Manly, sold in March 2023 for $785,000 and represents the bottom end of the Manly unit market. The sale comprises a circa 1960s, semi-modern, one-bedroom, one-bathroom, one-car unit, ideally situated one block away from Manly Beach. The compromise you ask? It provides a combined indoor and outdoor strata area of only 34 square metres. It last traded in February 2013 for $427,000 and has a current asking rent of $575 per week (3.8 per cent) so still offers reasonable capital growth and rental yield prospects, even though it may be viewed by some lenders as a higher risk asset due to its small living size.


6/22 Malvern Avenue, Manly Source: CoreLogic

Manly is as blue-chip and resilient as they come. The suburb historically outperforms the Northern Beaches LGA as a whole and there aren't many reasons to justify compromising on other aspects of a property that wouldn't be offset by the location, particularly for an investor. The main factor and consideration generally becomes an affordability issue. Owner-occupiers traditionally outgrow their entry level homes and that next leap up is often too high a price and their growing family needs often outweigh the lifestyle convenience Manly offers.

Inner West

The Balmain Peninsula which incorporates the suburbs of Birchgrove, Balmain East and Balmain are considered to be the best locations in the inner west of Sydney (from a value per square metre of land basis). The area is sought after given its proximity to the Sydney CBD as well as its waterfront position and relatively easy access into the city via Sydney ferries and buses. Additionally, its main shopping village along Darling Street comprises a number of well-regarded restaurants, cafes, boutique shops and bars. Given its proximity to water and the CBD, many homes appreciate harbour, water or Sydney city views incorporating the Sydney Harbour Bridge.

A typical three-bedroom house in the area is generally situated on a land allotment between 100 and 200 square metres and depending on aspect, attachment style, view, street frontage and overall finish, typically sells in the range of $1.8 million to $2.8 million. Extensively renovated or well-positioned properties sell above the $3 million price point.

A property at 16 Ferdinand Street, Birchgrove sold for $2.12 million in January comprising three-bedroom accommodation situated on a 108 square metre allotment, representing a typical sale of a three-bedroom updated house in the area.

16 Ferdinand Street, Birchgrove Source: realestate.com.au

Representing the upper market value segment of a three-bedroom house in the area is 46 Birchgrove Road, Balmain, which sold for $3,912,500 in December 2022 and comprises a three-bedroom dwelling situated on a 148 square metre allotment.

Townhouse and lower density unit development is more prevalent in the area in comparison to higher density apartments and a typical three-bedroom strata titled property would sell for between $1.3 million and $2.3 million, depending on age, size, level of finish and view or aspect. Units or townhouses which appreciate harbour or city views or comprise a high level of finish can sell in the $3 million plus range.

A property at 113/10 Dick Street, Balmain, which sold for $1.658 million in January, represents a typical sale of a three-bedroom townhouse in the area, while 8/169 Darling Street, Balmain, which sold for $3.194 million in January, represents the upper market value segment of three-bedroom townhouses in the area.

113/10 Dick Street, Balmain Source: realestate.com.au

In terms of absolute entry level houses in the area, a one-bedroom house at 60 Church Street, Birchgrove sold for $1.27 million in December 2022. The property offers no parking and is situated on a 120 square metre land allotment. The dwelling is of a weatherboard construction and is well positioned near Darling Street village and local parkland and waterfront reserves. At the entry level of $1.2 million, buyers of houses in the area would expect to either undertake an extensive renovation or as per the example provided at 60 Church Street, purchase a house with minimal accommodation.

60 Church Street, Birchgrove Source: realestate.com.au

In comparison to nearby, less sought-after areas such as Rozelle and Lilyfield, buyers can expect larger two-bedroom dwellings on larger land allotments for a similar value range. The question of which offers more value for money is ultimately decided by the market, however from an investment standpoint, generally a two-bedroom house in Lilyfield or Rozelle would offer a higher rental return than a one-bedroom house in Birchgrove.

Capital values in these more sought-after suburbs have generally been strong over the course of the past ten years, although are experiencing general market volatility during this time. From a long-term investment perspective, an entry level property in the area may appreciate more in value over time in comparison to a better house in a less sought-after location. This is the case whether the house is used as a home or strictly as an investment.

From a long-term investment perspective, an entry level property in the area may appreciate more in value over time in comparison to a better house in a less sought-after location.

HERRON TODD WHITE RESIDENTIAL

Inner Sydney

It's common knowledge that life in inner Sydney is expensive, but like everywhere, some parts of town are better than others. Enter, Point Piper – widely regarded as Australia's most expensive suburb. Point Piper is a small suburb situated on a point jutting out into the harbour approximately five kilometres east of the Sydney CBD. Its geographical position as an elevated point between Double Bay and Rose Bay enables most properties to capture views of some degree with west-facing properties being treated to the full city skyline, often with good Harbour Bridge and Opera House vistas.

In addition, the suburb has proximity to some of Sydney's best private schools and is well connected to the CBD and eastern beaches via New South Head Road. The suburb comprises a mixture of small to medium scale apartment blocks and medium to large homes.

Typically, units in Point Piper start at around $3 million and houses at around $7 million, however very occasionally lower priced properties offer an entry to this tightly held market. The most recent of these was 1/16 Wolseley Road, which sold in September 2022 for $1.32 million. This property is a 75 square metre, one-bedroom, one-bathroom unit with no parking in an Art Deco building. The unit appears to have been updated in around 2010, however retains many period details such as timberwork and ornate ceilings.

1/16-18 Wolseley Road, Point Piper Source: CoreLogic

In a location such as this, any entry level property is going to force compromises and, in this instance, the obvious ones are the single bedroom and lack of car accommodation. Furthermore, whilst this unit has a Point Piper address, it is situated on the local thoroughfare into and out of the suburb and is within a stone's throw of a major arterial road and notorious school traffic hot spot.

Given that the previous sale of this property was for $1.2 million in March 2020, just prior to the initial wave of the pandemic, it is clear that this type of property does suit some people's needs and investment strategies. However had this money been invested in a slightly less premium location but in a property with broader market appeal (and taking into account the performance of the market over this timeframe), there would have been potential for a larger return to be realised.

Eastern Suburbs

When it comes to champagne locations on the ocean side of the eastern suburbs, they don't come much better than the suburb of Bronte. With its own beach along with close proximity to other eastern beaches, cafes and schools, it is easy to see why it's such a prized locality.

In April, 3 Tipper Avenue sold for an undisclosed amount close to $30 million after previously selling in June 2019 for $16.8 million. Comprising a large modern home with six bedrooms, four bathrooms, a two-car garage and swimming pool, the property enjoys good ocean, beach and coastline views along with close proximity to Bronte Beach.

Whilst the above sale sets a new benchmark for prestige properties in the locality, there have been a number of trophy home sales in the suburb over the past few years, but for those of us without that type of budget, there are still some affordable options in Bronte, although there are some comprises that will need to be made.

While the current median house price in Bronte sits at $5.2 million according to realeastate.com.au, there are some good opportunities below this price level.

A single-level Federation bungalow at 353 Bronte Road sold in March for an undisclosed amount just above $3 million. The property was internally renovated and comprised three bedrooms, one bathroom and a one-car uncovered car space, however had a small 329 square metre block that was triangular shaped and was positioned on a busy local thoroughfare. The property was most recently listed for rent in March 2021 for $1575 per week.


353 Bronte Road, Bronte Source: CoreLogic

If $3 million is still out of your budget but your heart is set on the lifestyle Bronte provides, then there are plenty of unit options available which are significantly more affordable, with the median unit price in Bronte sitting at $1.515 million.

In March, an updated studio with bathroom and car space sold for $600,000. The unit was set at the rear of a lowrise 1970s complex with ground floor retail, positioned on a busy thoroughfare and provided a total living and balcony area of 39 square metres. The unit was rented at $450 per week on an expired lease, providing a gross yield of 3.9 per cent, which would likely increase if the property was placed back on the market for lease.

12/38-40 Macpherson Street, Bronte Source: CoreLogic

Further along Macpherson Street in a quieter section closer to the beach, 6/153 Macpherson Street sold for $1.28 million in February. The 65 square metre top floor unit with two bedrooms, one bathroom and single car space in a lowrise Spanish Mission block was in updated condition and benefited from a common rooftop terrace which appreciates district and ocean views. This type of accommodation would likely achieve $800 to $850 per week rent, or a gross return of around 3.4 per cent.

Whilst rental yields may not be as strong in Bronte as some other investor hot spots, with a current one per cent vacancy rate for the suburb (SQM Research) and solid capital growth prospects, the suburb remains popular with investors as well as owner-occupiers.

Southern Sydney

The best locations in the St George and Bayside areas are typically in close proximity to bay or riverside streets. A suburb such as Connells Point comprises particularly premium streets such as Queens Road and waterfront allotments on Terry Street. Another suburb, Blakehurst, is a highly sought-after location which comprises some prized streets (at eye-watering prices) such as Townson Street, Pleasant Way, Stuart Street and Fletcher Avenue.

Moving along to the bay, Sans Souci and Ramsgate Beach are suburbs with multiple price points which mainly vary due to sub-locations within these suburbs. We consider the best streets in these suburbs to be Vista Street, The Promenade, Ida Street and Hawthorne Parade.

Kyle Bay is also a tightly-held suburb with strong demand, with in-demand streets such as Kyle Parade, Merriman Street, Riverview Avenue and Boronia Street.

Sandringham and Dolls Point have limited dwellings available (approximately 1500 homes) in the most sought-after location in the St George and Bayside region, with properties selling rapidly and with achieved price points generally above expectations. The premium streets are considered to be Riverside Drive, Carruthers Drive and Primrose Avenue.

The primary appeal is that these locations are predominately beachside or waterside locations. They are tightly held pockets comprising of typically larger, appealing dwellings in quiet, suburban locations no further than 10 to 20 kilometres from the Sydney CBD. Comparatively speaking, the majority of these locations are typically cheaper for waterside living compared to beachside or waterside locations in the Sutherland Shire, eastern suburbs or Northern Beaches.

We consider the price point for a typical older dwelling in these areas to be $1.6 million to $2.1 million, subject to various factors such as location and land area. We consider the price point for a larger home to be in the vicinity of $2.7 million to $3.5 million. High quality homes situated in premium streets will fetch between $5 million and $10 million, depending on multiple factors and considerations.

15 Rawson Street, Sans Souci sold in February for $2.115 million
Source: CoreLogic

Typical unit products sit between $600,000 and $800,000, whilst villas range in value between $950,000 and $1.45 million. Near-new or brand new duplexes are worth approximately $2.3 million to $2.7 million. The absolute entry level points in these areas are in the unit and villa markets. Original two-bedroom villas range between $900,000 and $950,000, while one- to two-bedroom original smaller units are worth $500,000 to $620,000. Dated smaller houses on blocks spanning between 350 and 500 square metres are worth between $1.35 million and $1.5 million.


1/142 Chuter Street, Sans Souci sold in March for $620,000 Source: CoreLogic

The mentioned locations are typically patchy given the disparity of street quality amongst these areas. Therefore, in order to ascertain an affordable property in these areas, position, land size and property condition may be compromises to consider.

To a savvy investor, these compromises may be feasible. The price point differences between original properties and renovated properties could prove to be lucrative due to market demand and the general population demographic in these pockets. For example, an original villa may cost $900,000 to $1 million, but a renovated villa will sell for approximately $1.3 million.

Properties within a "beer budget" are lower-risk, quite affordable and appeal for a multitude of reasons such as low entry cost, value growth potential (factoring in renovation works), high yield given that the local rental market has increased significantly and most importantly, these areas are quite a nice place to live, being situated close to the bayside or beachside with good local schools, low crime rates, parks, services, amenities and in close proximity to the Sydney CBD.

The difference between buying or investing in these areas would be price point. There is quite a significant difference in price points between buying a home as opposed to an investment property. Investment properties may be cheaper, but in almost all circumstances, require some form of internal or external renovation.

Family homes in these locations are highly sought-after given their in-demand location along with market hesitancy surrounding inflated construction costs. This is primarily why there is a significant price point difference between these two products.

Shaun Thomas
Director

Clarence Valley

In the Clarence Valley there is a good variety of location type to choose from. There are beautiful coastal villages, river, farming or mountain bush retreat locations to suit a variety of interests.

Yamba Hill is definitely a sought-after location due to the close proximity to beaches, shopping and Clarence River activities. This location offers excellent views to see the sunrise and sunset. Generally an older style house will sell between $1.2 million and $1.4 million and a simple two-bed unit for around $750,000. However recently a simple two-bed unit sold for a low price of $597,500 very close to Yamba Hill with no views. For this particular unit, the location is still close to Yamba Hill and the beaches. By buying at the low end near Yamba Hill, there is a strong probability of good demand if the owners ever sell.

On the northern side of the Clarence River and also close to the ocean is the quiet coastal town of Iluka. Fishing, surfing and national park trekking are popular activities in this holiday location. A typical residential dwelling will cost around $700,000 to $900,000 and a two-bed unit around $600,000. At the very low end, a basic unit near the bay could be purchased for around $500,000. A new land estate is listing blocks between $350,000 and $400,000. During times of economic downturn this location tends to be impacted by longer selling periods.

Down the coast a little is the seaside village of Brooms Head. Elevated views to the east are of the ocean and to the west are of the national park. Native animals are free to roam and life seems easy in this friendly village. Typical houses usually sell between $700,000 and $850,000 and houses with an ocean view can expect to fetch $1.7 million to $2 million. Units are in limited supply but recently a simple one-bed close to the beach sold for around $480,000. A vacant land parcel sold for around $470,000. Areas like this provide a wonderful opportunity for a lifestyle close to nature and the beach and demand for these areas can be expected to remain good.

Simon Evans
Property Valuer

Coffs Harbour

Coffs Harbour is one of the few locations where the mountains meet the sea which has the advantage of providing both seaside and rural living lifestyle opportunities. It is not rocket science – the most popular areas are the beachside suburbs and in particular the ones located close to services, shopping and restaurants. The three locations which tick these boxes are Sawtell to the south, the Jetty precinct in Coffs Harbour and Woolgoolga to the north.

Sawtell and Woolgoolga have that small village appeal with access to popular swimming and surfing

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beaches plus all the benefits of services, restaurants and schools. Both these locations comprise the fringe residential property with the core prestige property being closest to the village and beaches. Entry level for a typical renovator's delight would start at $1 million, moving up as you get closer to the beach or the quality of home improves.

Woolgoolga benefits from being more undulating with ocean views available from higher elevations in several streets, whilst Sawtell has very few elevated positions which afford ocean views. Woolgoolga has recently seen a record sale in one of the more popular streets. 48 Ocean Street achieved $4.5 million for a contemporary six-bedroom, three-bathroom home with double garage and pool set on 1012 square metres with 180-degree extensive ocean and headland views located 700 metres from the main village and beach. For the budget buyers, we now have to lower our expectations to unit living and more modest two-bedroom units of varying age and size which start at around $500,000. These are still well located around the village centre with easy access to the beach and town.

Sawtell's highest sale within the past two years was 18 Honeysuckle Street for $2.715 million, being a renovated older style dwelling, which comprised the more traditional four-bedroom, two-bathroom and three-car accommodation set on 538 square metres backing onto beach reserve and a 200 metre walk from the main village. Again, entry level properties are the older style units which start at around $350,000 for a circa 30 square metre studio unit to the more traditional two-bedroom, one-bathroom units which achieve $500,000 plus depending on age and size.

The other popular town location is the Jetty precinct in Coffs Harbour overlooking the harbour which affords good ocean and harbour views from the elevated street positions plus easy access to the local restaurants and major facilities at Coffs Harbour centre. Similar to Sawtell and Woolgoolga, entry level for a home is around $1 million with older style one- and two-bedroom units again being the budget option. The highest recorded dwelling sale was 147 Edinburgh Street for $3.25 million for a large contemporary six-bedroom, four-bathroom, six-car accommodation, and pool with good ocean views set on 1062 square metres.

Whether investing or for owner-occupation, you cannot go wrong in any of these three locations. Buy what you can afford, and the rental demand will always be strong and long term capital gains are assured.

There are many other locations in the region which are also safe bets including the northern beaches (Moonee Beach, Sapphire Beach and Emerald Beach). All these areas offer elevated positions close to the beach with ocean views and property values which exceed $3 million for the prestige positions and homes. The entry level property of course will be further from the beach with no views and require extensive renovations. Again, you will struggle to find too much under the $1 million mark.

Grant Oxenford
Director

Whether investing or for owner-occupation, you cannot go wrong in any of these three locations. Buy what you can afford, and the rental demand will always be strong and long term capital gains are assured.

Newcastle

Newcastle is a well-placed, well-priced location positioned on the coast. Like all coastal towns and cities, demand for beachside living is high, offering all types of property to suit prospective new owners. The range varies from one-bedroom studios to large architecturally designed residences. Suburbs such as Merewether, Bar Beach and Newcastle East are in high demand and values reflect the locations.

These suburbs are within walking distance to many different beaches along the coastline as well as close to employment zones and retail. The added attraction is the topography. As parts of the area are quite hilly, properties with elevated views of the ocean are as attractive as those closest to the beach.

Values in the most popular beachside locations vary considerably from entry level at around $600,000 to over $9 million for prime prestige dwellings. Each suburb has its defined characteristics, ranging from units in Newcastle East to older units and prestige dwellings in Merewether.

The entry level to beach suburbs is not cheap as some of the currently marketed properties show. 103/9 Watt Street, Newcastle is currently on the market for $550,000 providing a one-bedroom unit with no views located in the heart of the city. At this price point, it's considered entry level and a stepping stone towards the beach.

If Merewether is your location, entry level is much higher such as 4/42 Morgan Street currently being marketed for $649,000, providing an older ground floor, two-bedroom unit. Compare this to entry level two-bedroom dwellings such as 47 Wilton Street at a guide of $880,000 to $960,000.

When considering these expensive suburbs, a number of compromises can be entertained in order to get a foot in the door. These are usually location or quality. Location is very relevant in beachside suburbs as the further the distance from the beach, the lower the base level value. The compromise is probably being a car drive from the beach rather than walking distance. The alternative is quality. As with most beachside locations, there are many properties that have long term ownership and these may not be modern. Considering a property in need of renovation is a way of buying at a lower price point, however it comes with the likelihood of an expensive renovation project or lower quality of living standards.

Compromise on quality of life is always a difficult consideration when purchasing a property. The simple response is one of duration. Is the purchase short term to get into the suburb before moving on or is it longer term? Is the property market improving or declining? Purchasing in one of the more desirable locationsmay well be a stepping stone to something bigger when values increase and moving to an adjacent suburb later where values are slightly lower will enable a better property to be acquired.

The slight downside with these locations is that investments most likely will provide less attractive returns as the purchase price will be high and the rent may well be there to pay the mortgage and little else. For this reason, the majority of property in Merewether and Bar Beach is owner-occupied. Newcastle East has a high number of units with a higher tenant percentage, but the cost to buy the investment is also high with less attractive returns than say a suburb further from the coast.

8 Berner Street, Merewether Source: realestate.com.au

8 Berner Street, Merewether Source: realestate.com.au

Prestige living by the coast is always for those dreaming of location and beach views and 8 Berner Street, Merewether at an asking price of $12 million is saved for those looking for something special.

11 Rose St, Merewether Source: realestate.com.au

And finally for those trying to get a bargain, 11 Rose Street is a bidder's dream of hoping everyone else has the auction date wrong and a bargain is possible.

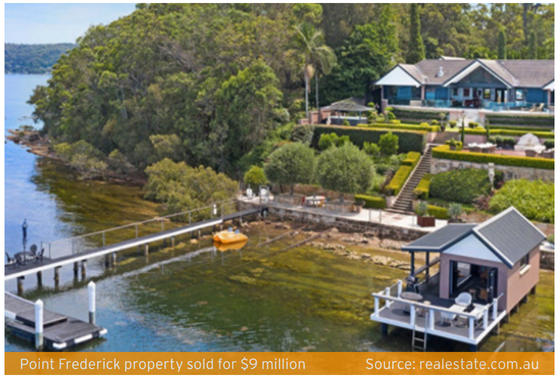
Darren Sims
Property Valuer

Central Coast

The Central Coast region is between the greater Sydney metropolitan area and the Hunter region which makes it a great and interesting connector between these two vastly different but similar locations when considering the variety of property types available. This can range from beach and lakeside locations, rural residential locations and standard.

Sale prices at the upper end of the market can be seen in the beach or lakeside locations which can include Pearl Beach, MacMasters Beach, Avoca Beach, North Avoca, Terrigal, Wamberal, Toowoon Bay, Blue Bay and Norah Head. Away from the beaches and into the prestige rural residential locations across the region, locations such as Matcham, Holgate, Glenning Valley, Jilliby, Yarramalong and Dooralong come to mind.

To start, a vacant beachfront parcel was recently purchased at Pearl Beach for $6.2 million and this provides a good indication of base values for beachfront properties at the southern end of the region. Pearl Beach is a location favoured by those looking for peace and solitude in a village atmosphere. An unexpected sale at $9 million occurred in the sought-after location of Point Frederick. The property is a double sized lot with a renovated dwelling, detached guest accommodation, boat shed and jetty. Point Frederick is close to the Gosford CBD, where doctors, lawyers and businesspeople choose to live.



Point Frederick property sold for $9 million Source: realestate.com.au

A beachfront sale has been recorded at MacMasters Beach for $13.5 million, while another beachfront has been sold at North Avoca for $10.85 million. These locations both offer good value and have low turnover. Similar values have been seen at Avoca Beach which attracts a lot of attention and beachfront properties coming onto the market are quickly sold.

The Central Coast Region also boasts more than a few lovely rural residential locations that offer excellent value with privacy and amenity to boot. By far, the suburb of Matcham has long held the title of the region's most prestigious rural lifestyle location. Providing a similar standard of property to some of Sydney's north-western or the state's Southern Highlands rural lifestyle properties, Matcham has it all without the need for the long drive. A 5000 square metre property on Oak Road with a pavilion style dwelling housing seven bedrooms, large undercover entertaining areas and pool recently sold for $4.56 million.

Further north and we have noted the sale of a well-presented rural lifestyle property at Glenning Valley for $3.55 million.

Glenning Valley property sold for $3.55 million Source: realestate.com.au

Another sale further to the northern end of the region occurred at Jilliby at $3.9 million. The property is one hectare with a large, resort-style four-bedroom, five-bathroom dwelling, a pool and shedding.

These are just some examples of higher priced dwellings and rural lifestyle properties, but the region also provides some good unit and apartment accommodation of note.

A first-floor unit in a just-completed complex in the heart of Terrigal sold for $2.55 million. It provides three bedrooms and corridor ocean views.

Another Terrigal unit sold for $6.5 million. This unit is within the managed Star of the Sea complex where amenities are extensive. The unit is at the front of the complex with four bedrooms, three bathrooms and very good ocean views. Staying in Terrigal, a three-bedroom, two-bathroom unit on the edge of the town centre has also been sold for $5.4 million.

These provide an indication of the region's high end unit sales. Although the examples relate to Terrigal, we have noted there are other sales representing the higher end of the market in other locations across the region. Terrigal however, is once again becoming a destination of choice for high end property. This follows a lull in any meaningful and sustained period of activity for a number of years.

At the other end of the discussion for real estate values is the lower end values popular with first homebuyers and investors. The lower end of the value scale is generally thought to be concentrated towards the northern end of the region, away from the coastal strip and prestige rural residential areas where an equally plentiful choice of property is available.

To start with, a two storey, four-bedroom dwelling with incomplete renovations recently sold for $471,000 and this is good value in an area that is reinventing itself as an affordable and handy location.

We've also seen that an older style, three-bedroom dwelling on a small 371 square metre parcel with lake glimpses sold for $575,000 at Tuggerawong which is an older suburb on the western side of Tuggerah Lake.

Towards the southern end of the region at Saratoga, an older style three-bedroom dwelling fronting a busy road sold for $600,000. The dwelling appears to be dated, but a sale price at this level is rare for Saratoga.

The Central Coast Region also boasts more than a few lovely rural residential locations that offer excellent value with privacy and amenity to boot.

When looking at the lower end of the unit market, we have seen numerous examples of sales below $500,000. This is far from the benchmark value spoken of several years ago in the pre-boom time when we were saying the bottom of the value range was around the $300,000 mark, but that was then.

Syd Triggs
Director

Illawarra

Access to, and views of, the Pacific Ocean are what really drives up residential property values in the Illawarra. Other attributes of some of our prestige locations are exclusivity and proximity to Sydney. We've identified the northern beaches from Thirroul up to Stanwell Park, Cliff Road in Wollongong, Gerroa and the Berry region as the Illawarra's best locations. Below we discuss each area and identify what absolute entry level is into these areas.

Up on the northern beaches, the median house price was $1.87 million in Thirroul and $2.06 million in Stanwell Park in January according to RP Data. This area is attractive due to its commutable distance to Sydney with the trip from Thirroul to Central Station taking approximately one hour and 15 minutes. It is also a very narrow corridor bordered by the Illawarra Escarpment and the Pacific Ocean, which means that many properties enjoy striking views and the time it takes to reach a great beach is under five minutes for most residents. This area is relatively broad however and hidden away are some beer budget gems that don't stretch the bank balance quite as far as the median. There is a sprinkling of unit blocks around Thirroul with one and two-bedroom units occasionally available for $800,000 to $900,000 and entry level housing comes along at around $1.2 million for moderately sloping blocks and old unrenovated dwellings.

Wollongong Council advises that the Blue Mile stretches from Stuart Park in the north to Wollongong Golf Club in the south and it has developed a shared pathway for residents and visitors to enjoy the beauty of the harbour and the northern and city beaches. Cliff Road is the prime residential strip fronting the Blue Mile and encompasses some of the region's finest and most exclusive residential unit complexes. At the end of 2022, Cliff Road recorded three residential units sales between $4 million and $5 million. The biggest compromise to make on Cliff Road is a view. Some complexes have rear units that don't enjoy ocean views and when you match the lack of view with a small, older, renovated, one-bedroom unit, you get an entry price of around $750,000.

Gerroa has recently become known as one of the South Coast's most desirable locations with its median sale price peaking at $3.5 million in September 2022 according to RP Data. Being approximately two hours' drive from Sydney, it is an easy distance that makes it a popular weekend getaway spot. Its elevated geography provides many of its properties with expansive views to the north or to the south of the famous Seven Mile Beach. This is the main reason behind the rise in sales of properties over $5 million since 2020, topped out in October 2021 with the sale of 138 Headland Drive for $7.1 million. How can you get into the Gerroa property market on a beer budget? What many people don't know is that tucked away on Bland Place, Riverleigh Avenue and Stafford Street are a small number of older circa 1970s low-rise unit complexes. Units in these blocks surely represent the absolute entry level but the problem becomes getting your hands on one as they are extremely tightly held with only five-unit sales occurring since the beginning of 2015.

Chris McKenna
Region Director

Shoalhaven

Many economic experts are predicting that inflation has reached its peak and is showing some signs of decline. This could see a halt in the raising of interest rates by the Reserve Bank of Australia in the near future which might therefore have a positive influence on the housing market. As we head towards the halfway point of 2023, let's look at some possible good buys in the Shoalhaven region.

