Month in Review

September 2024

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

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CEO's Address

Welcome to our September edition of Month in Review

Land is the scarce and finite resource which anchors all structures from houses and unit blocks through to inner city office towers, industrial developments and retail accommodation.

While built structures inevitably depreciate, land rarely diminishes in value and is frequently repurposed as property cycles continue, and cities evolve. Land is the scarce and finite resource which anchors all structures from houses and unit blocks through to inner city office towers, industrial developments and retail accommodation.

This month's contributions in our residential space explore how this basic component is being treated by buyers and sellers across the nation. Because land is fundamentally the same resource, our report could well be regarded as the ultimate exercise in relativity.

While we have covered the end product in terms of vacant homesites in this report, it's interesting to also consider the foundational raw resource that is greenfield englobo land, i.e. original sites prior to subdivision or development.

We live in unusual times. In major capital-city growth corridors, rapidly rising construction costs would ordinarily render development of many sites unfeasible, and negatively impact englobo land values. However, the relentless population surge currently being experienced continues to drive developable land markets higher, and essentially overpowers the impact of higher construction costs. However, where is the break point?

The reality is that it is still far cheaper to create housing in outer suburbs and fringe areas. Increasing supply in such locations is far quicker and cheaper than more central medium density urban development. This is bolstering englobo land prices, and developers are continuing to land bank accordingly.

We are however possibly starting to see the break point come in the inner city areas of major cities, where construction activity is well below the levels required to satisfy current demand, and only sites which can command premium end prices are stacking up.

On the commercial side, the greatest user and driver of demand for land is the industrial market. In recognition of this, entry-level industrial investment is the theme we've homed in on in this issue of Month in Review. While now moderating, there has been exceptionally high demand for land in strong growth areas. Across most major centres, good quality developable land in the industrial sector is scarce and this has driven price growth. Demand and price growth for the end product is, however, strong enough to justify higher construction costs and longer development time frames.

For other commercial asset classes, land take up is far more gradual as the increased construction cost environment has impacted the feasibility of new development with lesser levels of demand and extremely tight profit margins now being the norm.

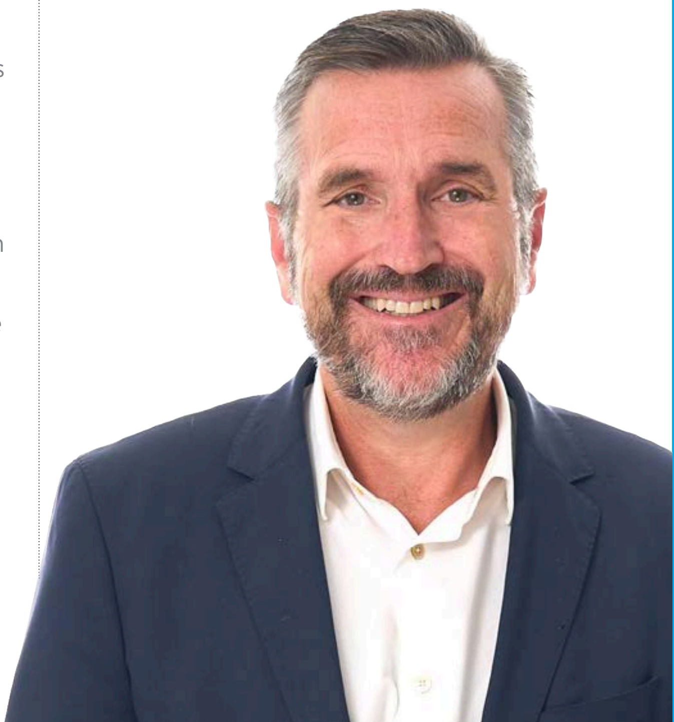
Comprehending the complexities and nuances of land markets is a skill earned via years of experience and repetition, and Herron Todd White has the most comprehensive team of high-level professionals in the nation. It is essential for stakeholders to talk to our specialist teams in any given asset class to determine their most profitable property strategy.

Finally for our rural readers, one of Australia's most respected professionals, Graeme Whyte, delivers comprehensive coverage of horticultural property markets around the country. For those with an interest in the sector, this month's rural report is essential reading.

Please enjoy our September edition of Month in Review.

Gary Brinkworth
CEO

Because land is fundamentally the same resource, our report could well be regarded as the ultimate exercise in relativity.



EXECUTIVE ADDRESS

HERRON TODD WHITE

Commercial

September 2024

National Industrial Overview

This market segment has shown resilience since the onset of the COVID-19 pandemic and continued to strengthen throughout the second half of 2022, however showed signs of levelling out in the first half of 2023, with a reduced volume in transactions. This is largely the result of a sharp increase in interest rates since May 2022, an uncertain construction sector and declining consumer confidence. In the 12 months to June 2024, there has been a reported reduction in transaction volumes, however industrial asset values generally remain stable.

The industrial sector continues to be the strongest of the three main commercial asset classes with demand outpacing supply. Both metro and regional industrial property markets nationally continue to perform relatively well despite the economic headwinds recently experienced due to the above factors.

As a result of the COVID induced e-commerce boom, e-commerce penetration in Australia has leapt to being four years ahead of the pre-COVID trend as Australian consumers increasingly shift their buying preferences to online. It is expected that e-commerce penetration will continue to grow to a forecast share of 15 per cent by 2027.

Furthermore, the surge in demand for "last mile logistics" has been particularly notable in major Australian cities such as Sydney, Melbourne and Brisbane, where a thriving urban population relies heavily on rapid and reliable last-mile deliveries. The strategic positioning of warehouses near these urban centres has become a critical factor in meeting consumer expectations and ensuring timely deliveries in the final stretch of the supply chain.

There are weaknesses to consider as well. Inflationary pressures, increased interest rates and declines in the residential markets are expected to have flow on effects to the industrial segment moving forward. Higher construction costs, as well as planning and servicing delays in several key precincts have added further complexity and costs to the feasibility of new projects which is likely to have an impact on the future supply pipeline of industrial space.

There remains opportunities in the industrial sector. Supply in Melbourne's south-east, Sydney's central west and west, and Brisbane's Trade Coast falls short of annual demand levels, which is expected to drive an outperformance of rental growth.

Entry point industrial assets with current or potential income streams, close proximity to key transport infrastructure and potential redevelopment upside typically attract strong interest from high net worth investors and developers as land bank propositions.

Despite approximately 2.3 million square metres of warehouses currently under construction across the country and a normalisation in demand following the pandemic boom, Australia's industrial market is set to remain severely undersupplied, with construction costs and servicing delays set to temper supply completions in the coming years.

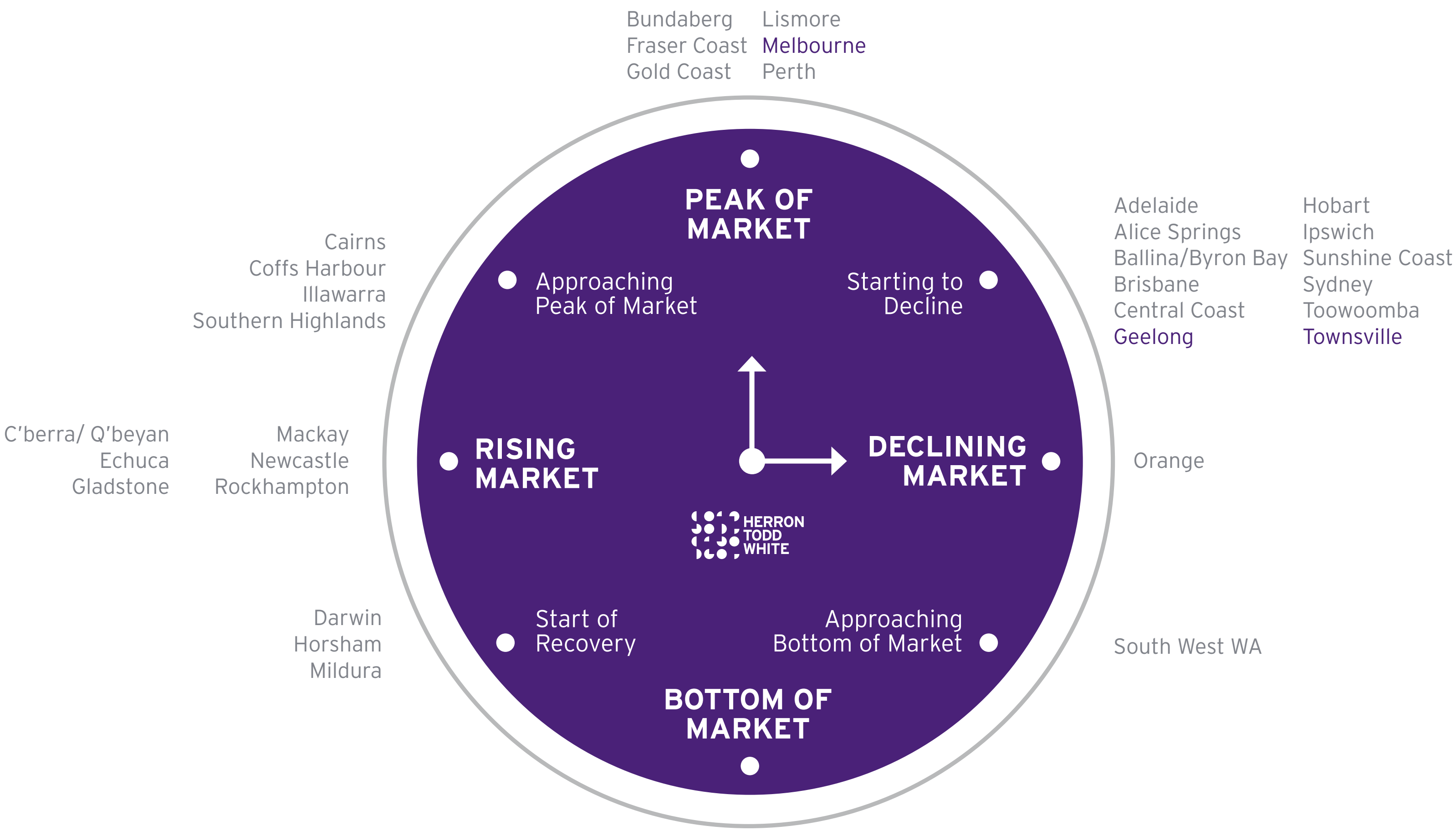
Furthermore, there has been a notable demand shift in 2024 to smaller facilities following years of robust demand for facilities above 20,000 square metres, with smaller leases being the most active by a considerable margin. In the first half of 2024, 77 per cent of lease deals nationally by number were in the 3000 to 10,000 square metre size bracket, while the average deal size has fallen 45 per cent from the level recorded in 2022. Additionally, regional industrial markets are attracting owner-occupier buyers from metro locations that are either priced out of that market or selling and relocating with ample capital remaining to reinvest into their business.

The industrial sector has strengthened significantly over the past five years and is showing signs of overheating. Submarkets where supply moderately outpaces long-term take-up volumes include Brisbane's west, Melbourne's north and Adelaide's outer north, however in each case, vacancy rates remain well below balanced levels.

Richard Gell
Commercial Director

National Property Clock: *Industrial*

Entries coloured purple indicate positional change from last month.



New South Wales - Industrial 2024

Sydney

Since the pause on the official cash rate in November 2023 at 4.35 per cent, most property markets have experienced a state of stabilisation. Inflation has eased albeit is still higher than the target range, reducing the chance of rate cuts this year. Yields have softened to varying degrees depending on property fundamentals, however the lack of supply has tempered the full impact of the cash rate increases since May 2022. It is also notable that the price point and depth of market are critical to saleability.

The market for industrial stock in Sydney has generally seen significant increases in values in recent years, particularly since the beginning of 2021. This significant market movement has been driven by a lack of available stock listed for sale, higher levels of e-commerce, historically low interest rates and a general resurgence in confidence in the market since the emergence of COVID-19.

Despite inflationary pressures and interest rate rises, Sydney's industrial markets have outperformed other asset types, with the market having stabilised from a capital rate perspective around early to mid 2022. Capital values generally remain stable to date, with reasonable demand and lack of supply, however without the substantial growth experienced in the preceding years.

Interest within the majority of industrial locales predominantly emanates from the owner-occupier sector. It appears that properties that are leased with substantial remaining lease terms have been struggling from a sales perspective in comparison to their vacant, owner-occupied counterparts, particularly when considering expected returns and the current comparatively high interest rate environment.

The industrial rental market in the region has seen strong increases in the past 18 months, particularly since interest rate increases, around mid-2022. This significant market movement has been driven by a lack of available stock listed for lease and a lower-than-expected volume of new development completions, combined with elevated levels of occupier activity, resulting in increases to net face rental growth, a reduction in offered incentives, and yield growth. More moderate growth has been predicted moving forward in the short-medium term.

Current vacancy levels for industrial property generally appear low.

Entry level industrial assets are typically older to semi-modern style strata industrial units under 150 square metres. These assets typically provide a good entry point at a sub $1 million price point, with achieved yields generally between 3.5% and 4.5%.

Interest within the majority of industrial locales predominantly emanates from the owner-occupier sector.

53/93-97 Newton Road, Wetherill Park Source: domain.com.au

A 131 square metre, semi-modern, part two level, strata titled, medium clearance industrial unit sold on 17 May 2024 for $815,000 excluding GST. The property sold subject to an existing lease which is due to expire on 3 October 2025, with a further five year option period. The property has a passing income of $30,720 per annum net plus GST ($235 per square metre), resulting in a net passing yield of 3.77%.

Entry level price points are typically experienced in Sydney's western industrial precincts, as precincts closer to the eastern seaboard are generally considered to transact at higher rates and price points given locational differences.

22/15 Meadow Way, Banksmeadow is a 135 square metre, semi-modern, part two level, strata titled, medium clearance industrial unit sold on 17 May 2024 for $1.1 million excluding GST.

22/15 Meadow Way, Banksmeadow Source: realcommercial.com.au

4D/4 Louise Avenue, Ingleburn Source: realcommercial.com.au

4D/4 Louise Avenue, Ingleburn is a 94 square metre, older style, single level, strata titled, low clearance industrial unit sold on 9 May 2024 for $575,000 plus GST. This is one of the lower price points I've seen recently.

In recent times, development of industrial storage unit facilities or mixed industrial and storage unit developments have become increasingly popular. Whilst traditionally centred around Sydney's Northern Beaches and Sutherland Shire, newer developments have been arising in Sydney's west, in areas such as The Hills, greater Penrith, Blacktown and Liverpool. These assets typically provide an affordable price point generally below $300,000.

73/1-13 Leland Street, Penrith Source: realcommercial.com.au

312/23-27 Mars Road, Lane Cove West Source: realcommercial.com.au

Yields for these assets are typically slightly higher than their standard industrial counterparts.

73/1-13 Leland Street, Penrith is a 40 square metre, part two level, medium clearance storage unit sold on 26 April 2024 for $195,000 plus GST.

Whilst these generally follow the same locational trends as industrial units, smaller storage units become more common the further east you look.

312/23-27 Mars Road, Lane Cove West is a 13 square metre, part two level, medium clearance storage unit sold on 29 May 2024 for $65,000 excluding GST.

David Unkovic
Associate Director

Newcastle

As the industrial market continues to weather the economic challenges, as it has consistently over the past few years, once again (and this will come as little surprise), there is no stock! This has been a constant challenge for the industrial market and local agents are not seeing any change to this in the short term. The demand for industrial property in the Newcastle area, which has proved the best performing commercial asset class in recent years, is simply outstripping supply.

Looking at the last quarter, there have been limited sales of large format industrial properties. Again, this is a supply issue, not a demand issue. We are aware that buyer enquiry is increasing, after a small slowdown mid year. The slowdown was due more to economic uncertainty rather than a dwindling appetite for industrial property.

The general view for industrial property is positive in the region. But let's look at one of the stronger performing assets within this market. Small format industrial strata units are possibly the most sought-after industrial asset, particularly in industrial precincts with close proximity to housing. As more medium to high density residential properties

The demand for industrial property in the Newcastle area, which has proved the best performing commercial asset class in recent years, is simply outstripping supply.

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come online, there is a demand for additional space which these residential developments simply do not provide. The industrial market is catering to this need for space with small scale industrial strata developments in precincts such as Mayfield West and Carrington. Units in these precincts at 100 square metres or less provide a perfect storage option for recreational assets like boats, caravans, etc.

In the same way, these smaller units are attractive to tradespeople looking for additional storage space for tools and equipment. We are seeing rents for these units steadily rising and purchasing these units is a very viable option for people needing additional space. Small to mid sized units in precincts with arterial road access, like Bennetts Green, Beresfield and Warrabrook, service this need for these buyers. The majority of recent transactions have been in these precincts.

The industrial market continues to weather the economic headwinds in the overall property market at the moment. There does not appear to be any indication that demand will taper off any time soon.

Scott Beker
Valuer

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Victoria - Industrial 2024

Melbourne

In 2024, the industrial market in Melbourne continued to perform well, although not as strongly as in 2022 and 2023. Since the pause on the official cash rate in November 2023 at 4.35 per cent, most property markets have experienced a state of stabilisation, especially concerning debt cost and commercial yield uncertainties.

The industrial property supply has been limited due to high absorption rates in the previous three years, creating a pressing need for more stock to satisfy the demand and supply constraints. These challenges on the supply side have resulted in substantial rental growth, while the investment market, particularly for higher-grade assets, has displayed signs of softening with yields winding out.

That said, demand is surging for high-quality industrial space within close proximity to city centres. Businesses are looking for warehouses that are ready for automation and sustainability features. A large proportion of older style warehouse buildings are inadequate for modern day business, with many unable to house the simplest of automation systems. Many older assets offer sub-par clearance heights which don't meet broad racking and warehouse store requirements, whilst new warehousing in some cases is being built to 15 metre height clearances and has the capacity to hold 40 per cent more product on the same footprint. With the continual rise in holding and building costs and inflationary pressures, we may see demand for new builds soften.

Despite a slight decline in the number of sales in some sub-industrial property sectors, prices remain steady and continue to trend upward. However, the combination of interest rate increases and the COVID debt repayment plan, including land tax obligations, has undoubtedly impacted smaller investors. Further to the above we offer the following:

In recent years, industrial property has become one of the most sought-after asset classes for investors, largely driven by the rise of online shopping and the increased demand for warehouse space to store, sort and distribute goods.

Industrial properties can offer long leases with secure cash flows, reliable tenants, attractive returns and strong capital growth. This appeal has only grown during the pandemic and beyond, as the boom in e-commerce led more people to shop from their homes.

Newly built strata unit warehouses present an excellent opportunity for smaller investors interested in purchasing small-sized warehouses, either as owner-occupiers or as investors seeking rental income. Several upcoming developments stand out in this sector:

- **Fusion Business Park:** Located in Mickleham, this industrial park offers a range of industrial properties, including warehouses, distribution centres and office space. It is one of Melbourne's largest industrial parks, spanning 67 hectares.
- **Southeast Business Park:** A major development in the industrial sector, this park includes warehouses, distribution centres and office space. It is situated in Pakenham and the Shire of Cardinia and is also one of Melbourne's largest industrial parks, covering 165 hectares.

These are just a few examples of the significant industrial and business park developments within Melbourne available to meet the rising warehouse demands of a growing city.

Nick Michael
Director

> *Industrial properties can offer long leases with secure cash flows, reliable tenants, attractive returns and strong capital growth.*

HERRON TODD WHITE

Queensland - Industrial 2024

Brisbane

Industrial property can be an excellent choice for first time investors looking to gain some exposure to the commercial markets. 100 per cent of outgoings can be recovered from tenants, management is straightforward and healthy rental returns can be expected in the current environment. However, due to the insatiable demand in the past three years for industrial property, values have experienced incredible growth which may create some barriers to entry for first time investors.

For those looking to acquire an entry level opportunity in Brisbane's industrial market, strata titled industrial properties would be an excellent opportunity to purchase a high yielding industrial investment. This market is performing particularly well at the current time with strong demand conditions from small businesses (as tenants or owner-occupiers) which result in minimal expected vacancy periods or incentives required to secure tenants. Generally speaking, prices for these units range from $500,000 to $2 million depending on the size, location and quality. Rental yields in recent times have ranged from 5.50% to 6.50%, noting the strong rental growth has enabled many investors to experience strong uptick in both returns and capital values.

For those in a stronger cash position looking to enter the industrial market, smaller freestanding buildings would also be a secure investment option in the circa $2 million to $5 million price range. It has also become common for savvy investors to buy existing older style buildings and undertake refurbishments to the property to reposition the asset and gain healthy capital and rental value uplift.

A good example of this is a development in Sumner which was previously a circa 1800 square metre, older style building purchased for $2.8 million in 2022. This reflected a rate per square metre of lettable area of circa $1500. The building has since been refurbished by the developer and partitioned into strata titled industrial units, now generally achieving over $4000 per square metre on the lettable area.

In both instances, these types of assets are very common across all precincts in Brisbane, however be prepared to pay premium prices for industrial property in prime locations such as the TradeCoast industrial precinct, the inner northern suburbs and the south-western corridor. It should also be noted that there is strong competition for assets in both price ranges, especially from owner-occupiers, who will pay premium prices to secure a property essential to operate their business from. Due to existing shortages for industrial properties and continued strong demand conditions, this is expected to continue in the foreseeable future.

Mackenzie Osborne
Valuer

Industrial property can be an excellent choice for first time investors looking to gain some exposure to the commercial markets.

Gold Coast

The Gold Coast's industrial property market has undergone significant changes in recent years, particularly in entry-level opportunities. Once a haven for budget-conscious buyers, the market has seen substantial increases in land values and construction costs, making it more challenging to find affordable industrial properties. This shift has led to a marked decline in the availability of smaller, older freestanding metal sheds in the central and northern Gold Coast, with prices for such properties now often exceeding $1 million. The limited supply of these properties has forced many prospective buyers to explore alternative options, primarily in the form of strata title industrial units.

As traditional entry-level options have become scarce, strata titled industrial units have emerged as the go-to choice for many buyers. These units, ranging from newly built to approximately 20 years old, can be found in various estates across the Gold Coast. Historically, industrial properties in the sub-$500,000 category were available, but the sharp increase in industrial values over recent years has pushed most transactions into the $500,000 to $1.25 million range.

Despite the current challenges, the Gold Coast continues to see a number of new industrial developments coming out of the ground.

These strata units primarily attract owner-occupiers, particularly small business operators, with some interest from private investors. For example, a semi-modern, 215 square metre concrete unit, street-fronting and vacant, sold in Upper Coomera in April 2024 for $1.1 million (excluding GST). This sale, at just over $5000 per square metre, reflects the strong demand for such properties, with an analysed yield of around 5%.

Leased units in the industrial market generally offer slightly higher yields, appealing to investors focused on returns. The industrial sector provides several advantages over residential investments, including lower maintenance costs (owing to the concrete box structure), higher returns and longer lease terms. However, a larger deposit is typically required for lending purposes in the industrial sector.

The industrial leasing market on the Gold Coast has been exceptionally strong in recent years, with rental rates reaching historic highs and vacancy rates remaining low. However, agents are now reporting more challenging leasing conditions, with signs of tenant rental stress and an increase in lease abandonment. This shift suggests that the market may be entering a period of adjustment after several years of rapid growth.