The softening of market conditions in the Shoalhaven residential property market during the second half of 2022 and into 2023 has resulted in many sectors and areas in the region seeing a significant decrease in sale prices. In some instances, purchasers who bought in the heat of

The softening of market conditions in the Shoalhaven residential property market during the second half of 2022 and into 2023 has resulted in many sectors and areas in the region seeing a significant decrease in sale prices.

the market now have to sell due to the interest rate hikes during 2022 and 2023. Some regions have declined significantly, most notably around the coastal and holiday suburbs such as Vincentia, Huskisson, Culburra Beach, Callala Beach, Callala Bay, Sanctuary Point and St Georges Basin. It could be a prime time to buy in these areas as the market continues to soften and more and more properties come on the market.

The rental market remains strong in the region due to fewer and fewer rental properties being available. Agents are advising of strong interest and an abundance of rental applications obtained for new properties available for lease. Because of this, landlords can seek high rentals for their properties. It could be a good time for investors to purchase in the region, most notably around and close to the Nowra CBD and local schools around Nowra, Worrigee, South Nowra and Bomaderry.

Some vacant land sales in the new estates in South Nowra, Cambewarra and Sussex Inlet seem to have slowed in recent times. Again, it is evident that some vendors have been forced to sell their lots due to the increasing costs associated with the construction industry and the significant time delays in sourcing building materials and building a house. Some recent resales in these estates have seen minimal increases in value. It could therefore be identified as a good time to purchase vacant land as the prices seem to have stalled.

Good buying in the region is becoming more evident as we head towards the middle of 2023 with perhaps a possible bottoming out of the market and a possible pause in future interest rate rises.

Joshua Devitt
Associate Director

Albury Wodonga

Finding the worst house in the best street has been a long surviving tip in the property game for those looking to enter the market, but what happens when you want the worst house in the very best street? Can you break into the market of that champagne location or do the compromises outweigh the location benefits?

Our region of Albury Wodonga has several pockets that are considered champagne locations. For the purposes of this review, we will discuss Central Albury, lifestyle properties in Wodonga and the locality of Bright.

Central Albury has always been highly sought after with its abundance of heritage red brick homes within walking distance of the CBD. The dream of purchasing a slice of history on a large block was evident during COVID, when houses in this area performed especially well. These homes typically fetch prices between $1 million and $2 million depending on renovations, with the promise of leafy green streets in walking distance to schools, shops and cafes. Absolute entry into this market for a house currently sits at around $800,000.

623 Carrington Street, Albury sold for $1.175 million in September 2022
Source: domain.com.au

While the central Albury market can feel out of reach for those looking to enter the bottom of the market, there are nearby pockets where the entry level price is slightly lower but where you can still gain all the benefits a central Albury property can give you. The best example of this is South Albury. South Albury, for the most, is within walking distance of the main street and nearby parks and cafes. Entry into the market in this location ranges from $400,000 for a two-bedroom townhouse to $1 million for a high quality four-bedroom brick home. While you may still need to pay close to $1 million to find a central heritage style home, you are still a couple of hundred thousand dollars better off than you would be by buying for the prestige of central Albury.

While most purchases of houses in these central locations appear to be owner-occupiers, they are also popular locations for those looking to utilise Airbnb investment options. Units are highly sought after in these central locations for investment purposes.

360 Charles Street, South Albury sold for $500,000 in November 2022
Source: domain.com.au

Moving now to the other side of the border, we briefly examine the Wodonga market, or a certain segment of this market. The highest sale prices to date in 2023 are residential lifestyle properties in West Wodonga and Huon Creek. There is high demand for block sizes of 2000 to 5000 square metres with a price point of $1.2 million to $2 million, appealing to those wanting a shed, pool and that larger block lifestyle. To gain entry into these areas, some buyers have chosen homes that are smaller, of a lower quality or have unfinished yards. The alternative to this is buying further out of town in locations such as Barnawartha and Baranduda. These properties are typically bought by owner-occupiers.

13 Archer Circuit, Wodonga sold for $1.92 million in April 2023 and sits on 2195 square metres
Source: domain.com.au

4 Koala Court, Baranduda sold for $995,000 in December 2022 and sits on 5130 square metres
Source: domain.com.au

While there is no escape from the high price of the township itself, there are some nearby towns where you can enter the market at an achievable price while still benefiting from the beauty and attractions the area offers.

Finally, the champagne location that has continued to hold its reputation as a prestige market is Bright. Bright lies 95 kilometres south of Wodonga and is driven by tourism due to its proximity to the snowfields and its picture-perfect looks. Bright attracts local buyers as well as investors looking to maximise profits from rentals and Airbnbs.

While there is no escape from the high price of the township itself, there are some nearby towns where you can enter the market at an achievable price while still benefiting from the beauty and attractions the area offers. However, this does mean giving up the ability to walk to the Bright CBD and the exclusiveness of owning property in this well-loved location. Porepunkah is located seven kilometres north-west of Bright and has performed well over recent years due to its proximity to Bright. House prices in Porepunkah remain approximately 30 per cent lower than Bright.

19 Delany Avenue, Bright sold for $1.25 million in December 2022
Source: domain.com.au

5 Chandler Court, Porepunkah sold for $850,000 in January 2023
Source: domain.com.au

Overall, the main compromise in entering these champagne locations on a beer budget is quality and even then, the price may just not add up. Moving slightly to one side and accepting the next best location where you can tick off the rest of your wish list may be the way to go.

Vanessa West
Valuer

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Victoria - Residential 2023

Melbourne

What is a property buyer's dream? Most if not all of us property buyers want the best houses in the best streets. But for a number of us, what if our dream of living in a champagne location is completely out of our reach as we only have a beer budget?

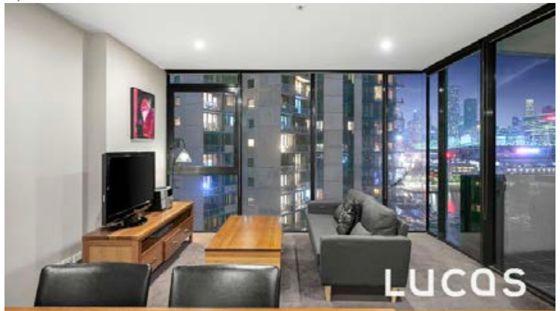
In this month's topic we are going to explore some Melbourne and Geelong suburbs to show you where you may be able to get the best bang for your buck, what compromises you may have to make and what you will get if indeed you do decide to stretch that budget a bit (or a lot) further. Plus we will tantalise you with a couple of extra special houses, just to test your willpower!

Melbourne CBD and Inner City
Melbourne's CBD is the lively heart of Melbourne, known for its vibrant atmosphere and iconic landmarks. It is home to many of Melbourne's major businesses, shops and restaurants. There are many must-visit attractions in the CBD, such as Flinders Street Station, Federation Square and the Royal Botanic Gardens. The CBD is also home to some of Melbourne's most popular shopping destinations, including Bourke Street Mall and the Emporium Melbourne. Arguably some of the best suburbs close to the CBD are Brunswick, Richmond and Northcote.

Docklands is a waterfront suburb located on the western fringe of the Melbourne CBD which offers affordable apartments to both owner-occupiers and investors. The median unit price in Docklands is $640,000, up 7.6 per cent from last year.

Notably, investors have returned to this market as the rental market normalises to pre-pandemic levels, with the median rent for a two-bedroom unit being $630 per week.

This unit at 305/39 Caravel Lane, Docklands with two bedrooms, two bathrooms and one secure car space sold for $697,000.



1305/39 Caravel Lane, Docklands Source: realestate.com.au

1305/39 Caravel Lane, Docklands Source: realestate.com.au

Richmond is a popular suburb located on the inner-eastern fringe of Melbourne. Richmond is also a popular destination for sports fans with its close proximity to the Melbourne Cricket Ground and the Melbourne Olympic Park. The suburb is well-connected to public transport links, making it easy to get around the city. The median house price is $1.42 million, down 4.1 per cent from last year.

There is a stunning Victorian style period home up for sale in Richmond, featuring an open-plan family room, high ceilings and a pool on 414 square metres of land. This property is listed at $2.3 million to $2.5 million, offering buyers the ultimate Richmond living experience.

13 Muir Street, Richmond Source: realestate.com.au

Investors have returned to this market as the rental market normalises to pre-pandemic levels.

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13 Muir Street, Richmond Source: realestate.com.au

Northcote is a dynamic, multicultural suburb situated in Melbourne's inner north. It's renowned for its diverse community, exceptional cafes and restaurants and thriving arts and live music scene. Northcote is home to numerous independent shops and boutiques, as well as independent delis and gourmet butchers.

The suburb is well-connected to public transport links, including several tram and train stations. The area also boasts many parks and green spaces, such as All Nations Park and Merri Creek Trail.

The median house price is $1.65 million, which is down 6.4 per cent from last year. Presently, there is an attractive single level, fully renovated, free standing Victorian style dwelling on the market with a modern interior, a wrap-around porch, formal lounge and rear alfresco. The property is listed at $1.35 million to $1.485 million and is conveniently located near Northcote shopping plaza and All Nations Park.

59 Jenkins Street, Northcote Source: realestate.com.au

59 Jenkins Street, Northcote Source: realestate.com.au

South East

As a result of their proximity to Melbourne's CBD and stunning beaches, south-east Melbourne and the Peninsula regions are some of the most attractive places in Melbourne.

Portsea is an expensive and exclusive suburb ideal for those looking to live by the coast. On the other hand, suburbs such as Clayton are a good option if you want to live near Melbourne's CBD on a beer budget.

Northcote is well-connected to public transport links, including several tram and train stations. The area also boasts many parks and green spaces, such as All Nations Park and Merri Creek Trail.

Portsea is a coastal suburb located at the bottom of the Mornington Peninsula. It is known for its beautiful beaches, scenic coastal walks and luxurious coastal homes. Portsea is a popular destination for retirees and people looking for a home away from the city. It remains one of Victoria's most prestigious locations tucked away at the bottom of the Mornington Peninsula. The median house price is $3.25 million, down 11.6 per cent from last year.

Currently on the market is a four-bedroom, three-bathroom house occupying 1360 square metres. This house is a great example of the type of home in the Portsea area. It is listed for $3.75 million.

Not only is this a popular suburb to reside in but it draws in those seeking a getaway or property investment.

8 Farnsworth Avenue, Portsea Source: realestate.com.au

8 Farnsworth Avenue, Portsea Source: realestate.com.au

Brighton is an affluent suburb located in south-east Melbourne, known for its beautiful beaches, high-end shopping and proximity to Melbourne's CBD.

There are both modern houses with creative architecture and historical houses that have been renovated in Brighton's housing market.

The median house price is $3.235 million, down 4.6 per cent from last year.

Currently on the market is a circa 1920's period home with three bedrooms, one bathroom and two garage spaces, occupying 703 square metres of land. This property is listed for $3.1 million to $3.4 million.

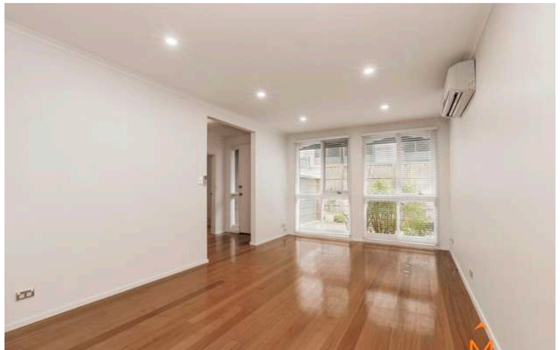
77 Halifax Street, Brighton Source: realestate.com.au

77 Halifax Street, Brighton Source: realestate.com.au

Investors could look at buying a unit in Brighton where the median price is $1.136 million, down 8.4 per cent from last year. The median rent for a three-bedroom unit is $825 for an average 3.5 per cent rental yield.

There is a unit listed with three bedrooms, one bathroom and two garage spaces close to Middle Brighton station. It is listed for $650 per week. This could be an affordable option for people trying to get into this affluent suburb.

2/54 Black Street, Brighton Source: realestate.com.au



2/54 Black Street, Brighton Source: realestate.com.au

Clayton is a well-established suburb located in the south-eastern part of Melbourne. It is approximately 35 kilometres from Melbourne's CBD with a diverse population. It's a popular destination for people wanting to live within good proximity of Melbourne's CBD as there is easy train access into the city.

Investors looking at Clayton can benefit from international students as it is home to the Monash University Clayton Campus. The median price for a house in Caulfield is $1.2 million which is at the same median as last year. The median rent for a two-bedroom unit sits at $450 per week which is up 7.1 per cent from last year.

A house currently listed providing three bedrooms, one bathroom and a two-car garage is up for auction for $950,000 to $1.045 million, which is an affordable option for those wanting a bit of land in a good location.

59 Fulton Street, Clayton Source: realestate.com.au

59 Fulton Street, Clayton Source: realestate.com.au

East

Camberwell has been long-regarded as one of the crown jewels amongst the affluent suburbs of Melbourne, with its tree-lined streets, large homes and proximity to the CBD being some of its biggest drawcards. With a median house price of $2,656,500, it goes without saying that living in this luxurious inner eastern suburb comes at a premium. Currently, the record for Camberwell's highest selling home is held by 2 Waterloo Street, a circa 1883 Victorian mansion complete with a pool, tennis court and almost 3000 square metres of private land, which sold in 2017 for no less than $12 million.

2 Waterloo Street, Camberwell sold in 2017 for $12 million Source: realestate.com.au

It will come as a surprise to many that entry to the Camberwell market is far from the multi-million-dollar median. Apartments are an affordable alternative for buyers seeking locational benefit without the large price tag.

502/1101 Toorak Road is currently advertised for sale with a price guide of $340,000 to $370,000. Buyers will however have to make a number of compromises, with size and limited amenity being at the forefront.


502/1101 Toorak Road, Camberwell Source: realestate.com.au


219/347 Camberwell Road, Camberwell Source: realestate.com.au

Those willing to increase their budget can yield greater practicality whilst maintaining prime location and affordability. 219/347 Camberwell Road, currently advertised for sale for $400,000 to $440,000, offers two bedrooms, one-bathroom, on-site parking and modern fixtures and fittings, all with the best of Camberwell at its doorstep.

For those seeking a tree change, there's no champagne location like the Yarra Valley wine region. Coldstream, a suburb on the fringe of the Yarra Valley, has a multitude of properties available, from acreage and wineries to houses and units.

At the top end of the market, 156 Victoria Road, which sold in October last year for $4.9 million, comprises over 16 hectares of green acreage and enjoys views of the mountainous wine region from every direction, but with a median house price of $780,000, buyers will find that most properties in Coldstream are well within a beer budget.


156 Victoria Road, Coldstream Source: realestate.com.au


156 Victoria Road, Coldstream Source: realestate.com.au

156 Victoria Road, Coldstream sold in October 2022 for $4.9 million.

The property at 19 Belchester Avenue, a four-bedroom family home set on 896 square metres, sold in March for $789,950, well below Melbourne's median. A major drawback of buying in this area is convenience, with CBD commuters enduring a 128-kilometre round-trip, but with working from home becoming an option for many, trading the urban convenience for a scenic and relaxed location is a feasible compromise.


19 Belchester Avenue, Coldstream sold in March 2023 for $789,950
Source: realestate.com.au, 2023


Coldstream Hills Winery, Coldstream Source: Wine Yarra Valley

Inner and Outer North

The inner and outer northern suburbs prove year after year to be outstanding locations for both living and investment. Although these are fantastic suburbs in which to purchase real estate, but what compromises will need to be made in order to purchase on a beer budget in more specifically the inner northern suburbs of Fitzroy and Abbotsford and outer northern areas of Beveridge and Mickleham?

Fitzroy is a striking area approximately 10 minutes driving distance to the CBD. Fitzroy also preserves the history of old Melbourne through its heritage shops, restaurants, houses etc. It blends the modern architecture of the present day with the beautiful rich classic architecture Melbourne is so well known for.

The median house price is circa $1,505,130 and $750,000 for apartments. If these prices are not within your budget and you are willing to compromise on the property type and size, Fitzroy also offers a fantastic middle ground between aesthetics and value. If looking for a middle ground between price and comfort, the below heritage property, although quite the price for a one-bedroom one-bathroom property, features a beautiful heritage look which is now a highly sought-after type of property and most certainly investor worthy.


22 Garfield Street, Fitzroy Source: realestate.com.au

Moving to Fitzroy North, $275,000 can get you a one-bedroom, low-rise studio apartment. However, for most this compromise is likely too great as the cramped lifestyle could be uncomfortable and capital growth incredibly challenging.


23/44 Kneen Street, Fitzroy North Source: realestate.com.au


23/44 Kneen Street, Fitzroy North Source: realestate.com.au

Much like Fitzroy, Abbotsford is also close to the CBD and features similar characteristics in terms of general house designs with many properties featuring heritage overlays whilst also having many modern developments.

Entering the property market in Abbotsford may also be a lot more affordable than surrounding areas, as the cheapest property in the area is an apartment with a price tag of $290,000. For this price point, you will have to sacrifice a parking spot, however this could be a great investment for the future with a median weekly rent of $550 for two-bedroom apartments.

811/615 Victoria Street, Abbotsford Source: realestate.com.au

811/615 Victoria Street, Abbotsford Source: realestate.com.au

Moving to the outer northern suburbs, both Beveridge and Mickleham provide buyers opportunities to purchase what would be

Townhouse by Metricon Homes, Mickleham Source: realestate.com.au

Lot 427 Timbara Estate, Beveridge Source: realestate.com.au

seen as luxury real estate in the Fitzroy and Abbotsford areas on a beer budget. In these areas you can purchase properties such as these from $530,000 in Mickleham and $520,000 in Beveridge.

Even with these prices, both of these areas have seen growth in terms of median house price over the past couple of years, despite the large parts of Victoria seeing an overall decrease in median house prices. While these houses can essentially be purchased for the same price as a two-bedroom apartment in Fitzroy or Abbotsford and offer better accommodation, purchasing in these areas puts you a lot further away from the Melbourne CBD making location somewhat of a compromise.

Buying a home and an investment in these areas is most certainly going to be different as Fitzroy or Abbotsford would be far superior for investment and Mickleham or Beveridge for buying a home.

Western Suburbs

The western suburbs of Melbourne cover a huge area, with six main municipalities. For our buyer this gives huge scope for those with varying budgets.

Western Melbourne has a beautiful mix of old-world Melbourne architecture - think of bluestone pavements, character corner pubs and stunning federation homes - and a huge influx of modern housing estates, with excellent transport links into the CBD.

Essendon is a suburb most buyers will instantly recognise, and not just for the footy team (love them or hate them!).

Only a 20-minute commute to the CBD, good schools, shops, parks and even a small airport, it is widely considered a fabulous family area however this does come with a price tag. The median four-bedroom house price in Essendon sits at a whopping $2,107,500 with a weekly rental return of only $850.

Unit prices are much more realistic with a two-bedroom unit median price of $560,000 and a weekly rental return of $410 per week.

An example is 15 Garden Street, Essendon – ripe for renovation or redevelopment - currently asking $1.489 million.

15 Garden Street, Essendon Source: realestate.com.au

15 Garden Street, Essendon Source: realestate.com.au

If you are willing to travel a little further, Tarneit is a suburb to seriously consider. By train, this developing suburb is around 30 minutes from the CBD with an expected population growth of over 7000 people between now and 203 – not bad for a suburb covering approximately 38 square kilometres.

The land in this area was formerly agricultural and is now fast being turned into estates. There are plenty of emerging opportunities to purchase and settle in the area. This is a suburb currently still offering a mid-range champagne taste without the crippling mortgage.

In Tarneit, the median price for a four-bedroom house sits at just $675,000 with a weekly rental return of $440.

A four-bedroom, two-bathroom new build like the one below at Lot 2327 Granada Drive is just $723,185.

Lot 2327 Granada Drive, Tarneit Source: Realestate.com.au

Lot 2327 Granada Drive, Tarneit Source: Realestate.com.au

The neighbouring suburb of Wyndham Vale offers even a little bit more value for money but with less amenities, population and potentially less long term growth you will need to closely weigh up your long term goals, however if you just want to get into the market, then this new build three-bedroom, two-bathroom house can get you into a beautiful home or set and forget investment now for $498,000!

Lot 129 Fawn Street, Wyndham Vale Source: realestate.com.au

Lot 129 Fawn Street, Wyndham Vale Source: realestate.com.au

The western suburbs of Melbourne absolutely demonstrate that you can live in a desirable inner-

The neighbouring suburb of Wyndham Vale offers even a little bit more value for money but with less amenities, population and potentially less long term growth you will need to closely weigh up your long term goals.

HERRON TODD WHITE RESIDENTIAL

city location but that it comes at a price. With a little bit of suburb flexibility, you can also still have your cake and eat it too!

Geelong

With Geelong considered by some as a playground for the wealthy with beautiful beaches, luxury homes, excellent transport links to the Melbourne CBD - you can be there via train in approximately one hour - and the gateway to the Surf Coast, a buyer may think that unless they are willing to go into the few less than desirable areas of Geelong, buying here is out of the question, but we can show you it is in fact not!

Our primary focus will be on modest residential properties such as houses, townhouses and units that have block sizes under 600 square metres, with two to four bedrooms. These properties offer a more affordable option for buyers and can also provide a good return for investors.

Additionally, locations such as Newtown, Belmont and East Geelong appear to be highly desirable areas for buyers seeking to reside in Geelong. These areas boast several advantages, including proximity to the CBD, elevation,

311 Autumn Street, Newton is on the market for $940,000 to $1.03 million
Source: realestate.com.au

311 Autumn Street, Newton is on the market for $940,000 to $1.03 million
Source: realestate.com.au

picturesque views, as well as access to essential facilities and services.

If you are looking for a cheaper property, you may need to compromise on the land size with bigger blocks equalling bigger prices. Another compromise may be the condition of the property and how much improvement it may need.

Newtown's median property prices over the past 12 months range from $1,192,500 for houses (see example below) to $592,500 for units. If you are looking for an investment property, houses in

16/54 Percy Street, Newtown Source: realestate.com.au

16/54 Percy Street, Newtown Source: realestate.com.au

Newtown rent out for $520 per week with an annual rental yield of 2.6 per cent and units rent for $400 per week with a rental yield of 3.6 per cent.

If you are looking for a more affordable option, then a townhouse could be a good compromise. Two-bedroom options are available for almost half the price of a detached home and produce similar investment yields with strong rental results or a more spacious option than most apartments if you are looking to live in it yourself.

16/54 Percy Street, Newtown priced between $575,000 and $595,000 with two bedrooms, one bathroom and one car space.

Belmont is another great option with the median property prices in the past 12 months being $725,000 for houses and $552,500 for units and townhouses. Alternatively, units and townhouses in Belmont rent for $397 per week, offering a slightly higher rental yield of four per cent.

Now if you have a discerning palate and compromise is not in your vocabulary, then you might be tempted by the suburb of Portarlington. This beauty could be yours for $1.68 million.

26a Willis Street, Portarlington Source: realestate.com.au

26a Willis Street, Portarlington Source: realestate.com.au

Greater Geelong is a perfect blend of diverse property for the homebuyer or investor with properties coming in at almost every price point. This is an area that should be seriously considered if a potential commute to the CBD is not out of the question.

Perron King
Director

Mildura

In the Sunraysia property market, the highest value locations are the areas fronting the Murray River, mainly located on the New South Wales side of the region in Buronga and Gol Gol, along with the immediate areas surrounding the Mildura CBD.

The allotments in Buronga and Gol Gol with direct frontage to the Murray River have attracted high values in recent times with some of the region's most prestigious dwellings being built on these properties. In recent years there have been a number of sales exceeding $2.5 million, a figure rarely reached in previous times. At this price point buyers can expect an expansive home with modern features and appealing external improvements.

Buyers wanting the waterfront views but at a cheaper entry point have the option of buying in locations more removed from Mildura such as Wentworth or Yelta. Alternatively, construction of the Mildura marina about 15 years ago created opportunities to buy compact lots with water frontage which have the advantage of being within 1.5 kilometres of the CBD. Properties within the marina lack some of the external features normally associated with the higher end river front properties and have less privacy, however come with a significantly lower entry point.

Meanwhile the area surrounding the Mildura CBD has also been popular with buyers, particularly in the downsizer market, with many retirees opting to move onto a smaller allotment in town, either within walking distance of the city centre or overlooking the Mildura golf course. Often buyers will acquire an older dwelling with high underlying land value, with plans of demolishing the older residence and building a more modern inner city townhouse. Older dwellings on 475 square metre allotments have in recent times been marketed from around $400,000 depending on the condition of the dwelling and specific location of the property. Higher end townhouses in preferred positions have been selling in a range from $700,000 to $1 million.

Alternatively, buyers looking to purchase close to the CBD without the higher end price tag have favoured the streets on the immediate south-eastern side of Deakin Avenue with properties in these areas also usually comprising of older dwellings on similar size allotments, however with an entry point more in the vicinity of $300,000 for older residences on 475 square metre allotments.

Many purchasers in the areas surrounding the Mildura CBD will purchase with longer term redevelopment in mind and treat them as investments until a later date at which time they demolish or renovate the existing dwelling and then occupy the property.

Graeme Whyte
Director

Buyers wanting the waterfront views but at a cheaper entry point have the option of buying in locations more removed from Mildura such as Wentworth or Yelta.

Warrnambool

The most desirable residential property locations in Warrnambool feature attributes related to their proximity to or views of the ocean, city centre or a river. Purchasing in these areas on a beer budget will require sacrifice of condition, land area or quality of views.

The first example at 210 Liebig Street shows a property situated in a great inner-city locale with a promising 1000 square metre allotment featuring rear lane access and notably defunct improvements. 210 Liebig sold for $810,000 in mid-March.

210 Liebig Sreett,Warrnambool Source: corelogic.com.au

The example at 76 Hickford Parade demonstrates the beer budget effect on views or aspect. This sale at $735,000 in December 2022 shows a property with improvements of a reasonable to good condition in a brand name street with only beach reserve between the subject and ocean. However no ocean views are achieved at this property which has gone some way to holding down the value.

Turning to 35 Hopkins Point Road, Warrnambool and on face value, this sale doesn't show too much in the way of compromise or sacrifice due to the beer budget.

35 Hopkins Point Road, Warrnambool Source: corelogic.com.au

Selling at $1,162,500 in March, this property seemingly offers everything you could want from a house located on the very well-regarded Hopkins Point Road – amazing views, large 8000 square metre allotment and reasonable condition of improvements. However, the improvements present as somewhat basic for this area and would appear to be undersized compared to others that have hit the market along this road.

Adrian Castle
Director

Queensland - Residential 2023

Brisbane

When it comes to champagne property on a beer budget, Brisbane should be seen as a capital city of abundance for a range of buyers.

We offer a marvellous lifestyle, fabulous accessibility and international renown while remaining eminently affordable compared to the southern capitals. Finding property within a very short commute of the Brisbane CBD at well below Sydney's median house price is easy here, which might explain why so many folks are flocking to south-east Queensland.

There are obvious compromises most buyers need to make – things such as being restricted to units or buying property in need of renovation. Houses on smaller blocks or without views will come at a lower price too. Older construction tends to be appropriately priced in most instances as well.

What we're going to look at will be some of the very best locations in Brisbane and how you can get a piece of these prized suburbs for a fraction of the usual cost. We've come up with four desirable addresses and have drilled down into what you can enjoy for well below the suburb's median price.

New Farm

As the ultra-cool regentrified urban hub of Brisbane, New Farm has advanced well beyond its occasionally dark past to now be one of the most desirable addresses in this city.

New Farm has all the good stuff – restaurants, bars, parks, riverfront... the list goes on. And all within 1.5 kilometres of the heart of the CBD. The most upwardly mobile young Brisbanites either live here or aspire to, although there's plenty of old money in New Farm as well.

We offer a marvellous lifestyle, fabulous accessibility and international renown while remaining eminently affordable compared to the southern capitals.

The median house price in New Farm is $2.71 million. A great example of this median is the sale of 235 Harcourt Street, New Farm in December last year for exactly that amount. This is a three-bed, two-bath home that's been renovated and has three-car accommodation. The property is positioned on a 487 square metre site within a couple of minutes' walk of the hugely popular James Street café and retail hub.

235 Harcourt Street, New Farm Source: relestate.com.au

Even New Farm unit buyers need to have deep pockets in many instances. There are apartments with the finest finishes and views across the river and to the CBD that will set you back millions.

So, if your budget is modest, the compromises will be around size and accommodation type.

Someone looking to spend $700,000 on a home would find something like 12/769 Brunswick Street on their shortlist. A dated but well-appointed two-bed, two-bath apartment with a large alfresco area, single garage and local outlook. You don't get a yard, but you do get a pool in the complex.

For those with a true beer budget, the cheapies are again attached housing – but you will have to seriously compromise on size.

12/56 Moreton Street, New Farm is a one-bed, one-bath, one-car unit in a converted cottage which sold for $295,000 in January this year. It's tiny at 26 square metres internal space, but also has a

12/56 Moreton Street, New Farm Source: relestate.com.au

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good size courtyard and patio too. The unit is also generally well presented and appointed and you are still very accessible to all New Farm's fabulous retail and lifestyle.

As a first step into the market, this sort of property does have its challenges. Many financiers may have trouble with it as security given its small floor area. That said, something like this would be readily rentable once you moved out. Capital growth prospects would be a challenge but for some buyers, the location will trump other returns.

Teneriffe

Adjacent to New Farm, you'll discover a section of Brisbane comprising elevated homes with views and riverfront options. There are a few detached homes here, so demand is strong while listing supply is limited.

Teneriffe is positioned just 2.5 kilometres north-east of the CBD. It enjoys ready access to a raft of wonderful entertainment, retail and lifestyle facilities.

The median house price in Teneriffe is a whopping $3.05 million. A typical example is 93 Little Chester Street, Teneriffe which sold for $3.002 million in March this year. The property comprises

93 Little Chester Street, Teneriffe Source: realestate.com.au

a four-bed, two-bath, single-car detached home on 304 square metres of land. The home is an obvious renovation or remodel prospect and we expect you'll see a contemporary home designed to take advantage of the site's city views being built here soon enough.

While Little Chester is well above most buyers' budgets, the trade-off is to seek something that needs some upgrades or has worse views. The idea of securing a beer budget home in Teneriffe is fanciful simply because the land component value is so high. That said, there was this one at 65 Kingsholme Street, Teneriffe. It sold in December 2022 for $1.888 million. A lowset two-bed, one-bath brick home on 405 square metres of land. This is fairly well located just off Macquarie Street but is a tiny home of very modest finish. No doubt there's potential for a knockdown re-build here.

65 Kingsholme Street, Teneriffe Source: realestate.com.au

Units also tend to be pricey, although the median value sits at a fairly reasonable $740,000. There is a wide range of unit prices from modest one-bedders through to ultra-luxe riverfront apartments.

An example of a typical unit here is 110/38 Helen Street, Teneriffe which sold for $700,000 in March. It's a two-bed, two-bath apartment in a contemporary building. While not huge, it is comfortable and liveable.

If your budget is tighter than that, perhaps a semi-modern, one-bedroom, one-bathroom unit under $300,000 is more your style. This unit at 304/38 Skyring Terrace sold in November 2022 for $290,000. This would appeal primarily to investors although a first-time homebuyer might take a punt on it.

304/38 Skyring Terrace, Teneriffe Source: realestate.com.au

The compromise really is all about space – but if you want to be at the heart of the action while not spending a lot of dough, you'll need to put up with small floor areas and yards.

Hamilton

Hamilton and its renowned hill is a go-to suburb for some of the deepest-pocketed buyers in Brisbane. Hamilton's prestige sector is dominated by buyers who are captains of industry, high-paid consultants or members of the legal and medical fraternities.

There have been some outstanding sales in Hamilton including 38 Eldernell Terrace which sold in April for $7.27 million. It's an incredible three-level architectural home on 668 square metres of land with incredible city skyline and river views.

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38 Eldernell Terrace, Hamilton Source: realestate.com.au

But what's surprising to some people is that there are more affordable properties on offer as well. Hamilton has a median house price of $2 million which isn't a lot for a suburb so close to the CBD and with such comprehensive facilities.

An example of a typical sale in Hamilton is 58 Winchester Street which sold for $2,386,800 in February this year. This is a five-bed, three-bath contemporary home on 405 square metres of land.

58 Winchester Street, Hamilton Source: realestate.com.au

A cheaper sale representing a low buy in price would be 76 Winchester Street which sold for $1.24 million in February. This is an attractive, lowset colonial on 509 square metres of land. While the house would benefit from some general attention, it appears entirely liveable. The compromises for this property would be its position close to the rail line, potential exposure to road noise and a lack of elevation.

76 Winchester Street, Hamilton Source: realestate.com.au

Turning to units and Hamilton has seen some substantial lifestyle facilities that benefit units, especially the Portside project. Large apartments with high-end finishes appeal to retirees in particular– the ultimate international commuters - given their proximity to the airport and the cruise ship terminal.

A good example of what's on offer around the median unit price of $505,000 is 4506/18 Parkside Circuit which sold in January this year for $520,000. The unit provides two-bedroom, one-bathroom accommodation and is in a modern building with plenty of guest facilities.

If you'd prefer something a bit more price accessible, perhaps something like this one-bed, one-bath unit at 10505/8 Harbour Road would do. Its small internal area of 40 square metres would put off some, but it's hard to beat the $282,500 price tag.

10505/8 Harbour Road, Hamilton Source: realestate.com.au

Ascot

Adjacent to Hamilton and enjoying many of the same benefits, Ascot is the home of Eagle Farm Racecourse and includes the northern end of the popular Racecourse Road café strip. Homes are a mix of contemporary and architectural design along with colonials and Queenslanders. There's plenty of units within the suburb's boundaries too. This is the epitome of a leafy Brisbane suburb with the area being particularly popular with family buyers.

There's some very serious money spent on property in Ascot. A great example is the five-bed, six-bath, two-storey Tudor style home at 42 Kitchener Road, Ascot set on 951 square metres

42 Kitchener Road, Ascot Source: realestate.com.au

of land. The property achieved a sale price of $6.5 million in November 2022.

Of course, most house sales come in closer to the suburb median of $2.17 million. An excellent example would be this property at 27 Norman Street, Ascot which sold for $2.43 million. It's a four-bed, three-bath contemporary home of 405 square metres.

27 Norman Street, Ascot Source: realestate.com.au

But there are ways to be part of this quality community without needing to spend a couple of million bucks. As mentioned, apartments are an option and while older, six-pack style construction is on offer, these are most popular with investors.

Instead, how about a unit like this one at 6/37 Stevenson Street, Ascot which has two-bedroom, two-bathroom, single-garage accommodation. It comes with a good size balcony and is 117 square metres of floorspace overall. This type of property will not only be a great kickstarter unit for a first-time homebuyer, but could also be retained as an investment and would see good demand from potential tenants.

There are options for anyone looking to buy affordably in desirable Brisbane suburbs. The key is to seek great fundamentals. Try to find good

6/37 Stevenson Street, Ascot Source: realestate.com.au

sized houses in need of some minor renovation or on decent sized allotments.

If an apartment is more indicative of your budget, look for something with good sized rooms and decent floor area. Lock-up car accommodation goes a long way too. Many units can be substantially improved via simple renovation as well. With units, keep away from small, generic, investor style stock and instead consider perhaps older but well-appointed owner-occupier units.

Position is always an essential ingredient. Continue to avoid things such as busy roads or uncomplimentary adjacent users such as petrol stations as much as possible.

David Notley
Director

Gold Coast

Location, location, location! It's the most obvious and crucial attribute of property that influences property value. The Gold Coast offers an abundance of amazing locations all the way along the coastline and population growth over the next few years will only make these blue-chip areas even more popular.

In this month's article, we reveal what we consider the best locations across the Gold Coast (and northern Tweed area) and aim to identify the most budget friendly properties in these spots... opportunities that you potentially should keep an eye on!

Whilst we are not seeing the buyer frenzy observed in 2021 and early 2022, finding an entry level property in the desirable neighbourhoods is still quite challenging in today's market. Agents continue to report very low stock levels across many of the coastal suburbs, particularly at the budget end, and therefore buyers are left with very few buying options.

Beginning at the southern end of the Gold Coast and northern Tweed border area, our shortlist of the best locations kicks off with Kingscliff, a beachside town tucked away just south of the Queensland and New South Wales border. Known for being a popular holiday destination and for offering a relaxed coastal lifestyle for locals, property values in the area have exploded in the past few years. The area is well serviced and there is a good array of restaurants and cafes. Being roughly half an hour away from Byron Bay is also appealing. In town, the type of residential development is varied, ranging from older style, modest quality strata units in over 55s style complexes and low-rise apartments to modern style beachside luxury mansions. The typical entry level price point for detached housing in the suburb starts around $1.2 million and at the upper end, luxury homes in the newer estates can typically fetch up to $5 million. Prices for strata units in this location generally start at $550,000 and modern style, prestige quality apartments with ocean views can have price tags just above $2 million.

If you were looking to buy a cheap property in this impressive location, well, what are your buying options? Recently, we noticed a one-bedroom, one-bathroom 70 square metre apartment get snapped up in Pearl Street for $560,000 and this transaction is a great example of buying at the most affordable end of the market. The single level unit is situated on the top floor of a circa 1980s built walk-up complex. Although no ocean views are available, it is within 350 metres of the beach. Strata body corporate fees are cheap ($55 per week). Internally, the unit is very dated (1980s décor). Investors would be expected to achieve a gross rental return of around $450 to $550 per week in today's market.


An entry level strata unit in Pearl Street, Kingscliff Source: realeastate.com.au


Entry level freestanding house in Pearl Street, Kingscliff Source: realeastate.com.au

Buying at the cheap end of the market does have its shortcomings. Available stock will likely consist of properties that have seen better days and will require future spending (ie. major renovation works).

Just a stone's throw away in the same street, an entry level freestanding house also recently changed hands. 67 Pearl Street, Kingscliff sold in March 2023 for $1.33 million. This circa 1950s style, low-set, painted brick dwelling provides two bedrooms, one bathroom and a single carport which sits on a 575 square metre site. Whilst the house is comparatively small for the area, it has been freshened up and presents in pretty good condition for its age. Only a small number of detached houses have sold in the low $1 million range in the past six months, as stock at this price point is hard to come by. Local agents report that regardless of their condition and proximity to the beach, freestanding houses are very much sought after by both locals and out of towners.

Buying at the cheap end of the market does have its shortcomings. Available stock will likely consist of properties that have seen better days and will require future spending (ie. major renovation works). Also, the rental yields in this suburb generally aren't as appealing compared to similar modest style properties in coastal suburbs to the north.

Travelling about 22 kilometres north on the M1 Pacific Motorway and you will reach the beachside suburb of Palm Beach, nestled between Burleigh Heads and Currumbin. Palm Beach has become one of the Gold Coast's trendiest suburbs in recent times and it's really only within the past decade that this location has grabbed a lot of attention. The suburb is bordered by the beautiful Tallebudgera Creek to the north and Currumbin Creek to the south, while also having great accessibility to the beach. There is a wide array of residential housing in the suburb, including mixed age walk up and low-rise units and medium to high-rise apartments through to luxury beachfront mansions.

The best apartments in Palm Beach have been known to achieve over $4 million and we understand that a couple of beachfront houses have sold in recent times in the vicinity of $9 million. CoreLogic data suggests the current median prices for the area are around $1.45 million for houses and $800,000 for units. But what are your best budget buys in this suburb? With around $450,000 to $500,000 in hand, you will typically get an older style one-bedroom, one-bathroom strata in a small complex with basic interior and basic common area improvements.

9/10 Nalla Court is a great example of an absolute entry style property for the suburb, which sold in December last year for $400,000. The property comprises a 1980s style, single level, one-bedroom, one-bathroom walk-up strata unit and was in much need of renovation.


9/10 Nalla Court, Palm Beach sold in December last year for $400,000.
Source: realeastate.com.au

61 Palm Beach Avenue, Palm Beach recently changed hands this year for $1.3 million Source: realeastate.com.au

A bird's eye view of a renovater style house in Palm Beach, which was purchased in February 2023 for $1.02 million Source: realeastate.com.au

You might be lucky enough to pick up a bargain property even under $400,000 but these are few are far between and are usually very basic studio style units which don't offer much appeal, being in older style buildings that were formerly used as motels. At the time of writing, there is one listed for sale with an asking price of offers over $335,000. This type of unit is generally more suited to the investor rather than the owner-occupier as they mainly front the Gold Coast Highway and suffer from road traffic noise.

The latest sales evidence suggests that the cheap end of the detached housing market in Palm Beach typically ranges between $1 million and $1.2 million. You may be able to pick up an opportunity in a good position in this price range but it will generally require a major renovation or re-build, like the 1970s renovater house in the cul-de-sac street of Friske Place, which just sold for $1.02 million. If you're not prepared to put your building hat on, then houses situated towards the western end of the suburb are most likely your best entry point into the market, however buyers should consider that they will have to settle for having far inferior amenity to the beach, cafes and restaurants. Some properties positioned right at the western side of the suburb also have to contend with highway noise from the M1 Pacific Motorway. We are aware of a three-bedroom house in Amboina Avenue positioned very close to the M1 that ended up selling this year for less than $1 million. The vendors were initially seeking offers over $1.15 million.

Ideally, we would suggest going for a freestanding home with three or more bedrooms as close as possible to be the beach and priced under $1.4 million. For example, 61 Palm Beach Avenue, Palm Beach changed hands this year for $1.3 million. The circa 1980s style low-set face brick dwelling provides three-bedroom, one-bathroom accommodation. It has been partly refurbished, featuring a modern kitchen, but the bathroom is in fairly original condition. The property occupies a 599 square metre level site and is approximately 500 metres from the beach. Expected gross rental return for a property such as this one would be $850 to $1000 per week.

The latest sales evidence suggests that the cheap end of the detached housing market in Palm Beach typically ranges between $1 million and $1.2 million.

We jump over to Burleigh Heads now, which borders Palm Beach to the north and is a location which needs no introduction. This suburb has been one of the most consistently sought-after locations for property buyers over the past decade. The attraction to the kind of lifestyle that Burleigh offers is very alluring, which can be attributed to its world-renowned surfing beaches and popular James Street retail strip. The suburb is flanked by Tallebudgera Creek to the south. According to latest data published on realestate.com.au, the median house price in Burleigh Heads is circa $1.45 million and the median unit price is $870,000. At the top end, there have been homes which have transacted between $5 million and $10 million in the past year.

Buying opportunities at the affordable end are often difficult to attain and a certain level of persistence is required, particularly when hunting for a freestanding house. Our recent online searches suggest that at the very bottom end, property listings under $650,000 are fairly scarce.

One of the cheaper sales we have seen lately is an older style (circa 1970s built), two-bedroom, one-bathroom strata unit which sold for $522,500 in the Koala Park area of Burleigh Heads. The unit provides a very basic interior with dated finishes throughout. Whilst the property is within a very short walking distance of Tallebudgera Creek and is opposite the national park and headland area, the property has road exposure to the Gold Coast

Highway and therefore is adversely impacted by the associated traffic noise.

Units within a slightly higher price bracket will typically comprise one-bedroom accommodation close to the beach and two-bedroom apartments can be found towards the western fringes of the suburb which still have good access to a variety of services.

Overlooking a cheap two-bedroom unit which recently sold in Koala Park, Burleigh Heads Source: realeastate.com.au

A two-bedroom house with swimming pool in Koala Park, Burleigh Heads sold in March 2023 for $1.5 million Source: realeastate.com.au

If you desire a freestanding home near the main central hub of Burleigh (James Street) and Burleigh Hill but want one at a relatively affordable price point, then good luck to you! Local agents advise that these properties are tightly held and come with a big price tag. We are aware of an original, circa 1960s dwelling on a 405 square metre site that sold in a sought-after street (Hill Avenue) earlier this year for $1.785 million. The improvements on the land did not really offer any added value. We note that since this sale, another house situated only a few doors down has sold for the staggering price of $6.1 million.

With a budget of $1.5 million to $1.75 million, there are opportunties to pick up a modest but liveable detached house within a five minute walk of the beach. Koala Park and the pocket east of West Burleigh Road along with areas west or north of Burleigh State Primary School are your best bets in this price range.

Moving a little further north on the Gold Coast Highway and we find ourselves in another hip beachside locality on the central Gold Coast. The suburb of Mermaid Beach definitely has to be on our list. No other beachside suburb really compares when it comes to living at the luxury end. Prestige home sales above $5 million have been fairly abundant over the past year, however Mermaid Beach is not just a suburb exclusively comprising of modern prestige quality mansions. Surrounding development is made up of walk-up and low-rise complexes and medium-rise unit buildings along with dwellings, townhouses and duplex units, all of varied quality. So, let's take a look at what you can typically buy at the absolute affordable end in this suburb.

Situated within the streets between the Gold Coast Highway and the beachfront, entry level one-bedroom apartments have lately been selling in the low $400,000s, whilst modest style low-rise and walk-up units providing two-bedroom accommodation have been going for mid $600,000s. Agents continue to report very low levels of stock for these types of units as they have strong appeal to both the owner-occupier and investor markets. The rental market here remains very tight with rental values having climbed significantly in recent times. At the time of writing this article, searches on realestate.com.au indicated that there were only two one-bedroom apartments currently for rent with asking rents ranging between $500 and $550 per week. The few two-bedroom apartments advertised generally had an asking price of $570 to $800 per week, with the higher priced listings largely being refurbished units.

19/40-44 Ventura Road, Mermaid Beach, a one-bedroom, one-bathroom walk-up strata unit, is a good representation of absolute entry level into the Mermaid Beach market. The unit is situated in a circa late 1990s-built complex and sold in March this year for $425,000 in original condition. An investor reportedly purchased the property, and the unit has been recently advertised for rent with an asking price of $500 per week.

A one-bedroom unit and a two-bedroom unit in the above complex on Ventura Road recently sold for $425,000 and $650,000 respectively Source: realeastate.com.au

HERRON TODD WHITE RESIDENTIAL

Budget detached housing within the beachside streets of Mermaid Beach is at a completely different level in terms of affordability. Buyers would be expected to pay low to mid $2 million for a very modest style dwelling (ie. old beach cottage) in the current market. An online search of property listings in Mermaid Beach (east side of the Gold Coast Highway) came up with no results for houses under $2.5 million, however we noted there are a handful of freestanding dwellings on the western fringe of the suburb, such as in Dolphin Avenue, which are currently priced under $2 million. These homes still have reasonably good proximity to the beach, shops and other local services.

For good measure, we also have to throw two more beachside suburbs into the mix of best locations on the Gold Coast.

The bustling suburb of Broadbeach definitely gets a nod. The suburb has a prime central location on the Gold Coast and offers a great business hub with an extensive array of services and infrastructure. The locale boasts key attractions such as Kurrawa Beach, the Star Casino and Gold Coast Convention Centre, Pacific Fair shopping centre and Surf Parade and Broadbeach Mall precinct. Residential development mostly consists of strata units, with low to medium-rise buildings and high-rise towers dominating the landscape. Very few freestanding dwellings remain. Like most of the beachside suburbs previously mentioned, selling prices for apartments in Broadbeach vary widely from say $400,000 and up to circa $5 million. At the bottom end of the market, current asking prices for one-bedroom apartments generally sit between $400,000 and $700,000, however we understand that the stock level of one bedroom and studio style units is fairly exhausted at the moment.

It also remains challenging for buyers in the market for two-bedroom apartment stock, particularly for units priced under $800,000. Of the thousands of units in the Broadbeach area, only a dozen or so online listings appear on the Domain website for two-bedroom units (excluding developer listings). Due to the scarcity of stock and reported firm levels of demand, property values in the apartment market appear to be holding up well at the moment.

For owner-occupiers and investors on a beer budget, consider looking at one-bedroom apartments under $500,000 and two-bedroom apartments under $700,000 with low body corporate costs, that are within walking distance of the central business area.

5/33 Chelsea Avenue, Broadbeach is a recently sold property which demonstrates buying on a budget. The two-bedroom, two-bathroom walk-up strata unit sold in March for $670,000. The property is neat and tidy but in original condition and has one basement car space. There is a total of only six units within the complex and body corporate costs are very reasonable. The beach is only 200 metres down the street!

A bird's eye view of 5/33 Chelsea Avenue, Broadbeach, which recently sold for $670,000 Source: realeastate.com.au

Unit in a Broadbeach complex Source: realeastate.com.au

Then there is a partly refurbished, one-bedroom, one-bathroom apartment in a resort style medium-rise complex in central Broadbeach. The property is currently advertised on the Domain website with an asking price of $475,000. The unit does not have an allocated basement car space but general use car parking is reportedly available.

Another blue-chip suburb we have added to our select list is the affluent Main Beach area, which is only a few minutes' drive north from Surfers Paradise. Main Beach is known for its great amenity to both the Broadwater and the beach. It also has great access to high end hotels, the Southport Yacht Club, Marina Mirage shopping centre, Seaworld and the Southport Spit. Locals particularly love having the upmarket Tedder Avenue retail strip at their doorstep too which features a variety of sidewalk cafes and restaurants. Residential development is mixed, with properties east of Tedder Avenue primarily consisting of apartments and to the west, housing generally consists of freestanding dwellings and attached or detached duplex units of good quality.

According to the latest CoreLogic property data, the median house price in Main Beach is around $2.59 million. Detached housing is very tightly held in this neighbourhood. So far, we are unaware of any recorded house sales in 2023. At the top end of the market, the most expensive non-beachfront properties can achieve sale prices well over the $5 million mark and finding a duplex unit to buy under $2 million is even difficult today. Therefore, it is safe to say buyers with a strict budget at the moment will have no choice but to be content with an apartment purchase.

A quick search online indicates that there were three advertised properties in Main Beach priced below $650,000 and all three were quickly noted as being under offer or under contract, so presently you will be hard-pressed to find any available stock at the absolute entry end. Going back a few months, a strata unit at 11 Breaker Street changed hands for $625,000. The property comprised a single level, two-bedroom, two-bathroom walk-up strata unit in a circa 1980s built complex approximately 200 metres from the beach. Features included original kitchen and bathrooms, updated carpets and one basement car space. Similar style units within the development are reportedly achieving a weekly rent of $600 to $650 per week.

Aloha Lane, 11 Breaker Street, Main Beach Source: CoreLogic

Tedder Avenue, Main Beach Source: realcommercial.com.au

Upon investigating other recent sales of budget friendly units, we did discover that a small one-bedroom strata unit in an older style walk-up complex sold earlier this year for $360,500. This appears to be very reasonable buying. The property reportedly had a tenancy agreement in place until December 2023 with the rent being quite favourable to the tenant, hence the low sale price.

Finally, we cap off our list of top spots with a location at the northern end of the Gold Coast. Paradise Point is a suburb about 11 kilometres north of the Southport CBD and is bordered by the picturesque Broadwater to the east and Coomera River to the north, and like Runaway Bay, this place is a boatie's dream, having fantastic boating access. The suburb is also well serviced and encompasses the Ephraim Island development and the prestigious Sovereign Islands estate with its multi-million-dollar homes, where sale prices have eclipsed $10 million in recent times. The main shopping and restaurant precinct is opposite The Esplanade and offers a village style atmosphere. Aside from the mega mansions found within the exclusive Sovereign Islands, much more affordable housing options exist in the older established areas of the suburb to the south.

At the most affordable end of the spectrum, there are a few two-bedroom, one-bathroom strata units in small, older style complexes which present as good entry level prospects. These types of units have been selling between say $450,000 and $500,000 of late (when stock is available).

One similar style property which has just recently gone under contract is 2/59 Milton Avenue, Paradise Point. The circa 1979 built strata unit is reportedly being purchased for $475,000. The unit has been partially updated over the years and was on the market for approximately one month with an asking price of $519,000. Appealing attributes of this property include the low body corporate costs ($35 per week) and its close proximity to the main café and shopping precinct. Another similar style unit in a nearby street sold in February for $490,000. This one featured a renovated bathroom and kitchen. For buyers with a slightly better budget, asking prices for modest style duplex units providing two bedrooms in the same area are sitting in the range of $600,000 to $700,000.

2/59 Milton Avenue is reportedly under contract for $475,000
Source: CoreLogic

If the budget can be stretched further, we have come across a few detached houses in the past six months which have transacted under $1 million.

A refurbished two-bedroom duplex unit in Victor Avenue is currently under contract. The property was advertised at offers over $679,000 Source: CoreLogic

The residential property market is showing great resilience at the moment. A shortage of stock of both units and houses coupled with sound levels of demand have helped to provide some stability in the market. As a result, property values particularly within the top suburbs appear to be holding up well. The bargain property may appear elusive in today's market, but it can still be found if you know what opportunities to seek out.

Sam Gray
Associate Director

Sunshine Coast

When looking at residential property, the land is the main component of value so when we look at this aspect, the location of a property has a massive influence. We have all heard the catchcry "location, location, location" when it comes to property and typically this brings with it a high price tag, especially when we consider the recent increases in values during the COVID pandemic.

To get into a property in any of the sought-after locations on a beer budget will take some compromise. This typically will come down to the location as well as the size and condition of the improvements. The smaller the house or unit and the worse the condition, the lower the price. Clichés such as worst house in the best street and renovator's delight all ring true.

On the Sunshine Coast, a beer budget can buy you a two- or three-bedroom unit in a beachside locality between Coolum and Caloundra for $600,000 to $700,000. These areas all generally provide good access to services and tourist amenities with reasonable rental returns at this level. Smaller complexes with lower body corporate fees continue to remain the best performing in terms of rental yields.

No surprises that as you move further from the coastline the options open up. Original freestanding dwellings further inland in hinterland townships from Glass House Mountains in the south up to Pomona continue to be sought after given their access to transport and services. The areas provide nice little communities with good amenity that are appreciated by investors and owner-occupiers. Also given that they are typically within 30 minutes of the beach, they still offer a pretty good lifestyle.