Despite the current challenges, the Gold Coast continues to see a number of new industrial developments coming out of the ground. Strata warehouse and self-storage complexes were highly popular in the aftermath of the COVID-19 pandemic, but agents are now observing a slowdown in market conditions, with a declining rate of sale for new developments. Additionally, there is growing awareness among buyers about the limitations of units approved solely for self-storage use, which could further impact demand in this sector.

For everyday investors, opportunities to purchase freehold industrial assets remain limited due to restricted supply and strong underlying demand. The entry-level price for a small freestanding industrial building or complex in central Gold Coast is now approximately $2 million to $2.5 million. However, these assets typically offer lower yields, often below 6%, as investors face stiff competition from owner-occupiers who are less focused on yield and more on affordability.

The industrial market in the southern Gold Coast and northern New South Wales remains strong, though there are early signs of softer rents. This trend is expected to be temporary as new supply comes online and inflationary pressures ease. At the time of writing, there were eight listings on realcommercial.com.au in the under $1 million price range within the Tweed Shire. The expected yield for investors on these industrial units would likely be under 5.5% on market value, but this price point is still attractive to owner-occupiers anticipating capital growth. However, the downside risk is that these units are at record price levels and have been on the market longer than usual.

Looking ahead, the Gold Coast's industrial market is expected to remain strong, although sales volume will likely moderate. Freestanding industrial assets will likely continue to be the best performers, though finding options under the $2 million price point will be increasingly difficult. The scarcity of available properties, coupled with sustained demand, suggest that the market will continue to favour sellers in the near term. Investors and owner-occupiers alike will need to navigate these dynamics carefully to find the right opportunities in this evolving market.

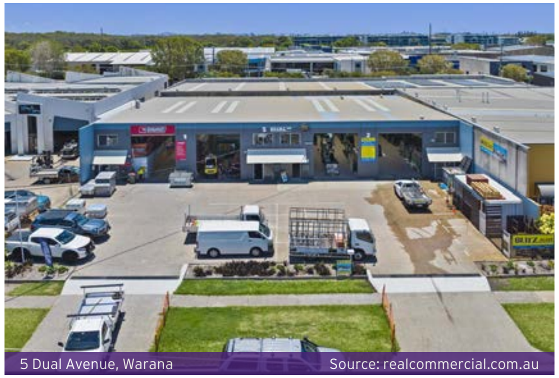
Ryan Kohler
Director

Sunshine Coast

The industrial sector on the Sunshine Coast has performed exceptionally well over the past two years, driven by previously record-low interest rates that benefited both owner-occupiers and investors. This has led to significant price growth for both land and built assets. However, the broader commercial sector has seen a decline in sentiment due to rising borrowing costs. While the industrial market remains supported by low supply levels, it is not entirely immune to the impact of higher interest rates. Demand for industrial assets has softened but not as drastically as in other asset classes.

The entry-level market on the Sunshine Coast is primarily driven by owner-occupiers, who typically seek strata-titled units or small stand-alone properties. This demand has encouraged new developments over the past three years, particularly in emerging estates like Coolum Beach, Baringa (within Stockland's Aura master-planned community), and Corbould Park. However, investment opportunities in the current market are limited, as the prices paid by owner-occupiers do not align with the target returns for investors given current commercial borrowing costs. Entry-level strata units in these developing estates start at approximately $400,000, with notional yields being around 4.0% to 4.5%.

For stand-alone assets in developing estates or central locations, entry-level prices begin at circa $1.5 million. Although investor appetite for leased assets has softened, well-located properties have still achieved strong yields recently, supported by limited supply. A notable example is 5 Dual Avenue, Warana, which sold in March 2024 to a private investor for $2.75 million, reflecting a yield of approximately 5.5%.



5 Dual Avenue, Warana Source: realcommercial.com.au

Stand-alone assets priced under $1.5 million typically consist of older properties located in secondary or hinterland industrial precincts such as Nambour, Yandina, and Landsborough. While recent transactions in these areas have been limited due to tight supply, they may offer better yield prospects for entry-level investors. Despite a general softening of yields across commercial sectors, the local industrial market appears to be showing resilience.

Jaydon McDowell
Associate Director

Townsville

The Townsville industrial sector has continued to perform strongly throughout the first half of 2024 albeit at a less frenzied pace. The industrial market is influenced by the continued activity in the mining and resources sector and the large pipeline of local infrastructure projects currently underway.

An entry level industrial asset in Townsville could be classified as anything under a million-dollar price tag. This includes small industrial strata units that generally range from $350,000 to $600,000 and are reflecting yields in the order of 5.5% to 7.5% and larger freestanding industrial sheds that range from $600,000 to $1 million which generally reflect yields in the order of 6% to 8% and may also require some form of capital outlay. There is a very limited amount of this stock available within the central industrial areas of Townsville and yield profiles have been tightening as small-scale investors and owner-occupiers are competing for the same assets which is pushing potential buyers into the outer and secondary industrial areas.

Entry level assets are generally lower yielding than your typical larger industrial asset types. In the current market environment, liquidity risk would be minimal as there is high demand for assets within this discussed price point. Entry level assets are not risk free; generally these assets are older or original builds that although considered affordable, can be subject to "as is where is" clauses and will likely require capital expenditure including potential service upgrades. It is recommended that proper due diligence be undertaken on all asset classes.

In the current market environment and with reference to the current cost of construction in regional areas, it is expected that the established and entry-level industrial market will continue to see high levels of demand and competition between owner-occupiers and investors.

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 with the market overall very heated. There is pent up demand for all forms of industrial property and very limited stock available in the prime industrial precinct of Cairns or industrial estates to the north and south of Cairns.

The smaller and more affordable industrial 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 with the market 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.

New small industrial strata complexes are achieving sales up to $3500 per square metre with limited stock available.

Land values have increased substantially over the past 24 months due to a near total lack of vacant land stock and it is assumed this will correlate to higher unimproved land values moving forward

Land values have increased substantially over the past 24 months due to a near total lack of vacant land stock.

HERRON TODD WHITE

(and associated land tax). This along with increased insurance premiums may negatively impact net incomes moving forward.

It is difficult to gauge how market conditions will fare in the coming 12 months, Overall the market is very heated and considered to be nearing or at its peak. While economic conditions suggest softening of the market, we consider the limited availability of industrial land, high land values 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 is influenced by a range of factors, including growth in the region's manufacturing and agricultural sectors, growth in e-commerce and the relocation of business into regional areas. Strong economic conditions resulted in continued demand for secure investment properties during 2023 resulting in record low yields, however economic conditions, in particular interest rate uncertainty, have seen reduced demand in the first half of 2024.

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 construction of new premises for owner-occupation.

The majority of new construction activity has been owner-occupiers who have outgrown existing premises and have developed or plan to develop new premises in developing industrial estates in the Charlton Wellcamp area to the west of Toowoomba. 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.

The recent completion of a new industrial estate in Torrington under a Community Management Scheme with lots ranging from 1000 to 6875 square metres has seen a good level of activity comprising a mix of new construction for both investment and owner-occupation. Construction costs for two new industrial sheds within this estate have ranged from $2200 per square metre for a metal clad shed to $2700 for a tilt panel shed resulting in a total outlay, include land purchase, of $2700 to $4200 per square metre for an entry level shed.

The smaller owner-occupier and investor market is generally steady with very little activity over the past six to twelve months attributed to several factors:

- The small entry level industrial market is tightly held with a large percentage owner-occupied or owned by mum and dad investors who are more interested in the revenue stream than capital gain;
- There are currently only two strata industrial units listed for sale in Toowoomba, with some under construction. Strata units have historically been the entry point to industrial assets for both owner-occupiers and investors. Having been over-supplied in the past, the market is now balanced;
- Availability of small industrial land is very limited with the price point for any vacant land exceeding 1,500 to 2,000 square metres well above the budget of smaller industrial users; and
- The current interest rate environment has and is likely to continue to place pressure on the availability of funding.

The above is supported by the low level of listings for smaller industrial properties within the region.

Opportunities exist within fringe or secondary industrial areas that are progressively transitioning from residential properties through development of small industrial workshops, generally by existing businesses looking for their own space.

Ian Douglas
Director

> *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 construction of new premises for owner-occupation.*

South Australia - Industrial 2024

Adelaide

Industrial and commercial property in general remains subject to the broader economic pressures facing Australia as we enter the final few months of 2024. With real GDP indicating a cyclical slowdown, inflation still at high levels and the threat of interest rate rises still current, yields have continued to taper for industrial assets after the record lows we saw in 2022, and the evident yield increases throughout 2023.

The western industrial precinct continues to be the most sought after and tightly held corridor, with rental levels higher and yields lower for industrial assets in Thebarton, Mile End, Hindmarsh, Richmond and the like. The inner north and inner south remain competitive throughout Regency Park, Wingfield, Edwardstown and Melrose Park, whilst the outer northern and southern suburbs continue to record lower gross rents and higher yields in comparison.

The assets available to entry-level investors and owner-occupiers alike are primarily office/warehouse buildings located in the northern suburbs, such as Salisbury Plain, Smithfield, Edinburgh North and Pooraka. Closer to the CBD, fewer opportunities arise in Athol Park, Royal Park and Edwardstown, whilst the south has options at Seaford. Looking further afield, there are a number of smaller entry-level industrial assets for sale in Port Lincoln.

For investors, 19A Ween Road, Pooraka offers a strata titled office/warehouse which is listed for sale through CBRE, offering a net income of $33,563 per annum. Similarly, 8/3A Palina Road in Smithfield comprises a community titled office/warehouse listed for sale at $429,000 to $449,000 through Ray White.

8/3A Palina Road, Smithfield Source: realcommercial.com.au

In terms of vacant possession entry-level industrial buildings that purchasers could look to occupy themselves or offer to the market for lease, opportunities are similarly strata or community titled assets. 2/10A Dunn Street, Seaford offers 150 square metres of office/warehouse space in a community titled property. The neighbouring office/warehouse at 1/10A transacted for $477,000 in May this year. In one of Adelaide's premier inner-west industrial suburbs, 3/36 Tikalara Street in Royal Park offers a strata titled office/warehouse of 96 square metres which is on the market through LJ Hooker.


3/36 Tikalara Street, Royal Park Source: realcommercial.com.au

As with any level of asset in commercial property classes, entry-level industrial buildings are not without risks. Typically, entry-level buildings are subject to shorter lease covenants with local tenants and therefore can be at greater risk of vacancy. In addition, tenants looking for small industrial space have a multitude of options, as industrial development in northern and southern areas in recent times has resulted in the

> *With real GDP indicating a cyclical slowdown, inflation still at high levels and the threat of interest rate rises still current, yields have continued to taper for industrial assets after the record lows we saw in 2022, and the evident yield increases throughout 2023.*

HERRON TODD WHITE

construction of more modern, office/warehouse spaces that cater to local tenants. Similarly, the rewards are the potential to tap into capital growth opportunities - however this may be more limited given the yield compression that saw industrial property values top out in recent years.

Like the broader industrial market, yields have begun to stagnate along with rental levels for entry-level industrial assets. Given the compression in yields and increase in rents over 2022/23, there was limited capacity for a continued drop in yields for 2024. Whilst land values have continued to creep upwards and vacancy rates remain low, industrial property still looks to be the go-to choice for investors despite the slowing growth of these metrics.

Chris Winter
Commercial Director

Western Australia - Industrial 2024

Perth

The more affordable industrial assets across the Perth metropolitan area tend to be located within secondary industrial precincts. Development in these estates typically comprises a not insignificant volume of small scale, often strata titled industrial (warehouse and factory) units. However, entry level assets in the sub $500,000 bracket can be found in all industrial precincts throughout metropolitan Perth.

These types of assets are popular with small business owners together with hobbyists or those requiring more space simply for storage purposes.

The historically low-interest rate environment has provided small businesses with a conducive, cost-effective opportunity to acquire such property at occupancy cost levels (i.e. mortgage repayments) that often prove more competitive than renting similar accommodation. Owner-occupied premises also avert the ongoing problem of regular rent reviews where rental liabilities can escalate through the duration of the lease term as opposed to mortgaged property where payments can be fixed.

Often owner-occupier business proprietors incorporate such property holdings in self-managed superannuation funds whereby the related business pays a rental to the superannuation fund. Such an arrangement enables the asset and the rental payments to remain with the owner essentially, as opposed to being lost to a third-party investor landlord.

These types of assets are popular with small business owners together with hobbyists or those requiring more space simply for storage purposes.

Accordingly, the market for such assets is primarily driven by owner-occupiers with the level of rental return derived from these properties, particularly noting the current interest rate environment, often insufficient to satisfy the appetite of a private investor. Properties subject to a lease may potentially achieve lower sale prices in comparison, as the purchase price tends to be dictated by the target yield.

The different motivations for the two market participants for acquiring a comparable property can lead to two notably different values being applicable.

The quality of tenants that tend to occupy these low-end industrial properties should be carefully scrutinised as part of any potential acquisition by an investor. Such tenants are often susceptible to fluctuations in cash flow and the security of tenure can be feeble.

Whilst re-letting such premises can prove a costly exercise in the event of vacancy, prospective landlords should be encouraged by the prevailing strong industrial leasing climate. Rents for modern strata titled industrial units and small-scale green titled properties are now circa $140 to $160 per square metre per annum net.

Pricing is a function of a variety of factors but typically rates per square metre of floor space for these strata titled industrial units start at circa $1250 per square metre for an older style, basic quality unit in an outer lying suburb to as high as say $3500 per square metre in the prime industrial estates closer to the CBD. Aside from location, other key drivers of value for these types of property include age of construction, floor area and quality of specification.

Recent sales of similar leased properties around Perth indicate market yields tend to range between 5.5% and 7.0% with variation in yield largely a function of age and quality of improvements, location, quantum of value and nature of lease covenant.

A plethora of options exist in Perth's southern suburbs including Cockburn Central, Bibra Lake, Forrestdale, Canning Vale and O'Connor. Suburbs such as Wangara and Malaga in the north are not in short supply either plus there remain recent additions to the marketplace in the newly developed Tonkin Highway Industrial Estate located east of the Perth CBD and Meridian Park Industrial Estate in Neerabup, some 32 kilometres north-west of Perth. Despite the prevalence of such developments, there is limited stock available for acquisition.

HERRON TODD WHITE

For both owner-occupiers and investors, newly constructed units also carry the added benefit of depreciation benefits making more modern units more sought after in the marketplace relative to older stock.

The local industrial property market is, arguably, at the peak of the sector's property cycle. Demand for entry-level stock has demonstrated strong capital growth in the past 12 to 18 months. Market rental rates for such assets have also shown pronounced uplift over this period. The clear lack of supply in the market, especially for contemporary built-form facilities, is likely to hold the key to the sustainability of the industrial market performance for the remainder of the year.

Greg Lamborn
Director

HERRON TODD WHITE

Northern Territory - Industrial 2024

Darwin

Historically, the Darwin industrial sector focused on domestic functions, providing accommodation for businesses that service the local NT population. Local manufacturing was virtually non-existent and there was limited other demand for space.

Over the years, the segment grew, firstly around infrastructure such as the Alice Springs to Darwin rail line. We have seen the development of the East Arm Logistics Precinct near the Port of Darwin expand with many larger scale properties, mainly supporting logistics industries.

The next wave was the development of the offshore gas industry, specifically the two LNG processing plants on Darwin Harbour. The Inpex project especially led to a surge in demand for industrial accommodation from businesses associated with the construction of that project. However, the completion of construction in 2014 saw a decline in demand which has not really been restored today.

At the very entry level end of the Darwin industrial market are older style strata storage units which are not much more than the size of a garage. These start in price from about $35,000. These are mainly purchased by owner-occupiers. Investors may be able to get a 10% gross return or so, but this is quickly eroded by costs so that the net return is nowhere near as attractive.

Moving up the scale, larger storage units are available from about $110,000 but there is a further jump in values for strata units with a bit more accommodation and an office. Again, investor activity has been slow, because the net returns (after deducting costs such as Council rates and body corporate levies) eat up a large proportion of the gross rent achievable.

At the very entry level end of the Darwin industrial market are older style strata storage units which are not much more than the size of a garage

An older style Torrens Title warehouse and office in the Darwin area will generally start from about $700,000 to $800,000 and go up from there according to land area and building size and quality. But again, the majority of purchasers of these types of properties are owner-occupiers, whose main concern is to secure their own accommodation rather than see an immediate return on their capital investment.

The industrial property market has been fairly static for some time now but there are some early signs that it may be on the improve. We are starting to see some interstate investment in residential property in Darwin, attracted by the rental yields which are higher than in other capitals. We expect this will only spill over into the industrial property sector if we see some rental growth for these types of properties, which has been lacking in recent years.

Terry Roth
Director

COMMERCIAL - INDUSTRIAL

HERRON TODD WHITE

Residential

September 2024

National Residential Overview

There's no denying that the level of demand for vacant residential land markets is hinged directly to measures of affordability. Demand waxes and wanes in line with housing construction costs and/or the relative price of established and comparably located housing. Of course, construction costs have been a hot-button topic in recent years. There was the astronomic rise during COVID and beyond which saw many owners of vacant allotments having to pause the idea of building on their block, or perhaps make substantial compromises to their design needs.

Meanwhile, the value of established property in markets around Australia has been rising strongly in most major centres over the past few years – especially in Perth, Adelaide and Brisbane. As such, some buyers might be drawn to considering vacant land and building as an alternative due to lower entry costs.

Matthew Richardson
Residential Director

Demand waxes and wanes in line with housing construction costs and/or the relative price of established and comparably located housing.

The upside with a vacant site is that you will eventually get a property that suits your list of needs due to the allotment providing a blank canvas. Need a four-bedroom, two-bathroom single level dwelling to appeal to the local renter base? Require additional car accommodation and separate living spaces to house your family that includes older teenagers? All can be catered for by building new.

Whilst the interest rate environment has had some effect on transaction volumes and overall demand for land, I believe the greatest impact is economic – specifically employment. If people are concerned about job security, they will be reluctant to expose themselves to greater levels of debt. Of course, you can't generate holding rent from a vacant site, so that amplifies the financial risk when interest rates are high.

There are, of course, opportunities to buy one-off blocks in near-city suburbs. Splitting a site to generate two or three individually titled allotments is common, but for most vacant land purchasers, activity is entrenched in housing estates. Large scale, multi-stage developments have a distinct advantage here. Developers aren't just marketing the land but are also selling the surrounding services and amenities – both those already established and those planned. These developments are about building a new community through comprehensive green spaces, schooling, retail and so on. Many of these estates deliver a more affordable alternative as well, particularly for first-time buyers. The economies of scale that project builders achieve helps reduce the build cost on a rate per square metre basis.

Supply is also impacted in most centres by town planning too. If zoning and regulations make profitable development challenging, then developers may choose to landbank their holdings rather than pay higher than reasonable headworks charges or other civil fees.

Looking across the submissions this month, you'll see the market for vacant land is as diverse as our country's landscapes. Some regions are enjoying strong activity driven by relative affordability and good news about their prospects. Alternatively, there are cities and regions that aren't experiencing commensurate levels of sales and price growth.

This divergence in performance is further evidence as to why relying on advice from a local, independent expert is essential for making wise decisions in vacant land markets.

National Property Clock: *Houses*

Entries coloured orange indicate positional change from last month.

Albany
Bundaberg
Dubbo

Fraser Coast
Mildura
Mount Gambier

South West WA
Tamworth
Toowoomba

Geraldton
Sydney
Whitsunday

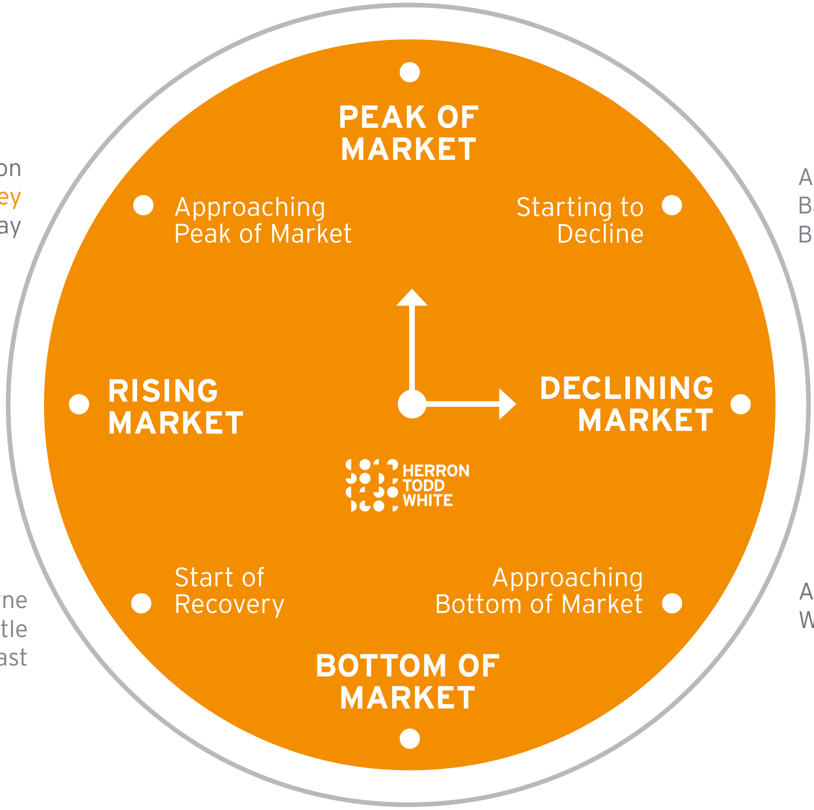
Alice Springs
Bathurst
Burnie/Devonport

Darwin
Launceston
Shepparton

Adelaide
Adelaide Hills
Barossa Valley
Brisbane
Broome
Cairns

Emerald
Esperance
Gladstone
Gold Coast
Ipswich
Kalgoorlie

Karratha
Mackay
Perth
Port Hedland
Rockhampton
Townsville



Port Macquarie

Canberra
Central Coast
Illawarra

Melbourne
Newcastle
Sunshine Coast

Albury
Wodonga

Ballina/Byron Bay
Coffs Harbour
Geelong

Hobart
Lismore
Southern Highlands

RESIDENTIAL

National Property Clock: *Units*

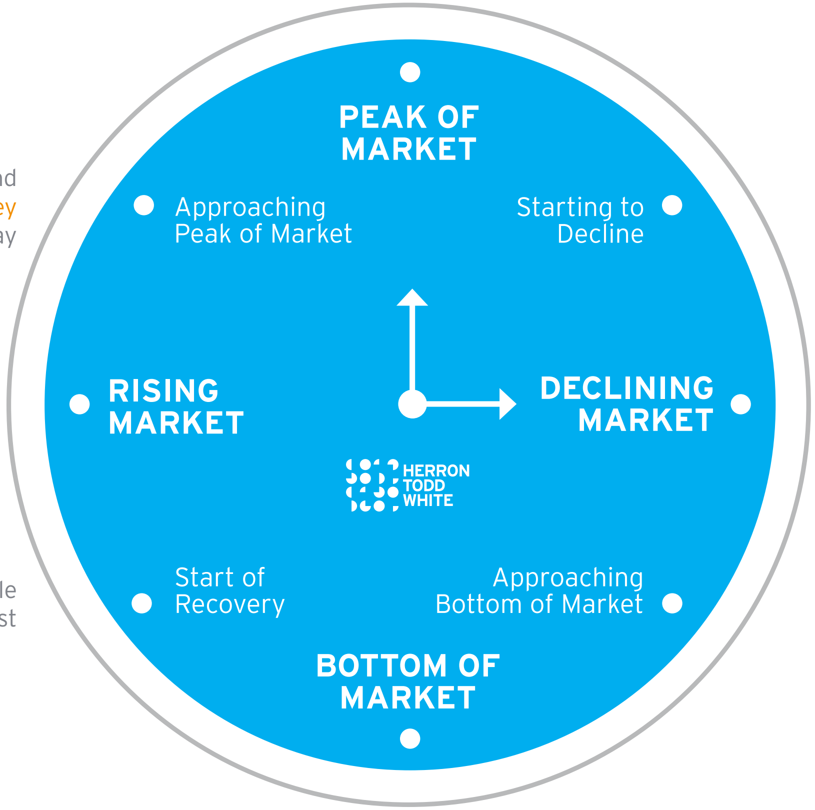
Entries coloured blue indicate positional change from last month.