Another area that remains very popular is Gympie. This area offers a lot of bang for your buck and is located on the doorstep to Fraser Island and the Great Sandy Straits. Also given that the area is well connected to the coast (45 to 60 minute drive) with good communities, it has become a very viable option.

The coastal lifestyle is continuously sought after, so if you can find it, go for it! To grab a property in a champagne location on a beer budget is still possible. You will just have to compromise on the unit or home.

Stuart Greensill
Director

Cairns

The Cairns residential market comprises a diverse mix of geographical areas ranging from attractive beachside, range-side rainforest and leafy suburban areas. The top location in the greater Cairns region is Palm Cove.

Palm Cove is the premier northern beachside locality and is situated approximately 30 kilometres north of Cairns. Palm Cove first established itself as a holiday destination for locals due to its attractive beach and cove. It then developed as a world renowned international and interstate tourist destination with many five-star resort hotels. This encouraged the development of a small boutique style commercial and retail hub known locally as the Village, which in turn attracted high quality holiday homes which could command premium holiday rents and also retirees attracted to beach living and the available local facilities.

Palm Cove is intersected by the Captain Cook Highway. Areas on the western side of the highway achieve significantly lower values. Areas on the eastern side of the highway command significantly higher values due to their proximity to the beach and facilities. A typical modern detached residence at Palm Cove East would transact at between $1.2 million and $2 million. A property at Cascade Boulevard is currently under contract for $1.7 million. It comprises a modern, single level, four-bedroom, three-bathroom residence with a very good quality fitout and an attractive inground pool. It is situated on a 600 square metre lot in a community title subdivision within 300 metres of the beach and Palm Cove jetty.


Cascade Boulevard Source: Herron Todd White


Cascade Boulevard aerial overview Source: Google Earth

Entry level buy-in into eastern Palm Cove is around $750,000. A sale late last year at Terebra Street for $755,000 comprises the bottom of the market in this older beachside area known locally as The Golden Triangle. This sale is located within a 500-metre walk of the beach and is improved with an older style, circa 1978, onground detached, four-bedroom, two-bathroom masonry block residence with modest upgrades and in fair condition. The added value of the building improvements is relatively low with the sale price being marginally above vacant land value.


Terebra Street aerial overview Source: Google Earth

Palm Cove has always commanded a premium over other northern beaches localities. The buyer profile is varied, attracting a high proportion of interstate and some overseas purchasers. It is also popular with local retirees and sea change buyers. Values have traditionally been more resilient in market downturns with redevelopment and knock-downs typically achieving a return above cost to develop due to the scarcity of properties available for sale in the area and the broader buyer profile being less dependent on lending and mortgage markets.


Danny Glasson
Director

Gladstone

The first suburb that came to my mind when I read this topic was Tannum Sands, more specifically however, the area locals like to call Old Tannum which is definitely considered a champagne location on the coast. The term location, location, location fits the area perfectly. It is in very close proximity to the beach as well as shopping facilities and the local schools. I'm not completely sure on the exact boundaries, however at a guess I'd say everything east of the Tannum Central Shopping Centre from Tannum Sands Road and Beach Avenue. Ocean views are available from most properties in this small section of Tannum with some spectacular ocean and island views available from some of the more elevated land. This locality comprises mostly older high-set or two-storey dwellings built to accommodate the view. Entry level prices for those on a beer budget sit around $400,000 and for this price you would expect an aged and basic timber cottage, close to the beach and potentially with a distant or restricted ocean view. A recent example is 5 Zephyr Street, Tannum Sands which sold in December 2022 for $420,000.


5 Zephyr Street, Tannum Sands Source: realestate.com.au

The property consisted of a circa 1920, two-bedroom, one-bathroom dated timber dwelling in fair to poor condition. A restricted ocean view was available from the 703 square metre allotment that was approximately 250 metres to the beach. Over the past few years, a number of these beer budget properties have been purchased as redevelopment sites with gentrification occurring in the area.


Regan Aprile
Director

Bundaberg

Bundaberg and the local region offer a variety of lifestyle locations to choose from for potential buyers. From the coastal areas of Bargara, Coral Cove, Burnett Heads, Innes Park and Moore Park Beach to rural lifestyle areas such as Bucca and South Kolan or even properties with river frontage such as Branyan and Sharon, there would be a location to suit any buyer. The most popular suburbs tend to be within easy commuting distance to schools, local shopping and amenities.

According to a Pricefinder analysis of house sales over the past six months, the suburbs with the highest volumes of sales were Bargara, Bundaberg North, Avoca, Kepnock and Walkervale. The median house price for the Bundaberg region for 2022 was $440,000 making the region relatively affordable in comparison to the major cities.

According to realestate.com.au, Bargara has a current median house price of $621,000 based on 177 sales over the past 12 months, setting it as one of the ideal champagne locations. Bargara however might be slightly out of reach for a beer budget.

If a coastal lifestyle is your preference then Burnett Heads may be the more suitable option. Burnett Heads is within a 10-to-15-minute drive of Bargara, whilst still offering local beach amenities, pubs, cafes, a supermarket and local school. Burnett Heads is also popular for fishing and access to the port and marina. The median house price for Burnett Heads is $500,000 with nine properties currently listed for sale under the $500,000 price range. An entry level house in Burnett Heads with a current asking price of $370,000 is 40 Moffatt Street, Burnett Heads. This property is a circa 1950, high set house that has been built-in underneath offering three bedrooms, three bathrooms and double car garage underneath. This house is located on the port side of Burnett Heads, so is further away from the swimming beaches, however close to the port and marina and still within easy commuting distance of town.

For a city lifestyle, Avoca offers houses close to Sugarland Plaza, Bunnings, Coles and other major retailers as well as CQ University. The median for Avoca is $448,500 making it one of the more affordable preferred locations. An entry level house in Avoca starts at around $335,000 for a circa 1970s three-bedroom, one-bathroom house (14 Aloha Drive, Avoca). For a little bit extra, 1 Avokahville Avenue is a circa 1980s house with three bedrooms, one bathroom and double lock up garage at an asking price of $400,000.

For the absolute entry level into the Bundaberg market, prices start at around $250,000. This would afford a buyer an older, circa 1920s to 1950s cottage style timber dwelling in average to below average condition and generally in need of a little TLC. There are pockets of this style of house available in Bundaberg North, Bundaberg South, Bundaberg West, Walkervale, Norville, Millbank and Svensson Heights. Bundaberg North and South are in close proximity to the CBD however have areas that were flood affected in the 2013 floods. Whilst the flood stigma no longer appears to be relevant in the current market, some buyers remain reluctant to buy in these locations and prefer areas that are flood free. The flood-free entry level suburbs include Svensson Heights, Walkervale and Norville (refer to Bundaberg Regional Council flood mapping overlays). Whilst a little further away from the CBD, they are still centrally located and within a 10 to 15 minute drive of local shopping, schools and hospitals. Bundaberg West is also becoming popular due to its proximity to the Friendly Society Private Hospital.

Bundaberg has experienced high growth over the past two years and offers an affordable location to suit most budgets. Consecutive increases in interest rates and cost of living pressures have had a dampening effect on the local residential market with sales volumes dropping off compared to this time last year, however at this stage values have remained relatively stable. The area has also continued to experience very tight rental vacancy rates, with the average rental yield being approximately five per cent, making the Bundaberg region a good choice for investors.

Megan Matteschek
Property Valuer

According to realestate.com.au, Bargara has a current median house price of $621,000 based on 177 sales over the past 12 months, setting it as one of the ideal champagne locations.

Mackay

Mackay has many different suburbs to meet different levels of accommodation. While some of these might not be considered champagne, there are definitely beer budget buys to be had.

Some of the more sought-after areas in Mackay are located in the modern residential estates, such as Richmond Hills and Kerrisdale in the north, and Cuttersfield in the south. While prices in these estates can be expensive, there are some cheaper options available. For example, while

Richmond Hills estate comprises large executive style dwellings selling from $700,000 and above, there are scattered smaller dwellings that can be picked up for sub $600,000. This will generally get you a smaller four-bedroom, two-bathroom dwelling with limited ancillary improvements. It gets a bit more difficult in the newly developed estates, with building covenants restricting smaller dwellings, however some of these estates do offer small lot sizes in some sections, allowing purchasers in the $500,000 to $600,000 bracket to get into these new estates, usually for new smaller dwellings.

While not classed as champagne, the more established suburbs of Mackay such as West Mackay, offer some great buying opportunities on a budget. For example, the median house price in Mackay is around the $370,000 mark. There are a few examples of older established dwellings for sale from the $250,000 mark that enable those on a beer budget to enter the property market. Renovated older dwellings start from $600,000.

Rural residential properties located close to Mackay's CBD are currently in high demand. In the champagne localities of Erakala and Habana, there have seen sales over $1 million dollars. Purchasers entering the rural residential market on a beer budget looking for small acreage not only need to act quickly to nab a bargain, but would also need to sacrifice location, style of improvements or level of ancillary improvements.

Kym Cook
Valuer

Emerald

Emerald is not a large town, however like all locations it has its best estates and sought after streets. The top three locations include the Vines, Miranda Heights and Nogoa Rise.

When it comes to residential property, the Vines is arguably the most sought-after estate in Emerald with many of the opinion that Morgan Place in the Vines is the place to be. The Vines is approximately 3.5 kilometres south of the Emerald CBD, a flood-free, predominately owner-occupied area with high-quality, well-presented residences, in close proximity to schools and town. A four-bed, two-bathroom, two-car house in this area will generally have a shed, pool or both and the median house price for properties in this area is $465,000.

Recent sales in this estate include:

- **17 Brokenwood Street –** four-bed, two-bath, two-car, 868 square metres, sold 1 January 2023 for $540,000. Ancillary improvements include a shed and pool. Built circa 2010;
- **7 Morgan Place –** four-bed, two-bath, two-car, 1000 square metres, sold 3 November 2022 for $542,500. Ancillary improvements include a shed. Built circa 2010.

7 Morgan Place Source: realestate.com.au

Entry level in this estate would come in the way of a unit, a dwelling needing updating or a property which has not been improved with a shed or pool. An example of an entry level house in this estate is 16 Saville Street (four-bed, two-bath, two-car dwelling on a 750 square metre allotment) which sold on 10 November 2022 for $430,000. Ancillary improvements include a shed. The property was built circa 2006 and has great bones but was tired and in need of updating. An example of a recent unit sale is 2/5 Morgan Place, (three-bed, two-bath, two-car unit, built circa 2010), which sold on 12 January 2023 for $365,000.

Maranda Heights estate is a newer estate located approximately five kilometres south of the CBD on the edge of Emerald. It is flood free and has a mix of owner-occupier and investment properties with generally high quality, well-presented dwellings. The more sought-after properties back onto the nature reserve to the east or the citrus farm to the west. The median house price for a four-bed, two-bathroom, two-car house in this area is $460,000. Recent sales in this estate include:

- **11 Canterbury Road -** four-bed, two-bath, two-car, 780 square metres, sold 17 November 2022 for $510,000. Ancillary improvements include a shed and pool. Built circa 2012;
- **1 Epsom Place -** four-bed, two-bath, two-car, 745 square metres. Sold 31 October 2022 for $622,000. Ancillary improvements include a shed and a pool. Built circa 2022.

Nogoa Rise estate is a modern, flood free estate about 2.5 kilometres to the south from the CBD. It is a mix of owner-occupier and investment with generally high quality, well-presented dwellings. The median house price for a four-bed, two-bathroom, two-car house in this area is $450,000. Recent sales in this estate include:

- **16 Wright Street -** four-bed, two-bath, two-car, 802 square metres sold 14 December 2022 for $495,000. Ancillary improvements include a shed and pool. Built circa 2010;
- **18 Wright Street -** four-bed, two-bath, two-car, 851 square metres, sold 12 January2023 for $442,000. Ancillary improvements include a shed. Built circa 2010.

Properties in Maranda Heights and Nogoa Rise are homogenous in relation to views, topography and shape. Entry level would be via a unit, a property on a smaller land parcel, a dwelling needing updating or of lower quality or a dwelling which has not been improved with a shed or pool.

6 Flemington Road Maranda Heights Source: realestate.com.au

An example of an entry level sale in Maranda Heights is 6 Flemington Road (four-bed, two-bath, two-car dwelling on 620 square metres) which sold on 9 February 2023 for $345,000. The property was built circa 2012 and is a basic modern dwelling on a small allotment with very minimal ancillary improvements.

Kellie Blomfield
Valuer

Townsville

The top locations in Townsville are suburbs within the postcode of 4810 including North Ward, Belgian Gardens, Castle Hill and Pallarenda. Each of these suburbs enjoys close proximity to beachfront, water or ocean views as well as convenient local shopping, schools and other popular amenities. The homes in North Ward for example comprise a mixture of older style homes ranging from the 1920s to 1980s generally situated on lager residential allotments ranging between 809 and 1012 square metres.

The entry level value for North Ward is approximately $650,000, which would get a buyer an older style home in mostly original or poor condition. There is currently a house listed for sale on realestate.com.au for $549,000 at 65 Rose Street, North Ward, however this property comprises a small older style home in poor condition on a smaller 495 square metre allotment which is below the standard size block for this area. This would allow a buyer to purchase a home on a beer budget and be situated within the most popular suburb of Townsville, however it would be on a smaller allotment and need plenty of renovation works to be completed to bring the home up to a good liveable standard.

Alternatively, buyers willing to expand their property search parameters to suburbs close to North Ward and the 4810 postcode could achieve much more affordable entry level buying. Suburbs such as Hermit Park in the 4812 postcode which are still relatively close to North Ward however have a lower entry price point to the market would be attractive to buyers with a lower budget. There is currently a house listed for sale on realestate.com.au at 34 Ahearne Street, Hermit Park for $373,000. This is an older style home on an 809 square metre allotment in fair condition.

Again, if buyers are willing to sacrifice location, they could choose a suburb such as Kirwan, which is further away from North Ward again, however the buyer could purchase a property for a lower price point again and receive much more bang for their buck. Currently listed on realestate.com.au is 7 Peppertree Street, Kirwan for $399,000. This is a 1990s style home with four bedrooms, one bathroom, two carports and inground pool on a 674 square metre block. As you can see, by compromising on location the buyer can achieve a property that is newer, on a generally good size block with even an inground pool.

In terms of investment opportunities and whether any of these locations is better suited to an investor or an owner-occupier is an interesting question at the moment. With vacancy rates in Townsville at less than one per cent, there is plenty of demand for rental properties and as a result, weekly rental amounts for properties is rising, however the entry level property in North Ward for example at $549,000, which seems barely liveable as is prior to renovation works, would not be considered a wise investment. As for the home in Hermit Park which is liveable and within a popular suburb, the rental ability for this home versus the purchase price could be within acceptable ranges. The house in Kirwan would be the more appropriate investment opportunity given its price point with the quality and amenities offered. This property would achieve a very strong level of weekly rent return and by comparison, a much more appealing property investment option to an investor.

Adrian Bagent
Valuer

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Rockhampton

Looking for a champagne location in the Rockhampton region? Depending on the style of property you desire, there are varying options. If rural residential living with an acre or so of land and a pool and shed is your idea of the perfect location, Rockyview on the northern outskirts of Rockhampton is the prime area, or Inverness on the Capricorn Coast provides a similar lifestyle with closer proximity to the coast. If modern homes without the commute are more your style, the leafy suburb of Frenchville in north Rockhampton is the cream of the crop. Heritage homes more your style? Look no further than The Range on the southern side of the Fitzroy River with grand Queenslanders in elevated locations, particularly on the eastern slopes of the Athelstane Range,which should suit the champagne location criteria for most.

These suburbs are highly regarded by locals due to the quality of surrounding homes. The Range is a standout for the elevation and views on offer, together with close proximity to the Rockhampton CBD, private schooling and both public and private hospitals. During the early establishment of Rockhampton, many wealthy families constructed large Queenslander-style dwellings, some remaining on large allotments (1000 to 2000 square metres) to this day.

Frenchville is a well-regarded suburb with modern, average to above average quality homes, onground four-bedroom, two-bathroom dwellings with double lock up garages in the foothills of Mount Archer National Park, providing a peaceful backdrop.

Rockyview provides a rural residential lifestyle with room to move, without being too far from major facilities. Larger modern homes further improved with a pool and shed feature heavily in this well-regarded rural residential suburb.

Price points for typical properties in this area vary, ranging from say $600,000 in Frenchville, to $800,000 in Rockyview and $800,000 to $1 million in The Range.

If, however, you find yourself working to a beer budget, there are some options that can still get you into these prime localities if you are prepared to compromise. One option would be looking to adjoining suburbs with similar characteristics, such as the elevated areas of Wandal, which provide similar style homes, elevation and proximity to major services as The Range. Alternatively, sacrificing elevation or room accommodation can see you enter The Range market in say a two-bedroom plus sleepout Queenslander at the bottom of or on the western slopes of The Range, although the compromise to a two-bedroom dwelling may be considered too great for the long term owner-occupier. Given the age of Rockhampton, purchasing vacant land is not an option for entry-level into the area, so a dated two-bedroom unit for around $200,000 would represent the absolute entry level to The Range with limited detached housing available under $280,000.

Frenchville neighbours the suburb of Norman Gardens, which provides a very similar style of housing. If all a buyer is interested in is getting into the suburb, there are still some limited opportunities to buy a 1960s to 1970s high-set three-bedroom dwelling for around $300,000, however the majority of this style of home is now in the mid $400,000s price range.

Rural residential living would see you compromise the extras to get into the Rockyview market. If you can find a three-bedroom home without the pool or shed, the entry-level price point would reduce to around $550,000 with the scope to add the pool and shed later as your budget allows with a low risk of overcapitalisation.

Investors will likely find buying into these premium localities easier than owner-occupiers as rental returns are normally higher. With the lower purchase price however, maintenance costs and depreciation benefits should also be considered.

Cara Pincombe
Associate Director

South Australia - Residential 2023

Adelaide and regions

An abundance of champagne locations can be found within the inner ring of suburban Adelaide. Purchasers are drawn to these locations for their proximity to the CBD, parklands, retail strips and community services and facilities.

Of the inner metropolitan champagne locations, some of the most sought-after include St Peters, Toorak Gardens and Unley Park. Equally the champagne bubbles could be sprayed the length of western suburbs which straddle the metropolitan beaches. These suburbs are popular due to their proximity to the beach and dining and retail precincts. Henley Beach Road provides a direct transport route west of the CBD with the suburb of Henley Beach situated at its conclusion. With the popular Henley Square at its epicentre, this is one of the most in demand beachside suburbs.

To buy at the entry point in these suburbs, purchasers will need to make sacrifices and seek out what other purchasers view as being undesirable. Properties at the entry price points may be poorly located, may provide limited accommodation, may have no off-street parking or may be in poor condition.

St Peters is located within 4.5 kilometres of the CBD and is characterised by a mixture of turn of the century homes on large allotments, smaller cottages, post war austerity style dwellings and newer infill development. Traditional 1960s to 1970s units are scattered throughout the suburb. The suburb is central to the shopping and dining

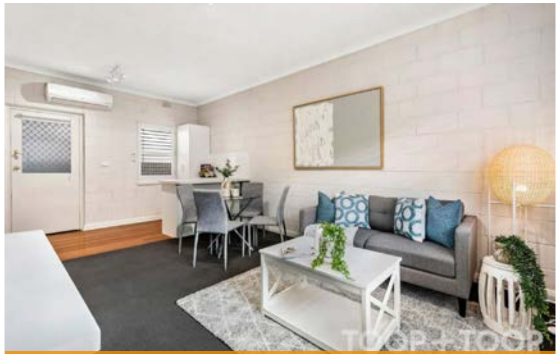
To buy at the entry point in these suburbs, purchasers will need to make sacrifices and seek out what other purchasers view as being undesirable.

precincts of Walkerville Terrace, Walkerville and The Parade, Norwood. St Peters has a median dwelling value of $1.81 million with an entry price point of $1.2 million to $1.3 million and median unit value of $395,000 with an entry price point of $265,000 to $365,000.

Representing entry level in St Peters is the sale of 84 Stephens Terrace which achieved a sale price of $1.23 million. This property provides a modern semi-detached dwelling disposed as three bedrooms and two bathrooms on a 490 square metre allotment. The property fronts an arterial road and is accessed via a shared driveway. The sale of 8/95 First Avenue represents the entry point for units in the past nine months. This property comprises a ground floor cream brick unit disposed as one bedroom and one bathroom. The unit has been partially updated and achieved a sale price of $265,000.

Toorak Gardens is situated approximately four kilometres east of the Adelaide CBD and provides a mixture of property types from substantial heritage homes, a spatter of newer in fill development to 1960s to 1970s units. The suburb has wide, tree-lined streets and a number of parks including the Burnside Hospital Grounds and Fergusson Square. The suburb is close to the shopping and dining precinct of The Parade, Norwood, the retail hub of Burnside Village and the cafes and retail premises of the Dulwich Shops. Toorak Gardens has a median dwelling value of $2.2 million with an entry price point of $1.1 million to $1.3 million and a median

84 Stephens Terrace St Peters Source: realestate.com.au



8/95 First Avenue St Peters Source: realestate.com.au

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unit value of $355,000 with an entry price point of $300,000 to $350,000.

Representing entry level in Toorak Gardens is the sale of 365 Portrush Road which achieved a sale price of $1.2 million. This property provides a circa 1940s Tudor-style dwelling disposed as three bedrooms and one bathroom on an 877 square metre allotment. The dwelling fronts a major arterial road and presents with dated fixtures and fittings. The sale of 7/88 Hewitt Avenue represents the entry point for units. This property comprises a ground floor cream brick unit disposed as one bedroom and one bathroom. The unit presents in below average condition with a basic fit out and achieved a sale price of $305,000.

365 Portrush Road Toorak Gardens Source: realestate.com.au

The suburb of Unley Park is situated approximately four kilometres south of the Adelaide CBD. This suburb is characterised by heritage homes on large allotments. A smaller number of home units can be found in the suburb whilst newer infill development is restricted with strict heritage development overlays. Purchasers are drawn to Unley Park for its proximity to the shopping and dining precincts of King William and Unley Roads. Unley Park has a median dwelling value of $1.925 million with an entry price point of $1.5 million whilst the median unit value and entry price point is hovering around $500,000.

The recent sale of 42 Nanthea Terrace, South Unley Park which achieved a sale price of $1.15 million reflects bargain buying in the suburb. This property is located adjacent to a railway line and comprises a dilapidated 1950s dwelling on a near level 970 square metre allotment. The sales of 5/390 Unley Road and 6/5 View Street reflect the entry price point for units in this locality. Both properties comprise single level cream brick units disposed as two bedrooms and one bathroom with the former fronting an arterial road and the latter being in poor condition. The units achieved sale prices of $550,000 and $500,000 respectively.

142 Nanthea Terrace South Unley Park Source: realestate.com.au

6/5 View Street Unley Park Source: realestate.com.au

Situated 12 kilometres west of the CBD is the beachside suburb of Henley Beach. This suburb is accessed directly from the CBD via Henley Beach Road. The suburb is spotted with coffee shops and eateries with Henley Square being the central meeting place. With a flat landscape providing limited opportunity for ocean or beach views, price levels drastically increase with proximity to the water's edge. This provides purchasers the ability to buy close to the beach at a fraction of the price of properties with beach frontage or a view. Henley Beach has a median dwelling value of $1.35 million with an entry price point of $800,000 to $1 million and a median unit value of $465,000 with an entry price point around $375,000 and over.

Representing the entry price point for dwellings in this location is the sale of 32a Chambers Street which achieved a sale price of $992,000. This property comprises a circa 2001 conventional style dwelling disposed as three bedrooms and two bathrooms on a 359 square metre allotment. The property neighbours a reserve and industrial property and is approximately 650 metres from the beach. The sale of 3/261 Military Road represents the entry point for units in this location. This property comprises a ground floor cream brick unit disposed as two bedrooms and one bathroom. The unit fronts an arterial road and is located 165 metres from the beach. This property achieved a sale price of $403,000.

Investors looking in these suburbs are typically playing the long game as gross rental yields fall below the accepted four to five per cent found in the middle and outer rings. Buying at the entry level price point in these suburbs would provide an investor the ability to value add or long-term hold to achieve the benefits of capital growth.

Purchasing in a champagne suburb on a beer budget ultimately falls to the motivation of the buyer. If the suburb is the defining factor, then buyers will have to make sacrifices which reflect the entry price level.

In the end, a champagne location is in the eye of the beholder.

Nick Smerdon
Property Valuer

Mount Gambier

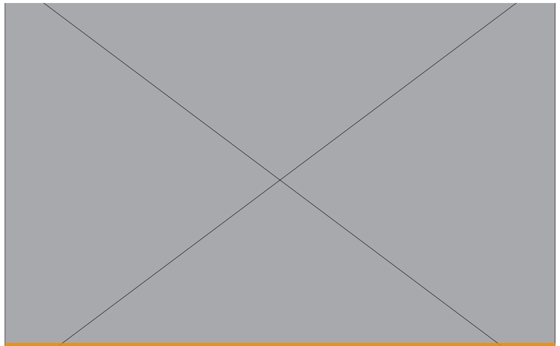
Mount Gambier's most prestigious and highly demanded locations are those close to the CBD and the town's largest tourist attraction, the Blue Lake. Properties in these areas are mostly large character style properties on medium to large allotments and are thinly traded and highly demanded.

The price points to enter the market in these areas on average start from around $500,000 to $800,000. At this price point, a buyer would be compromising on the property's condition, dwelling size or block size. A property in a fair condition will generally sell at a lower value, however in these areas because of the high demand, we do still tend to see strong prices being paid for properties in this condition.

An example of an original property achieving a strong price is 11 Power Street, Mount Gambier. This property is a 1930s bungalow situated on 954 square metres and offers two bedrooms, one bathroom and a three-car garage. The property is mostly in its original state with an updated bathroom within the past 20 years. This property sold at auction and achieved a price of $536,000. This is an example of a beer budget in a champagne location.

Properties in these areas are mostly large character style properties on medium to large allotments and are thinly traded and highly demanded.

11 Power Street, Mount Gambier Source: CoreLogic



18 Gwendoline Street, Mount Gambier Source: CoreLogic

11 Power Street, Mount Gambier Source: CoreLogic

18 Gwendoline Street, Mount Gambier Source: CoreLogic

An example of an average sale price in these locations is 18 Gwendoline Street, Mount Gambier. This house possesses all the characteristics that are highly demanded. This bungalow was built in 1925 and sits on a 1400 square metre block and offers five bedrooms, two bathrooms and a three-car garage. The property has been slightly updated throughout. This property sold for $782,000 which is a strong price for a property that has not been fully renovated.

As these areas are in high demand, the properties rarely devalue. As the price points in these areas are quite high, the demographics are majority owner-occupiers. From an investment perspective, buying a lower value property in these areas would mean the property would be in fair condition and would require quite a lot of work, generally too much for an investor to make a good yield.