Albany
Bundaberg
Burnie/Devonport
Fraser Coast
Mildura
Mount Gambier
Shepparton
South West WA
Tamworth
Toowoomba

Port Hedland
Sydney
Whitsunday

Alice Springs
Bathurst
Launceston

Adelaide
Adelaide Hills
Barossa Valley
Brisbane
Broome
Cairns
Darwin
Dubbo
Emerald
Esperance
Geraldton
Gladstone
Gold Coast
Ipswich
Kalgoorlie
Karratha
Mackay
Perth
Rockhampton
Townsville



Canberra
Port Macquarie

Central Coast
Illawarra
Melbourne
Newcastle
Sunshine Coast

Albury
Wodonga

Ballina/Byron Bay
Coffs Harbour
Geelong
Hobart
Lismore
Southern Highlands

New South Wales - Residential 2024

Sydney

The vast majority of new estates are found in Sydney's growth corridors in the south-west and north-west of the city. Cost of living pressures and significant increases in building costs over the past few years have helped to constrain prices in these vacant land markets, even as the supply of new land is controlled by developers.

In other parts of Sydney, smaller land releases occur from time to time, however buyers looking for vacant land will generally find it as a single vacant block in an existing residential area, or alternatively will look for a property with an eye to knock down and rebuild, either as a single dwelling or duplex pair.

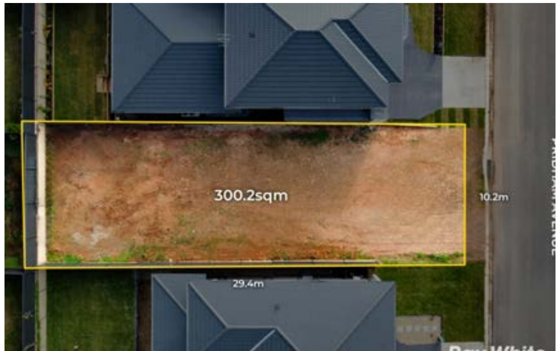
Western Sydney

New land buyers in Western Sydney typically have to venture to the north-west and south-west growth corridors for land ready to build on. Suburbs such as Box Hill, Marsden Park, North Kellyville and out to North Richmond in the north-west offer a number of fully serviced blocks ready to build your dream home.

Aside from resales, the supply of land in new estates is mostly controlled by the larger developers drip feeding lots to ensure demand remains high. This has resulted in price growth over the past 12 to 18 months.

A recent example is 5 Pridham Avenue, Box Hill selling for $710,000 in August 2024 via Ray White Quakers Hill. A 300 square metre block with a 10-metre frontage, this reflects $2,366 per square metre of land area. This block previously sold in January 2021 for $485,000, representing a jump of 46 per cent over three and a half years.

Another sale nearby is 20 Chalk Street, Gables selling for $1.04 million in July 2024 via Ray White Rouse Hill. A 450 square metre block with a 15.1 metre frontage, this reflects $2,309 per square metre of land area.



5 Pridham Avenue, Box Hill Source: realestate.com.au

Further west you can find more value with a recent sale of 42 Irrigator Drive, North Richmond. This 690 square metre corner lot sold for $830,000 in August 2024 via Manor Real Estate. This reflects $1,202 per square metre of land area.

42 Irrigator Drive, North Richmond Source: realestate.com.au

For the upper end of the residential land market we arrive at West Pennant Hills to find a new subdivision offering land in an established suburb. 9 Wedgetail Way, West Pennant Hills is a 700 square metre block with an 18m frontage. It recently sold for $2.5 million, reflecting $3,571 per square metre.

9 Wedgetail Way, West Pennant Hills Source: realestate.com.au

> *Aside from resales, the supply of land in new estates is mostly controlled by the larger developers drip feeding lots to ensure demand remains high.*

Moving forward, master planned estates throughout western Sydney will continue to be popular as they offer a one stop shop for residents with schools, shops and parks all forming part of the plan.

An issue that can derail any price growth for new estates is if an excess of land supply hits the market, particularly the resale of land, as developers who typically drip feed the blocks to the market have no control over this additional supply.

In addition, if sales of completed dwellings in these areas drop then this will flow on to the land market as new builds will simply not stack up and many potential new builders will just buy a more affordable existing dwelling rather than overcapitalising on a new build.

As the cost of living pressures remain, many new home builders will need to reassess their grand plans as affordability concerns continue to be felt. However, it appears much of the wider market prefers to live in a new home, so like the rest of us, they will just have to scale back their plans to suit their budget or buy a smaller block further away.

South Western Sydney

There is a solid supply of vacant land in south-west Sydney to cater for a variety of different lifestyles and budgets. The growth corridor is from Austral down to Gregory Hills, further south to Menangle Park and across to Campbelltown down to Appin.

$500,000 to $530,000 is the entry point into this market and at this price point a buyer can get a 220 to 250 square metre block in Austral or a 300 square metre parcel in Airds.

It would come as no surprise that the vacant land market has slowed in the past 12 months. Whilst there is still demand for vacant land due to overall affordability, the broader vacant land market is more price sensitive as a result of increased building costs, increased cost of living and a steady sub $2 million property market which has seen limited growth in the past 12 months. Consequently any potential growth in vacant land values has been halted.

A few examples:

- **Menangle:** A regular shaped 1,300 square metre parcel of land sold May 2022 for $1.003 million. The parcel re-sold April 2024 for $991,000.
- **Gledswood Hills:** A regular shaped 476 square metre parcel backing onto the golf course sold February 2022 for $790,000. The parcel re-sold May 2024 for $830,000.
- **Austral:** A regular shaped 270 square metre parcel of land sold December 2022 for $579,950 and re-sold June 2024 for $590,000.

5 Station Street, Menangle Source: CoreLogic

However there is a small caveat. Parcels located in premium streets within an estate are performing more strongly because the plus $2 million market is still performing well due to strong demand. Living costs are a lesser consideration for these buyers, and they are happy to buy potential (looking towards the value of the end result). It would appear even with the increased cost of construction, a good quality home in a prime location is feasible.

A couple of examples:

- **Denham Court:** An irregular shaped parcel of 595 square metres in a cul-de-sac with district views sold October 2022 for $1.14 million. The parcel re-sold May 2024 for $1.29 million.
- **Leppington:** A regular shaped 1,072 square metre parcel sold August 2023 for $1.205 million. The parcel re-sold July 2024 for $1.41 million.

18 Asperula Place, Denham Court Source: CoreLogic

The south-western Sydney rural lifestyle and large lot vacant land market is hardly existent due to very limited stock coming onto the market. These parcels are tightly held and rarely traded. Currently any rezoning of land is being turned into small R2 Low Density lots due to housing demand and higher profitability.

Now more than ever, it is really important if you are looking to purchase land and build to do your homework. Run the numbers, work out your gross costs before committing to a build, as any shortfall in the valuation is going to have to be covered by the owner.

Developers are also realising these market challenges as we are seeing very few valuations being knocked backed, however they do pop up from time to time.

We expect these market conditions to be the norm into the foreseeable future. Building costs and cost of living will have a continued influence on land values in south-western Sydney.

Upper North Shore

The Upper North Shore market in Sydney is not synonymous with large scale vacant land releases and these are very rarely seen. The suburbs in this region are very established, with the majority being built out decades ago. When vacant land does become available it has traditionally being very popular due to the ease of building compared to renovating or extending, depending on the site of course, and not being impacted by heritage issues which often restricts development on the North Shore.

The popularity of vacant land, traditionally very strong, has been relatively weak since 2020, predominantly due to the major supply issues and significantly increased costs in the construction industry as a consequence of the COVID-19 pandemic. This has had a serious impact on demand for vacant land due to the uncertainty and associated risks involved with future development. Recent statistics have revealed that price escalations in construction costs have stabilised to a historic norm which we expect will return confidence to this sector of the market. Although building costs aren't expected to decline to any great degree, this stabilisation provides more certainty to potential builders of new homes and developers alike.

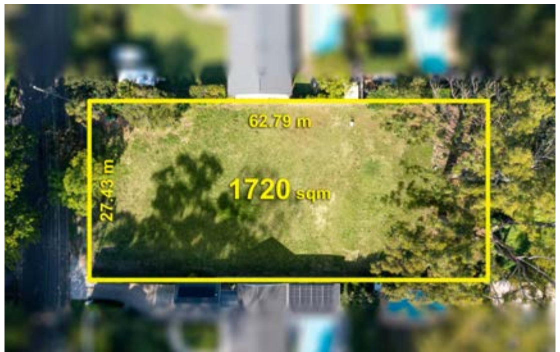
The most common availability and sale of land on the North Shore is through the demolition of an existing dwelling which may be dilapidated, adding minimal value to the current site. Properties such as these may also be sold with an approved development application for a new residence, holding high appeal to those who want to build a new home without delay and are not willing to take on the risks associated with obtaining development approval themselves. These DA approved sales tend to sell for a premium price due to the increased marketability.

An example of a recent site sale with existing dated improvements was on Apps Avenue, Turramurra, selling in August 2024 for an advised price of $2.65 million (as per CoreLogic records). This property comprises a single level, dated brick residence sitting on 960 square metres of regular shaped land with no heritage overlay and advertised as a superb opportunity to update and ultimately capitalise on the land size. This is an appealing alternative for those looking for a vacant land site to build on in the future, providing the advantage of leasing out the current residence while going through the often lengthy development approval process. Interestingly, this property sold within 15 days of being listed for sale, evidence of buyers' appetite for sites with residential development potential secured by an existing dwelling to provide an income stream.

The most common availability and sale of land on the North Shore is through the demolition of an existing dwelling which may be dilapidated, adding minimal value to the current site.

41 Apps Avenue, Turramurra Source: realestate.com.au

6 Tanderra Street, Wahroonga is a prime example of a recent vacant land sale with DA approved plans. The vacant site, comprising 1,720 square metres of regular shaped land, was sold with DA approved plans for a new, two level, four-bedroom residence. As evidence that the vacant land sector of the market may still be showing signs of uncertainty, this allotment sold for $3.96 million in May 2024 after previously selling in July 2023 for $4.38 million, a loss of almost 10 per cent (as per CoreLogic records).



6 Tanderra Street, Wahroonga Source: realestate.com.au

Within the Upper North Shore suburb of Hornsby we have recently seen a rare example of land development, albeit it on a relatively small scale.

This development, set in an established area, comprises four vacant sites of varying sizes. As per CoreLogic records, 62B Manor Road sold in February 2024 for $1.15 million, comprising approximately 500 square metres of vacant land. Within the same development, 62C Manor Road also sold in February 2024 for $1.195 million, comprising approximately 1,538 square metres of vacant land, although sloping and unusable at the rear of the site.

Development on Manor Road, Hornsby Source: realestate.com.au

Lower North Shore

Demand for older homes on large blocks of land in the lower North Shore is currently very high. Builders and developers are quickly snapping up properties where most of the value lies in the land itself, especially those with wide frontages suitable for duplex development. These buyers are often willing to pay premiums of 10 to 25 per cent to secure such sites, with the intention of constructing modern duplexes that can each potentially be sold for prices close to the original land cost. Even blocks that don't meet duplex criteria are attracting significant interest, as buyers view them as blank canvases for demolishing older homes and building their dream residences.

For example, a vacant block at 104 Bridge Road, Ryde, sold for $3.41 million in June 2024 according to realestate.com.au. This corner allotment featuring side access from Ellen Street boasts an 830 square metre land size with an 18 metre frontage. After the original dwelling was demolished, the block—complete with CDC-approved plans for two new duplexes—sold for an impressive land value of $4,108 per square metre.

104 Bridge Road, Ryde Source: realestate.com.au

Similarly, a property at 86 Park Road, Hunters Hill sold for $4.35 million in April 2024. The original 1950s dwelling, situated on an 841 square metre parcel with a 15-metre frontage, contributed little to no value to the sale. It's expected that the existing home will be demolished to make way for a new luxury residence. Such a property would be expected to fetch at least $7 million in the Hunters Hill area.

86 Park Road, Hunters Hill Source: realestate.com.au

An example of a newly constructed home is 23 Forsyth Street, North Willoughby, which sold for $7.55 million in June 2024. The original 1930s bungalow was purchased close to land value for $3.3 million in July 2021. It was subsequently demolished to make way for a modern luxury home with five bedrooms, five bathrooms and an in ground swimming pool. Factoring in construction and holding costs, the vendor likely achieved a substantial return on the finished product.

23 Forsyth Street, North Willoughby Source: realestate.com.au

With a shortage of available properties and no new land allotments expected in these pockets of Sydney, this trend is likely to continue. Any future decreases in interest rates are expected to further

Demand for older homes on large blocks of land in the lower North Shore is currently very high.

drive price growth and to fund the rising costs of construction.

Northern Beaches

Quality blocks of land remain a strong asset, forming the cornerstone of the great Australian dream. Generally speaking, the value of these completed projects often exceeds the combined costs of land acquisition and construction. A limited number of vacant land sites are still available in Warriewood, although the majority of land releases have been completed and there is a lack of new subdivisions on the horizon.

In the Kailani project by Meriton, only three lots remain, with an additional resale available. 11 Raven Circuit is currently on the market with a current price guide of $1.66 million for a 234 square metre rectangular block of land, having previously sold for $1.58 million in March 2022. We understand Lot 4 (254 square metres), Lot 20 (259 square metres) and Lot 21 (258 square metres) are similarly asking around $7,000 per square metre.

11 Raven Circuit, Warriewood Source: realestate.com.au

Alternatively, the majority of buyers seek knock-down rebuild opportunities in established suburbs. Areas including Belrose, Frenchs Forest, Mona Vale, Manly Vale and Allambie Heights are particularly popular with buyers.

A notable example includes 15 Pitt Street, Manly Vale. The property sold in July 2024 for $2.42 million marketed as a prime knock-down rebuild opportunity situated on an easy sloping, corner block of 765 square metres.

15 Pitt Street, Manly Vale Source: realestate.com.au

Another sale of vacant land in the area is 25 Lyly Road, Allambie Heights, selling in June 2024 for $1.3 million through JDH Real Estate. This property comprises a slightly irregular 740 square metre parcel of land with a moderate slope towards the rear, providing district views. It was sold with development approval for a three-level dwelling. The site had previously been sold in December 2020 for $749,999. The land's characteristics place the property at the lower end of the local market, presenting a more complex redevelopment opportunity resulting in increased construction costs.

25 Lyly Road, Allambie Heights Source: realestate.com.au

Inner Sydney

Within Sydney's inner city, vacant land sites are few and far between. Those that do exist are often tightly held by neighbouring owners in premium locations and seldom come to market. Those that do come to market are typically sections of larger blocks that have been subdivided and are known as infill sites.

Inner city living is popular with many demographics for a range of reasons including lifestyle, education and employment and therefore demand for housing is consistent. However, properties within the inner city can be older in style and aren't always built for modern lifestyles. As such they may not have modern conveniences such as ensuites and up to date electrical capabilities. There is a segment of the market that seeks vacant blocks to build a new home, or extensively renovate or rebuild a rundown dwelling.

Inner city construction is time consuming and expensive due to narrow access, busy roads and existing surrounding development. As a result, they are often costly projects to undertake and this makes the newly built product highly desirable within the market place, often attracting a premium.

Alternatively, the majority of buyers seek knock-down rebuild opportunities in established suburbs.

With no vacant land parcels offered for sale within the inner city for the past twelve months, it is safe to say that this is a thinly traded and competitive market segment. The last vacant block sold was 22 Martin Road, Centennial Park for $11 million. This is a 784 square metre block in a very prestigious section of the suburb. This parcel was originally part of a double lot belonging to the neighbouring property. Enquiries within the City of Sydney Development Application Tracker show that a development application for a three storey dwelling with basement garage and pool is currently being processed with a construction cost of circa $4.2 million.

22 Martin Road, Centennial Park Source: realestate.com.au

At a more affordable price level, 50 Kepos Street, Redfern sold for $1.81 million on 3 August at a competitive auction, exceeding the reserve price by $500,000. Whilst this is known as one of the best streets in the area, it underscores the short supply of properties that owners can put their stamp on, with this property being a dilapidated two-bedroom, one-bathroom detached home with pleasant period style street appeal and rear lane access. When buying these types of properties, it is important to remember the scale of work and the timeframe from development application to completion. At least in this instance the lot is situated on a quiet side street with rear lane access, making the builder's job a little bit easier.


50 Kepos Street, Redfern Source: realestate.com.au

Many agents regularly report that modern and well renovated properties are highly sought after in the inner city, with professionals happy to pay a premium for a turnkey property allowing those that take the time and risk to carry out renovations and additions to reap the value uplift of their projects.

Inner West

For those not familiar with the inner west of Sydney, it is an area made up of established suburbs in relatively close proximity to the Sydney CBD. Given the locality and characteristics of the area, the vacant land market is mainly restricted to infill allotments. Suburbs which contain larger land lot sizes of over 600 square metres that are mainly unaffected by heritage overlays, including areas such as Concord, Five Dock, Burwood and Earlwood, tend to attract a strong level of interest from developers seeking to complete a duplex construction. Premiums are often paid in the current market for properties which have this underlying development potential in comparison to single residential use sites.

A recent example of this premium is illustrated in the recent sales of 39 Brays Road, Concord and 7 Cabarita Road, Concord which sold for $4.16 million in August 2024 and $2.6 million in July 2024 respectively. 39 Brays Road, Concord contained a circa 1930s, bungalow style dwelling positioned on a corner lot of 696 square metres, and it meets the minimum requirements for a duplex construction. The sale price reflects a rate of $5,977 per square metre of improved land area.

In contrast, 7 Cabarita Road, Concord contains an internal 594 square metre lot which does not meet the requirements for a duplex construction. The lot contains a modest circa 1970s dwelling that will likely be demolished post the sale. The sale price reflects a rate of $4,377 per square metre of improved land area. The rates and overall sale prices indicate a significant premium has been paid for the duplex potential inherent in 39 Brays Road, Concord.

39 Brays Road, Concord Source: realestate.com.au

Buyers seeking to purchase a relatively large land allotment in order to construct a substantial prestigious dwelling generally turn to the suburb of Strathfield. In recent months there have been significant sales in the suburb's most sought after pocket, nicknamed the Golden Mile.

Sales include: 3-5 Nichol Parade, Strathfield for $6.223 million in February 2024 containing a

1,060 square metre allotment; 31 Cotswold Road, Strathfield for $5.55 million in February 2024 containing a 1,075 square metre allotment; and the substantial sale of 8 Carrington Avenue, Strathfield for $7.55 million in March 2024 containing an 809 square metre allotment.

These sales indicate the very tight nature of this area as well as the market's willingness to pay a premium in order to secure land.

8 Carrington Avenue, Strathfield Source: realestate.com.au

Given the tight nature of the inner west property market and the historically low numbers of properties on the market for sale, capital values for properties reflecting land value have generally increased over the course of the past twelve months. However, the effects of the higher interest rate environment as well as increased costs in construction are leading to a stabilisation and stagnation of capital values for these properties.

Eastern Suburbs

It is extremely rare to find new land subdivisions in the Eastern Suburbs, and even single vacant land sites have been quite rare in 2024. With renovation and extensions more popular than full rebuilds in large parts of the Eastern Suburbs due to heritage overlays and the period appeal of existing dwellings, it's less common than other parts of Sydney to find properties that have had their previous improvements cleared or have current improvements that lend themselves to a full demolition and rebuild.

The southern end of the Eastern Suburbs does lend itself more to finding properties with potential for a knock down and rebuild, with new duplex properties particularly popular in suburbs such as Matraville and Chifley.

An example of such a sale is 9 Torrens Street, Matraville, which sold for $3.12 million in July. The property comprised a dated single level fibro home in poor condition on a 649 square metre block of land. With a 15.4 metre frontage, the property lends itself to an attached duplex pair development with Torrens Title subdivision. Finished duplex units are currently achieving early to mid $3 million depending on the size and quality of the build.

9 Torrens Street, Matraville Source: CoreLogic

At the prestige end, while again rare to find, the odd vacant land site does crop up. This was the case with 101 Bellevue Road, Bellevue Hill. With a land size of 657 square metres and a north-east to rear aspect, the property sold for $8.8 million in March, with approval for a new two level dwelling with additional whole floor self-contained apartment below. The proposed dwelling also has double garaging, internal lift, pool, landscaping and rooftop terrace with potential for some city skyline and Harbour Bridge glimpses.

101 Bellevue Road, Bellevue Hill aerialt Source: CoreLogic

101 Bellevue Road, Bellevue Hill concept Source: CoreLogic

49 Beresford Road, Bellevue Hill, an 816 square metre block, sold for $12.088 million in April. The previous dwelling had been partially demolished and the property had CDC approval for a new prestige dwelling.

Southern Sydney

The Sutherland Shire and St George areas, like other established areas of Sydney, generally don't see many new land releases. There has been a smaller land release of four blocks on Barden Road, Barden Ridge in the past 12 months. The street fronting lot at 71 Barden Road, on 767 square metres, sold for $900,000 in October last year, with 67A (812 square metres) selling for $765,000 in January this year, and the partly uncleared 71A (1,035 square metres) selling for $820,000 in April. The larger, mostly uncleared bush block at 69 Barden Road (8,779 square metres) remains unsold.

A small land release at Barden Road, Barden Ridge Source: CoreLogic

220D Attunga Road, Yowie Bay Source: CoreLogic

There is generally a fairly good supply of individual vacant sites or properties with minor or dated improvements. This year has seen a few waterfront vacant land sales in the Sutherland Shire including: 220D Attunga Road, Yowie Bay (1110 square metres) for $2.502 million in August; 87B Georges River Crescent, Oyster Bay (934 square metres with boat shed and pontoon) for $2.3 million in June; and 17A Shipwright Place, Oyster Bay (1002 square metres of waterfront reserve land) for $1.6 million in April.

Shaun Thomas
Director

Lismore / Casino / Kyogle

Boromir: Have you seen it, Faramir? The survey of white pegs of the Estate? Gleaming like a pike of pearl and silver? Its red flags caught high in the morning breeze? Have you ever been called home by the sight of flat, levelled and boulder rock retained building sites?

Faramir: I have seen the great Estate. Long ago. But I fear the coin earned and acquisition of jewels on our recent expedition will nary be enough to purchase such plots. Not with 10,000 golden blades could you do this....it is folly!