Adrian Castle
Director

Western Australia - Residential 2023

Perth and regions

May has arrived and with it some cooler weather and although it may be time to get the woollies out ready for the colder months, one thing that isn't cooling down just yet is the residential property market throughout Western Australia. The topic to delve into this month is beer budget properties in champagne locations – in simple terms, relatively cheaper buys in some of our most sought-after locales. It'll be suburb against suburb, town against town, coastal against riverside as we dissect the alternative options in some highly sought-after pockets of our property market.

Starting in the Perth metropolitan area, the most sought-after locations are generally those close to the water within ten kilometres of the CBD. The western suburbs of Perth generally are highly sought-after due to their proximity to both the Swan River and the Indian Ocean, as well as being close to the CBD and Perth's most prestigious private schools. Looking at the suburb of Dalkeith, a riverside suburb approximately six kilometres south-west of the Perth CBD, the median house price is $3.4 million, with a median rental price of $1700 per week according to the Real Estate Institute of Western Australia (REIWA). When compared to the neighbouring suburb of Nedlands which has a median price of $1.95 million and median rental price of $900 per week, Nedlands seems like a much more affordable option (it is worth noting that the volume of sales in Nedlands is more than double that of Dalkeith). These areas mostly consist of quarter acre blocks, improved with four- or five-bedroom houses of varying ages. Modern dwellings have been in extreme demand in recent years. One example is 55 Hobbs Avenue in Dalkeith, which is a 2018 built five-bed, four-bathroom dwelling on a quarter acre block located one street from the Swan River. The property sold for $6.050 million in November 2022 and is definitely a champagne property.

55 Hobbs Avenue, Dalkeith — Source: RP Data

Dalkeith and Nedlands are in close proximity to the University of Western Australia, Sir Charles Gairdner Hospital, Perth's Children's Hospital and Hollywood Private Hospital, and there are a range of cheaper properties available. For example, 7/16 Monash Avenue in Nedlands is a circa 1981-built, two-bed, one-bathroom unit with one car bay. This was sold in September 2022 for $388,888. How's that - a first home buyer can end up in Nedlands if they are savvy with their money!

7/16 Monash Avenue, Nedlands — Source: RP Data

Naturally with these cheaper and older products, you do have to compromise with the age, condition and size of what you are buying. Most of these are close to the medical precincts or the university campus, often on local thoroughfares as well and quite often will require renovation works - but it still appears to represent good value for money.

If you are chasing a more traditional sized allotment for the area, the cheapest quarter acre block sized properties are normally improved with dwellings constructed in the early 1920s and 1930s, and are generally in poor to average condition and will require some TLC. For example, 10 Kinninmont Avenue in Nedlands is a circa 1933-built, four-bedroom dwelling that has had some minor updates. The property was sold in November 2022 for $1.875 million.

One thing that isn't cooling down just yet is the residential property market throughout Western Australia.

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10 Kinninmont Avenue, Nedlands Source: RP Data

Perth is the longest city in the world as it tracks the coast and this provides ample opportunity for beachside living, however with that comes a hefty price tag in most locations. Within these coastal suburbs though there is a significant fluctuation in value. We have the top end in suburbs such as City Beach and Cottesloe and then we have a lower end, relatively cheap option in the far northern beaches of Alkimos and Yanchep. If we look more centrally it might be worth comparing the likes of City Beach to suburbs such as Trigg or Scarborough.

The highest sale so far in 2023 in City Beach is at 10A Branksome Gardens which sold for a cool $5.5 million in February. The property is a little over 250 metres as the crow flies to the beach.

10A Branksome Gardens, City Beach Source: RP Data

10A Branksome Gardens, City Beach location Source: RP Data

The dwelling is a five-bedroom, fivebathroom build of a very high standard and has only recently been completed. The property originally sold for $1.9 million in November 2019 and has since been redeveloped and sold for the $5.5 million price tag.

So let's look at the flipside of this and try to find the cheapest property sold in 2023 for City Beach. Do we find a beer budget property? A resounding no is the answer. The cheapest property sold in City Beach in 2023 so far is 5 Tarongo Way for $2.1 million in February. This circa 1981-built, five-bedroom, three-bathroom property is about double the distance to the beach that 10A Branksome is. So even with the older age of the building, inferior improvements and further distance from the ocean, we still can't find a beer budget property in City Beach. So where to next? Let's continue up the coast to Scarborough.

Scarborough has a very diverse range of property types ranging from high end homes and apartments to some more affordable unit options. This is where we are going to be able to get our beer budget property in a champagne location.

9/137 Hastings Street, Scarborough sold for $330,000 in January 2023 and is a one-bedroom, one-bathroom, part-renovated unit of 45 square metres internal area however the property is only circa 230 metres from the beach and is in close proximity to the amenities that the Scarborough Beach activity centre provides. Across the road from the unit complex are properties such as 14 Cobb Street which sold for $1.75 million in November 2022. This reflects the diverse range of properties, but the beer budget can definitely get you into this highly sought-after location.

9/137 Hastings Street, Scarborough Source: RP Data

9/137 Hastings Street, Scarborough Source: RP Data

If we turn our attention to who this kind of product would suit, it's not an easy question to answer. It could very well suit a young person entering the property market for the first time as a place to live. At a price point of $330,000 it would be quite affordable for the first homeowner with a ten per cent deposit only amounting to an attainable $33,000. This type of property would also appeal to a small private investor looking for good rental returns. Given the tight rental market pushing into 2023 with no end in sight, it won't be a stretch to say the purchase would be geared towards benefiting the investor to a greater degree in monetary terms. Regardless of the purchaser however, what is undoubtedly obvious is that this is most definitely a beer budget, champagne location property. The views of the ocean and proximity to the Scarborough Beach amenities offer all if not more than the location in City Beach, without the multi-million-dollar price tag.

In the apartment space, champagne locations are in general commanding champagne prices. The apartment market in Perth is unlike that of other large cities in that the bulk of the populous is not seeking the apartment lifestyle, although a prevalence of higher quality developments in more recent years is helping to change this. Around the world, higher density living and the shift from rural or larger homes into apartment style living is seen as a natural progression of a maturing city. With Perth's massive urban sprawl, it hasn't exactly been primed for mass acceptance or need for higher density living, but urban sprawl brings with it numerous challenges related to the provision of services, transport and the lack of density required to support local community amenities. These factors make for an incredibly different apartment market in our city. There is a higher inclination for developers to acquire sites in top locations so as to glamourise the apartment lifestyle, luring potential buyers away from standard single home dwellings on normal sized blocks. In particular, this is an attractive option for downsizers in premium locations who expect premium finishings.

East Perth has experienced a massive redevelopment in the past 30 years and the transition into a modern, vibrant place to reside is a stark contrast to the industrial dilapidated precinct it was in the past. It has become a real haven for people who want that apartment lifestyle, want to be close to their place of work and enjoy the slightly quieter end of the CBD. The quality of available apartments in the suburb is exemplified by 902/35 Bronte Street.

902/35 Bronte Street, East Perth Source: RP Data

This property is a 159 square metre, three-bedroom, two-bathroom apartment in a circa 2018-built development. The apartment offers 180-degree city views. The property commanded a sale price of $1.25 million in January 2023. The location speaks for itself with the river, CBD and abundance of amenities the CBD and surrounds offer, all in close proximity. So this is what near the top dollar in 2023 will get you so far, but what opportunities exist for those seeking the benefits of East Perth living with a fraction of the budget?

Just down the road from 902/35 Bronte is 177/143 Adelaide Terrace. This property provides a one-bedroom, one-bathroom studio in a circa 2011-built apartment complex. The complex includes an abundance of common amenities such as a communal garden, entertainment room, gym, sauna, swimming pool and barbecue facilities, all in an almost identical location to the previous property.

177/143 Adelaide Terrace, East Perth Source: RP Data

Quite obviously, you're not on the 23rd floor with sweeping river views and with the 177/143 Adelaide Terrace property being a more modest 40 square metres, we are naturally talking about fundamentally different products. In terms of bang for your buck however, this is where the theme of this month hits home. 177/143 Adelaide Terrace sold in January 2023 for $285,000. Yes, less than $300,000 for a CBD-located, modern apartment with all the standard common amenities modern apartment developments offer. The improvements and view aside, if we are talking about the location alone there is essentially no difference between the two properties and if we are asking for a beer budget property in a champagne location, we think the two examples paint a perfect picture of what we are looking for within the apartment market and more specifically in the East Perth apartment market.

In terms of who the potential buyers would be for these products, again it varies. At the higher end there is an argument for the property to be slightly more geared towards an owner-occupier with the lower end probably appealing to multiple buyers, offering a great opportunity for an investor to enter the market but also for a young professional as an owner-occupier. With interest rates increasing and the rental crisis deepening, if we had to sway one way or another, it is likely that the beer budget property has the potential to offer a greater financial benefit to the investor.

Moving east to Perth's rural lifestyle properties, there is still good demand out there for the rural lifestyle without too much compromise of location and distance from Perth's CBD. Given the majority of the Perth metropolitan area is stretched along the coast, you can have a well sized rural lifestyle property within a 40-minute drive of the CBD. Suburbs to the east of Perth such as Gooseberry Hill, Chidlow and Bullsbrook are still seeing relatively short selling periods while also fetching solid prices. Focusing on the suburb of Gooseberry Hill for example, which is one of Perth's most sought-after rural lifestyle suburbs, we have seen a number of transactions over the $2 million mark in the past six months. It is quite clear that people are still happy to pay for a top end product in the area. For example, 24 John Farrant Drive in Gooseberry Hill is a five-bed, four-bath house on a 1.22 hectare block. The property sold in December for a princely $3.01 million.

24 John Farrant Drive, Gooseberry Hill Source: realestate.com.au

Another example of a premium lifestyle property is 162 Ridge Hill Road in Gooseberry Hill. The property comprises a five-bed, two-bath house with a separate self-contained, two-bedroom granny flat situated on a 1.02 hectare block. The property also sold in December 2022 for $2 million.

162 Ridge Hill Road, Gooseberry Hill Source: RP Data

In terms of who is the likely buyer for these types of properties, it is most likely a growing family looking for more living room and outdoor space. These types of properties give both the kids and parents room for all the toys while also having land that allows the kids to have plenty of room to play and enjoy while remaining on the property.

Moving to the entry level type properties in this area, you are looking at the much older and smaller style properties on a smaller but still generously sized allotment. For example, 54 Watsonia Road in Gooseberry Hill is a circa 1963-built, two-bed, one-bath property situated on a 2,347 square metre allotment. The property sold in January for $660,000.

54 Watsonia Road, Gooseberry Hill Source: RP Data

The typical buyer for this type of product is likely a first home buyer who wants that lifestyle type property. With most of these entry level properties only having two or three bedrooms, it is unlikely that too many will appeal to growing families unless they want to get into the market and renovate or make additions to the property.

Moving to the state's picturesque south-west region, we will look at Peppermint Grove Beach, Bunbury's Back Beach area, Augusta and the Busselton Urban Area, starting with the suburb of Peppermint Grove Beach, which is a beautiful and relatively quiet part of the south-west coastline. It has pristine beaches and many of the properties located in the area have views of either the ocean or inland. The suburb is situated halfway between the City of Busselton and the City of Bunbury and is also close to the town of Capel. For affordable housing with the beach lifestyle away from the hustle and bustle, this is the place to be.

Moving to the entry level type properties in this area, you are looking at the much older and smaller style properties on a smaller but still generously sized allotment.

A recent sale that shows a good example of this is 137 Peppermint Grove Terrace, which is a circa 1996-built, five-bed, two-bath house on an 855 square metre block with good inland and restricted ocean views. The property sold for $740,000 in November 2022.

137 Peppermint Grove Terrace, Peppermint Grove Beach Source: RP Data

We now move to one of the most underrated locations in the south-west, Bunbury's Back Beach. Given its proximity to the Bunbury CBD and the ocean and thanks to the moderately undulating topography, many properties in this location have excellent ocean views. For those of us old enough to remember, the area gives off similar vibes to Trigg and North Beach back in the 1980s before they became the sought-after locations they are today. The entry level in the Back Beach area is just a fraction of other similar foreshore localities such as Busselton, Dunsborough, Yallingup and Gnarabup.

A case in point is 6 Stockley Road, a vacant 892 square metre block with excellent ocean views that sold in December 2022 for $600,000. We have noted as well it is zoned R20/40 and therefore has development potential, however it would also be suitable as a single residential lot.

6 Stockley Road, Bunbury Source: Landgate

Heading to Augusta now, which until recently would have fit into the beer budget category nicely, however the past 12 months have seen a significant rise in values. Augusta is a quiet coastal town on the mouth of the Blackwood River. An example of these high prices is 6 Toy Place in Augusta. The property is a recently renovated, two-storey timber weatherboard home built in 1993 that provides three-bed, two-bath accommodation on an 809 square metre block, which has good views back up the river. The property sold in January for $1.4 million.

6 Toy Place, Augusta Source: RP Data

To find a real beer budget property, you would be moving a bit further away from the coastline to an older style property in original condition. An example of this is 13 York Street, which is still only a few hundred metres from the coastline, however offers an original four-bed, two-bath house built in circa 1979 on an 856 square metre block with frontage to bushland. The property sold in December 2022 for just $470,000.

13 York Street, Augusta Source: realestate.com.au

Moving north into the Busselton Urban Area, we have seen some good opportunities for those beer budgets in this champagne location between the Bussel Highway and the Indian Ocean. The location offers great amenity, being at most 400 metres from the beach, while also being close to the Busselton CBD, although as soon as the properties get a good ocean view, the prices jump up massively.

Looking at the suburb of West Busselton for an example of these ocean view properties, 4 Seagrott Road sold in January for a whopping $1.5 million. The property is a partially renovated, circa 1970s three-bed, one-bath approximately 50 metres from the beach with some partially restricted ocean views.

4 Seagrott Road, West Busselton Source: RP Data

4 Seagrott Road, West Busselton Source: RP Data

Moving to an example of a recent beer budget buy in the locality is 27 Maryllia Road in Broadwater. The property is a two-storey house built in 1976

27 Maryllia Road, Broadwater Source: realestate.com.au

Heading to the north of our state, Broome has seen a significant tourism boom thanks to people wanting to travel locally to a lovely warm holiday destination. In terms of the property market, Cable Beach offers the perfect location for holiday home purchasers. An abundance of relatively (for Broome) high value properties paints the champagne location picture with its proximity to the famous Cable Beach a major selling point.

8 Mina Court, Cable Beach sold in July 2022 for $1.7 million and is a five-bedroom, three-bathroom property on a 1000 square metre block. It boasts a cedar-lined alfresco, below ground swimming pool and a pizza oven with outdoor kitchen facilities. The standard of specification for the locale is very much on the high end and the 2013 build year gives it a relatively new age profile.

8 Mina Court, Cable Beach Source: RP Data

The property being on the north side of Cable Beach puts it in a great location with close proximity to the coast in one of the nicest pockets in the town.

So, we know that Broome has properties commanding the plus $1 million figures, but are there any opportunities for the beer budget buyer in similar locations?

Well, Cable Beach also has a few unit complexes offering a more affordable product, while still in that champagne location. For example, 6/1 Bernard Way in Cable Beach is a two-bed, two-bath unit in a circa 2011-built complex. The complex is located just under a kilometre from the beautiful Cable Beach. The property sold for just $490,000 in February this year and is a great example of a beer budget property in the champagne location of Cable Beach.

As an alternative option, Exmouth is a town with similar characteristics to Broome, being heavily reliant on tourism for its local economy whilst also offering beautiful, pristine beaches. The 2010-built property at 1/1 Coral Way sold in February 2023 for $550,000 and is a three-bedroom, two-bathroom dwelling on a 238 square metre block in a relatively new development on the eastern side of town near the canals. With a price some $1.15 million cheaper than our Broome example, it offers a clear saving for a wonderfully located property. The key point to the champagne classification for these two towns is the beach. The difference in purchase price against what the location has to offer is massive and ticks all the boxes we are after when looking for a beer

6/1 Bernard Way, Cable Beach Source: RP Data budget equivalent.

The buyer profiles for the two locations would be similar although the Broome property is likely to be more inclined to the owner-occupier given the property's characteristics being ready made for a family to move in to. The Exmouth property gives the purchaser some good flexibility as the three-bedroom, two-bathroom product suits holidaymakers as well as owner-occupiers, making it a very versatile product. Given the tourism-driven nature of the two locations, the ease with which the two properties could be converted into Airbnbs is obvious. There is good tourist demand in both locations, so whether it's an investment opportunity or a place to call home, the towns and properties can cater to both buyer profiles.

1/1 Coral Way, Exmouth Source: RP Data

1/1 Coral Way, Exmouth Source: RP Data

Moving down the coast to the Geraldton region of Western Australia, this regional coastal city provides a good beachside lifestyle at an affordable price. Starting in the suburb of Bluff Point, 64 Kempton Street sold in May 2022 for a whopping $1.62 million. The property is an oceanfront four-bed, two-bath house built in 2000 and situated on a 1499 square metre block.

Looking in the suburb of Geraldton itself, you can get a bit more bang for your buck. For example, located about 300 metres from the

11 Francis Street, Geraldton Source: realestate.com.au

Moving further south, Jurien Bay and Lancelin are two wonderful beachside getaway locations

64 Kempton Street, Bluff Point Source: realestate.com.au

north of Perth that offer very similar escapes and opportunities for the holidaymaker, sea-changer or investor. Location-wise, both towns are coastal with seemingly never-ending beachlines. Properties have been geared specifically towards this to get the most out of their beautiful locations.

Starting in Jurien Bay, we have 1/7 Grigson Street. This four-bedroom, two-bathroom dwelling is situated on a 558 square metre block that sits directly opposite the beach with a park the only thing separating the two. Given the location and what the property has to offer, the circa 2005-built house sold in December 2022 for $1.6 million.

1/7 Grigson Street, Jurien Bay Source: RP Data

The property sold after being on the market for a mere five days, showing that demand in the market is still strong and also that the lingering supply constraints are having a big effect on buyer urgency. The features of this type of property coinciding with the lack of supply of similar products on the market have pushed the days on market figures lower and lower and have allowed prices to remain at the very least stable given the overall theme of property price downturn across the country.

So that's what we have at the top end in Jurien Bay but what about that beer budget property we are looking for? Is there something that we can find here that ticks all the location boxes of the Grigson Street property without breaking the bank? 29 Hasting Street may indeed tick all those boxes. The property is a four-bedroom, one-bathroom product on an 813 square metre block built circa 1974. Although in terms of ocean front it doesn't tick the same box, it is still only a 400-metre walk to the beach on a larger block with a large backyard and rear shed. The property sold in December 2022 for $470,000 after only 11 days on the market.

29 Hasting Street, Jurien Bay Source: RP Data

29 Hasting Street, Jurien Bay Source: RP Data

The $1.13 million saving on this property that can be made for a relatively similar location with all the same benefits bar the view is exactly what the beer budget ordered.

Heading south towards Lancelin and we can find a similar situation. At the top end of the market, we have 2 Desert Road, Lancelin. This property is a four-bedroom, one-bathroom, circa 1975 build with an ocean front location. It sold for $1.3 million in January 2022 after 21 days on the market. The location characteristics of the property are quite similar to 1/7 Grigson in Jurien Bay, however the improvements are far inferior and dated.

2 Desert Road, Lancelin Source: RP Data

A few kilometres down the road we have 154 Gingin Road which sold for $520,000 in May 2022 after 11 days on the market. The property is a two-bedroom, two-bathroom dwelling on a 1012 square metre block with a large backyard and two large sheds. In terms of location, a similar situation exists to the one which was illustrated in Jurien Bay with 154 Gingin Road not being an oceanfront property although it is within walking distance and close proximity to the beach, in this case less than 150 metres.

154 Gingin Road, Lancelin Source: RP Data

The location of the property speaks for itself and while not offering the views of 2 Desert Road, it offers similar amenity and lifestyle characteristics for $780,000 less. What we can see is a clear opportunity to make purchases in these markets where high end champagne properties are also available.

In terms of purchaser profile for these properties there is again a very strong argument for both the investor and the owner-occupier. Noting the location of the two towns and that both these areas are prominent weekend getaway locations for Perthites, the argument for someone to purchase with a view to use the property as an Airbnb style house is strong. The proximity to the beach and big backyard offering is the ideal short stay weekend property to purchase with a view to rent. On the flipside, many purchasers from the city see these towns as perfect holiday home purchases so the demand for these properties from this profile buyer would also be strong, especially for the higher end products for empty nesters possibly seeking a sea-change with some extra cash to use.

A champagne location on a beer budget – it is possible. All the examples we found provide a massive insight into what's possible in great locations where you may not on face value believe you have the capital to invest in. Entry level properties in established high end locales are not the easiest to find, especially with the supply issues we are facing at the moment, however with patience and a bit of research it is definitely possible. Whether you are a small-time investor wanting some passive income or a first home buyer wanting to start your property journey in a location that best suits your lifestyle, the options are there for you if you are on a beer budget.

Chris Hinchliffe
Director

Whether you are a small-time investor wanting some passive income or a first home buyer wanting to start your property journey in a location that best suits your lifestyle, the options are there for you if you are on a beer budget.

Northern Territory - Residential 2023

Darwin

Darwin would have to be the best value for money of all the national capital cities as we reach the middle of 2023. Houses, units and townhouses are all have options for good quality housing under $500,000 suitable for a family, empty nester or first homeowner. This coupled with so many long-term infrastructure and strategic works programs in the Northern Territory makes Darwin a very attractive option to live and prosper.

Houses – The satellite city of Palmerston is the place to go for a house and land package. Established housing under $500,000 is a very real option. Suburbs such as Gunn, Durack and Rosebery are transacting with three- and four-bedroom homes.

44 Mcaulay St, Rosebury Source: realestate.com.au

A recent sale is this one at 44 Mcaulay St, Rosebury which sold for $450,000 in March. This home offered three-bed, two-bath, two-car accommodation on a 451 square metres site.

These suburbs are well serviced with primary schools, shopping centres, good public transport and access to excellent sporting facilities in Palmerston.

Units – The Darwin CBD remains the main location for units with excellent views, entertainment amenity and common facilities in the complex. These units are attractive for those looking to downsize from the large family home, or for investors looking to unlock the excellent yield opportunity in Darwin. The rental market is currently stressed – the vacancy rate as noted by SQM Research in March 2023 is 1.8 per cent. Anecdotally, property managers are noting multiple applications and strong interest for all well-presented properties.

Away from the CBD, Nightcliff and Rapid Creek are very popular; the Casuarina Drive foreshore location offers ocean views and access to running tracks, cafes, pubs and local schools. Under $500,000 will secure a neat and tidy two-bedroom unit or an older style three-bedroom unit. Units without views will offer modern, two-bedroom, two-bathroom accommodation with double off-street parking for under $450,000. A recent example is 101/9 Quandong Crescent which sold for $429,000 in February and provides two-bed, two-bath, two-car accommodation.

9 Quandong Crescent, Nightcliff Source: realestate.com.au

With cost of living pressures so high across the country, Darwin is proving to be an excellent option for affordable housing and an opportunity for savvy investors seeking strong rental returns.

With cost of living pressures so high across the country, Darwin is proving to be an excellent option for affordable housing and an opportunity for savvy investors seeking strong rental returns.

Will Johnson
Valuer

Alice Springs

If you've ever watched a lifestyle program that is even vaguely connected with real estate or the property market, you'll already know that it's all about "location, location, location". Where are the best locations to buy in Alice Springs? This is the topic we are going to explore today, and we will also

Owning an investment property in one of these locations guarantees you a good return of up to seven per cent or more in some cases, with very infrequent vacancies.

search for any possible bargains that might enable you to buy into the dress circle without necessarily having to win the lotto beforehand.

Without doubt, the most desirable areas in Alice Springs are around the golf course (talking Desert Springs and Mount Johns), the far reaches of Larapinta (Sterling Heights or East Hermannsberg as the locals call it) and Old East Side.

Now Sterling Heights is a reasonably new development and as such, virtually all properties there are less than 20 years old and almost without exception remain in good overall condition. It's sought after as it is on the edge of the township and is entirely made up of newer, good quality homes, most of which enjoy amazing views of the MacDonnell Ranges. As a result, you'd be hard pressed to buy into that area for less than $800,000. Even a three-bedroom, two-bathroom duplex unit will set you back over $700,000, so I think we will need to look elsewhere.

Old East Side is a very interesting area. It contains some of the oldest homes in Alice Springs as it was one of the first areas east of the Todd River that was developed just after World War II. Its close proximity to the CBD and its general trendiness make it popular with hipsters, hippies and many others. It has a very eclectic mix of older style homes, newer homes and renovated or modernised dwellings. An older style three-bedroom, one-bathroom East Side home can be picked up for between $500,000 to $600, 000 but be prepared to have to spend some money on upgrading from that 1950s or 1960s décor. Larger, more modernised homes in this area can fetch up to $900,000 or more, so getting into this area for under $600,000 is a good outcome. Even a fairly basic one-bedroom, one-bathroom unit can be worth up to $250,000 in this location and two-bedroom units get into the high $300,000s. Your best opportunity to become a resident of Old East Side is to look for a property in need of some love. Smartly planned renovations or extensions will pay dividends in the long run.

The other location to which people are drawn is the residential area surrounding the golf course. It offers proximity to the CBD, stunning views of the MacDonnell Ranges and for some, the added bonus of being able to access the golf course through your back gate. Much the same strategy applies here as for East Side – searching for a property that might be in need of some TLC is the best way to affordably enter into this market, as properties with golf course frontage have been sold for in excess of $1.25 million. Even a fairly average two-bedroom, one-bathroom unit can go for up to $450,000 in this area. You'll always pay extra for Ranges views, golf course views or both, so if you're on a budget, you may have to settle for a property that doesn't offer either of these benefits.

Not surprisingly, all these locations offer strong returns for investors despite the high level of investment required. A lot of people in Alice Springs make good money and are happy to spend heavily on quality rental properties, particularly US citizens in high paying jobs at the Joint Defence Facility Pine Gap. Owning an investment property in one of these locations guarantees you a good return of up to seven per cent or more in some cases, with very infrequent vacancies.

Peter Nichols
Valuer

Australian Capital Territory - Residential 2023

Canberra

The best locations to buy in and around Canberra would be around the inner north and inner south areas due to their location and large blocks however they aren't affordable. Soho Real Estate stated that some affordable suburbs in Canberra would include Charnwood, Macgregor, Ngunnawal and Richardson but they weren't necessarily the best suburbs in Canberra.

Whilst looking at properties under the $600,000 mark, units were the property type to go for as houses over the past few years have surpassed the $600,000 mark.

6/139 Macfarlane Burnet Avenue, Macgregor is a two-bedroom, one-bathroom and one-car space property that rsold on 4 April for $561,000.

6/139 Macfarlane Burnet Avenue, Macgregor Source: Zango

There are still some houses being sold around the $700,000 price range. 8 Berkeley Street, Dunlopis a three-bedroom, one-bathroom and one-car space property that sold for $708,000 on 1 March.