Boromir: One day, our paths will lead us there brother, to the Estate. And the neighbours will exclaim "The Lords of the Gondor have returned". Perhaps..... this "One Ring" could be exchanged for many lots!

Faramir: Saaaay whaaaat?

Vacant land. That one ingredient that begins the journey of building that investment vehicle OR stepping stone property to something better OR even a forever home. The mystery of a plot of land isn't a problem to solve, but a reality to experience.

Demand for land in these parts has seen a relative softening over the past two years. There was a time when people camped out on sites for auctions arranged for the following day for the first stage in a new estate and prices continued to bounce along upwards. Now... things have become somewhat reserved thanks to a higher interest rate environment and the continuing rise in construction costs.

To be sure, the land is still in demand... it's just not selling within a week or two. Give it two or three months.

Lismore City is currently blessed with a number of residential estates which are expanding and providing an adequate supply of residential lots for the market, particularly within the suburb of Goonellabah where most of the activity is taking place. These include Eastwood Estate, Mt Pleasant Estate, Waterford Park, Hidden Valley, Valley View Estate and Sanctuary Hills Estate.

However, whilst the supply is still there, the demand has softened over the past six months. Why?

The combined punch of a rise in interest rates and the ongoing increase in building costs has had a dampening effect on the number of owner-occupiers looking to upgrade. Expect sale price levels to range around the $350,000 to $400,000 for cut, levelled and retained allotments which afford views and ease of building envelope. The more sloping lots tend to figure around $250,000 to $300,000 depending on steepness.

It would appear that only those boutique and small residential subdivisions that possess appealing features in comparison to the larger, staged developments may carry through this awkward demand/cost environment. Think northern ridge, easy sloped or benched dwelling sites with northerly to north-easterly aspects blessed with panoramic rural vistas and distant mountain range views.

There seems to be little appetite for infill lots for the simple reason that there is really no supply. Whilst Lismore City has a 400 square metre minimum lot size, there are not too many corner or level lots with a land area of greater than 800 square metres that don't have a dwelling already plonked in the middle of them.

Further west, regional towns such as Casino are at a pivotal point. There is a genuine lack of residential lots available for sale. Apart from a residential subdivision of 10 lots in Stage 1 – The Meadows Estate on the southern side of Casino at Boundary Street - there is merely a handful of other lots scattered throughout Casino available for sale. It is unclear as to the reason for the lack of developer interest as the demand from the general market still appears to be relatively stable, particularly as the price level for a similarly level lot is substantially lower than the prices achieved in Goonellabah and Lismore City.

The rural residential areas of North Casino, Fairy Hill and Spring Grove have been popular options for more price sensitive rural residential purchasers compared to their more expensive cousins/ closer to the east coast. At present, the existing vacant rural residential stock has generally been exhausted and the only planned development is a potential 18 lot rural residential subdivision on Gregors Road, Spring Grove that has commenced advertising with an asking price range of between $450,000 and $520,000 for lots between one and 2.4 hectares. Once developed and offered for sale, it is likely that this development will have some keen interest due to the fact that it would be the only one available in the local area.

Finally, Kyogle found itself in a similar predicament as Casino nearly three years ago, but thankfully new residential lots have come on stream in the past 18 months, including the extension of the Mayfield Estate on the far northern fringe of the town. Sale prices are now hitting the $200,000 to $250,000 mark compared to the initial stages about two years ago when the price was closer to $125,000 to $150,000. There are other small pockets of development in the satellite suburb of Geneva, approximately three kilometres west of Kyogle, but nothing of significance has sold in recent times.

There is some drive for land from renters looking to become homeowners and avoid the high costs of renting.

One of the bright spots on the land market for Kyogle is the interest expressed in the vacant rural residential estate known as Kyogle Views Estate on the south side of the town off Runnymede Road where resales of vacant lots have achieved around $280,000 to $310,000 compared to around $230,000 to $250,000 a year earlier. Another rural residential development (Fig Tree Estate) is also planned for future construction further down the road which is to offer a further 33 rural residential lots ranging from 6654 square metres to 2.77 hectares with asking prices between $289,000 and $399,000.

In summary, the demand for land in Lismore City, Casino and Kyogle is relatively subdued and with elevated interest rates and ever-increasing building construction costs, it is likely to stay that way for the medium-term future.

Vaughan Bell
Property Valuer

Clarence Valley

In the Clarence Valley there are several land release estates currently on offer. In the Grafton area house blocks can be purchased from $130,000 for flood prone land up to $300,000 for non-flood prone. In addition to the typical dwelling, some dual occupancy constructions are fuelling demand. However this demand is slow and also typical of other areas within the Clarence Valley. In Grafton the average price dwelling is $500,000 so there isn't much room left after a simple land price plus cost to build equation.

A major concern in Grafton is the recently updated Council regulations of dwelling floor level heights. To comply with the Council, a dwelling floor height above flood levels is now much higher than previously required which of course increases construction costs, restricts demand of flood prone land, heightens the cost of flood insurance and also causes lenders to be more restrictive in their lending criteria.

There is some drive for land from renters looking to become homeowners and avoid the high costs of renting. Around the Clarence Valley it is not uncommon to see people buying land and living in shed approved accommodation whilst planning to build at some stage in the future.

Around Grafton, sale prices for R5 zoned rural residential lot sizes of 4000 square metres to 1.5 hectares range from $300,000 to $370,000. Generally these properties when well developed with good standard construction and improvements do stack up with our valuations.

In the Townsend, Gulmarrad, Iluka and Yamba areas, lot prices range from $250,000 to $450,000. During COVID years, land developers hurried to construct and register estates. Some of these estates were marketed just as COVID was finishing and interest rates and cost of living increased. A strong supply of land is still available now and agents report longer selling periods and low interest levels.

Also, in the COVID years there were a good number of land speculators likely thinking values would continue to rise. In recent times due to downward price pressures some have on sold lots lower than the estate prices in order to attract a purchaser.

In these suburbs prices of land plus constructed dwellings generally are stacking up due to a reasonable level of sales evidence particularly supporting brand new or near new properties. Good quality constructions in good locations are being rewarded with higher prices and often feature stronger competition compared to average properties.

However, one to note is Gulmarrad were there is a good supply of R5 zoned 4,000 square metre lots. Generally land is offered around $400,000 plus. A recent sale of an improved property was at $690,000. This really shows that generally the land on offer is too high and likely will have some downward pressure. This example is probably to be expected in other areas of the Clarence Valley if the current economic situation continues or worsens.

Simon Evans
Property Valuer

Coffs Harbour

What has happened in the vacant land market since last year? The answer is not much. You only need to look at the Australian Bureau of Statistics key indicators to realise land is not the flavour of the month or should I say decade. Private sector housing approvals across Australia are down to their lowest since 2013, whilst the New South Wales dwelling houses June 2024 monthly approval number of 1597 shows a monthly change of -19 per cent and dwelling units a change of -18.8 per cent.

These statistics are only echoing what we are seeing at a local level in the Coffs Coast region. Land sales have been scarce over the past 12 months with plenty of supply available. The main cause of this is due to building costs remaining high whilst the market softens as a result of increasing interest rates. Therefore, as the values for the existing built product reduce and the cost to build stays high, the pressure is then placed on the underlying land value to also reduce in line with market pressures.

From a valuation perspective, if land values remain at the higher level and build costs are what they are, then the resultant end value (i.e. cost of land plus build cost) will exceed the actual assessed value of the property based on sales of existing built product. This may then cause considerable issues when trying to secure a loan from a financial institution. We are already seeing this scenario play out within the market.

As far as availability of land, realestate.com.au shows 120 listings for the 2450 (Coffs Harbour) postcode which are a mixture of developing estates and infill lots with prices starting at $165,000 for small hinterland townships (Lowanna and Ulong) up to $1 million for larger coastal holdings. Typically the average suburban block of land is between $400,000 and $600,000, however if you are willing to go a bit further afield you can find land in the $150,000 to $350,000 range.

Coastal towns such as Nambucca Heads have plentiful supply of land from $250,000 to $300,000, whilst the smaller inland townships such as Dorrigo have less supply but affordable prices from $240,000 to $300,000.

To sum up, the vacant land market much like the rest of the market sectors is slow with potential for negotiation and as the building industry also slows there may be more opportunity to build your dream home.

Grant Oxenford
Director

Tamworth

The Tamworth region has long been an area that provides an assorted range of buildable vacant land options. Situated between Sydney and Brisbane, west of the Dividing Range, Tamworth is the major regional centre within the New England and north-west New South Wales region. Steady historical population growth has been supported

Coastal towns such as Nambucca Heads have plentiful supply of land from $250,000 to $300,000, whilst the smaller inland townships such as Dorrigo have less supply but affordable prices from $240,000 to $300,000.

Sale prices in the area are considered to be relatively affordable in comparison to other similar regional New South Wales areas.

by controlled residential land releases and a strong private construction industry. This has enabled consistent and competitive market-derived vacant land sale prices and new home building rates.

The vast majority of the urban development and population growth for Tamworth has been within the Northern Tamworth precinct (i.e. North Tamworth, Moore Creek). This area has proved to be popular due to the rural residential influences, varying block sizes and proposed future commercial development in the area. Windmill Hill Estate offers vacant land sites within its Stage 13 release of 700 square metre sites from $245,000. Being located 10 minutes from the Tamworth CBD and with works starting on the commercial centre, land releases within the estate are highly sought after. The nearby Eagle View Estate also provides slightly larger vacant land sites (from 1,000 square metres) priced from $232,000. These price points are considered to be in line with current market trends and comparatively affordable compared to other regional centre median vacant land prices.

Current vacant land sales trends have stabilised in the past six months, with sale transaction numbers falling this calendar year (year to date) in comparison to previous 2022 and 2023 years. This has largely been influenced by the broader property market stabilising, a decrease in buyer demand due to interest rate adjustments and planning and land registration delays. Following the end of the traditionally quiet winter period, it is expected that land value trends will remain steady with incremental increases expected over the medium term.

Overall the vacant land market is steady in the Tamworth area. Sale prices in the area are considered to be relatively affordable in comparison to other similar regional New South Wales areas. We expect that vacant land prices will remain relatively stable in the next six months. The market will largely be influenced by the construction industry, as it readjusts following periods of high demands, changing Building Sustainability Index requirements and a backlog of new home project commitments. Vacant land releases have been slowed by new stage construction delays for some of the existing residential developments and selling periods (days on market) of existing, ready to build stock increasing.

Nick Humphries
Property Valuer

Central Coast

The Central Coast's land release estates offer a diverse range of options depending on what you're looking for. In the northern areas of Warnervale, Woongarrah, Hamlyn Terrace and Crangan Bay, you can find average-sized blocks ranging from 400 to 850 square metres which offer good access to the M1 freeway. This makes commuting and travel relatively easy.

If you're focusing on areas such as Hamlyn Terrace, Woongarrah, Wadalba and Warnervale, you'll notice that these suburbs offer smaller block sizes. These smaller lots are strategically located close to schools and shopping facilities, making them ideal for families or individuals who prioritize convenience and proximity to amenities.

Each area has its own unique set of advantages, so your choice might come down to what suits your lifestyle needs best – whether it's easy freeway access and larger blocks or proximity to schools and shopping with more compact lots.

These suburbs offer a variety of residential land estates, each with their own characteristics and price points. Many of these estates are selling off the plan, with prices typically ranging from the low $400,000s to the mid $600,000s.

This range reflects the different sizes and features of the blocks, as well as their locations within the suburbs. For instance, larger blocks or those in more sought-after spots might be at the higher end of the spectrum, while smaller or irregular shaped and steep blocks could be priced lower.

The estate known as The Glenning in Glenning Valley has recently released registered land for sale starting from $680,000 and ranging up to $900,000. Don't expect the new vacant land lots to be around for long - this 44 lot land subdivision should prove to be just as sought after as the nearby land releases in The Glades estate. Established homes have been selling for premium prices in the marketplace, ranging from $1.1 million to $1.8 million depending on the quality of the dwelling.

In the southern areas of the Central Coast, which are more established and built-up, the availability of vacant land is indeed limited. This scarcity drives a trend where older style homes in desirable locations are often demolished to make way for new developments. Many older homes are being replaced with new, modern residences. This allows homeowners to upgrade

Whether you're looking for proximity to schools, easy access to transport links or a particular neighbourhood vibe, the Central Coast offers plenty of vacant land options across different locations and market segments.

to contemporary living standards while staying in their preferred locations. In response to the limited land availability, there's an increasing shift towards higher density developments. This includes villas, townhouses and low-rise unit complexes, which can provide more housing options in sought-after areas such as Ettalong Beach, Umina Beach and Woy Woy.

These changes reflect the evolving needs of the community and the increasing demand for housing in well-established locations.

Beachside vacant land typically offers a unique and highly desirable opportunity, especially in sought-after coastal areas such as Wamberal on the Central Coast. A vacant land site at 107 Ocean View Drive, Wamberal sold through Di Jones Real Estate for $2.444 million in January 2024. The site is 651 square metres and is located a stone's throw from the beach. This site would suit a prestige residential dwelling to seamlessly integrate into the existing surrounding development.

107 Ocean View Drive, Wamberal Source: realestate.com.au

Whether you're looking for proximity to schools, easy access to transport links or a particular neighbourhood vibe, the Central Coast offers plenty of vacant land options across different locations and market segments.

Todd Beckman
Director

Newcastle

Vacant land opportunities across the Greater Newcastle market have been available to suit most budgets over the past ten years, ranging from infill blocks in desirable suburbs such as Merewether to large scale projects at Edgeworth, Gillieston Heights, Heddon Greta, North Rothbury, Rutherford/Anambah, Dora Creek and Medowie.

Many of these locations sold off plan and coupled with a rising market, the past few years have seen capital growth during the construction period, resulting in the values being higher by the time the land is registered.

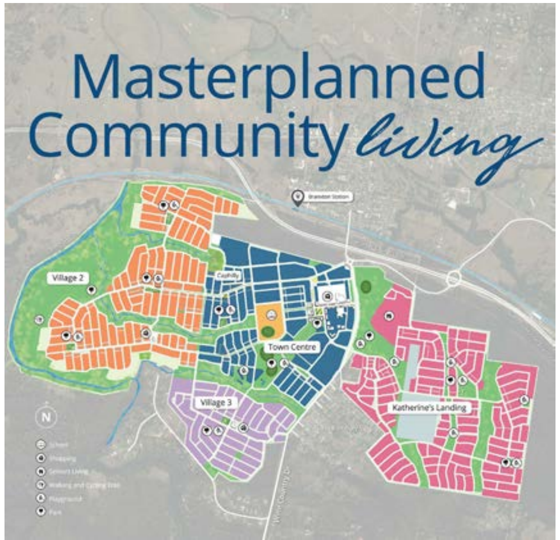
As the market improves, so does the land sale price. Land values have risen sharply over the past 10 years with values rising from the mid $200,000s to mid $400,000s in many areas. With the cost to build a dwelling rising to say $450,000 to $500,000, it is now common to see land and build cost being circa $1 million in many locations compared to around $600,000 -eight to ten years ago.

Demand will always be driven by those buyers wanting a new home rather than a used home and investors wanting to build two dwellings on a single lot to maximise their rental return.

Land sales around the lake are more infrequent and generally are knockdown and rebuild projects. Overall this can be an expensive exercise, however, the end result is a new dwelling overlooking the lake in many cases.

Over the past few years more rural and semi-rural subdivisions have come to the market offering buyers something different with room to enjoy the surrounding countryside. These types of sales can be expensive from $600,000 plus compared to the lower priced urban land sales.

Over the past few years, land demand had fallen as buyers adjusted to rising construction costs and interest rates since COVID, however in 2024 demand is returning with the number of land sales in most subdivisions considered good, with plenty of new construction evident.



Huntlee Development Source: huntlee.com.au

A good example of land selling well is the Huntlee development in the Hunter Valley. This is a new town being constructed, commencing around 2015. Nearly ten years later, land has been sold, houses have been built and the town centre is slowly developing with a Coles supermarket, a pub, hot food retailers, general retailers and a petrol station all taking residence.

Darren Sims
Property Valuer

Illawarra

Urban development in the Illawarra faces significant limitations due to its geographical features, with the escarpment to the west and the ocean to the east. Several growth areas have been identified for new housing, primarily located in West Dapto, Calderwood/Tullimbar, Shell Cove and Kiama. These areas offer a variety of current and proposed residential subdivisions, ranging from smaller developments around Horsley to larger urban planning projects by Lendlease in Calderwood and the almost finished construction by Shellharbour City Council near the Shell Cove Marina. The demand for land in these new estates is mainly fuelled by the scarcity of available land in other parts of the Illawarra, combined with various factors influencing the property market. Opportunities for vacant land outside these areas are extremely limited. Choices for construction of a new home primarily involve purchasing and building in a new estate or buying an older home in an established suburb, demolishing it and rebuilding.

Demand for land largely matches the wider housing market and vacant land values skyrocketed during boom years with competition to buy land being tough, in some cases requiring winning a ballot to have the chance to purchase. However, in slower or declining markets, a flood of resales compete with developer stock to cause an oversupply and values tumble. In the past six to twelve months, the market has been reasonably stable for land in the growth areas.

Values of 450 square metre lots in Wongawilli and Stream Hill currently sit between $600,000 and $675,000, with some lots in Horsley valued lower, between $500,000 and $600,000. There are over 60 lots currently on the market either from the developer or as re-sales in the 2530 and 2526 postcodes. In Calderwood and Tullimbar, the bottom of the market includes smaller terraced lots under 400 square metres and some of these lots are available for under $400,000. Regular shaped level 450 to 500 square metre sites are valued at around $500,000. Again, there is also an abundance of supply with purchasers able to take their pick and find a vendor willing to meet their price.

Outside the growth corridors, vacant land remains in short supply. North of Wollongong, sales of vacant land so far in 2024 include a 600 square metre sloping corner lot on Thorn Parade in the Bulli Brickworks Estate for $910,000 and a 450 square metre lot battle-axe lot on Raymond Road in Thirroul for $1.5 million. We will be keeping an eye out on a unique ocean cliff top lot in Coalcliff that is currently on the market. It is a steep site with environmental and geotechnical restraints that would elevate the build cost, however the pay-off would be a home with a breathtaking eastern outlook over the ocean.

Chris McKenna
Region Director

The Southern Highlands vacant land market has encountered a period of relative stagnation over the past 12 months.

Southern Highlands

The Southern Highlands vacant land market has encountered a period of relative stagnation over the past 12 months. This slowdown is primarily attributable to a combination of rising construction costs and softened market conditions which have led to a significant decline in demand for vacant land. The market's lacklustre performance reflects a broader trend where increased expenses and economic uncertainties have weighed heavily on potential buyers and investors.

Overall activity in the vacant land sector has been notably subdued, largely due to the absence of new major land releases in the region. This scarcity of new stock has contributed to a general sense of inertia within the market. Despite this, there have been some signs of movement in established suburbs and smaller-scale developments. However, these minor developments have not been sufficient to counterbalance the broader downward trend caused by escalating construction costs and rising interest rates. As a result, we have observed a decline in vacant land values across the board.

Mid-year, there was a notable event as the first stage of sales from the Ashbourne Estate began to settle. There has recently been a handful of newly listed vacant parcels within the estate. Nevertheless, these new listings have yet to transition into resales, leaving some uncertainty about the market's recovery trajectory.

In recent months, there have been a few additional transactions within the vacant land space, indicating a potential reawakening of market confidence. This uptick in activity could be attributed to several factors, including the introduction of attractive builder packages designed to incentivize clients to commit to new construction projects in the near term. Moreover, there are growing discussions about potential interest rate cuts within the next 12 months. These anticipated changes could further bolster market sentiment and contribute to a positive shift in the vacant land sector.

Looking ahead, the prospect of a more favourable economic environment coupled with strategic incentives from builders suggests that the Southern Highlands vacant land market may experience a gradual recovery. As market conditions evolve and interest rates potentially decrease, there is a reasonable expectation of increased activity and a potential uptick in land values in the short to medium term.

Kurt Bismire
Associate Director

Shoalhaven

Similar to last year, the vacant land market is still considered particularly volatile in the Shoalhaven region as we enter spring. Like other sectors in the market, the vacant land sector is being heavily impacted by current interest rate uncertainty and the increasing cost of living pressures. However, an added pressure impacting the vacant land market is the high and ever-increasing construction costs still been experienced by builders which is subsequently passed onto landowners. There is also the time component it takes to build in the current environment with the difficultly of builders sourcing trades and materials. Let's take a quick look at how the market has performed to date in 2024 and where we think it might end up as we head towards 2025.

Many landowners who purchased land off the plan 12 to 18 months or so ago are advising that their original cost pricing by a builder has now increased substantially. This added building cost to landowners is also compounded by the minimal (if any) market increase in land values over the past 12 months leading to minimal equity for landowners in the property to counteract the rising building costs. It is fair to say that a house built 12 months or so ago would now cost significantly more to build today. Due to the uncertainty surrounding some builders' timelines and the current cost escalations, many vendors have been forced to resell their land as they cannot now afford the building contract they signed as the cost to build has increased. This seems to be a common occurrence recently for some landowners which could lead to an oversupply of land on the market, particularly in new large estates such as those in Badagarang and Cambewarra, which could put downward pressure on land values.

As we progress towards the end of the year, we predict that due to the current high construction costs in the building industry, vacant land values could be adversely affected as potential purchasers will prefer to buy a house and land rather than a vacant lot. As well as this, many current owners of land sites may potentially be forced to sell their vacant sites due to unaffordability to build.

Joshua Devitt
Associate Director

Snowy Mountains

Last year, Jindabyne gained significant attention by recording the second highest five-year growth in median house prices in the country, trailing only Bright in Victoria. By April 2023, its median house price had reached $1.55 million (Proptrack). In recent years, vacant land in Jindabyne has become highly sought after, with larger blocks being quickly acquired and developed into dual occupancy dwellings. This trend has capitalized on the area's growth and the demand for low-maintenance properties in this popular holiday destination.

Currently, the price of available land is still quite high for those seeking single-dwelling homes. However, with elevated construction costs and an increasing supply of newly built three- and four-bedroom duplexes on the market, demand seems to have slowed. For instance, in Highview Estate, vacant land allotments on Alice Street (numbers 8, 22, and 25) are listed around $750,000 with each exceeding 850 square metres. One of several duplexes for sale nearby, 7B Alice Street, Jindabyne is listed for sale with a price guide of $1.65 million to $1.69 million. This property is located on the same street as those blocks.

7B Alice Street, Jindabyne Source: realestate.com.au

In other Snowy Mountains areas, land availability is limited and prices in Cooma remain stable. Berridale, a small village between Cooma and Jindabyne, experienced strong growth in 2021/2022. It saw the launch of four new residential land releases: Highland Estate (38 lots), Gateway

Estate (30 lots), Kiah Lake Estate (38 lots), and Country View Estate (14 lots). While these releases initially attracted significant interest and sales, demand has since slowed, reflecting the broader trend of interest rate rises and a general cooling in the property market.

Nicole Claughton
Valuer

Victoria - Residential 2024

Melbourne

Buying vacant land is the first step for many Victorians in building their dream home. Purchasers and sellers consider a range of factors including size, location and permitted use before settling on an agreed price. These differing factors influence and ultimately explain how a large rural block can be a similar price to a small inner city lot.

This month we examine vacant land prices and performance across Melbourne and Geelong, analysing their performance and what is determining their market value.

South-East and Peninsula

The growth corridors in the south-east regions of Melbourne represent a significant amount of available land, in particular Casey City Council and Cardinia Shire Council, as they encompass the majority of these vacant properties, featuring numerous new estates within these areas.

The driving factors of demand are location and accessibility to amenities, with suburbs such as Cranbourne, Clyde and Pakenham having been developed to cater to first-time homebuyers. These areas are enhanced by the presence and further development of schools, amenities and transportation options, situated within 48 kilometres of the CBD.

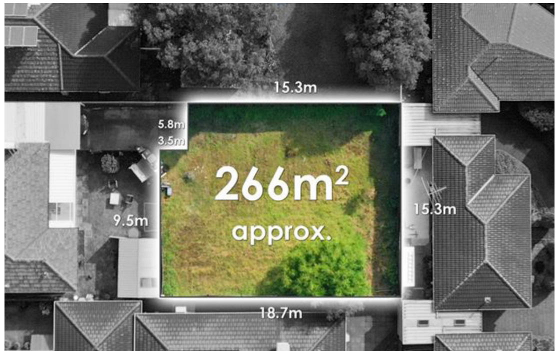
The affordability and flexibility of purchasing vacant land, along with government grants for first home buyers, offer significant advantages to buyers such as the temporary postponement of construction, helping to manage expenses and offering financial relief to younger families. This is expected to continue, increasing popularity both in the short term and long term, despite rising interest rates and construction costs due to the open spaces available in these outer regions. This will support the growing population and accommodate urban sprawl as development moves further from the inner-city suburbs to the affordable vacant lands.

This 300 square metres of land located in Clyde North last sold for $355,000 in early 2024, providing further evidence of the affordability relative to land size, as it is below the median price of $419,000 (median vacant land by suburb).

20 Goanna Road, Clyde North Source: landchecker.com.au,

The opportunity to purchase vacant land in the inner-city suburbs is much rarer due to the limited land availability, with the more common theme of subdivision of land. This type of vacant land has a much higher price making it less appealing to the average home buyer, while creating high demand from this low supply for those who want properties in high status suburbs.

This 266 square metre block of land in Oakleigh sold for $555,000. Smaller sized land is common in the inner south-east suburbs due to the limited availability.



6A Parer Street, Oakleigh Source: realestate.com.au

Vacant land found in rural and low-density areas isn't common for the average home buyer as the demand is much weaker compared to inner suburbs. This is because the type of land usually has specialised zoning and overlays designed for agricultural use and can fall under Green Wedge Zoning as well, prohibiting use of land for residential purposes. Another factor adding to the weaker demand is the distance to amenities and the lower population density.

Another factor adding to the weaker demand is the distance to amenities and the lower population density.

RESIDENTIAL

HERRON TODD WHITE

This 876 square metres of land sold for $355,000 in Pakenham, below the median price of $432,500 from (median vacant land by suburb).

39 Blessing Rise, Pakenham Source: realestate.com.au

Eastern Suburbs

In the many and varied areas of Melbourne's east, we've seen steady and occasionally outstanding performance of land sales recently.

In the inner and affluent parts of Melbourne's eastern suburbs where demand is high and land supply low, sales of vacant land suggest strong performance despite higher interest rates and construction costs.

In the coveted Sackville Ward in Kew, we saw an 893 square metre vacant allotment at 2 Mountain Grove sell in May for a staggering $5.915 million, or $6,623 per square metre.

For comparative reference, a nearby 842 square metre vacant block at 20 Bradford Avenue, although not in the desirable Sackville Ward area of Kew, sold in April for $4 million, or $4,750 per square metre.

While Melbourne's eastern suburbs are not typically a growth corridor anymore with large parts heavily developed from the 1950s to 1970s, there are some newer and smaller estates popping up in the outer eastern suburbs.

Initial developer sales in Bankside, an estate in Rowville located 31 kilometres from the CBD, saw purchasers outlaying approximately $1550 to $1750 per square metre to secure an untitled lot, with parcels generally ranging from around 260 to 620 square metres.


Bankside Estate Source: realestate.com.au

For example, the developer sold the 381 square metre lot at 16 Archer Grove in July 2021 for $590,000. It was then sold again as vacant land in October 2023 for $626,000 suggesting minimal growth. However, interestingly the vacant land at 7 Ember Crescent, a 396 square metre lot, settled in March 2024 for $693,500, perhaps suggesting some increased demand.

In the outer east of Melbourne and into the Yarra Valley, land sales have been fairly steady. Often larger holdings are on offer in these areas at more affordable prices compared to the inner city.

The reduced demand stems from fewer amenities, access to the CBD and restrictions on land use from zoning and overlays. The 1.99 hectare lot in a Green Wedge zone at 145 Glenview Road, Yarra Glen sold in May for $1.05 million, representing a modest result at $53 a square metre compared with the vacant land sale at 445 Maroondah Highway, Healesville in August 2022 of $675,000 at $63 a square metre.

Northern Suburbs

The northern suburbs of Melbourne have seen a stable few months for land purchases. With prices of construction increasing over the past few years as a byproduct of the COVID-19 pandemic and uncertainty in the property market, the price of land has softened over the past 12 months.

The height of vacant land sale popularity was seen in 2021 and 2022 with many new estates being opened in the outer north which led to strong growth. Since then, the increases in interest rates and decreased confidence in the market have led to weaker prices.

In the inner northern suburbs, it is common for land to be used for redevelopment purposes, for example the land located at 190 Edward Street, Brunswick East.

In the inner and affluent parts of Melbourne's eastern suburbs where demand is high and land supply low, sales of vacant land suggest strong performance despite higher interest rates and construction costs.

HERRON TODD WHITE

190 Edward Street, Brunswick East Source: CoreLogic

This lot is 485 square metres and sold for $1.02 million on 8 December 2023 indicating a rate per square metre of $2103. This property remains vacant however it did have planning potential for a multi-unit development prior to sale.

Another sale under contract with development potential is the 545 square metre lot located at 7 Milford Street, Thomastown. This parcel was sold on 11 June 2024 for $593,000. This means it sold for a rate of $1088 per square metre. This is once again another development site with the option to develop multiple dwellings on the one lot which would be attractive to investors.

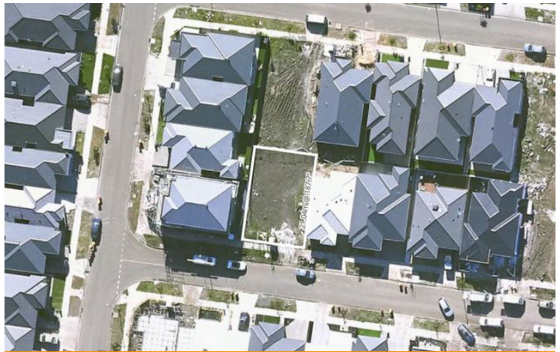
Moving to the outer northern suburbs, there has been a slowdown in the number of vacant lots of land being sold, especially in new developments and estates.

We have identified that there has been a common trend for new estates to be attempting to sell land for above what we consider market value.

For this reason, cash rebates are commonly being applied to contracts to be able to offset the difference between the assessed market value and the contract price. An example of this is at the Ellery Estate in Wollert, currently being advertised with $10,000 rebates being applied to all lots of land.

The rebates help incentivise prospective purchasers to have a sense of security that even if the value of the land is not in line with the market prices, it will still be possible to purchase and settle on the land.

A 294 square metre lot of land at 3 Bovine Crescent, Donnybrook sold for $315,000 on 6 April 2024 which represents a rate per square metre of $1071 (CoreLogic).

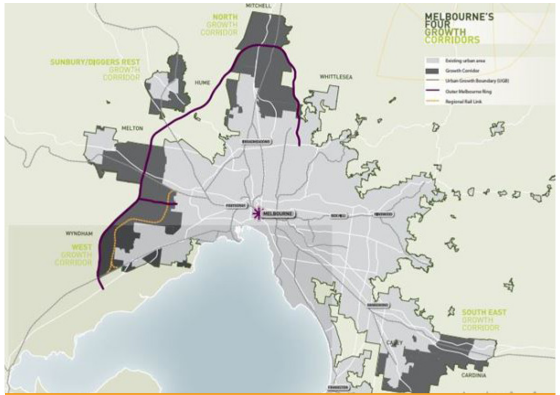


3 Bovine Crescent, Donnybrook Source: Landchecker

Overall, vacant land sales in the northern suburbs of Melbourne have slowed with uncertainty in the market and in the construction industry and increases in interest rates.

Western Suburbs

The western region is one of the fastest-growing areas not just in Melbourne, but across Australia. With its vast supply of vacant land, driven by extensive developments and being the largest growth corridor, it is poised for significant expansion. By 2050, the area is expected to see the construction of up to 170,000 new dwellings, accommodate 439,000 new residents and generate 202,000 jobs, as reported by the Growth Areas Authority in 2011. This level of growth far surpasses other parts of Melbourne.



Growth corridors Source: Growth Areas Authority, 2011

Recent trends indicate a slight moderation in construction costs, with Victoria experiencing a 0.6 per cent increase over the three months to June, compared to a 0.9 per cent increase in the previous quarter. This suggests that the construction industry is stabilising, boosting confidence and driving up demand for vacant land in Melbourne's western suburbs.

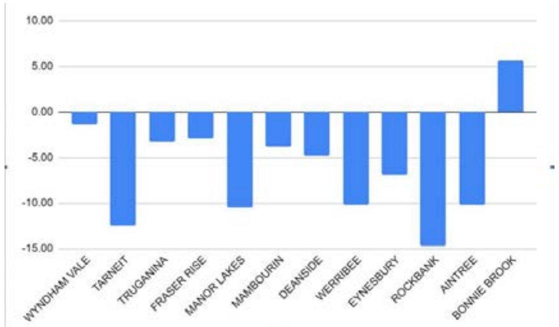
In more established areas, in particular the inner and middle ring of the north, it is very common that land has been made available or has permit potential for the development of multiple dwellings. This is what will drive demand.

Victorian construction costs vs. CPI Source: CoreLogic, 2024

Among the fastest-growing suburbs in this region are Fraser Rise, Deanside, Tarneit, Truganina, Manor Lakes, Rockbank and Wyndham Vale. Despite the overall growth, the performance of vacant land in these suburbs has been mixed. For instance, the median price in Tarneit dropped from $360,000 in Quarter 4, 2024 to $315,000, a nearly 13 per cent decline in just six months. Similarly, other outer-ring suburbs such as Manor Lakes, Rockbank and Werribee have seen decreases of 10 per cent, 14 per cent, and 10 per cent respectively.

However, not all outer west suburbs have experienced such declines. Wyndham Vale, Fraser Rise and Truganina have maintained relatively stable values, with Bonnie Brook standing out as a notable exception. Bonnie Brook has seen an increase of nearly six per cent from Quarter 4, 2024 to the present.

The accompanying graph illustrates the percentage change in these suburbs over this period (Data Vic, 2024).



Median price percentage change Source: Data Vic, 2024

In contrast, vacant land in the inner suburbs of the west is rare. For instance, a 158 square metre rectangular block at 10 Greig Street, Seddon, sold for $615,000 in July. This translates to a price of $4,019 per square metre, significantly higher than the roughly $1000 per square metre seen in the outer ring suburbs.

In the middle ring, a similar trend is observed with 17 Winjeel Court, Braybrook, which sold for $620,000 in June. This larger block, measuring 395 square metres, had a price of $1570 per square metre, demonstrating the premium attached to land closer to the city.

Overall, these trends highlight the increasing demand and value of land as one moves closer to Melbourne's central areas, while also underscoring the volatility and opportunity within the rapidly growing western suburbs.

Geelong

Since 2010, the Victorian State Government's approval for the development of communities in Greater Geelong has led to more availability of vacant lots of land. Suburbs such as Mount Duneed, Charlemont and Armstrong Creek have burst with new development. These areas have become vibrant growth corridors, attracting many young families seeking a blend of convenience and lifestyle benefits.

The appeal of these suburbs lies in their location. They are close to the Geelong CBD, making commuting easy, but also offer easy access to the Bellarine Peninsula. The Peninsula is renowned for its stunning coastlines and charming seaside towns, making it a popular destination for weekend getaways and recreational activities.

The prices of vacant land blocks in Mount Duneed, Charlemont and Armstrong Creek vary depending on their proximity to key amenities and the size of the lot. Generally, these prices range from $300,000 to $450,000 and typically are sized between 350 and 400 square metres.

Recent sales in these areas include 9 Robe Drive, Mount Duneed, a 400 square metre block of land, which recently sold for $395,000. Similarly, a 350 square metre plot at 6 Alcyone Street, Armstrong Creek, sold for $380,000.

9 Robe Drive, Mount Duneed Source: CoreLogic

The growth of these suburbs is also evident from the continuous development of new estates. Dolgona at Duneed is a prime example of a recent estate development. The estate has released numerous land lots, with its infrastructure recently completed.

This development is indicative of the ongoing expansion and the local government's commitment to supporting residential growth in the region.

Beyond the immediate suburbs of Geelong, the Greater Geelong countryside offers options for those seeking a more rural lifestyle. Towns such as Winchelsea, Bannockburn and Inverleigh provide low-density vacant blocks which are significantly larger than those found closer to the Geelong CBD.

The Green Estate in Winchelsea is an example of a development offering low-density residential blocks. These lots often average around two hectares and are priced at around $450,000.

HERRON TODD WHITE

These areas appeal to buyers who prefer more space and are willing to trade the convenience of proximity to the CBD for a larger land parcel.

Perron King
Director

Mildura

After a period of sharp increases in vacant land prices during 2021 and early 2022, we have witnessed reduced demand and fewer sales over the past 18 months. Local agents are reporting that enquiries for vacant allotments have dropped off dramatically, attributed in part to rising interest rates, but perhaps more by higher construction costs and fears of building delays. Many buyers who would have traditionally considered building a new home in a new subdivision have instead elected to buy an existing dwelling.

The real test will be whether those people who purchased vacant lots in the past two years decide to hang on to them or sell them. At the moment there are only a small number of lots being marketed, which is keeping the market in balance.

Data compiled by CoreLogic suggests that the number of sales of vacant residential allotments in the Mildura LGA has fallen from approximately 33 per month in 2021 to approximately 12 per month in 2024.

The most affected segment is for standard allotments in the range from 500 to 700 square metres in new subdivisions given there is more availability in this segment. Vacant land within the inner city and larger rural residential allotments of between 1,800 and 4,000 square metres surrounding Mildura will likely still hold their values going forward due to the more limited supply, however demand in this sector is also still limited with purchasers seemingly hesitant given interest rates have held and the higher asking price of these rural residential allotments is over $300,000.

Jake Garraway
Valuer

Warrnambool

The market for land remains subdued with stock still readily coming onto the market. Traditional estate parcels are being impacted by elevated construction costs and timelines.

Local investors and an increasing number of out of town buyers are the leading purchasers of vacant land at present.

We expect the current conditions to remain for some time as Warrnambool's traditional buy to build owner-occupier segment continues to face significant macro driven financial challenges.

So far as the city central parcels of land are concerned, the going hasn't been much better. Recent land sales on Murray Street, Lot 2 split from an existing improved property, and 36A Hider Street have demonstrated the broader lack of buyer interest in vacant land.

Vacant allotment- 36A Hider Street, Warrnambool Source: CoreLogic

36A Hider Street, which sold at the end of June 2024, proved to be a particularly hard sell with marketing ongoing since September 2023 and eventuating in a resale loss ($305,000) compared to its previous sale in December 2021 ($321,000).

Adrian Castle
Director

HERRON TODD WHITE

Queensland - Residential 2024

Brisbane

This is an interesting topic to tackle given Brisbane's evolution as a city in recent years. Historically, our property market has followed a traditional model where the central business district is the heart of commercial activity, employment and consumption. Then, speaking broadly, as you'd move away from that centre, land would become increasingly less expensive on a rate per square metre. Obviously, there were and always are the nuances between individual properties that affect price – things like the added value of a view or a flat block for example – but on the whole, the nearer the city, the more valuable the dirt was.

What's changed in recent years is the establishment of multiple suburban employment and community hubs throughout Greater Brisbane. There are now many centres, including North Lakes, Springfield Lakes, the Chermside area and Logan Central. All of these allow residents to live, work and raise a family without relying on a regular commute to the CBD.

This changes the value quotient for real estate in these suburbs. If you're building in a locality where there's direct access to a train station or easy onramp to the highway, that will enhance value compared to a more isolated location.

What does this mean? Well, the component value of land as an asset in Brisbane remains hinged in a broad sense to the CBD but is now also somewhat skewed by position relative to essential services and facilities. This is one of the reasons

What's changed in recent years is the establishment of multiple suburban employment and community hubs throughout Greater Brisbane.

why major housing estates with master planned communities developed over several years have been so successful.

Another reason major estates do well in Brisbane is the relative affordability of their land plus the economies of scale that project homebuilders can take advantage of. If you're a renter looking to become a first homebuyer, the current accommodation crisis has been a challenging time. Major subdivisions may allow you to buy an adequately sized block for a reasonable amount. You can then source a local project builder with a design that will fit your site. They are already constructing this type of home on multiple other allotments in your estate. They have construction crews and subbies on hand. Their cost per square metre is lower than speciality, near-city, architectural high-end builders. The result might well be a comfortable family property for less than the cost of an inner-city second-hand unit!

So, with all that said, let's have a bit more of a look around our region to see what's happening in the vacant land market.

Brisbane City and infill projects

The chances of finding a major, multi-stage residential subdivision within the boundaries of the Brisbane City Council area are nil, but there are still options for vacant land buyers.

Among the most popular are obviously lots created by small subdivisions.

Dotted throughout our suburbs are large holdings with the ability to be split, thus creating additional construction sites for new housing. These are, of course, rare as hens' teeth – particularly withing a seven-kilometre radius of the CBD. As such, they do tend to fetch premium prices.

Buyers must also have the funds to construct a home too. Most new houses within premium suburbs do tend to cost substantially more per square metre than more generic designs in the outer suburbs.

A good example of a block yielded from a small infill project is this site at 14A Wight Street, Milton which sold in April this year for $840,000. This is an irregular shaped, sloping site adjacent to Frew Park and Roy Emerson Tennis Centre. The site is just 2.4 kilometres from the CBD's centre and is near the train station and desirable café hubs. The property's hatchet access and irregular shape aren't overly appealing for builders, but given the rarity of sites like these, the sale price is unsurprising.

14A Wight Street, Milton Source: realestate.com.au

14A Wight Street, Milton Source: realestate.com.au

In comparison, look at this 400 square metre block at 31 Guinness Street, Everton Park which is positioned around 7.5 kilometres from the CBD. It sold for $700,000 and while smaller than the Milton site, there is a range of attractive features. The property rises gently from its road front, is regular shaped and cleared – which means it's ready for a home. The site will lend itself easily to construction and is well elevated with access to great community facilities.

31 Guinness Street, Everton Park Source: realestate.com.au

Southside

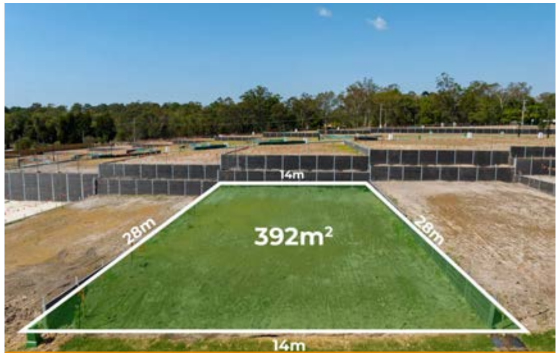
In discussing the southside's vacant land market, we're focused on areas such as Logan Reserve, Park Ridge and Greenbank, along with Chambers Flat to a lesser degree. These are where you'll find most subdivisions. We've also seen some infill blocks being created in and around Marsden and Kingston.

Overall, vacant land marketed in these areas is relatively affordable. Throw in the region's appeal to new Queenslanders both from interstate and overseas, plus the lack of vacant land in other regions, and you can see why the areas in Brisbane's south are seeing so much activity.

Let's look at price points. Land in Logan Reserve is, on average, priced at about $350,000 for a 400 square metre site. There are plenty of necessary services and facilities within Logan Reserve, but perhaps of greater appeal are the comprehensive shopping and amenities in both nearby Browns Plains and off the M1 in Shailer Park. Sure, you need to drive to both locations, but it's a short commute.

Park Ridge is another area with land, although you will need to pay slightly more here compared to Logan Reserve. A 400 square metre block in Park Ridge will set you back around $400,000. That's certainly the case in Carvers Ridge Estate which sees plenty of interest from locals.

For example, this block at 35 Tamarind Crescent, Park Ridge sold earlier this year for $380,000 and delivers a levelled and retained 392 square metre site.



35 Tamarind Crescent, Park Ridge Source: realestate.com.au

Before we head north, there is one sale in particular that's caught our southside team's interest. The price is quite something for the area. It is this property at 14 Lawnton Street, Daisy Hill which sold for an impressive $1.27 million in July. The site is 1830 square metres, cleared, retained and ready for a build. It's located in the Dennis Lake enclave of Daisy Hill with direct lake access. National park surrounds this area which only enhances its appeal.

Throw in the region's appeal to new Queenslanders both from interstate and overseas, plus the lack of vacant land in other regions, and you can see why the areas in Brisbane's south are seeing so much activity.

HERRON TODD WHITE

14 Lawnton Street, Daisy Hil Source: realestate.com.au

14 Lawnton Street, Daisy Hil Source: realestate.com.au

Overall, our valuers looking after the southside believe the market for vacant land here will continue its buoyant trajectory, with the lack of quality stock in other regions keeping southside activity strong. Of course, an attenuation of building costs, construction times and interest rates would all bode well for those who hold dirt here.

Northside

Development of land, particularly multi-stage projects and master-planned estates, has been ongoing on our northside for decades. Rural holdings, especially on the Brisbane fringe, have been converted to traditional housing, as easy access to transport routes and evolving services and facilities draw in more and more new residents.

One of the major projects was North Lakes which delivered extensive retail facilities along with education, medical and other professional services to the area. While newly developed housing blocks are no longer being marketed by the developer, this game-changing project has boosted the appeal of smaller projects throughout the wider northern Brisbane fringe region.

There are plenty of subdivisions throughout this corridor as new developments provide affordable entry into the market.

For those purchasing in the north, a 350 to 400 square metre lot will set you back around $350,000 to $400,000. Increase your budget to $450,000 and a 500 square metre site is within your budget. You'll find land in suburbs such as Mango Hill. For cheaper blocks look a bit further out to Burpengary and Narangba.

For example, this 390 square metre site at 19 Watervale Street, Mango Hill sold in June for $390,000. It's cleared, retained and ready to build on.

19 Watervale Street, Mango Hill Source: realestate.com.au

One anomaly worth tracking is valuation compared to contract price. Valuations for finance are generally supporting contract prices for vacant lots. However, it should be remembered that many of these properties were contracted 12 months or more ago. That said, as it is generally a more affordable entry into the market, and the rental crisis fuels demand for accommodation, values should remain firm over the medium and long term.

Our valuers have also noted that the time it takes land developers to bring land to market can sometimes be extended. There has been some hesitancy among buyers to sign contracts subject to registration. The risk is that the development may be delayed further under a sunset clause, and that could translate into even higher construction costs for the new owner.