8 Berkeley Street, Dunlopis Source: Zango

12 Sisely Street, Macgregor is a semi-detached renovated three-bedroom, one-bathroom and one car space property which is on the market for $699,000 plus.

12 Sisely Street, Macgregor Source: Zango

These options are good for those looking to get into the market or buy investment properties as all three of these properties are ready to move in which is one of the criteria for many homebuyers nowadays.

Some of the compromises of these properties are that the land is typically smaller in these areas and there aren't many bedrooms and bathrooms meaning that the living area is typically smaller as well. The locations of the properties aren't ideal being towards the west end of Canberra and being further away from the city however the properties are typically newer. This is due to the land releases in those areas being more recent than other suburbs in Canberra and within the champagne locations of the inner north and inner south of Canberra.

When looking at champagne locations and beer budget properties, the inner north of Canberra offers one- and two-bedroom units for less than $400,000 up to $750,000. This location is close to the light-rail for easy transport into the city and is ideal for tenants working in the city or who want to be within the hustle and bustle of Canberra. There is a mix of complexes ranging in age from 1980s to complexes built within the past couple of years. If you're looking for an investment property, then you can't go past some of these apartment complexes. These locations aren't as good for homebuyers who are looking for a beer budget property as the houses sell above the million-dollar price range.

Kush Sen
Assistant Valuer

RESIDENTIAL

HERRON TODD WHITE RESIDENTIAL

Tasmania - Residential 2023

Hobart and regions

This month's edition of the Herron Todd White Month in Review is quite a difficult one as we are all aware the average annual income of Tasmanians is substantially less than mainland Australia.

Prices skyrocketed during the pandemic and we are now in a state of relative normality with properties sitting on the market for a little longer and potential purchasers have been given some breathing space when it comes to making offers and adding conditions to sale contracts.

Suburbs that fit the bill are Bellerive and Lindisfarne Village (on the eastern shore) and Kingston Beach on the southern side of the River Derwent.

All of these suburbs are quite popular given the close proximity to restaurants and essential services or the beach.

The problem is that entry level properties are transacting for circa mid $500,000 for a two-bedroom unit, with top end houses selling for well over the $1 million mark.

Let's say you are lucky enough to nab a lower end property in reasonable condition in one of these areas for say $550,000. With an average rental figure of $490 per week ($25,480 gross), your rental return is around 4.6 per cent. As the value of the property goes up, unfortunately the gross yield reduces. Some mid to long term deposits with the banks are paying very similar amounts. The only benefit of holding residential property is the many tax benefits including depreciation if applicable.

Herron Todd White has a dedicated team of specialists in the tax depreciation field. If you need one done, please reach out for a quote.

Mark Davies
Valuer

Suburbs that fit the bill are Bellerive and Lindisfarne Village (on the eastern shore) and Kingston Beach on the southern side of the River Derwent.

HERRON TODD WHITE

Rural

May 2023

Central Tablelands / Central West NSW

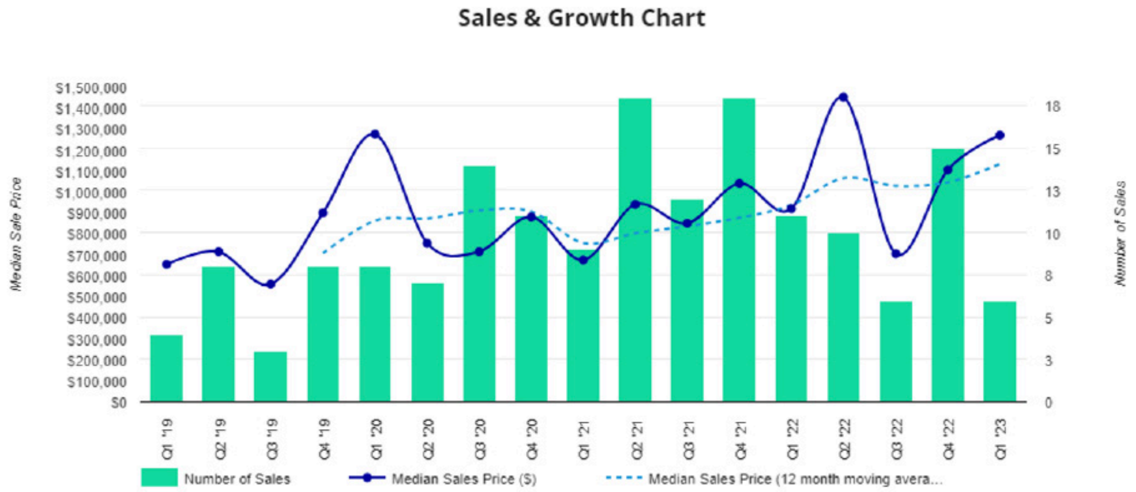
Sales activity appears to have slowed somewhat in the past month.

We notice a recent sale of a timbered recreational bush block supporting value levels in that market class.

Mareemba, Laggan-Taralga Road, Taralga NSW 2580 (326 hectares, $1.1 million, sold 31 March 2023) located 13 kilometres west of Taralga and 25 kilometres east of Crookwell, is mostly denser timbered recreational native bush land with approximately 60 hectares of open, lighter timbered areas. It has two paddocks, two dams and has frontage to the permanent Wowagh Creek. The property has moderate access. Improvements comprise a large shed currently used for basic accommodation and machinery storage, and timber cattle yards. Power is not connected. The sale shows $3374 per hectare overall.

A generally similar property sold this time last year was Mount Stromlo', 269 Todds Road, Wisemans Creek NSW (219 hectares, $1.04 million, sold 20 May 2022). Located 26 kilometres west of Oberon and 37 kilometres south of Bathurst, it is a mostly moderate to steeper sloping recreational native bush property with direct access to 3.3 kilometres of Sewells Creek and Brisbane Valley Creek. Whilst it has moderate access only, it has very good recreational appeal, with rock escarpments, private frontages to the two creeks and waterfalls. Power is provided by a solar array with battery storage - the property is off-the-grid - and there are weekender type improvements on the property. The sale shows $4749 per hectare overall.

Craig Johnstone
Valuer



Sales and growth in Tamworth Source: Pricefinder

Northern NSW

Since 2019, the median sale price has been trending upwards with an increase in sales volumes from mid-2020 to late 2021. Sales volumes decreased in the first three quarters of 2022 with a peak in the last quarter of 2022 as shown in the table above:

Since late 2022 there has been continued interest in rural lifestyle properties from 40 to 80 hectares with a number of strong sales, however more recently there appears to be a slight softening in demand with lower sales volumes so far in 2023.

Some recent key sales include:

- 433 Kia Ora Lane, Timbumburi sold for $2.2 million in late November 2022 (65.89 hectares);
- 607 Old Winton Road, Winton sold for $1.2 million in late November 2022 (41.79 hectares)
- 805 Soldiers Settlement Road, Bective sold for $1.105 million in mid December 2022 (39.76 hectares);
- 788 Soldiers Settlement Road, Bective sold for $1.02 million in mid December 2022 (57.36 hectares);
- 404 Oxley Lane, Westdale sold for $1.54 million in March 2023 (40.74 hectares);
- Cooyong, Monteray Road, Loomberah sold at auction on 9 March 2023 for $2.9 million (56 hectares).

On the back of some very strong sales and a high uplift in values over the past two to three years, we anticipate that over the next 12 months, the market will continue to soften and selling periods are likely to increase.

Angus Ross
Director

RURAL

HERRON TODD WHITE RURAL

Southern NSW

Although there have have been reduced numbers of buyers competing for rural holdings in recent months, there are still strong sales results being achieved, particularly for smaller rural holdings within commuting distance to major centers such as Wagga. An example of this is the sale at auction of Karingal at Mangoplah (located approximately 28 kilometres south of Wagga) on 20 April. Karingal is a 245-acre mostly arable grazing holding with a five-bedroom homestead, machinery shed and a set of modern cattle yards. The land is considered to be very productive and well laid out with 18 paddocks serviced by an internal laneway. The property has a stock and domestic bore and tank and trough system throughout. Karingal sold under the hammer for $2 million or $8163 per acre to an urban based family looking for a rural lifestyle holding with income earning potential. Similar smaller properties in the area were trading between $4000 and $5000 per acre just 18 months ago.

Smaller lifestyle holdings closer to Wagga, typically 100 acres or less, have increased in value significantly in recent years and there are limited numbers of properties hitting the market. Rural lifestyle buyers are looking further afield and the tradeoff for distance to town is more acres for your money and the potential to make a modest income along the way.

Andrew Garnsey
Valuer

Gippsland

There are currently mixed fortunes for the rural property market in the Gippsland Region. The major dairying areas of Maffra and South Gippsland continue to be strong on the back of strong farm gate returns from record high milk prices. Prices have broken through the $10 per kilogram of milk solid, a welcome relief for a number of input costs such as fertiliser. In a reversal of fate, most recent transactions have been between dairy farmers as a number of farmers have taken the opportunity to exit the industry on the back of strong asset values at the same time as others have looked to scale up on the back of strong fundamentals and access to cheap debt.

It should be noted however that this is coming off the back of a period of sustained growth with the region having experienced growth in asset values in excess of 500 per cent over a 10-year period.

Following the highs of 2022, the rural lifestyle market however has begun to show early signs of weakening. Agents report that a number of properties have experienced a reduced level of enquiry and protracted selling periods on the back of recent interest rate rises reducing buyer capacity. It should be noted however that this is coming off the back of a period of sustained growth with the region having experienced growth in asset values in excess of 500 per cent over a 10-year period.


Bogandina Source: Northern Victoria Livestock & Real Estate

Recent noteworthy transactions include Bogandina near Maffra which transacted for $2.85 million for a circa 100 hectare in-use dairy farm which had been milking between 270 and 300 cows and reflected $28,000 per hectare for developed flood irrigation.

More recently, the circa 100 hectare dairy farm at 3445 Meeniyan-Promontory Road at Yanakie in South Gippsland transacted for $3.375 million and was reportedly milking 225 cows via a 25-a-side swing over dairy. The sale shows a headline rate of $33,750 and sets the benchmark for the region.

Whilst the short to medium term outlook for the dairy industry remains positive, it is likely there may be a continued softening in the grazing and lifestyle markets as buyers price in additional debt servicing costs and weaker cattle prices.

John Gunthorpe
Director


3445 Meeniyan-Promontory Road, Yanakie Source: Nutrien Harcourts

RURAL

HERRON TODD WHITE RURAL

South-west Victoria

The past six to nine months has seen some stability and slight softening within the south-west Victorian rural market with many market participants feeling that land has reached its peak for the time being. There is still little supply present, which is similar to the market over the past 24 to 36 months, however the heat has come off with more of a cautious approach being applied from buyers, which was not evident leading into the current market.

There is still demand from financially secure farmers seeking economies of scale in their operations, however isolated properties and less regarded areas are receiving less interest and could expect to sit on the market for a longer period of time and even soften in value.

For most farmers, the balance sheet is strong following several years of high stock prices, low input costs and low interest rates. The continual interest rate rises and rising costs of production have created a more price-sensitive buyer and in many instances, vendor expectations might need to be adjusted, with the exception of dairy.

The south-west Victorian dairy market in general is relatively buoyant compared to its nearby grazing and cropping participants, which are considered more subdued. The demand for milk has never been greater, with the national milk pool continuing to drop and demand continuing to increase. Good quality dairy farms capable of milking relatively large herds are still in high demand with many financially secure family farmers and corporate buyers active in the marketplace.

An irrigated dairy farm at Koroit transacted in December for in excess of $32,000 per hectare, which represents continued strong rates in the local dairy market with a lack of supply and high demand still present.

Dairy participants, regardless of the very high current demand for milk, are still not removed from the supply chain issues the agricultural sector is experiencing, most notable being manual labour.

The dairy industry relies heavily on manual labour, from caring for the herd and milking, to the transportation and processing of the milk. The supply chain goes through three main stages: on farm; transport to processor; and processing at the plant. All stages are heavily reliant onmanual labour.

Participants are looking at various options to help solve some of these issues with a key focus being on improved technology.

In instances where new dairies are being constructed, many dairy farmers are looking at technology to reduce the reliance on manual labour. This can be from as little as installing basic auto cup removers or feed systems to robotic teat sprayers which reduce the number of labour units required to run a dairy. In extreme cases, farmers are looking at constructing fully automatic robotic dairies which completely remove the labour unit when it comes to milking cows.

Benjamin Mugavin
Director

The south-west Victorian dairy market in general is relatively buoyant compared to its nearby grazing and cropping participants, which are considered more subdued.

North-West Qld

Just as the season and cattle prices are changing, so too is the rural property market in north and north-west Queensland. Having seen meteoric rises in value rates in recent years, there are some market areas where buyers are reining things in.

Agents are reporting varied interest from potential buyers. The buying pool appears to have thinned out dramatically with the change in cattle prices in the past six months. Many a comment has been made in recent years about how quickly and to what degree market values have moved. As we know, markets are cyclical and the north and north-western Queensland rural grazing market may well be in the transition stage.

There are some districts where the grass is hayed off. These districts may be the first to confirm a softening in values. It is too early to say and I do not really want to speculate – it is the market's decision. This is because rather than paying the icing price, the market may just pay for the cake and uphold the existing parameters, so a notch in values may come off those districts in the next few months. How much is a notch? Well, it used to be say 10 to 15 per cent, however given that each year's growth on the way up has been in the order of 25 to 40 per

Queensland Source: Herron Todd White

HERRON TODD WHITE RURAL

cent, then the market may be equally as harsh on the way down!

One of the reasons that the general market trend is not expected to soften in values is that there is some brilliant grass in the west. From say the Richmond and Marathon area down to Kynuna and west to include McKinlay and up past Julia Creek, green grass with plenty of herbages and vines abounds, ready for weaners to grow and get fat!

The market in the Charters Towers area has been strong for some years with demand outstripping supply, to the extent that cattle stations with secondary country types have achieved outstanding sale results. With the change in buyer demand, these secondary country types may also be subject to greater scrutiny. It is a phase where realistic vendor price expectations will see transactions occurring. Again, the icing is gone, yet the cake is there!

Roger Hill
Director

Darling Downs

Supply chain and input cost pressures appear to have been easing in some ways and not others over the past few months. This was particularly evident through advice received via a rural supplies agent in mid-March 2023 where it was reported that Urea is now below $700 plus GST per tonne out of Brisbane, which has more than halved since the high prices last year (Kylie Fourie, Agronomist for Tara Rural Supplies and Condamine Seeds). Unfortunately, the same reduction in price has not been evident in fuel and labour costs, though on the other hand shipping freight costs have seen a substantial correction. Some hope is held for the labour market to become slightly more favourable to producers as international backpackers return to Australia, reflecting in current very high migration levels. These factors are just examples of the mixed environment in which producers now find themselves.

Recent analysis of cropping properties in southern Queensland and northern New South Wales suggests that difficult supply chain factors and high input costs have limited the value growth of this land type in comparison to grazing property over the past 12 to 18 months. A proportional impact was also noted to reflect the higher level of growth in livestock prices in comparison to most grains, however over the past six months, this situation has also changed with a correction in the Eastern Young Cattle Indicator (EYCI) in comparison to continued relatively strong grain prices. These factors potentially suggest value for money or less downside risk in cropping property in my opinion.

While the EYCI has had some significant challenges since the highs of January 2022 as discussed in previous Month in Review editions, some positive signs should be noted. Of particular relevance is the widespread belief that Chinese trade tensions appear to be easing which is supported by the following graph showing that China returned to the top spot for Australian monthly beef exports in April 2023.

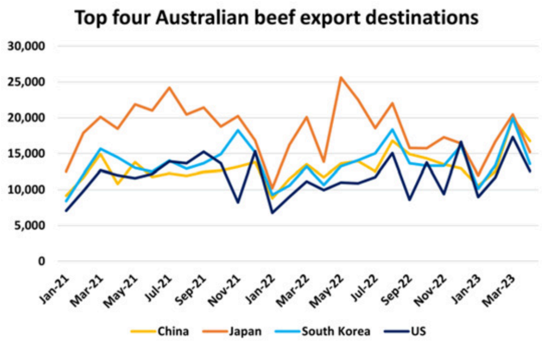


Figure 2: Monthly beef exports by destination 2021 - April 2023. Source: DAFF

This graph is welcome news as it appears to suggest a floor may emerge to the downside risk presented by the correction in cattle prices particularly. In addition, export volumes showed strength in March 2023 when the five year average and the volumes from the same period in 2021 and 2022 were both eclipsed. These positive shifts may help set a floor price which will go some way to restoring recent losses in confidence.

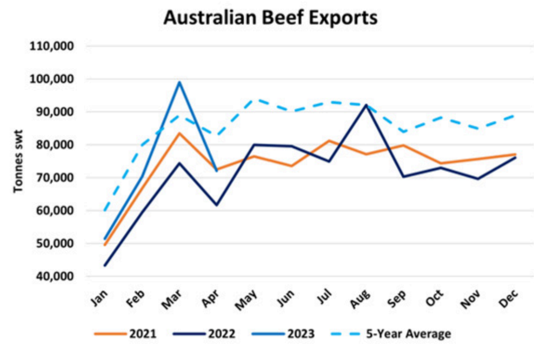


Figure 1: Monthly beef exports 2021 - April 2023. Source: DAFF

That said, the southern Queensland property market in particular is continuing to show strength though remaining broadly in line with the peak market conditions which became expected in 2022. Discussions with a number of agents, market participants and lenders all point to the fact that March and April 2023 saw an increase in supply of property to the market across a broad region and resulted in some strong sales being achieved. Lenders have reported continued demand and interest from borrowers with particularly strong equity positions or cash in the bank.

It was noted that a large proportion of properties sold recently were acquired as strategic purchases by nearby or adjoining landholders. These are generally the type of sales that are likely to occur regardless of macro-economic factors. In our region, a select few well-bought property sales have been noted (when openly listed), though these sales have been outweighed by the strong demand for a greater number of properties which have sold at or prior to auction. A further notable trend has been a recent increase in the number of off market or privately listed sales. A selection of sales of particular note includes:

- Tabooba, Talwood, a well improved, exclusion fenced, bore watered with good reticulation, 5674 hectare mixed farming property, reportedly sold through an expression of interest campaign for in excess of $14 million, to be formally confirmed;
- Bindango, Mount Abundance, a 2375 hectare property sold at auction for $13.4 million reflecting approximately $5642 per hectare which some parties report as market leading. It is a mixed farming property featuring 22 kilometres of exclusion boundary fencing, bore watered with good reticulation and good improvements located approximately 25 kilometres west of Roma;
- Ranchlands, Injune sold at auction for $18 million. The auction attracted strong interest with over 50 people present. The bidding opened at $13 million and raised quickly to $16.5 million prior to reaching the sale price and selling to a local landholder. The property comprises approximately 2586 hectares which appears well-developed and established to Buffel with a good body of pasture. It is improved with a modern, large set of steel cattle yards and benefits from dam and bore water. The sale price reflects approximately $6960 per hectare ($2817 per acre) improved;
- Lonepine, Chinchilla sold at auction for $3.2 million. Located approximately 30 kilometres from Chinchilla and Miles, the property comprises a 403.8 hectare grazing holding improved with a modern five-bedroom, two-bathroom dwelling. The sale reflects approximately $7925 per hectare ($3207 per acre) improved.

Bart Bowen
Director

HERRON TODD WHITE

Property Market Indicators

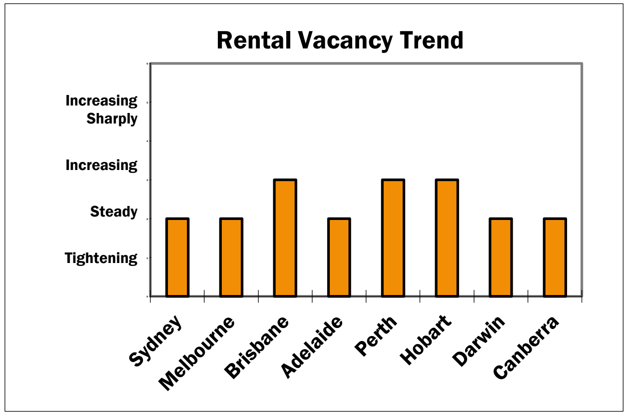
May 2023

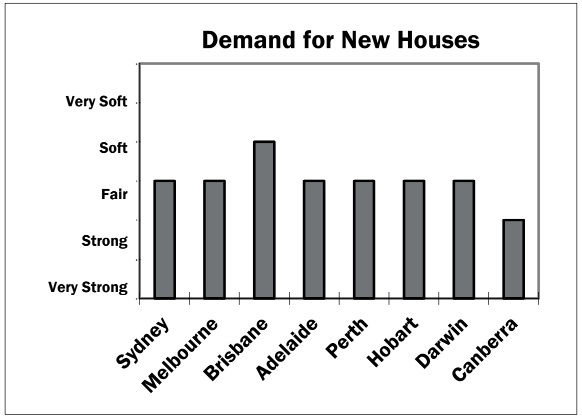
Capital City Property Market Indicators – Houses

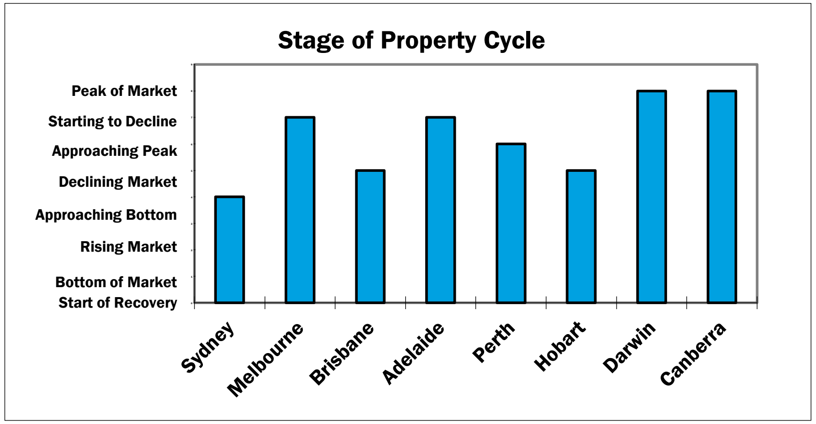
Factor	Sydney	Melbourne	Brisbane	Adelaide	Perth	Hobart	Darwin	Canberra
Rental Vacancy Situation	Severe shortage of available property relative to demand	Shortage of available property relative to demand	Severe shortage of available property relative to demand	Severe shortage of available property relative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



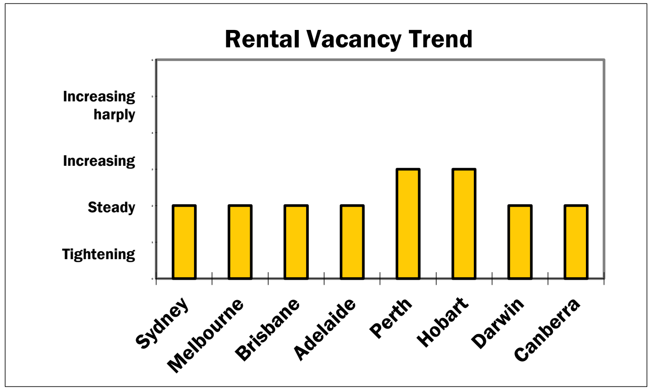


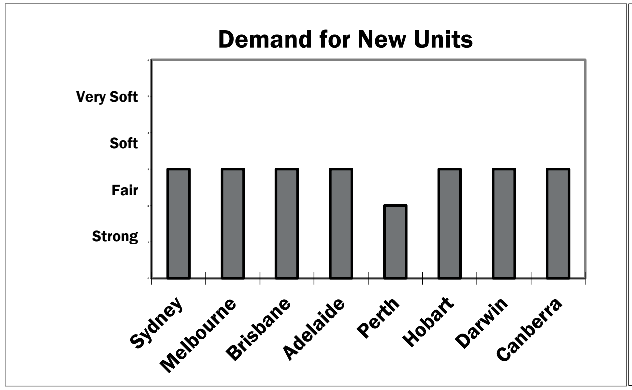


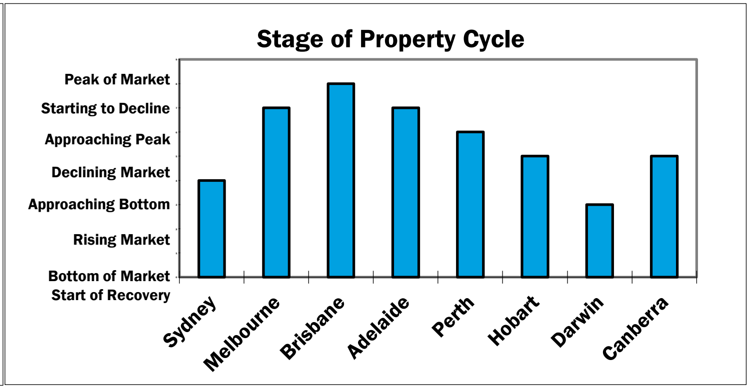
Capital City Property Market Indicators – Units

Factor	Sydney	Melbourne	Brisbane	Adelaide	Perth	Hobart	Darwin	Canberra
Rental Vacancy Situation	Severe 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	Tightening	Tightening	Steady	Steady	Tightening	Tightening
Demand for New Units	Fair	Fair	Fair	Fair	Strong	Fair	Fair	Fair
Trend in New Unit Construction	Steady	Steady	Steady	Steady	Steady	Increasing	Declining	Declining
Volume of Unit Sales	Steady	Declining	Steady	Steady	Declining	Steady	Increasing	Steady
Stage of Property Cycle	Approaching bottom of market	Starting to decline	Peak of market	Starting to decline	Approaching peak of market	Declining market	Rising market	Declining market
Are New Properties Sold at Prices Exceeding Their Potential Resale Value	Frequently	Almost never	Occasionally	Occasionally	Occasionally	Almost never	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	Severe 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 sharply	Steady	Tightening	Tightening	Steady	Tightening
Rental Rate Trend	Increasing	Increasing strongly	Stable	Stable	Increasing strongly	Increasing	Stable	Increasing
Volume of Property Sales	Declining	Steady	Declining	Steady	Declining	Declining	Steady	Increasing
Stage of Property Cycle	Peak of market	Starting to decline	Starting to decline	Rising market	Approaching peak of market	Approaching peak of market	Start of recovery	Rising market
Local Economic Situation	Flat	Flat	Flat	Flat	Steady growth	Flat	Flat	Steady growth
Value Difference between Quality Properties with National Tenants, and Comparable Properties with Local Tenants	Small	Significant	Significant	Significant	Significant	Significant	Large	Small

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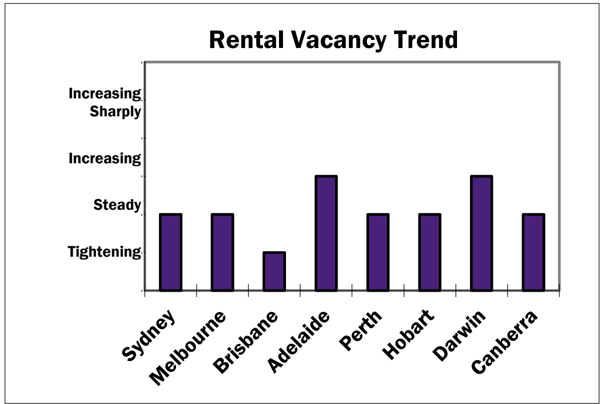
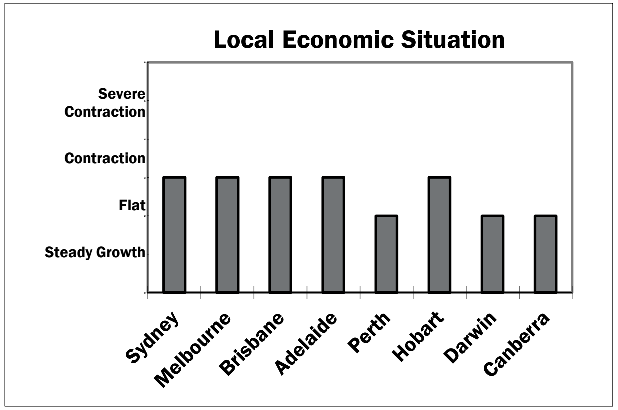
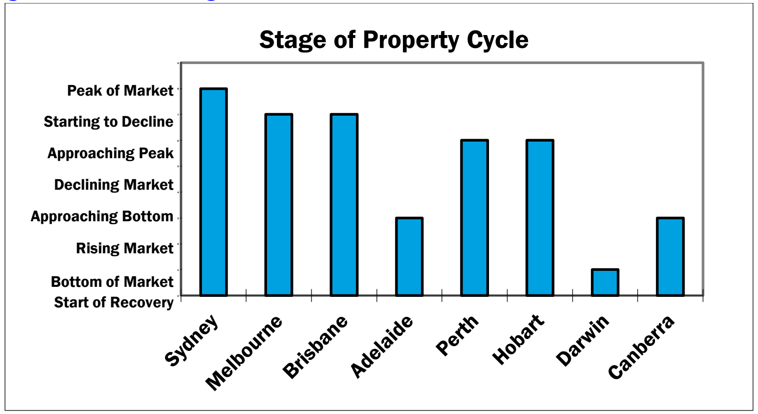
Blue entries indicate change from 3 months ago to a lower risk-rating







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	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
Rental Vacancy Trend	Tightening	Tightening	Steady	Tightening	Tightening	Tightening	Steady	Tightening	Tightening
Demand for New Houses	Strong	Fair	Soft	Fair	Fair	Very strong	Soft	Strong	Fair
Trend in New House Construction	Declining	Steady	Increasing	Steady	Steady	Declining significant-ly	Increasing	Declining	Steady
Volume of House Sales	Increasing strongly	Steady	Steady	Declining	Declining	Increasing strongly	Declining	Increasing strongly	Steady
Stage of Property Cycle	Peak of market	Starting to decline	Declining market	Declining market	Declining market	Peak of market	Approaching bottom of market	Rising market	Approaching bottom of market
Are New Properties Sold at Prices Exceeding Their Potential Resale Value	Occasionally	Occasionally	Almost never	Almost never	Almost never	Occasionally	Occasionally	Frequently	Occasionally

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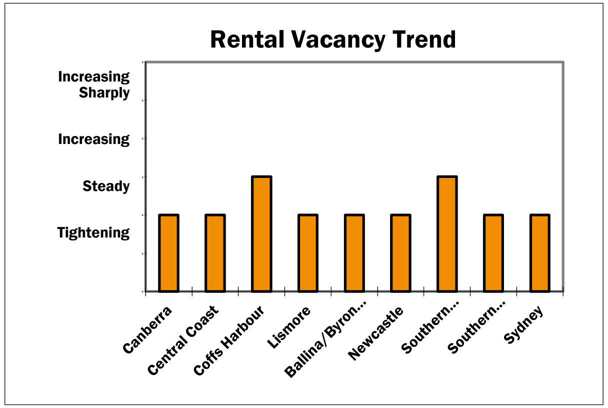
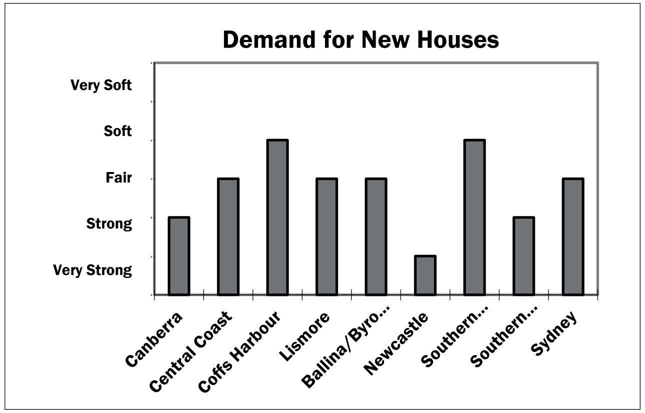
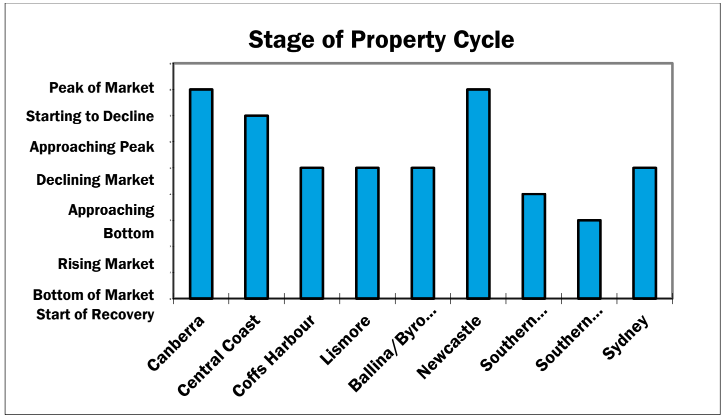
Blue entries indicate change from previous month to a lower risk-rating





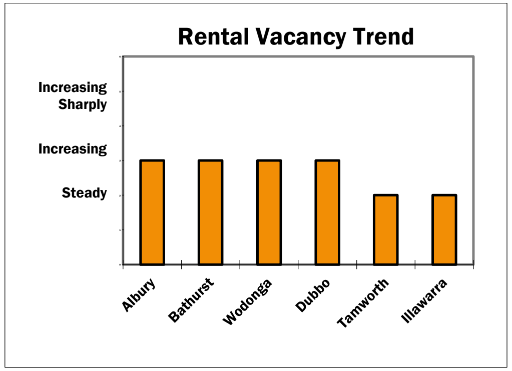


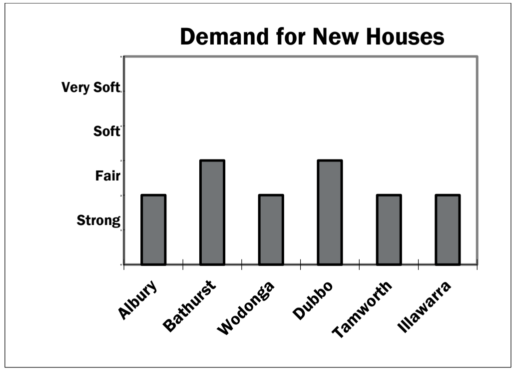
Country New South Wales Property Market Indicators – Houses

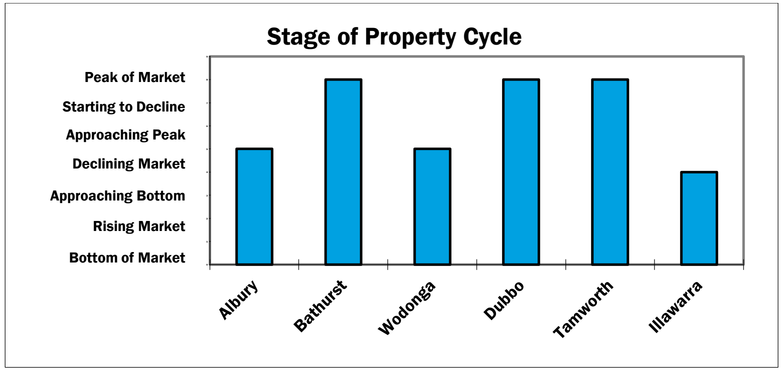
Factor	Albury	Bathurst	Wodonga	Dubbo	Tamworth	Illawarra
Rental Vacancy Situation	Shortage of available property relative to demand	Balanced market	Shortage of available property relative to demand	Balanced market	Shortage of available property relative to demand	Shortage of available property relative to demand
Rental Vacancy Trend	Steady	Steady	Steady	Steady	Tightening	Tightening
Demand for New Houses	Fair	Fair	Fair	Fair	Strong	Fair
Trend in New House Construction	Steady	Steady	Steady	Steady	Steady	Steady
Volume of House Sales	Declining	Increasing	Declining	Increasing	Increasing	Steady
Stage of Property Cycle	Declining market	Peak of market	Declining market	Peak of market	Peak of market	Approaching bottom of market
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	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	Balanced market	Severe shortage of available property relative to demand
Rental Vacancy Trend	Tightening	Tightening	Steady	Tightening	Steady	Tightening	Tightening sharply	Steady	Tightening
Demand for New Units	Fair	Strong	Soft	Fair	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	Declining	Steady	Increasing	Declining	Steady	Steady
Stage of Property Cycle	Declining market	Starting to decline	Declining market	Declining market	Declining market	Peak of market	Approaching bottom of market	Start of recovery	Approaching bottom of 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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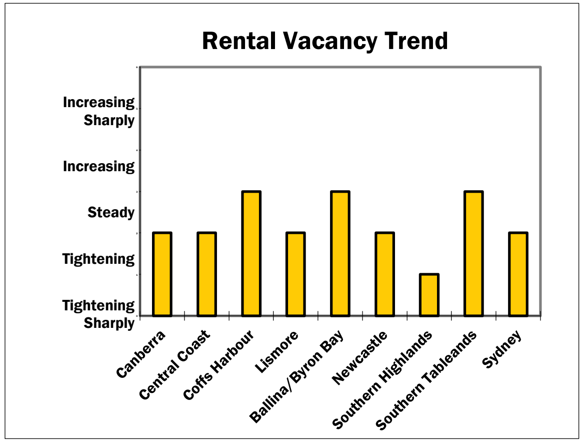

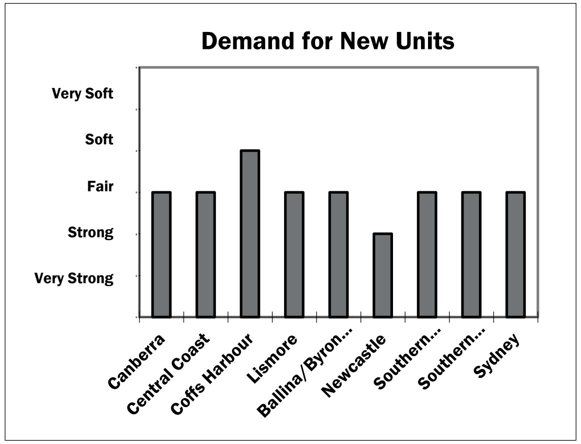

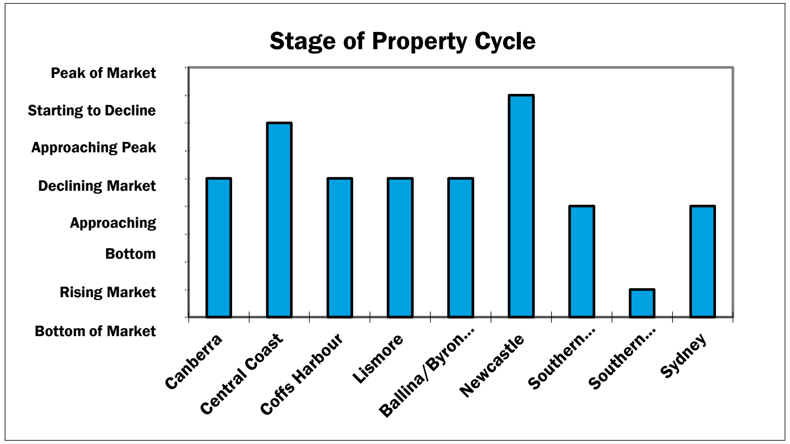

Country New South Wales Property Market Indicators - Units

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	Steady	Steady	Steady	Tightening	Tightening
Demand for New Units	Fair	Fair	Fair	Fair	Strong	Fair
Trend in New Unit Construction	Steady	Steady	Declining	Declining	Steady	Steady
Volume of Unit Sales	Declining	Declining	Increasing	Steady	Increasing	Steady
Stage of Property Cycle	Declining market	Declining market	Peak of market	Rising market	Peak of market	Declining market
Are New Properties Sold at Prices Exceeding Their Potential Resale Value	Occasionally	Occasionally	Almost never	Occasionally	Occasionally	Frequently

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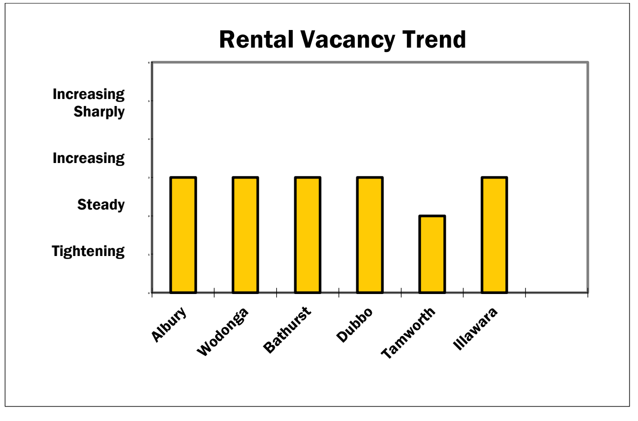

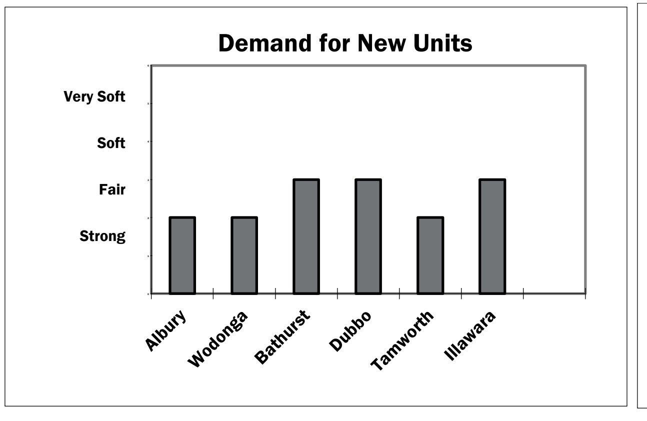

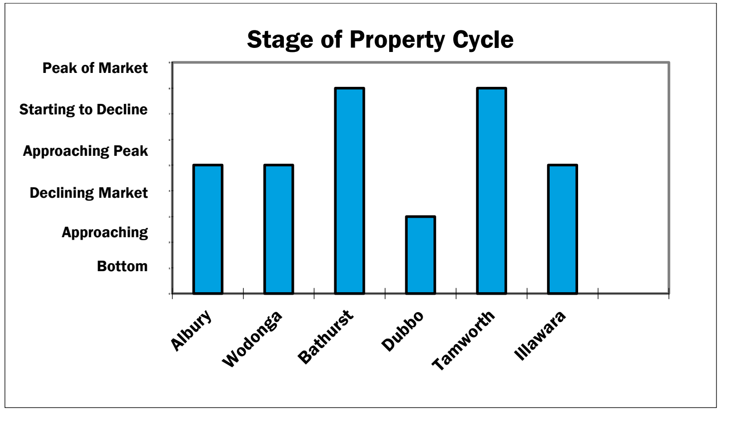

East Coast & Country New South Wales Property Market Indicators – Industrial

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	Balanced market	Balanced market	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	Increasing	Stable	Stable	Increasing	Increasing	Increasing
Volume of Property Sales	Increasing	Declining	Increasing	Increasing	Steady	Steady	Increasing	Declining
Stage of Property Cycle	Rising market	Starting to decline	Approaching peak of market	Approaching peak of market	Approaching peak of market	Approaching peak of market	Approaching peak of market	Peak of market
Local Economic Situation	Steady growth	Flat	High growth	Flat	Flat	Steady growth	Steady growth	Flat
Value Difference between Quality Properties with National Tenants, and Comparable Properties with Local Tenants	Small	Significant	Small	Significant	Small	Small	Significant	Small

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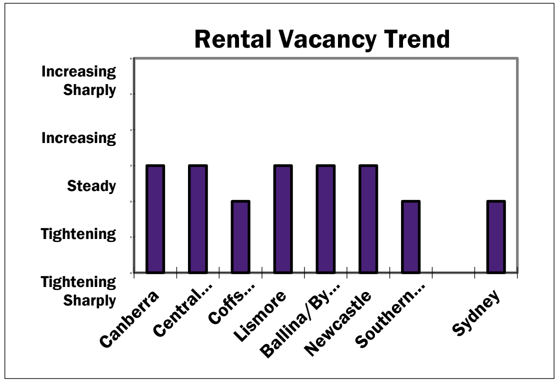

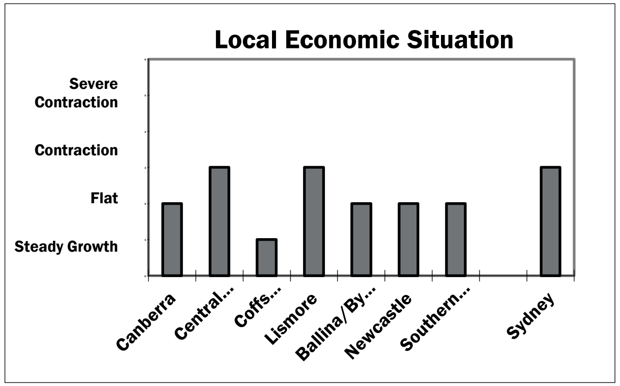

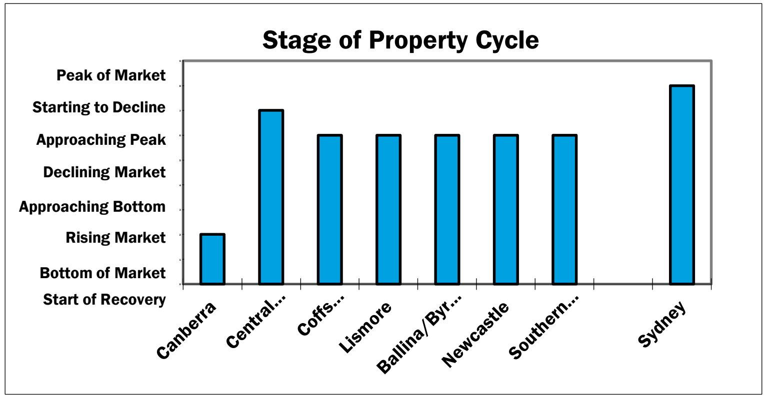

Victorian and Tasmanian Property Market Indicators – Houses

Factor	Geelong	Melbourne	Shepparton	Mildura	Mount Gambier	Hobart	Burnine/ Devenport	Launceston
Rental Vacancy Situation	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	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	Tightening	Steady	Tightening sharply	Steady	Steady	Steady
Demand for New Houses	Fair	Fair	Soft	Fair	Strong	Fair	Fair	Fair
Trend in New House Construction	Increasing	Steady	Increasing	Increasing	Steady	Increasing	Increasing	Increasing
Volume of House Sales	Declining	Declining	Declining	Steady	Steady	Steady	Steady	Steady
Stage of Property Cycle	Declining market	Starting to decline	Starting to decline	Peak of market	Peak of market	Declining market	Starting to decline	Starting to decline
Are New Properties Sold at Prices Exceeding Their Potential Resale Value	Occasionally	Occasionally	Almost never	Occasionally	Occasionally	Almost never	Occasionally	Occasionally

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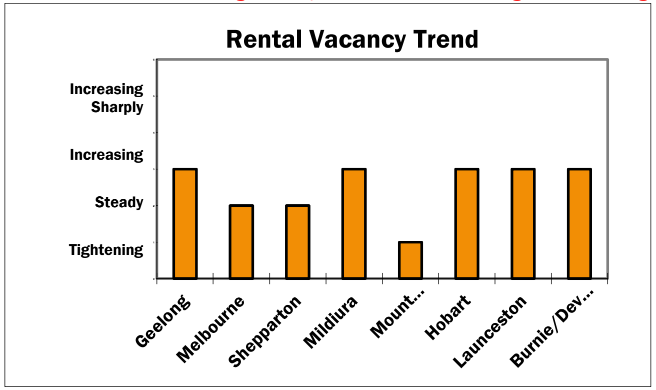

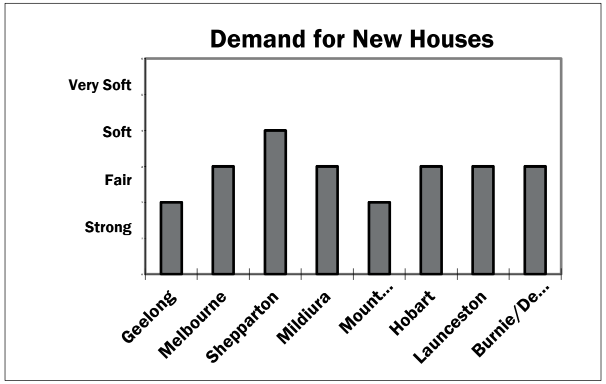

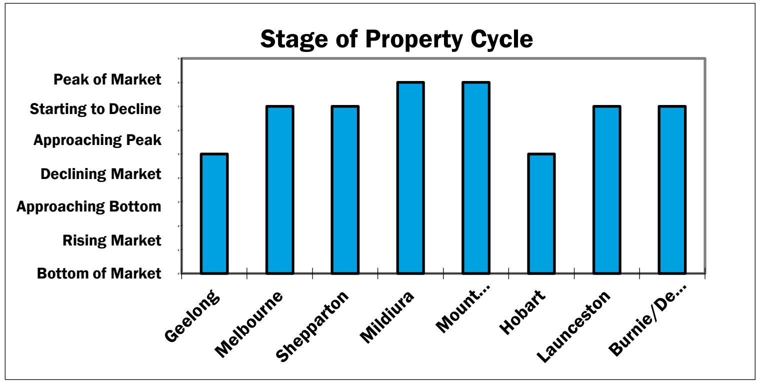

Victorian and Tasmanian Property Market Indicators – Units

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

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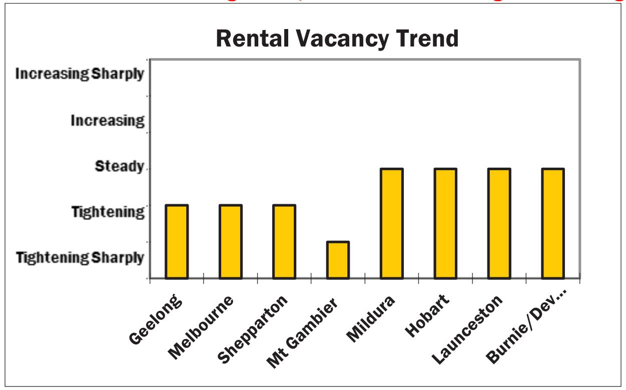

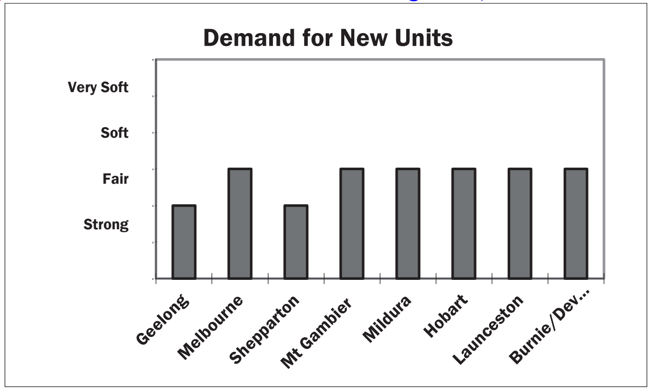

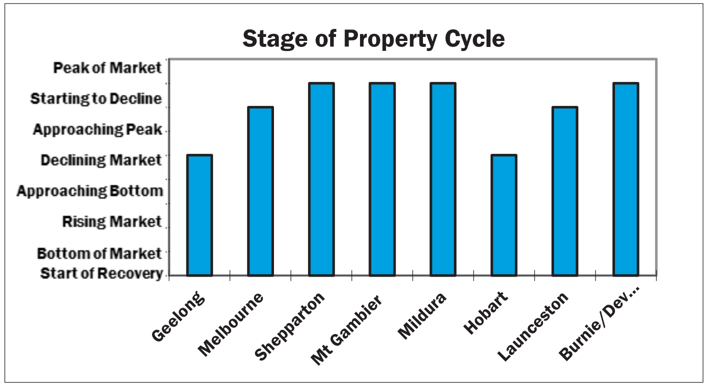

Victorian and Tasmanian Property Market Indicators – Industrial

Factor	Geelong	Echuca	Horsham	Melbourne	Mildura	Hobart
Rental Vacancy Situation	Shortage of available property relative to demand	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	Tightening	Steady	Steady	Tightening	Steady	Tightening
Rental Rate Trend	Increasing	Stable	Stable	Increasing strongly	Stable	Increasing
Volume of Property Sales	Steady	Steady	Steady	Steady	Steady	Declining
Stage of Property Cycle	Peak of market	Rising market	Start of recovery	Starting to decline	Start of recovery	Approaching peak of market
Local Economic Situation	Flat	Flat	Flat	Flat	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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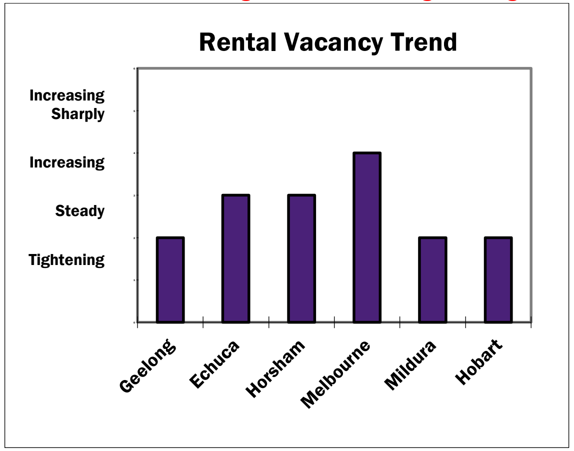
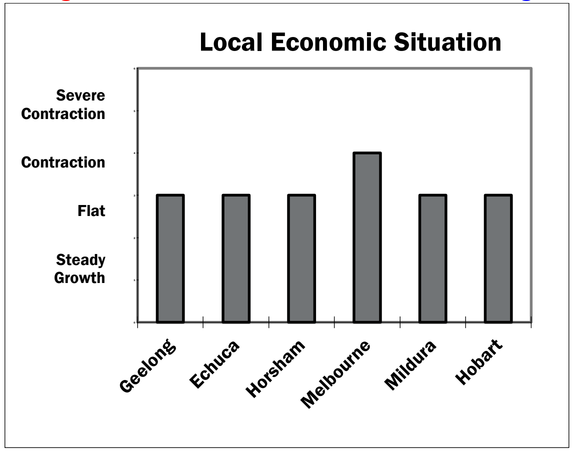
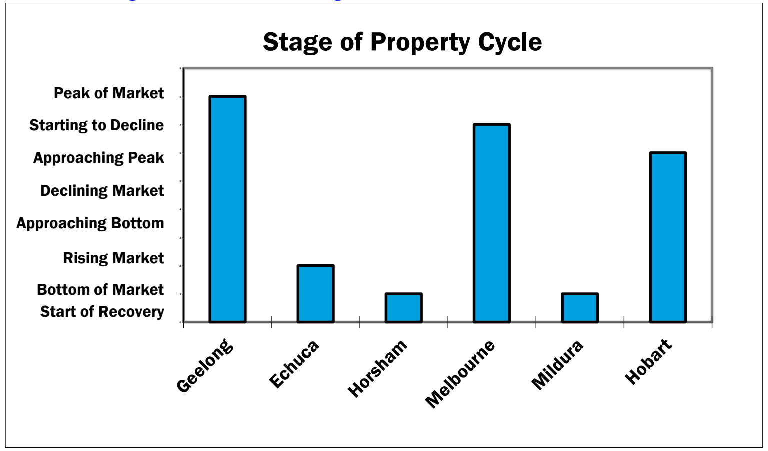