Another vacant land market is that for low density and rural residential sites in Brisbane's north. Buyers are traditionally second or third home buyers looking to have a bit more space and with better budgets for their build. Price points can vary greatly depending on the location. In Caboolture, expect a 3000 square metre block to be priced around $550,000. In contrast a similar sized block in Burpengary East will cost approximately $850,000.

West

The Western Growth Corridor has been central to expanding the Brisbane region through new development for more than three decades now. Major projects such as Springfield Lakes, Forest Lake and Brookwater all brought extensive community infrastructure and impressive public transport options to residents.

In the Ipswich region you'll find plenty of traditional sized allotments across all sorts of estates with land priced at relatively affordable levels. This easy buy-in combined with comprehensive facilities has attracted plenty of new residents, particularly young families. In addition, supply remains tight relative to demand, so prices have been stacking up nicely on valuation.

Ripley, South Ripley, White Rock and Deebing Heights are now the primary growth areas, all having regular land releases. However, most new land to market is snapped up quickly given strong demand for affordable options. As such, anyone looking to buy needs to have their finance in order and the ability to make a fast decision about purchasing.

Here are a couple of examples of recent land sales in these suburbs.

99 Danbulla Street, South Ripley sold in September for $377,000. A levelled and cleared 603 square metre site with excellent views through to local ranges, it's retained and ready to build on.

99 Danbulla Street, South Ripley Source: realestate.com.au

32 Paradise Close, Deebing Heights is a regular shaped corner site of 555 square metres. It is cleared, retained and levelled and should prove an easy building pad. The allotment sold in August for $444,888.

32 Paradise Close, Deebing Heights Source: realestate.com.au

Of course, many of the blocks throughout these suburbs are selling as house-and-land packages. The average price range for a typical four-bedroom, two-bathroom dwelling on 350 to 400 square metres of land is $700,000 to $750,000. For a three-bedder on a slightly smaller allotment you'll pay $600,000 to $650,000. The good news for homebuyers is that most of these contracts are stacking up in terms of value when compared to established house sales. Investor purchases do tend to value up as well, although this market does have more instances of excessive contract prices which don't value up.

Our Ipswich market teams expect strong demand and firm prices to continue in this region in the foreseeable future.

Overall Brisbane is seeing firm demand and limited stock in the vacant residential land market. Despite higher construction costs and longer building timeframes, most of our valuers would agree things remain positive for values and transaction numbers.

David Notley
Director

Gold Coast

With our focus being land this month, one aspect of this market that is clearly apparent right now is that we are experiencing a real undersupply issue across the Gold Coast. The scarcity of vacant land has resulted in buyers having very few options, particularly at the more affordable end of the market. Population growth is on the rise in our region due to higher-than-average immigration levels, which suggests that we will need to persist in building more new homes. This predicament will only exacerbate the above issue.

In this edition, we will focus on the central, western and northern areas of the Gold Coast region that currently present opportunities for buyers, as well as identify the latest land releases and shed some light on what prices are being achieved in those estates.

Central Gold Coast

In the central areas of the Gold Coast, vacant land is at very low supply with very few established blocks currently available to the market and new land releases becoming increasingly rare. At the affordable end, there are some buying options in suburbs such as Southport, Labrador and Ashmore where a small number of suburban parcels have been recently subdivided into smaller lots. These newly reconfigured lots are often under 400 square metres in size and are not typically positioned in a quiet residential street. Asking prices for these lots can vary from $500,000 and up to $700,000, depending on the position, lot size and contour.

For buyers with a larger budget, at present there a couple of better-quality vacant blocks up for re-sale in the more sought-after pockets of Ashmore and Benowa. A flat 804 square metre site in the leafy Bellara Street at Ashmore is currently advertised for sale with the vendor seeking offers over $950,000. CoreLogic data notes that this lot originally sold by the developer in August 2020 for $510,000.

Just down the road, 9012B The Boulevard is also on the market which is nestled within the more affluent area of Royal Pines at Benowa. There is no advertised price on realestate.com.au but agent feedback indicates that the vendor is reportedly seeking buyer interest well above $1 million. This is a fan shaped 632 square metre allotment and appears to be the last remaining vacant site within this very popular security gated precinct.

Both of these lots provide a good level building contour and are surrounded by good quality homes, and overall present a rare opportunity for buyers seeking a vacant site with good attributes positioned within neighbourhoods east of the M1.

8 Bellara Street, Ashmore Source: realestate.com.au

9012B The Boulevard, Benowa Source: realestate.com.au

Travelling a little further out, there is a residential estate known as Riverina which has frontage to the Nerang River at Nerang and has a mixture of vacant sites and house and land packages on offer. The project is also close to the Nerang Rail Station and has great access to the M1 Pacific Motorway. At the time of writing, we understand that there are very few blocks remaining within the estate. Most of the lots available within the final two stages (stages 3 and 4) are their premium blocks which have frontage to the river reserve. These lots range in size between 375 square metres and 540 square metres.

We note that a rectangular shaped 420 square metre level block within stage 2 of the estate recently re-sold for $695,000. This lot was originally purchased from the developer in May 2022 for $560,000.

Just a five-minute drive heading south along the M1 and buyers will find some of the better opportunities to secure land and to build the new family home in the developing master planned estate known as Skyridge at Worongary.

This estate which comprises a 342-hectare site fronting Hinkler Drive will be developed into approximately 3000 lots in total. Some of the premium blocks yet to be released will occupy an elevated position and appreciate good district and city skyline views. A retail village centre (with major supermarket, tavern and restaurants), along with an education precinct (with independent school and childcare facilities) has been proposed for the estate in the near future. The estate will also feature around 75 hectares of parkland and eco corridor reserves. Proposed amenities and facilities are extensive and with the estate's covenants in place, this should attract owner-occupiers as the developer is looking to create a community-focused environment. Based on the sales information we have gathered to date, buyers are predominantly from the local area with less than 20 per cent of recent land purchases originating from interstate buyers. We have also sighted recent evidence to suggest that many of the buyers are families from the Coomera and Ormeau regions who are possibly looking to relocate to a more central location and be within a more upmarket estate. Since the developer released the first stages within the estate a few years ago, land prices have risen considerably in the interim to reflect the improved local market conditions. There have been some solid results for land in the estate of late, as evidenced by the following re-sales.

Lot 403, which is a 375 square metre vacant allotment, originally sold by the developer in September 2022 for $429,000 and re-sold in June 2024 for $690,200, reflecting a 60.9 per cent increase on the original land purchase.

Based on the sales information we have gathered to date, buyers are predominantly from the local area with less than 20 per cent of recent land purchases originating from interstate buyers.

Lot 538, which is a 645 square metre vacant allotment, originally sold by the developer in June 2023 for $715,000 and re-sold in May 2024 for $820,000, reflecting a 14.7 per cent increase on the original land purchase.

Lot 540, which is a 600 square metre vacant allotment, originally sold by the developer in August 2023 for $739,000 and re-sold in April 2024 for $829,000, reflecting a 12.2 per cent increase on the original land purchase.

The on-site sales team advises that the new Botanica Neighbourhood land release within Skyridge has been recently launched. This land release (being stages 10 to 14) will comprise a total of 350 lots with the first 70 in stages 10 and 11 planned to be available to the market monthly until February next year. The first tranche within Stage 10 comprises lots of varying size (432 square metres to 771 square metres) with asking prices starting at $644,900. The more desirable blocks are typically priced between $750,000 and $790,000.

Overlooking Shell Street at the Riverina estate in Nerang
Source: realestate.com.au

Site Map of the SkyRidge estate, Worongary Source: SkyRidge

Continuing our journey down the M1 towards the Burleigh Heads turn off, and we find ourselves at The Arbour Burleigh estate where we have just recently discovered that developer stock has all sold out. The Arbour Burleigh is a boutique residential enclave that consists of 61 home sites of varying topography and ranging in size from 609 square metres to 3003 square metres. Despite the estate being in a fringe location of Burleigh, we had suspected that the chance for prospective buyers to secure a new block of land with a Burleigh Heads address wasn't going to last long. Recent land purchases have fallen between $835,000 and $1.075 million and it has also been reported that most of the buyers were from the local area looking to build a quality home in an accessible location.

Coastal North

Although an established part of the Gold Coast, the northern suburbs of Helensvale and Hope Island have offered a reasonable supply of vacant blocks at varying price points over recent years. A lot of the developer stock situated within good quality residential estates has now been absorbed. Some of these lots which remain undeveloped would likely attract a premium if put back on the market. Construction costs and completion times appear to have moderated recently and as a result the demand for new builds within the area has slightly improved over the past twelve months.

A lot of the developer stock situated within good quality residential estates has now been absorbed.

The Surrounds and Serenity Waters are popular estates in Helensvale where activity in this market has recently slowed due to the critical shortage of supply.

Vacant lots which have changed hands in these estates this year include:

38 Meadow Circuit, The Surrounds, Helensvale sold earlier this year for $625,000. It comprises a rectangular shaped, near level, 333 square metre vacant allotment with parkland views. The property previously transacted in October 2022 for $550,000 and was originally sold by the developer in July 2021 for $429,900.

58 Lake Serenity Boulevard, Serenity Waters was purchased in the first half of this year for $1.75 million. It comprises a regular shaped, near level 973 square metre vacant allotment within a gated residential estate which faces north to a lake, featuring a boat mooring and wide water views and waspreviously sold by the developer in July 2021 for $1 million.

37 Lake Serenity Boulevard, Serenity Waters also transacted in the first half of this year for $1.03 million. It comprises a regular shaped, near level, 554 square metre allotment which fronts nature at the south boundary and has filtered views towards Coombabah Creek. The block previously sold by the developer in March 2020 for $564,000, which represents an 82.6 per cent increase in the original price.

Just to the north, in the more affluent estate of Sanctuary Cove in Hope island, there is a mixture of canal front sites currently available for sale through the developer and from private land owners. In the latest land release, central lots and marina view lots positioned towards the south-eastern corner of the estate are being marketed by Mulpha (the developer) with prices starting from $1.28 million, with the majority of the vacant sites listed under $2 million.

Some recent re-sales of land within Sanctuary Cove and other surrounding estates of Hope Island include:

9049 The Point, Sanctuary Cove – sold in April 2024 for $970,000 (507 square metre internal lot;

1045 Edgecliff Place, Sanctuary Cove – sold in May 2024 for $2.7 million (992 square metre internal lot which faces south to the canal and has a 19 metre water frontage;

58 View Line Terrace, Hope Island – sold in May 2024 for $1.575 million (679 square metre internal lot which faces north fronting a boardwalk and canal with exclusive use of a marina berth. The property previously sold in June 2023 for $1.34 million, reflecting a 17.5 per cent increase in 11 months);

2607 Gracemere Circuit North, Hope Island Resort, reportedly sold earlier this year for $2.76 million. This is a 1,030 square metre internal lot which faces north-east fronting the grand canal with good local and canal views available;

2613 Virginia Drive, Hope Island Resort, sold in May 2024 for $2.9 million. This is a 1,000 square metre internal lot which faces north-east fronting the grand canal with good local and canal views, and sold improved with a full sized tennis court.

37 Lake Serenity Boulevard, Serenity Waters, Helensvale Source: CoreLogic

1045 Edgecliff Place, Sanctuary Cove, Hope Island Source: realestate.com.au

Northern Growth Corridor/Logan Shire Area

The upper reaches of the Gold Coast region and southern Logan Shire area is regarded as one of the more vibrant pockets when it comes to sales activity of new land and construction of affordable housing. The new land market here remains fairly buoyant, and developers are reporting good sales rates, with the market being generally driven by the residential new home construction, relative affordability of vacant land prices and competitive new home construction market.

At Ormeau Hills, we are aware of a recent land release close to the M1 within the Elevate estate just off Tillyroen Road. The lots available have been benched, levelled and retained and range in size from 303 square metres to 723 square metres. A number of these lots are being presented to the market as house and land packages. We are aware of one or two of the smaller vacant sites recently selling in the low $500,000s. The price for an average sized block within the estate typically falls between the mid $500,000s to low $600,000s depending on the topography. The larger, more desirable lots are generally priced just under $700,000.

Further to the north, the developer's latest land release in the the Brookhaven Estate, which is a master planned community estate at Bahrs Scrub (west of Mount Warren Park) offers allotments ranging in size from approximately 300 square metres to 1250 square metres. Prices reportedly start in the low $300,000s and move upwards of $400,000 for the larger land parcels, depending on lot size and position within the release. This latest stage of the estate will also include a communal park with dog park area and will be situated opposite a proposed retail site where construction will commence on a neighbourhood shopping village in the upcoming years.

We understand that a good number of the buyers who have recently bought a block within the estate are clients from the developer's loyalty care and rewards program. Other buyers seeking land in this estate, such as first home buyers, buyers with young families and retirees (who are not part of the developer's member rewards program) are offered a position on a waitlist. Given that it is becoming more difficult to secure land and build a new dwelling for less than $750,000, we expect first home buyers to be less active in this estate moving forward, as they are unable to fully utilise government grants under the First Home Buyers scheme for properties above this value threshold.

In the locality of Yarrabilba, we understand that the developer, Lendlease, is releasing new stages every few months, offering small sized lots to a market which is primarily driven by affordability. Yarrabilba is a large scale master planned community south of Logan Village and 15 kilometres west of the M1 which commenced development in 2013 and at completion will comprise approximately 17,000 lots in total. Population growth within the suburb has boomed in recent years which has triggered the rapid development of schools, shops, cafes and community facilities.

First home buyers, families and investors looking for land to build are attracted to this locality as they can get more value for money due to the more affordable price points whilst also being situated in a reasonably well-serviced area.

Demand for land within the northern growth corridor appears to be exceeding supply and developers can't seem to create lots quickly enough, hence putting further upward pressure on land prices.

Yarrabilba is no exception to the above, with blocks of land currently marketed for sale through the developer and are not expected for registration and settlement until early to mid-2025. Despite the wait time, these are being sold quickly off the plan. We have heard that some buyers have explored the possibility of securing a registered block of land via a local agent as an alternative route but this has reportedly been proving difficult. Given the shortage, many buyers are now paying above market value to secure registered blocks from those who have already purchased land from the developer and decided not to build immediately or are no longer in a strong enough financial position to build.

Based on the latest sales information we have gathered, a 400 square metre block will set you back approximately $330,000 to $350,000, a circa 500 square metre block is priced around the $350,000 to $360,000 mark (depending on its position and view), and lots of circa 600 square metres will typically be in the vicinity of $370,000. However, we do note that some blocks have sold well above this $370,000 due to the lack of stock available for larger sized lots, especially those which provide a wider street frontage. The most recent sales include a 600 square metre, registered allotment at Wallaman Drive which sold for $385,000 in June 2024,

An aerial view of the developing locality of Yarrabilba Source: realestate.com.au

and a 640 square metre, registered allotment at Belhaven Avenue which sold for $390,000. Both of these lots are located opposite reserves with parkland views available.

The opportunity to secure a suburban vacant block to the east of the M1 in an area such as Coomera or Pimpama has diminished significantly over the past 12 months. The residual developer stock appears to have almost all but dried up in the larger estates. A quick search on realestate.com.au will show that there are very few blocks currently available for re-sale amongst various estates. At the time of writing, we are aware that 30 Vivienne Crescent, Coomera is listed for sale with an asking price of offers over $620,000. This rectangular shaped, 425 square metre levelled site with bushland views previously sold in August 2021 for $463,900. In the same street, number 29 is also on the market with an asking price of offers over $520,000. This flat block is much smaller at 320 square metres and previously transacted in October 2022 for $358,900.

West Logan Shire Area and Scenic Rim Region
Given the shortage of affordable land supply close to the M1, let's explore the options further inland.

At the Pebble Creek estate in South Maclean, the developer has reported strong levels of demand for the latest land release, with all blocks sold in the first few weeks of marketing. This is a quiet, predominantly owner-occupied estate in the western corridor of the Logan Shire area, surrounded by acreage holdings. Block sizes within the latest release range from approximately

First home buyers, families and investors looking for land to build are attracted to this locality as they can get more value for money due to the more affordable price points whilst also being situated in a reasonably well-serviced area.

292 square metres to 800 square metres, with prices starting at mid-$250,000 for the smaller lots in the most recent stage. These allotments typically appeal mainly to first home buyers and families due to the good quality recreational park space located adjacent which features bike tracks, children's playground, dog park and outdoor basketball court.

In the neighbouring area to the south, the Flagstone estate also offers affordable land mainly due to the outer fringe location. However, this an area which is expected to grow quickly with proposed plans for a city centre in the near future. New retail and commercial development within the area has already commenced with construction of grocery and specialty stores and a tavern due for completion in late 2024 and early 2025. Buyers looking to build a home on a budget can expect to secure an entry level 300 square metre vacant lot for around the $200,000 mark. Flagstone also offers a range of house and land packages and some larger blocks, although we've been advised that due to the limited number of larger blocks available, these are typically secured by a waitlist of buyers prior to being advertised to the open market. This area should have great appeal to first home buyers as they will be getting more for their money, and not likely face price barriers when it comes to qualifying for the grants and schemes on offer.

At the moment sales of registered vacant lots appear to be achieving a reasonable premium over unregistered vacant lots in most instances. Some anecdotal evidence includes a 600 square metre registered internal allotment sold in August 2024 for $350,000 via a local agent whilst a similar sized unregistered block recently sold by the developer achieved circa $320,000.

New land release at Flagstone Source: Herron Todd White

A vacant site in Belhaven Avenue at Yarrabilba Source: Herron Todd White

In the Scenic Rim region, there are a couple of strategically positioned estates between the townships of Beaudesert and Jimboomba offering land and house and land packages at very affordable prices.

The Outlook at Gleneagle is now in its final stage of development, with stage 8 available for off-the-plan purchase. Lot sizes range from 415 square metres to 837 square metres and land prices range from $250,000 to $320,000. This estate has reportedly seen significant activity from investors rather than owner-occupiers, with many house and land packages purchased for basic investor stock homes to be rented out. We note that a gently sloping 633 square metre cleared block which provides a good building pad positioned above road height sold within the estate earlier this year for $255,000. The Outlook estate has been advertising house and land packages for $600,000 to $660,000, with potential rental returns ranging from $550 to $600 per week, making them attractive investment options for investors on a budget.

Just a short drive down the road, buyers looking for value for money land will find another residential estate known as Eucalee which is being developed by Villawood. The estate has stages 1-3 registered, and stage 4 is now available for off-the-plan purchase. Land sizes range from 612 square metres to 1,100 square metres, with prices between $280,000 and $350,000. The estate's covenants in place likely attract owner-occupiers rather than the investor market.The developer has recently sold Lot 301 Banksia Crescent for $309,900, which is a rectangular shaped 748 square metre parcel.

In summary, the demand for land in these types of estates is expected to increase due to the available government grants, affordable price points and further regional growth. We expect the current market conditions wthin this sector to be sustained over the medium to long term, driven by construction demand and strong migration to the south-eastern corner of Queensland.

Sam Gray
Associate Director

Sunshine Coast

As each year passes it feels like there is less land available on the Sunshine Coast. But when you go looking it doesn't seem to be the case. When looking at large estate product, yes there aren't many of those. Our ex-low lying, coastal cane

With interest rates stabilising and the possibility of some falls in the future, it feels as though some confidence is returning to this market.

land certainly restricts that. We do however have a number of infill subdivisions in and around the coastal and hinterland areas that give great options for buyers in this space. We also see that areas further afield, such as the Gympie region, are providing good options.

With interest rates stabilising and the possibility of some falls in the future, it feels as though some confidence is returning to this market. Purchasers can do their sums with some confidence. The other issue having a big impact is the uncertainty surrounding the construction industry. Discussions with a number of builders is that this remains an issue but there have been some signs of the supply and cost issues abating. One thing that has been mentioned is that the pipeline of work is diminishing so this will also have an impact with trades and builders needing to be a bit keener on pricing to win the work.

The main land estate on the Sunshine Coast is Aura at the southern end of the Sunshine Coast. It's reported that when completed over coming decades, there will be circa 20,000 homes and 50,000 people in the estate. The other estate that pinches some news headlines is Harmony at Sippy Downs which when complete will provide circa 4800 homes. From discussions with these developers, we have seen the sale rates slow but interestingly sales are still above long-term averages. Allotment sizes range from 100 to 500 square metres with the most popular allotments in the 250 to 400 square metres range selling for between $300,000 and $400,000. Time to registration of the lots remains an issue with affordability being key moving forward so there may be a swing to more of the smaller size allotments. Owner-occupiers and investors continue to be active in this market.

Through the hinterland townships there are a number of infill subdivisions that continue to perform pretty well but equally there has been a slowing in that market. These are where you can find the larger more traditional size allotment of 600 to 700 square metres which can be secured for circa $400,000 to $600,000 depending on size and location. Buyers tend to be people looking for a little more space with these areas providing good communities and that small town feel yet still being well located. In many instances these areas are circa 20 minutes from the coast and near rail lines for a commute to Brisbane.

The rural residential markets continue to remain pretty scarce with the values varying significantly given they are dependent on some many attributes. One thing that really helps this vacant land market, and also others, is that values paid for the built product remain. This has assisted making the land purchase and the building of the house viable. In the past we have seen problems when the land and house build is not supported by the built product.

Gympie to the north of the Sunshine Coast has become a very viable option for people. People have been looking to this area given its affordability and that it is an easy drive to the coast. Over the past few years, a number of estates have come online. The lots are the larger more traditional size between 600 and 700 square metres and can be secured for circa $200,000 to $300,000 with some 2000 square metre plus lots available. In this area we feel there has been an increase in values of circa 10 per cent over the past 12 months.

The fundamentals are that there still appears to be a general undersupply of housing, so we feel that the demand for vacant, affordable land should continue for the foreseeable future.

Stuart Greensill
Director

Rockhampton

The residential vacant land market in the Rockhampton and Capricorn Coast region has been predominantly owner-occupiers over the past few years. Investors are active in some estates with some buying as part of house and land packages for longer term investment and some also buying to build spec homes to on-sell. First home buyers are active albeit on a smaller scale compared to owner-occupiers who have had homes before and are up-sizing.

Vacant land sales in Rockhampton are predominantly in the northern suburbs in Norman Gardens and Parkhurst. Norman Gardens is suited to all types of buyers including first homeowners, investors and general homeowners. There are several options for land buyers with prices starting from around $165,000 for a smaller sized allotment of approximately 400 square metres up to around $240,000 for a more elevated allotment of approximately 1,500 square metres. Norman Gardens has long been a popular growth area and options are now starting to become more limited.

Parkhurst is definitely the growth suburb for Rockhampton. Most lots being developed are near level and larger in size with lot sizes from around 800 square metres at prices from around $245,000. The current options have been more suited to buyers looking at having more room for the shed or pool and a good size home.

The Capricorn Coast over the past few years has seen a huge amount of land development with many and varied options up and down the coast. Due to the demand for land in the area, prices have generally been higher than Rockhampton. Standard size allotments start from around $265,000 for a 700 square metre allotment within the growth areas of the coast. Again, a mixture of buyers is active in the area.

Being coastal, there are options for land with sea views. The majority of newer estates do not offer extensive views however there are some that offer a restricted view. Most blocks with views currently available are in well-established areas with a good majority of these being moderate to steeply sloping allotments that may make building more costly. These allotments range from around $250,000 to above $400,000 depending on the size, slope and extent of the views. These allotments tend to be purchased by owner-occupiers.

Land sales are being driven by the growth in the Rockhampton and Capricorn Coast areas. Vacancy rates are still extremely low, rental prices are increasing, prices of established homes are increasing and stock availability of established houses is low. We see this trend continuing in the near future.

Alistair Gunthorpe
Valuer

Gladstone

The vacant land market has been relatively subdued over the past 12 months. While vacant land is still selling, the rate of sale is slow and value wise, land has seen very little growth. This seems odd to us working in the Gladstone region. The established housing market continues to go from strength to strength with as much as 20 per cent growth seen just this year alone. So why is the value of land not rising at the same rate? Good question! Obviously building prices are at record highs which in turn impacts on the value of the land.

As for supply issues, we sourced the following information from the Queensland Government Residential Land Activity Profile for the Gladstone LGA: For the year ending March 2024, a grand total of two lots were approved for subdivision; 37 lots were approved for operational works; 71 lots were registered with titles issued; the total number of lots associated with current approvals and awaiting development is 4,413; of these, 1,800 have operational works approvals in place; 180 vacant land lots were sold and 52 house and land package lots were sold. For comparison, in the same time period 1,966 detached dwelling sales occurred.

So, the supply of approved lots is not an issue, however the production of new lots up to registration is an issue. We are aware that over the past 12 months, several residential englobo sites have changed hands with the development site market sector seeing far more activity than in recent years. While this is pleasing to see, the feasibility of some of these developments remains to be seen. Unfortunately, in many cases, the market for end lots is just not yet at the price point it needs to be to make development profitable.

So, what are the current price points you ask? Small lots (typically sub 300 square metres) are selling exclusively to investors (through project marketeers) at inflated prices of between $150,000 and $200,000. Now to an investor from Sydney or Melbourne, $200,000 for a 200 square metre lot might seem okay but for a regional Queensland location it is overpriced by around 100 per cent. Most urban lots of say 600 to 800 square metres in Gladstone sit around $130,000 to $170,000. A premium on this price point would be paid in Boyne Island and Tannum Sands. Larger 800 square metre urban lots are few and far between but pricing would start around $180,000. Anything with significant slope of which there are many in Gladstone will always sell for less given the increased building costs associated with either a high set home or extensive cut and retaining works. Urban lots in modern estates of Calliope are sitting between $80,000 and $110,000.

Given the continued rise of the established housing market, it appears to only be a matter of time before we start to see an increase in land values in the region.

Regan Aprile
Director

Given the continued rise of the established housing market, it appears to only be a matter of time before we start to see an increase in land values in the region.

Bundaberg

Numerous new estates are located in our Bundaberg and coastal regions. In Bundaberg some of these include Edenbrook, Branvale, The Ridge, Kalkie Heights and Brookfield Estate. Coastal estates include Kellys Beach, Bargara Beach, Bargara Rise, Kinara, Beach Link, Headlands, South Beach, Fairways Precinct Coral Cove and Ocean Heights.

The average price range for an urban lot of 600 to 850 square metres ranges from $270,000 up to $350,000, however premiums are paid for blocks closer to the water and with views.

We have sourced the following land information from the Queensland Government Residential Land Activity Profile for the Bundaberg LGA:

In the year ending June 2024: • a total of 385 lots were registered • total lots registered increased by 33 per cent compared with the previous year.

In the year ending March 2024: • 294 vacant land lots were sold, representing 23 per cent of the total sold in the Wide Bay area • 17 house and land package lots were sold, representing 11 per cent of the total sold in the Wide Bay • the median price per square metre was $288 for vacant land, $15 lower than the median price in the Wide Bay.

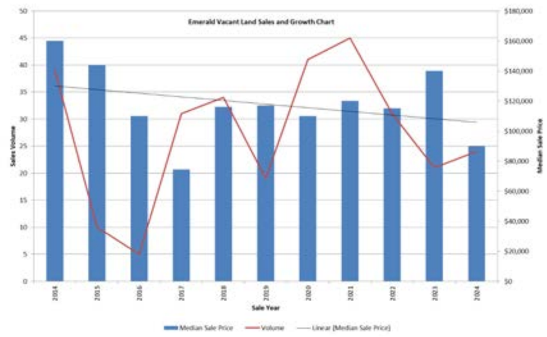
It appears that land sales are being driven by growth in the Bundaberg and coastal areas. Vacancy rates are still extremely low, rental prices are increasing, existing dwelling prices are still rising, and stock availability of established houses is still low. This upward trend should continue.

Megan Matteschek
Valuer

Emerald

Despite high demand for housing in Emerald, the vacant land market was very quiet in 2023 due to the continuing prohibitive cost of construction compared to the cost of established housing. The market responded by paying premiums for new and recently constructed or renovated dwellings and an overall increase in median prices for built products. In 2024 year to date, vacant land sales volumes have increased as the value of established housing has increased to the point where new build projects become more viable.

The following graph indicates that sales volumes and median sale prices declined from 2014 to 2016 in line with the downturn in the resources industry in Central Queensland. Volumes increased again from 2017 to 2021 and declined again in recent years, likely due to increasing costs of construction. The median sale price increased from 2017 to 2018 where it has remained fairly stable. A peak in 2023 of $140,000 is likely due to a release of new land parcels in the in-demand area of Big John Road.



Emerald vacant land sales and price growth   Source: pricefinder.com.au

Vacant land parcels available for sale in Emerald are very limited and are concentrated in the Nogoa Rise Estate, Mayfair Estate, Maranda Heights Estate and rural residential allotments in the Echidna Valley Estate. There are currently approximately 40 vacant residential and rural residential allotments advertised for sale in Emerald on realestate.com.au ranging in price from $50,000 to $250,000.

Kellie Blomfield
Valuer

Hervey Bay

Vacant land prices across Hervey Bay have remained relatively stable over the past eight months with no indications of an increase or reduction in the short term.

According to Pricefinder, there have been 229 recorded sales of residential lots within the 4655 postcode since 1 January 2024 for lots under 999 square metres. This includes first time developer sales and re-sales. The median sale price was $259,000. For the 2023 calendar year, there were a recorded 326 sales with a median price of $245,000. This lower median is a result of a number of estates with delayed titling and sales recorded from contracts negotiated 12 months prior.

Some examples of resales within the new estates between 2021 and 2024 are: Azure in Eli Waters $173,000 to $212,000; Foreshore in Point Vernon $255,000 to $265,000; The Springs in Nikenbah $195,000 in 2021 to $295,000; $225,000 in 2022 to $310,000; Baylinks in Pialba $199,000 in 2021 to $255,000; Indigo Blue in Kawungan $205,000 in 2022 to $270,000.

Developers are reporting that interest remains strong and most developed stages are sold out with next stages also mostly sold. Interest appears strong for house and land packages and land with the owner to contract a builder however builder timeframes in some cases can be in excess of 12 months which is deterring some buyers.

Owner-occupiers and investors are active in the market however with the increase in land and build costs experienced over the past two years, rental returns are diminishing.

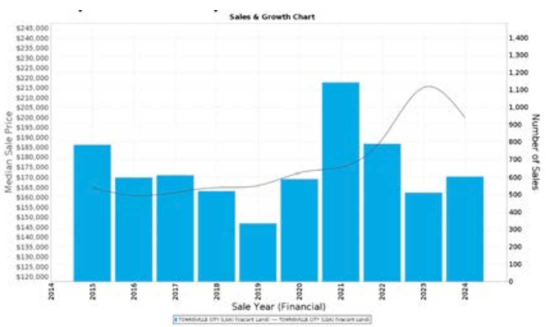
Doug Chandler
Director

Townsville

The vacant land market continues to be a relatively strong player in the property market. Land sale volumes in the Townsville region peaked in 2021 coinciding with the building boost at a whopping 1143 sales.

The market has since settled down with sale volumes between 500 and 790 over the past few years which is in keeping with the longer-term averages.

The median price of all land sales increased from $175,000 in financial year 2021 to a peak



Townsville land sales and median price Source: CoreLogic

of $215,000 in 2023 with the current median (financial year 2024) sitting at $200,000. The variation in the year just gone is likely a compositional change as prices have certainly not retracted recently.

The busiest land market continues to be the northern beaches corridor postcode of 4818, taking in the suburbs of Burdell, Bushland Beach, Deeragun, Jensen and Mount Low. These suburbs have large availability, offer a range of product types and are close to infrastructure, local shopping and schools. These are traditional family style suburbs.

The trend of buying and building remains a relatively popular option for Townsvillians and is going on across all land development in the Townsville region.

The most popular option (and the strongest market) at present is the rural residential market. From Alligator Creek in the south, to Alice River in the west and Bluewater in the north, all the rural residential estates are experiencing high volumes of sales with many locals choosing a tree change.

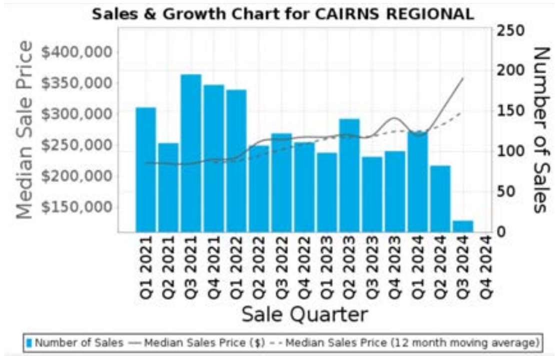
There is less land available in the premier locations and therefore this is a less popular option. Along with infill sites, this market has seen less activity. The premier sites and infill require more planning than suburban sites where slab on ground is by far the most popular build option. The premier and infill sites will generally have sloping sites or town planning overlay issues or the like to add some extra complexity to any potential build. That being said, the savvy investor may be willing to buy infill blocks for duplex construction which appears to be a thing at present.

The land market shows no signs of abatement. Build costs appear to have stabilised which means building a home is generally a known cost. All in all it looks to be a continuation of strong vacant land sales and abundant demand for building homes into the near future in the Townsville region.

Darren Robins
Director

Cairns

Demand for vacant land in the Cairns region remains however sale numbers are constrained by supply. Over the past three years, sale numbers have been falling year on year. Sale numbers peaked at around 195 in the third quarter of 2021 with a low of approximately 80 in the second quarter of 2024 (refer efer to the Sales and Growth Chart for Cairns Regional Local Authority below).



Cairns Regional Council vacant land sales and transactions Source: Pricefinder

The median price has demonstrated steady growth from a low of around $225,000 in the first quarter of 2021 to a high of approximately $300,000 at the end of the second quarter of 2024.

The influence of the COVID-19 pandemic kick-started demand for land at the end of 2020 with unsold developed land selling quickly, resulting in significantly increased sale numbers in 2021.

The sale number dropped in subsequent years as new land supply was slow to be released due to delays in building materials, labour availability and development approval and finance processes. There was a mini recovery in 2023 and early 2024 with new stages released however similar constraints are reoccurring in the current market.

It is noted that there is now a shortage of new land lots within 15 kilometres of the Cairns city centre with scarce development land remaining. This has resulted in significant price rises for vacant land in these localities. Suburbs such as Kanimbla and Redlynch are now regularly achieving sale prices of $425,000 to $475,000 for standard 600 square metre lots with limited views.

The influx of new residents from southern capitals does not appear to be slowing and this is providing a solid base for the development of new lots with higher asking prices. A number of developers continue to provide turnkey new houses on small lots and these are proving to be popular with local buyers looking to either upgrade from units or downgrade from larger homes on bigger lots.

Affordability is still driving new subdivisions in the southern corridor of Cairns between Edmonton and Gordonvale. New land prices are nearly $100,000 cheaper for similar product when compared with city suburbs and northern beach's locations.

The release of The Palms development at Kewarra Beach in 2023 has managed to satisfy some demand for land on the northern beaches as existing developments such as Smithfield Village are nearing completion with very limited new lots available.

Danny Glasson
Director

Toowoomba / Darling Downs

The coverage area of the Darling Downs entity service area is vast, being bound by the Scenic Rim and Brisbane Valley to the east, the south Burnett to the north, the Queensland and Northern Territory border to the west and northern New South Wales and Moree Plains area to the south. In this issue, we will focus primarily on the Toowoomba region and the growth corridor of the Lockyer Valley and Scenic Rim and the areas west of Ipswich.

In Toowoomba, new estates in the north, north-west and south contain the majority of vacant land parcels. The vacant land market experienced significant growth over the past two to four years, especially in the growth centres of Kearneys Spring, Middle Ridge, Cranley, Cotswold Hills, Glenvale, Highfields, Kleinton and Meringandan West and Westbrook, Wyreema and Cambooya to the south. However, there have been, and continue to be, challenges in this market segment, including the current interest rate environment, still the uncertainty in construction costs, the supply of available vacant land and firmer lending guidelines. Due to these factors, buyer urgency has decreased from its peak during the COVID stimulus years.

Based on current rates of sales and price point, Kearneys Spring and the well-established Middle Ridge suburb to the south of the city, and the nearby suburbs of Highfields and Kleinton to the north are the most popular locations and are still seen as attractive options for local buyers. These areas have seen some sustained positive market movement (based on re-sales) during the previous 24 months.

The following are examples of continuing robust vacant land prices within these suburbs:

A 614 square metre vacant parcel in Middle Ridge sold in February 2022 for $350,000. The parcel resold in May 2024 for $465,000.

11 Ward Street, Middle Ridge Source: CoreLogic

A 970 square metre vacant parcel in Kearneys Spring sold in November 2022 for $366,000. The parcel resold in August 2024 (advised under contract) for $430,000.

26 McEwan Crescent, Kearneys Spring Source: CoreLogic

A 3142 square metre vacant parcel in Highfields, a suburb approximately 15 kilometres from the Toowoomba CBD, recently sold for $515,000 after being listed for sale at offers over $476,000. The property previously sold in late 2020 for $365,000.

9 Whispering Pines Drive Highfields Source: CoreLogic

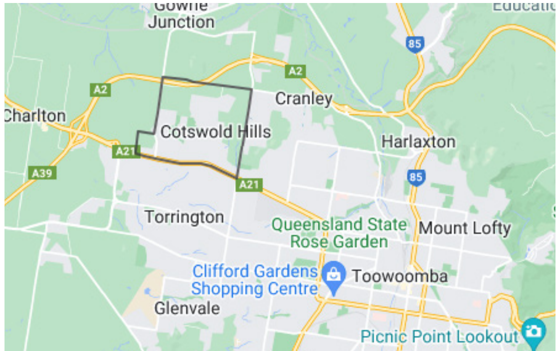
Infill and splitter blocks are few and far between at present in the more established suburbs of Toowoomba and surrounds mostly due to the fact that there is still new development occurring and vacant standalone blocks are coming onto that market. Given this, in the more established areas of Toowoomba, prospective purchasers are generally on the lookout for properties that have redevelopment or renovation potential.

A vacant parcel of land within the established residential suburb of North Toowoomba comprising a land area of 336 square metres sold in March 2024 for $310,000 and is well positioned being close to local and private schools, bus stops, TAFE, Queens Park, popular cafes and the CBD.

2B Sir Street, North Toowoomba Source: CoreLogic

Another vacant parcel of land within the established residential suburb of East Toowoomba comprising a land area of 500 square metres sold in June 2024 for $279,000. The property previously sold in February 2023 for $175,000 (now with a DA in place for the possible construction of a duplex).

18 Burnage Street, East Toowoomba Source: CoreLogic



Cotswold Hills Source: Google Maps

The outlying suburb of Cotswold Hills is generally attracting non-local purchasers within the vacant land market segment. Recent sales evidence indicates that Cotswold Hills currently has good levels of demand with current purchase prices being paid for these allotments (depending on size and location) considered in line with current market parameters (based on available re-sales). This is in contrast to 12 to 18 months ago when the first stages released were considered above market expectations and unable to be supported by re-sale evidence available at the time.

Glenvale Source: Google Maps

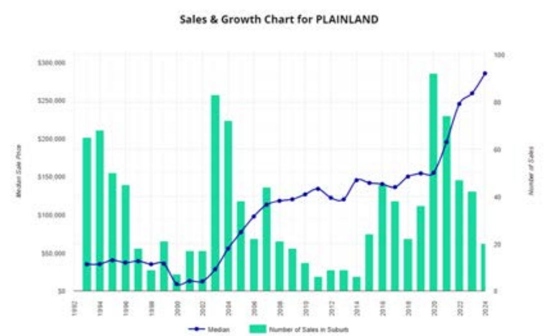
The outlying western suburb of Glenvale is also attracting non-local purchasers within the vacant land market segment and although recent sales evidence also suggests that Glenvale has a reasonable level of demand, in some instances, purchase prices being paid for these allotments (depending on size and location) have been considered above market expectations and unable to be supported by the most recent re-sale evidence available.

Lockyer Valley

This area spanning multiple regional councils such as Lockyer Valley, Ipswich and Scenic Rim continues to be a growth corridor roughly following the transport links of the Warrego Highway, Cunningham Highway and Brisbane Valley Highway. Developer direct sales at various estates have performed well over the past year with new stages being opened up and continuing to turn dirt.

A particular area of growth is the fast-growing suburb of Plainland, located on the Warrego Highway approximately 70 kilometres west of Brisbane and approximately 50 kilometres from Toowoomba. Generally, buyers to this locality appear to be relocating from the outskirts of Brisbane and Ipswich. This area continues to develop and given its location and attributes, is thought to be an important growth corridor with a Catholic high school, Aldi, McDonald's and Bunnings being among the more recent developments, and more commercial construction is being underway. A particular estate within this suburb is Plainland Crossing with stages 12, 15 and 17 of the master-planned community now selling with listing prices beginning at $305,000.

Plainland Source: Google Maps



Sales and growth in Plainlands Source: Pricefinder

Agents continue to report that the Lockyer Valley has some of the most affordable vacant land in south-east Queensland.

According to the most recent data from PriceFinder, the median land value within this suburb increased by a further 10 per cent between 2023 and 2024 (to date) to now sit at $285,000. Herron Todd White valuers report there is still strong demand for these vacant lots which are still selling quickly. Agents continue to report that the Lockyer Valley has some of the most affordable vacant land in south-east Queensland and they are continuing to see buyers from Ipswich and Brisbane's western suburbs signing contracts for house and land packages to secure a larger, more modern home in the future.

Residential Lifestyle Land

With many buyers moving from CBD locations, we observed a high demand for residential lifestyle blocks during COVID stimulus years. The majority of purchasers were drawn to larger blocks, views and a sense of space.

Sales and growth in Kensington Grove Source: Pricefinder

The community of Kensington Grove (a suburb to the north-east of Plainland), with estates featuring land sizes of between 3000 and 8000 square metre allotments, is noteworthy given its levels of demand. In certain circumstances, sale prices being paid for vacant residential lifestyle allotments have been above market expectations (based on available re-sales). For example, 3000 square metre vacant allotments are generally now selling for above $360,000 as opposed to the average price of $250,000 to $300,000 for a similar product in early 2021 and 2022.

Rural Residential

Rural residential allotments of one to ten hectares continue to be popular with those looking for a tree change. Within a two-hour drive of Toowoomba, the Lockyer Valley, Granite Belt and Western Downs regions all have allotments between one and ten hectares. Buyers in this market are driven by both standard property characteristics such as cost, location and land size as well as characteristics unique to rural properties including topography, views, accessibility and services offered. Rural residential land across the Darling Downs entity service area has been popular with limited supply and this market segment is generally more thinly traded given that it represents a lifestyle choice to buyers. Personal preferences, presentation and motivation of both the purchaser and vendor can impact heavily on the ultimate sale price and can result in wider market parameters than those experienced for more traditional style vacant residential properties

Lot 6, Preston Boundary Road, Preston, approximately 16 kilometres from the Toowoomba CBD, is a slightly irregular shaped allotment comprising a land area of 16.96 hectares with elevated valley views. This selectively cleared

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vacant lifestyle allotment achieved a sale price of $586,000.

Lot 6, Preston Boundary Road, Preston Source: CoreLogic

We consider the typical factors continuing to influence demand for vacant residential allotments across the Darling Downs entity coverage region include:

- generally limited available stock - estates that have previously held excess stock are now fully sold which continues to make it challenging for first home builders to enter the market, with various re-sales in these estates recording steady growth within less than a year or two of ownership;
- demand from investors and owner-occupiers - the cost of vacant land has continued to rise over the previous 12 to 24 months, given that vacant allotments are still thought to be very affordable compared to the average cost in other localities including metro areas;
- the numerous commercial projects planned or under construction within the Toowoomba region, which continue to create employment opportunities and support the need for more housing options including further releases of vacant land;
- A further continued challenge facing buyers of vacant allotments is the cost to build a modern home. The difficulty in sourcing suitably skilled builders and tradespeople and extended construction times mean that in some instances, the cost of construction plus the purchase of the vacant allotment do not equate to added value on a dollar per dollar basis (as perceived by the market and based on available re-sales).

Overall, we foresee this market sector to continue to perform at a stable rate generally throughout all areas that we service in the short term in line with general current market conditions. We maintain that a prudent purchaser can feel secure in investing or purchasing in various localities throughout the Darling Downs coverage area given the continued investment in infrastructure developments being experienced, the allure of affordability, liveability and the potential for future growth, all making Toowoomba and surrounds one of Australia's best regional areas. However, as always, it is still important to recognise that there continues to be an element of uncertainty as to how the local economy will continue to respond to the sustained high inflation and cost of living pressures, building costs and the increase in borrowing costs and interest rates.

Marissa Griffin
Director

South Australia - Residential 2024

Adelaide and surrounds

Adelaide's property market continues to be buoyed with demand outweighing supply, and an influx of interstate purchasers keeping South Australian residents on their toes. The main focus for the majority of purchasers is on established homes, however with the market running hot and a shortage of established houses at attainable price levels, vacant allotment prices have continued to surge. Since the December quarter of 2022, vacant residential allotments in Adelaide have increased from a median of $227,475 to $285,300 in June 2024, according to Oliver Hume research. In the June quarter alone, land prices rose over three per cent and are up over eight per cent since the start of 2024. With South Australia still providing value and affordability to interstate buyers, particularly coming from the eastern seaboard, these value levels continue to rise.

Source: Oliver Hume and realestate.com.au

Further drivers of land and house price growth in South Australia come in the form of the changes to RevenueSA's first homeowner grant. The 2024-25 State Budget announced the removal of the property value cap for the first homeowner grant, meaning that purchasers who are either buying or building their principal place of residence can be eligible for the $15,000 grant with no upper-level placed on the value of contracts. In addition, the abolishment of stamp duty for all first home buyers who buy or build a new home was announced by the Malinauskas Labor Government as part of the 2024/25 State Budget. These measures offer first home buyers a broader range of options including established homes and land, further increasing demand for both.