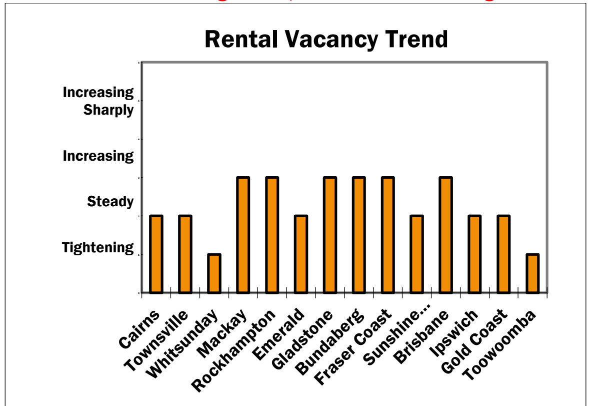


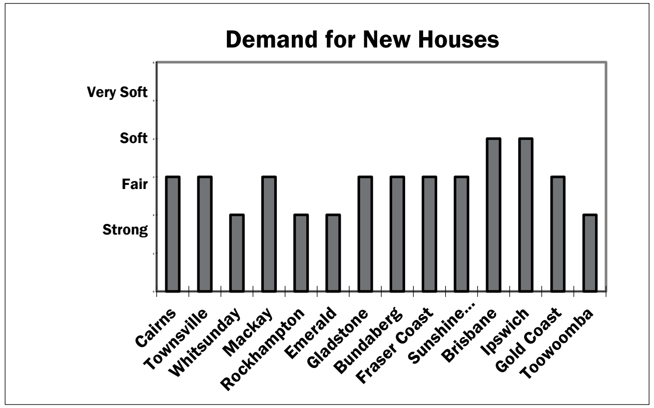
Queensland Property Market Indicators – Houses

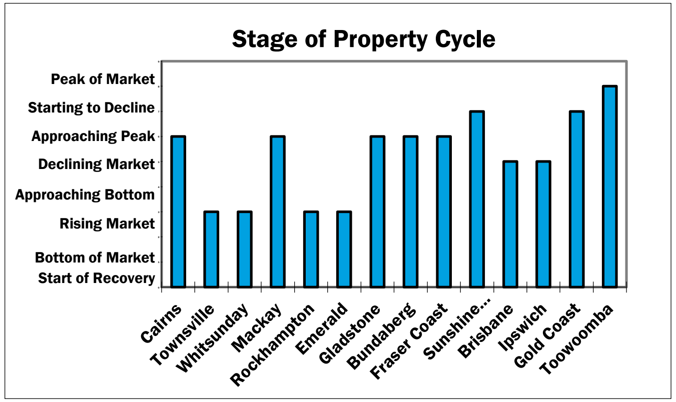
Factor	Cairns	Townsville	Whitsunday	Mackay	Rockhampton	Emerald	Gladstone	Bundaberg	Hervey Bay	Sunshine Coast	Brisbane	Ipswich	Gold Coast	Toowoomba
Rental Vacancy Situation	Shortage of available property relative to demand	Severe shortage of available property relative to demand	Severe shortage of available property relative to demand	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	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	Steady	Steady	Tightening	Steady	Steady	Steady	Tightening	Steady	Tightening	Tightening	Tightening sharply
Demand for New Houses	Fair	Fair	Strong	Fair	Strong	Strong	Fair	Fair	Fair	Fair	Soft	Soft	Fair	Strong
Trend in New House Construction	Steady	Steady	Declining	Steady	Steady	Steady	Steady	Steady	Steady	Steady	Steady	Steady	Steady	Steady
Volume of House Sales	Declining	Increasing	Increasing	Increasing	Increasing strongly	Steady	Declining	Steady	Increasing	Declining	Declining	Declining	Steady	Increasing
Stage of Property Cycle	Approaching peak of market	Rising market	Rising market	Approaching peak of market	Rising market	Rising market	Approaching peak of market	Approaching peak of market	Approaching peak of market	Starting to decline	Declining market	Declining market	Starting to decline	Peak of 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	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





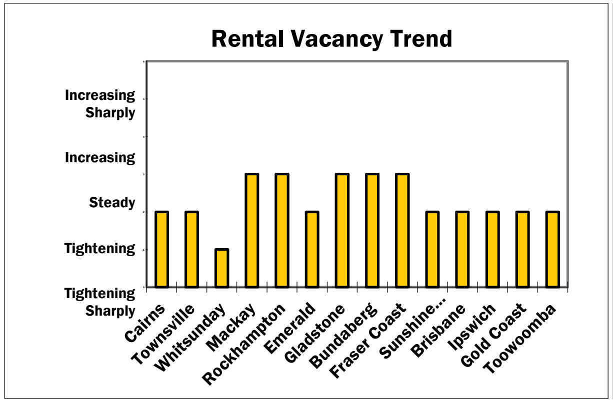


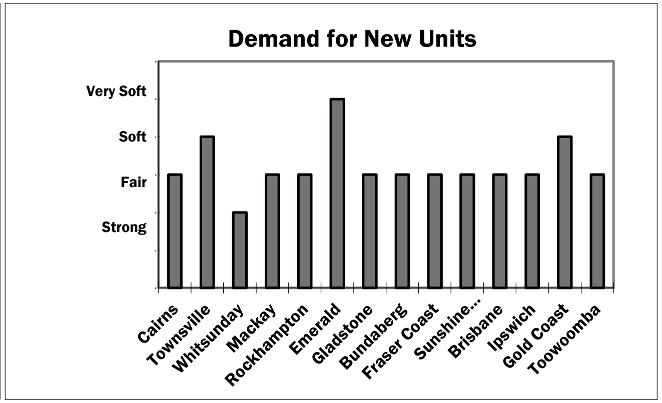
Queensland Property Market Indicators – Units

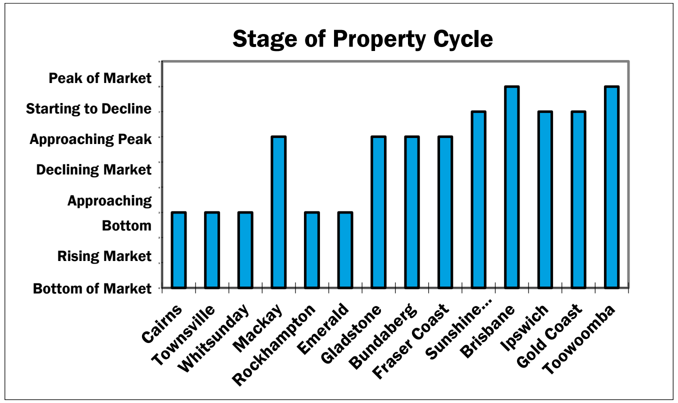
Factor	Cairns	Townsville	Whitsunday	Mackay	Rock-hampton	Emerald	Gladstone	Bundaberg	Hervey Bay	Sunshine Coast	Brisbane	Ipswich	Gold Coast	Toowoomba
Rental Vacancy Situation	Shortage of available property relative to demand	Severe shortage of available property relative to demand	Severe shortage of available property relative to demand	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	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	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	Steady	Steady	Tightening	Tightening	Tightening	Tightening	Tightening
Demand for New Units	Fair	Soft	Strong	Fair	Fair	Very soft	Fair	Fair	Fair	Fair	Fair	Fair	Soft	Fair
Trend in New Unit Construction	Steady	Increasing	Steady	Steady	Steady	Increasing strongly	Steady	Steady	Steady	Steady	Steady	Steady	Increasing	Steady
Volume of Unit Sales	Increasing	Increasing	Increasing	Increasing	Increasing	Increasing	Declining	Steady	Declining	Declining	Steady	Steady	Declining	Increasing
Stage of Property Cycle	Rising market	Rising market	Rising market	Approaching peak of market	Rising market	Rising market	Approaching peak of market	Approaching peak of market	Approaching peak of market	Starting to decline	Peak of market	Starting to decline	Starting to decline	Peak of market
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

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

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



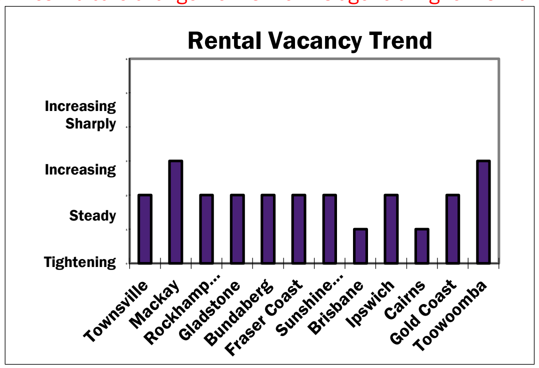


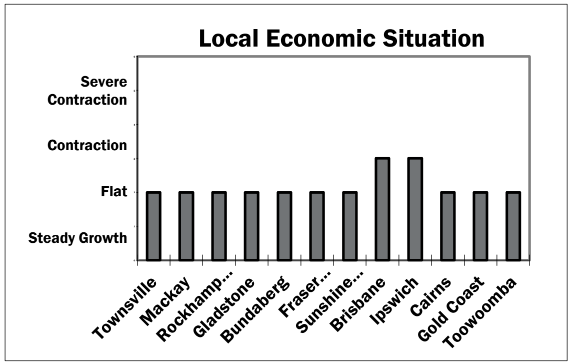


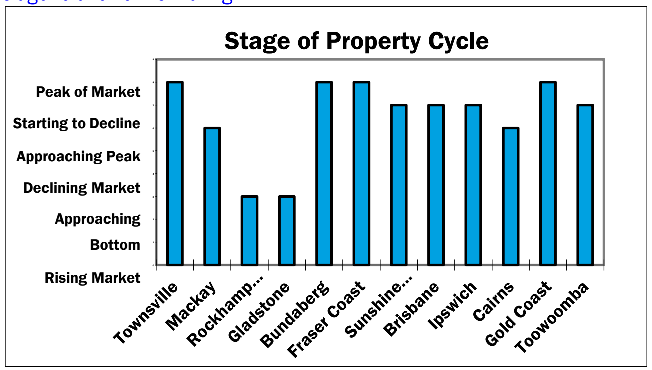
Queensland Property Market Indicators – Industrial

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	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	Severe shortage of available property relative to demand	Severe shortage of available property relative to demand	Balanced market
Rental Vacancy Trend	Tightening	Steady	Tightening	Tightening	Tightening	Tightening	Tightening	Tightening sharply	Tightening	Tightening sharply	Tightening	Steady
Rental Rate Trend	Stable	Stable	Increasing	Increasing	Increasing	Increasing	Stable	Stable	Stable	Increasing	Increasing	Stable
Volume of Property Sales	Steady	Steady	Increasing	Increasing	Declining	Declining	Steady	Declining	Declining	Steady	Declining significantly	Declining
Stage of Property Cycle	Peak of market	Approaching peak of market	Rising market	Rising market	Peak of market	Peak of market	Starting to decline	Starting to decline	Starting to decline	Approaching peak of market	Peak of market	Starting to decline
Local Economic Situation	Steady growth	Steady growth	Steady growth	Steady growth	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	Significant	Significant	Significant	Significant	Significant	Small	Small	Large

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*





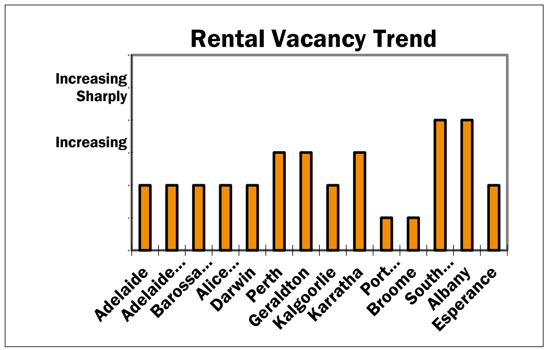


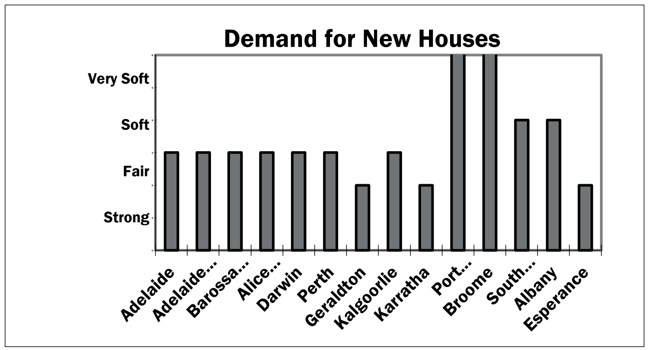
SA, NT and WA Property Market Indicators - Houses

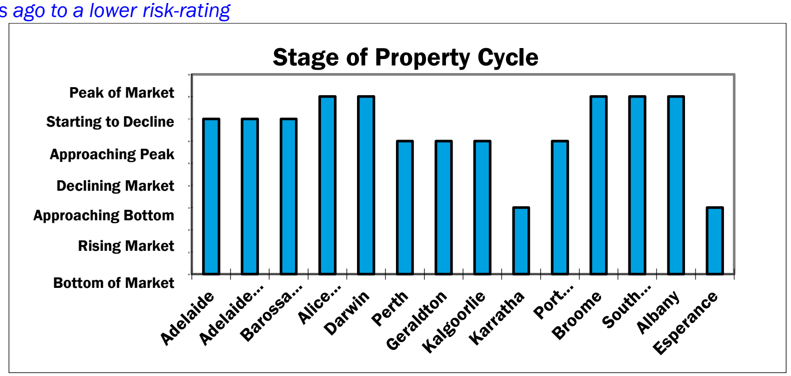
Factor	Adelaide	Adelaide Hills	Barossa Valley	Alice Springs	Darwin	Perth	Geraldton	Kalgoorlie	Karratha	Port Hedland	Broome	South West WA	Albany	Esperance
Rental Vacancy Situation	Severe shortage of available property relative to demand	Severe shortage of available property relative to demand	Severe shortage 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	Steady	Steady	Tightening	Steady	Steady	Tightening	Increasing	Increasing	Steady
Demand for New Houses	Fair	Fair	Fair	Fair	Fair	Fair	Fair	Fair	Strong	Strong	Strong	Soft	Soft	Fair
Trend in New House Construction	Steady	Steady	Steady	Increasing	Declining	Steady	Declining	Declining	Declining	Declining	Declining	Increasing	Increasing	Declining
Volume of House Sales	Steady	Steady	Steady	Declining	Steady	Steady	Steady	Steady	Steady	Steady	Steady	Declining	Declining	Increasing
Stage of Property Cycle	Starting to decline	Starting to decline	Starting to decline	Peak of market	Peak of market	Approaching peak of market	Approaching peak of market	Approaching peak of market	Rising market	Approaching peak of market	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	Occasion-ally	Occasion-ally	Occasion-ally	Occasion-ally	Occasion-ally	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



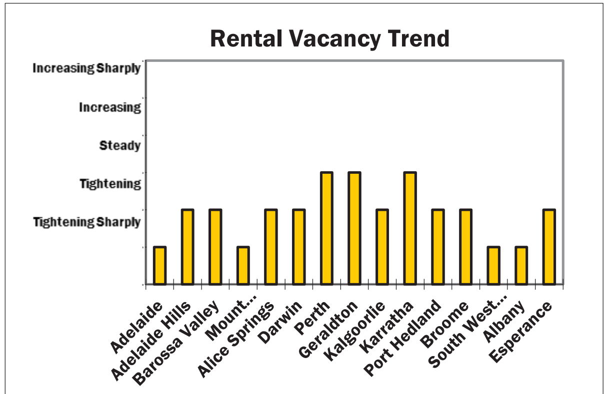


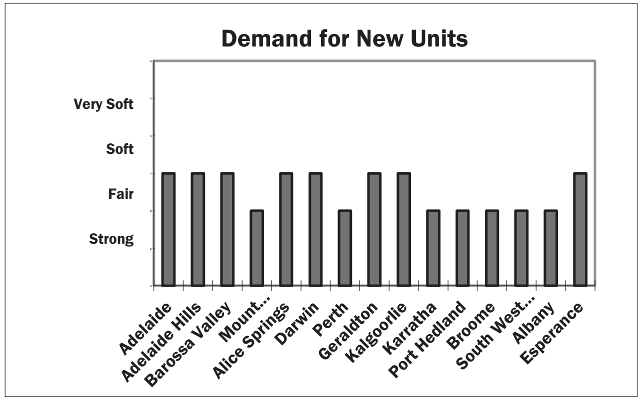


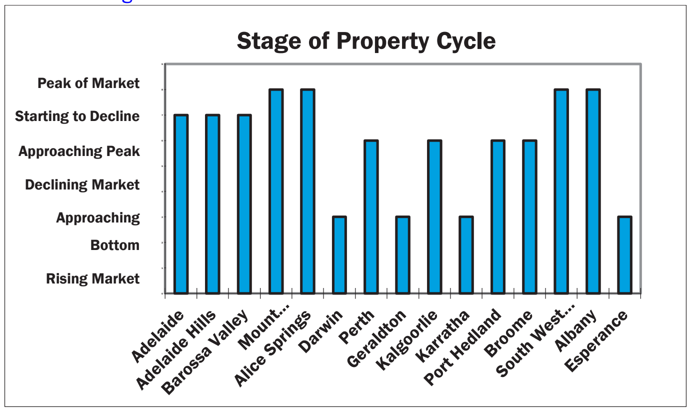
SA, NT and WA Property Market Indicators – Units

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	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	Steady	Steady	Steady	Steady	Steady	Steady	Declining significantly	Declining significantly	Steady
Volume of Unit Sales	Steady	Steady	Steady	Steady	Declining	Increasing	Declining	Steady	Steady	Steady	Steady	Steady	Increasing	Increasing	Steady
Stage of Property Cycle	Starting to decline	Starting to decline	Starting to decline	Peak of market	Peak of market	Rising market	Approaching peak of 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	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

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*



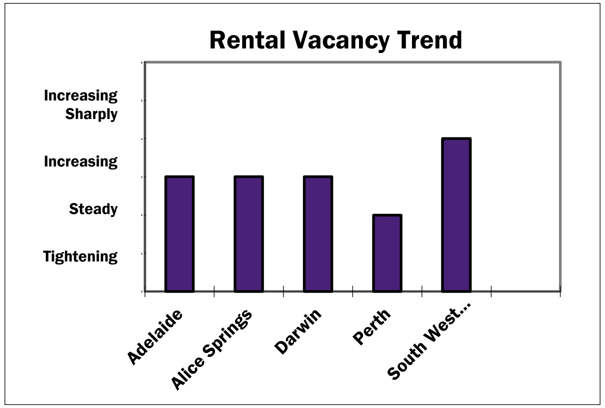


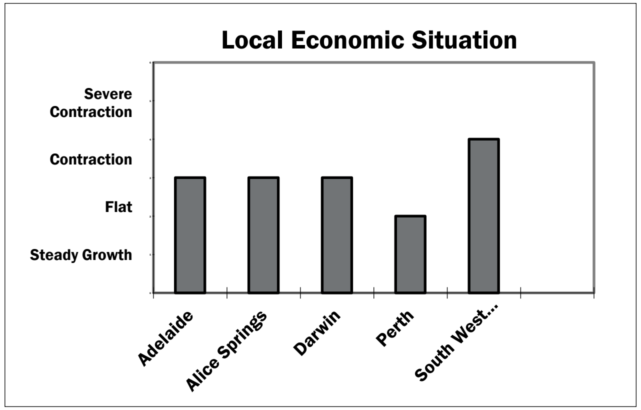


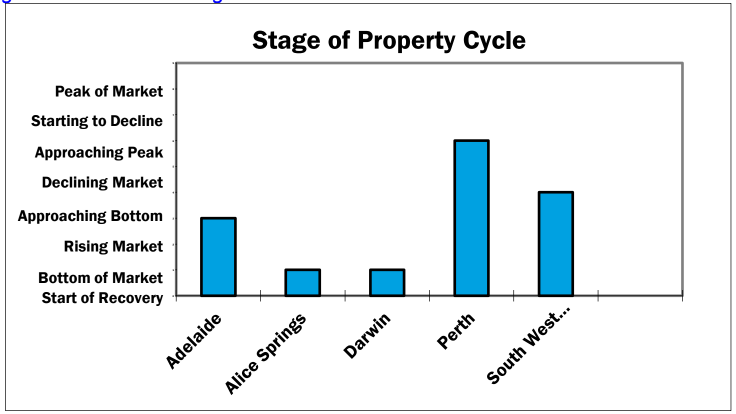
SA, NT and WA Property Market Indicators – Industrial

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

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*







TALK TO YOUR LOCAL EXPERT

Commercial

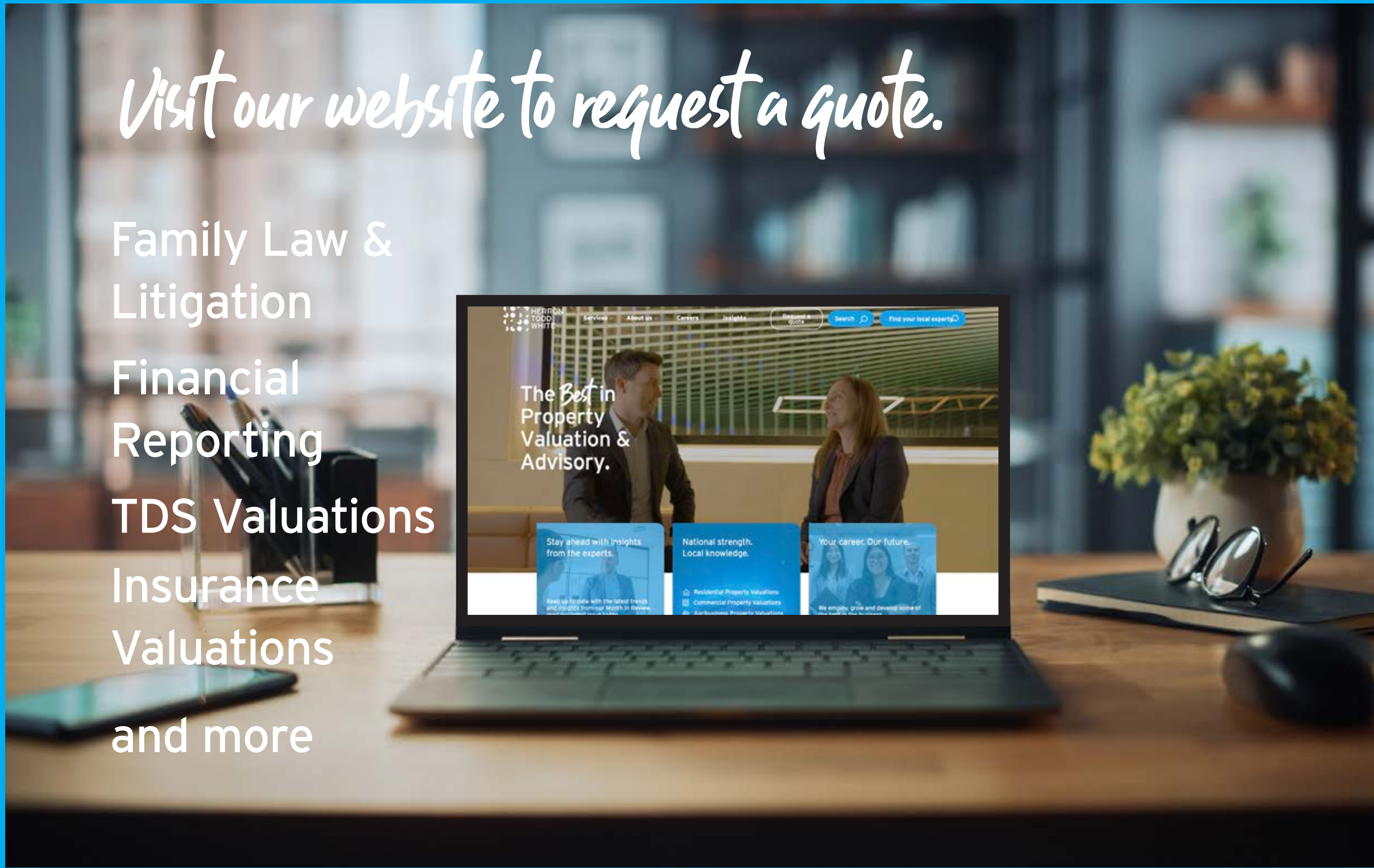
NT	Terry.Roth@htw.com.au
SA	Chris.Winter@htw.com.au
QLD	Alistair.Weir@htw.com.au
ACT	Angeline.Mannl@htw.com.au
VIC	Jason.Stevens@htw.com.au
WA	Greg.Mullins@htw.com.au
NSW	Angeline.Mann@htw.com.au
TAS	Andrew.Peck@htw.com.au

Residential

NT	Will.Johnson@htw.com.au
SA	Jarrod.Harper@htw.com.au
QLD	David.Notley@htw.com.au
ACT	Angus.Howell@htw.com.au
VIC	Perron.King@htw.com.au
WA	Brendon.Ptolomey@htw.com.au
NSW	Matt.Halse@htw.com.au
TAS	Andrew.Peck@htw.com.au

Rural

NT	Frank.Peacocke@htw.com.au
SA	Graeme.Whyte@htw.com.au
QLD	Will.McLay@htw.com.au
ACT	Scott.Fuller@htw.com.au
VIC	Graeme.Whyte@htw.com.au
WA	Luke.Russell@htw.com.au
NSW	Angus.Ross@htw.com.au
TAS	Graeme.Whyte@htw.com.au



HERRON TODD WHITE

www.htw.com.au

1300 880 489
admin@htw.com.au