Searches on realestate.com.au indicate that urban sprawl continues into the north of Adelaide, with the most vacant land opportunities appearing in the northern suburbs, followed by the southern and western areas of Adelaide. Unsurprisingly, the eastern Adelaide suburbs continue to prove harder to break into with significantly less opportunities for buyers to snap up a vacant allotment. Realestate.com.au research for vacant allotments yields the following number of listings throughout the Greater Adelaide region:

- Northern Adelaide = 235 results
- Eastern Adelaide = 60 results
- Western Adelaide = 89 results
- Southern Adelaide = 110 results

Given the staggered development stages of South Australia's major greenfield developments, a number of the locations highlighted in our 2023 update on vacant residential allotments remain relevant today. Oakden Rise, a development north of the CBD by Villawood Properties, currently has allotments listed for sale ranging in size from 213 square metres to 320 square metres, with prices starting at $379,000 and increasing to $553,000. Further north in the suburb of Angle Vale, there are two significant ongoing developments in Burgundy Estate and Miravale. Current allotments listed for sale range between 300 square metres and 658 square metres and listed prices range from $290,000 to $389,000.

Angle Vale Burgundy Estate Source: Century21

Rural lifestyle allotments ranging between one and 20 hectares offer buyers an escape from the city and a lifestyle change in the hills. Recently listed opportunities in this sector include Lots 11 and 12 at 11 Onkaparinga Valley Road, Verdun, both offering a purchaser over three hectares of land in an Adelaide Hills town just 30 minutes from the CBD. There are a

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number of allotments of this size listed for sale throughout the Adelaide Hills, Fleurieu Peninsula and the northern Adelaide Plains. Looking further regionally across South Australia, the level of major development projects is significantly lower than metropolitan areas. Within the regional areas these developments typically provide larger rural allotments with a number of opportunities in Streaky Bay, Port Lincoln, Moonta, Wallaroo, Port Augusta, Whyalla and Mount Gambier.

12/11 Onkaparinga Valley Road, Verdun Source: realestate.com.au

Turning to more established suburbs, vacant allotments are dotted around the state in significantly smaller numbers. Some evidence pointing to price points for inner-metropolitan vacant allotments includes.

Address	Allotment Size	Sale Price ($)	Sale Price ($/m2)
34 Serenity Drive, Sheidow Park	683m2	$390,000	$570
81 Harriet Circuit, Regency Park	356m2	$500,000	$1,404
40 Portrush Road, Payneham	747m2	$725,500	$971
86 Sunnyside Road, Glen Osmond	1,503m2	$1,000,000	$665
47A Hallett Road, Burnside	896m2	$1,120,000	$1,250
146 Seaview Road, Henley Beach South	603m2	$1,775,000	$2,944


47A Hallet Road, Burnside Source: realestate.com.au


40 Portrush Road, Payneham Source: realestate.com.au

The overall market for vacant allotments has continued to surge throughout 2024. Land prices continue to regularly push to new highs, in line with the broader established home market. Interstate investment, coupled with policy changes to further incentivise first home buyers will continue to push the market on this upward trajectory in the short to medium term.


Nick Smerdon
Valuer

Mount Gambier

Vacant land across the Mount Gambier area stabilised in 2023 with the government's Homebuilder grants concluding and local building cost and construction timeframes increasing.

From the beginning of this year, we have seen a decrease in vacant land sold across the area since last year largely due to the lack of vacant land stock being released. The outskirts of the CBD have performed well with this being the main supply of land released. Some of these locations were more sought after than others due to the location and size of allotments on offer.

An example of a resale block in a desired location is 3 Penney Court, Compton. This block is located on the outskirts of town in an area established in 2022. The blocks in this area range from 4,500 to 5000 square metres and all have an outlook towards Mount Gambier. 3 Penney Court has a land size of 4591 square metres and in November 2022 sold for $223,000. It has just been resold for $283,000 in June this year.


3 Penney Court, Compton Source: CoreLogic

In Mount Gambier we do occasionally have inner city blocks come to market in a variety of areas

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however, they are generally from a property that has been previously split. As they are inner city we do see these blocks achieving strong prices due to their location. An example is 2 Marngo Place, Mount Gambier. This property is 66 square metres and is close to the CBD and popular schools. The property has established gardens with a small amount of garden shedding. The property sold for $160,000.

2 Marngo Place, Mount Gambier Source: CoreLogic

In the past month local agents have advised that vacant land enquiries have increased due to a larger stock of vacant land being released in new developments. Agents believe that as modern properties in Mount Gambier and surrounds are selling for a premium and the construction industry time frames and costs have stabilised, buyers are more confident in purchasing land and building. We expect the vacant land market to continue to perform well providing there is stock available.

Adrian Castle
Director

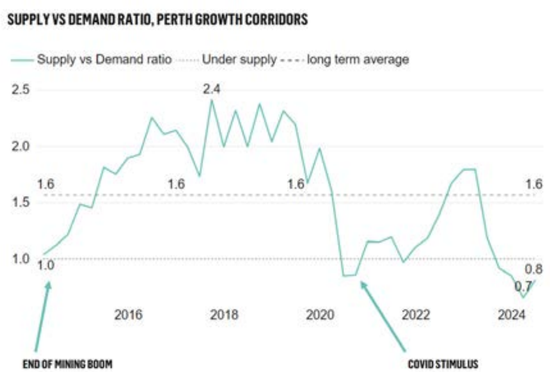
Western Australia - Residential 2024

Perth and regions

With news that's dedicated to the property market predominantly relating to established homes and construction costs, let's strip things back and take a deep dive into the surprisingly finite resource of land in Western Australia.

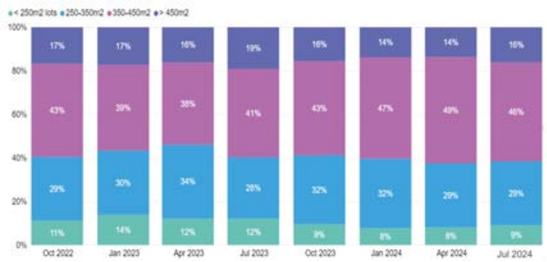
While house prices increased (and continue to) at an intimidating rate during the period 2020 to 2023, the cost of land typically stayed pretty steady throughout that same period, however after a growth of nearly 10 per cent in the last quarter alone, the forecast is looking a little different.

According to the Urban Development Institute of Australia (UDIA), the average price for new land in the metro area is now a little above $300,000 with an average rate per square metre of over $800, a price we have not seen since the economic boom of 2007 and when we consider the struggle developers are having to keep up with demand, it's no surprise that the lack of supply is driving the cost of a little slice of terra firma upward across the board.



Perth Supply vs Demand Ratio Source: UDIA/URBIS

Interestingly, UDIA also reported the buyer profile for land purchases as of July 2024 being a pretty even split between first home buyers (35 per cent), owner-occupiers (32 per cent) and investors (34 per cent), with the largest portion of lots sold being between 350 and 450 square metres.



Sales by Lot Size, Greater Perth Source: UDIA/URBIS

Median Price Data and Sales Volume Source: REIWA

The Perth real estate market is experiencing its strongest growth in 15 years, driven by a significant undersupply of properties and high demand. This dynamic has led to soaring prices in established areas, making them unaffordable for many first home buyers. Consequently, purchasing vacant land and building a new home has become an appealing option. However, the market is currently facing a shortage not only of established homes but also of vacant land, largely due to the inflationary pressures on the cost of land development combined with minimal demand for land since 2013. In very recent times, we have seen a notable increase in the asking prices of land in new estates - some experiencing a 20 per cent increase in land value over the past three months alone!

Let's look at Baldivis located approximately 40 kilometres south of Perth. Once best known for declining values and having circa three years' worth of stock on the market, it is now one of the hottest markets. Once a typical semi-rural suburb, Baldivis has been transforming into a residential locality for the past 18 years and continues to offer some of the only steadily available land in Perth.

6 Chadstone Way in Baldivis is a great example of current market trends. Situated in a developing and modern area near the Kwinana Freeway, this slightly irregular, corner lot spans 451 square

The Perth real estate market is experiencing its strongest growth in 15 years, driven by a significant undersupply of properties and high demand.

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metres with an 18 metre frontage. It sold for $292,000 in June, up from $199,000 in October 2023 when it was purchased directly from the developer, marking a 47 per cent increase in value.

6 Chadstone Way, Baldivis Source: Landgate

Another great example is 5 Bennetts Way, a regular shaped lot of 525 square metres with a 17.5 metre frontage, located in a developing area near the Kwinana Freeway. It sold for $365,000 in June, compared to $239,000 in October 2023 as a developer sale, reflecting a 52 per cent increase over 10 months.

5 Bennetts Way, Baldivis Source: Landgate

Now, let's shift across to Armadale, a suburb located about 28 kilometres south-east of Perth. Similar to Baldivis, it was only a few years ago when it was difficult to sell anything in Armadale, let alone a vacant block. However, recent years have seen a rapid rise in popularity, largely due to such affordable property prices compared to nearby areas.

Armadale has long benefited from a large percentage of properties having underlying development potential, but market conditions have rarely been favourable to further development. How times have changed!

For example, 7 Wungong Road, originally a 787 square metre lot with an irregular shape and facing a train line, sold for $210,000 in June 2023 after 24 days on the market. The property has since been subdivided into three lots of 273 square metres, 205 square metres, and 220 square metres. These subdivided lots were each sold for $155,000 in June 2024!

7 Wungong Road Source: Landgate

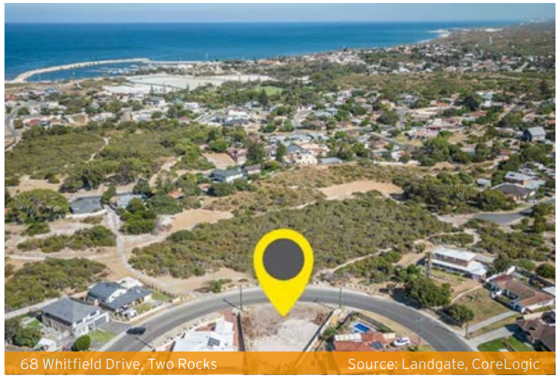
30 William Street also provides a great insight into land market trends in established areas. This 1012 square metre lot with a 20 metre frontage, zoned Mixed Business/Residential R-ACO, is located in the heart of Armadale. It has remained vacant since December 2022 and sold multiple times between 2023 and 2024. The property initially sold for $345,000 in January 2023, then $380,000 in September 2023 and again for $495,000, in May 2024.

30 William Street Source: Landgate

Heading to the far north coastal section of the metropolitan area, Two Rocks is located about 60 kilometres north of Perth. It is one of the most affordable suburbs to offer ocean views and a beachside lifestyle. The post COVID housing incentives created a surge of interest in the area and recent sales data highlights a shortage of land.

For instance, 68 Whitfield Drive is an 881 square metre vacant allotment with a 31 metre frontage and an irregular shape but enjoys ocean views. The property sold for $370,000 in May 2024 after just four days on the market. In comparison, it sold for $269,000 in May 2023 after 92 days on the market.

68 Whitfield Drive, Two Rocks Source: Landgate, CoreLogic


68 Whitfield Drive, Two Rocks Source: Landgate, CoreLogic

Another great example is 3 Asche Way, which offers 810 square metres of land with a 20 metre frontage with potential ocean views from a double-storey build. This property sold for $370,000 in June 2024 after just 10 days on the market, compared to $230,000 in January 2024 after 45 days on the market. This indicates a 60 per cent increase in value over a period of six months.

3 Asche Way, Two Rocks Source: Landgate, CoreLogic


3 Asche Way, Two Rocks Source: Landgate, CoreLogic

On the fringes of the Perth metropolitan region, the greater Mandurah area has experienced increased popularity over the past few years, particularly after redevelopment of the central foreshore precinct, but more so for its affordability compared to the inner suburbs of Perth.

While there's not too many larger blocks of 700 square metres plus available within the more established, older suburbs such as San Remo, Silver Sands and Halls Head, there has been a spate of newer developments in the outer suburbs, offering smaller community centric lots from circa 300 square metres to 600 square metres in estates such as Seaside in Madora Bay, Ocean Hill and The Gardens in Lakelands, and Florida Beach and Melros Beach in Dawesville. If you're interested in these areas though you'll need to be quick as most stages sell out quickly, with sold stickers being slapped on boards as soon as the stage is open.

Value growth in these estates has been profound as well. Take 9 Hermosa Way in Madora Bay for example, a north facing 450 square metre rectangular block situated close to the local primary school and under one kilometre from the beach. It sold in June for $350,000, showing a 27.3 per cent increase since it was purchased less than a year ago from the developer in October 2023.


9 Hermosa Way, Madora Bay Source: CoreLogic

Moving to the Kimberley region of Western Australia, discussions with local agents reveal that there has been an increase in demand for vacant

On the fringes of the Perth metropolitan region, the greater Mandurah area has experienced increased popularity over the past few years, particularly after redevelopment of the central foreshore precinct, but more so for its affordability compared to the inner suburbs of Perth.

lots over the past 12 months as locals are showing an interest in building, and there are a range of builders in town to choose from. There are multiple lots available for purchase within the Roebuck estate in Djugun and Waranyjarri estate in Bilingurr.

The median land price in Djugun increased from $191,000 last year to $305,000 with sales also increasing from 24 to 30.

Djugun Median Price and Sales Volume Source: REIWA

Take for example this 501 square metre lot at 1 Cajuput Crescent, Djugun in the popular Roebuck estate which sold in May this year for $200,000. Building a standard home on this lot can work out

1 Cajuput Crescent, Djugun Source: Landgate

The median land price in Djugun increased from $191,000 last year to $305,000 with sales also increasing from 24 to 30.

better than buying the established product, but it's vital to do your own research prior to committing to the purchase.

Moving to the Pilbara region and into South Hedland, land sales increased from five last year to 19 this year portraying growth in sales activity and an increase in demand for land whilst the common issues of high construction costs and inadequate supply remain. Interestingly, there are several companies buying these lots that appear able to build at competitive rates, secure attractive leases and then on sell the end product.

South Hedland Median Price and Sales Volume Source: REIWA

Over the past six months, there have been multiple sales in the Osprey land estate located in South Hedland with three of these sales on Eagle Avenue. Take for example this 700 square metre lot that sold in April this year for $125,000 – land itself is still very affordable!

35 Eagle Avenue, South Hedland Source: CoreLogic

In Karratha, activity within the land market has been stable with multiple lots available for purchase in Baynton West. The median land price in Baynton decreased from $228,000 in 2023 to $215,000 this year whilst land sales increased slightly from eight to 13 over the past 12 months. A majority of these

Baynton Median Price and Sales Volume Source: REIWA

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sales was made up of local companies purchasing existing land from Development WA. The lack of demand is largely due to high construction costs resulting in construction being a loss-making exercise, although it is interesting to note that construction prices in Karratha remain higher than in nearby Port Hedland.

A similar story to the metro's lack of land can be found, ironically, in the great expanse that is the South-West. Buyers will need to be prepared to act proactively and swiftly to secure land in estates before stages are even open, especially when considering estates along the coast from Bunbury through to Busselton and Dunsborough. In these estates, most current stages such as Treendale, Embark and Dunsborough Lakes appear to be sold out or under offer, so it's imperative to reach out to their respective sales teams to register interest for future releases. Or keep a look out for lots being offered again since they were originally purchased from the developer, and don't be surprised when prices for resales or future releases far exceed past ones!

In Dunsborough Lakes for example, a 432 square metre corner block at 2 Hotchkin Loop sold in April

2 Hotchkin Loop, Dunsborough Source: Landgate

Buyers will need to be prepared to act proactively and swiftly to secure land in estates before stages are even open.

for $395,000, a healthy 84.6 per cent increase since it was purchased from the developer in March 2021.

For those seeing a tree-change instead of sea-change with a little more room to move, Parkwater Estate in Cowaramup (circa 12 kilometres north of Margaret River) has a few lots left available for sale as at the time of writing. With prices ranging from $348,000 for a 605 square metre block to $448,000 for 938 square metres, lots reflect a rate of approximately $478 to $575 per square metre.

Alternatively, if eco-living is calling your name, it might be worth checking out the Witchcliffe Ecovillage, circa 10 kilometres south of Margaret River, where sustainability and conservation are front of mind and a number of lots are still available, with the largest being approximately 1,000 square metres for $410,000. Here, lots are sold under survey strata ownership which means you own the community property such as community gardens, shed, electric vehicle chargers and Tesla Powerpack battery bank in common with your neighbours.

In the Great Southern region, the regional town of Albany has experienced an uplift in land sales on the back of a rising established housing market and a stabilisation in local construction costs. Median price for land in Albany has reached a new high of $320,000, being comparable to Perth's metro land values. The Albany area currently comprises more than 100 sales listings for vacant land, with a mix of suburban and larger waterfront allotments to suit different demand needs.

An example of available stock is this 654 square metre lot for sale at 29 Festing Street, Albany. The lot features lake and ocean views in a central location of Albany and is currently listed for $315,000.

29 Festing Street, Albany Source: CoreLogic

29 Festing Street, Albany Source: CoreLogic

Market activity in the coastal town of Esperance has remained subdued due to the lack of availability of local builders combined with the high cost to build in this remote location. The median land price in the area has followed a slow negative trend to a present lower $172,000, circa five per cent less than the median price in 2023 at $180,00, although in Bandy Creek, the median land price has increased from $182,000 to $220,00, albeit on a low volume of sales.

Esperance Median Price and Sales Volume Source: REIWA

So, there you have it. It's a bit of a mixed bag when it comes to the vacant land story throughout Western Australia. The chronic shortage of land in the Perth metro area and the South-West region is not replicated in many areas of regional Western Australia. There are plenty of areas with adequate housing supply - you just need to search a little bit wider for them!

Chris Hinchliffe
Director

Northern Territory - Residential 2024

Darwin

Darwin has a relatively small vacant land market as development constraints and rising construction costs continue to influence the market. We have seen a mix of land supply and demand over the past year, but general demand for house and land packages has slowed as interest rates and construction costs remain high. The cyclone rating for new homes and labour and material costs influence the price of new builds and with an affordable established housing market, new home construction is lacking compared to other locations. With that said however, the future might be looking different.

In the northern suburbs, the market has seen a slowing in demand for new builds as the building incentives concluded. The Lee Point estate has been on hold for further development, with Berrimah and Marrara being the main supply of land in the northern suburbs. Northcrest and Mirawood estates in Berrimah have recently supplied the market with several vacant lots ranging from 379 square metres to acre allotments with advertised prices ranging from $210,000 to $665,000. Marrara Gardens is a newly released subdivision backing onto the Marrara golf course. The estate offers 78 lots ranging from 416 to 1,846 square metres starting from $250,000 with titles expected towards the new year. The appealing features of the estate are its golf course location and proximity to the CBD and local shopping facilities, and whilst a small portion of blocks were secured quickly, a large portion remains available.

We have seen a mix of land supply and demand over the past year, but general demand for house and land packages has slowed as interest rates and construction costs remain high.

Palmerston has experienced the same effects of high construction costs however some interest has been seen in smaller, affordable allotments. In late 2023, there was new land supply available as pre-sold allotments in Zuccoli Village and Aspire. The sell-through was below expectations but these are now sold. New lots have been released by Zuccoli Village which are currently being secured. Such blocks range from 414 to 675 square metres and are the most affordable option with advertised prices ranging from $215,000 to $294,000. A new land supply in Durack Heights is also coming to market soon, with the estate's previous releases being popular.

Zuccoli Village Source: Zuccoli Village

The rural residential area has seen some small land subdivisions and stable demand from buyers with people opting for more space and further distance from town centres. Howard Springs had two small subdivisions with lots ranging from one acre to two hectares that were accepted by the market well. These lots are within the limited land offerings in the northern parts of the rural area after supply stalled in 2023 and the Bees Creek and Humpty Doo subdivisions were almost fully exhausted. The Virginia Heights subdivision offers lots ranging from one to 12.4 hectares with sales tapering off in the second half of 2023 and beginning of 2024. Marlow Country Estate has recently released new lots with a much higher price point than other rural residential locations, being situated in Palmerston and just 20 minutes from the CBD. The estate has recently released new lots ranging from 5,880

Marlow Country Estate Source: Marlow Country Estate square metres to 2.54 hectares, with the larger blocks advertised for upwards of $800,000.

There are infill blocks across Darwin with options in the inner city areas, northern suburbs and Palmerston. These blocks face longer selling periods as high construction costs compete with an affordable established market. Vacant blocks in more attractive locations are impacted similarly, with land in Fannie Bay, The Gardens and Larrakeyah advertised for some time. Darwin remains affordable in comparison to other capital cities, with blocks in a small subdivision just three kilometres from the CBD advertised at $375,000 (4C and D Gardens Hill Drive, The Gardens). And if you want a prestigious address in Darwin, this 809 square metre waterfront block in Cullen Bay Marina is available for $1.19 million.

17 Paspaley Place, Cullen Bay Source: realestate.com.au

Across Darwin, vacant land currently does not present as the strongest investment option in comparison to attractive yields in the established market, but smaller scale developments are still present. This low to medium density residential corner lot recently sold in Johnston for $510,000 with approved plans for a triplex development. The sale price is well above that for a single residential lot.

14 George Crescent, Johnston Source: realestate.com.au

The vacant land market in Darwin has certainly had its hurdles over recent years. The coming months will be interesting as the NT election nears with the Country Liberal Party and Labor promising home builder grants of $50,000 and $60,000 respectively. The biggest hurdle that the land market has faced is the pace of planning, developing, titling and delivering a subdivision to the market. The implementation of such home builder grants may create different challenges in the market. As such, it's unclear how the high construction costs, interest rates and availability of labour will impact the market in Darwin for the rest of 2024.

Megan Cornish
Valuer

Alice Springs

This month's article is going to be short and sweet. Vacant land for sale in and around Alice Springs is scarce, with much vacant land that could be used for future residential development either tied up with Native Title claims, allocated as Crown Land or owned by Aboriginal Corporations with little thought applied towards possible development. It must be said that medium to high density land development in Central Australia generally proves not to be economically viable due to the high cost of acquisition of land and then the overall cost of installing the necessary infrastructure required of a residential land development. The sale price of the end product (that would be palatable to purchasers) would not recoup development costs and allow a reasonable return on investment for the developer.

The NT Government recognised these barriers to land development a number of years ago and through the Land Development Corporation commenced developing land at Kilgariff, a location south of the Alice Springs township close to the airport. Stage 1 has now been fully sold and the vast majority of the 80 lots released have now been built on. Stage 2 has now been on sale for approximately two years, with blocks in this stage reflecting an increase in values of up to 25 per cent compared with stage 1. As with stage 1, 80 blocks have been released for sale, (with 52 lots being offered up as stage 2A) ranging between $192,000 and $233,000 for single dwelling lots and between $290,000 and $540,000 for multiple dwelling lots. In stage 1, an 800 square metre block was generally selling for $170,000 whereas a similar sized allotment in stage 2 will set you back between $200,000 and $215,000. At the initial release, a large number of the blocks offered up for sale were placed under contract, *With the Country Liberal Party victorious in the recent election, it will be interesting to see if they will keep their election promise of implementing the Home Builder Program, which would provide grants of $50,000 to first home buyers to build, or $10,000 to buy existing.*

indicating a general acceptance of the higher prices by the general public. However, a number of these contracts have since fallen over and as at the time of writing this article, only 21 lots have settled, the most recent in November 2023. Construction is underway on a small number of these allotments.

It is expected that continuing increases in building and material costs will result in build contracts reflecting a higher overall rate per square metre than in the past. This factor, combined with the higher land prices is going to result in higher overall house plus land costs and it remains to be seen whether the total investment cost will exceed the final market value of the completed home. The other barrier to those wanting to build is the current shortage of builders working in Alice Springs. In the past couple of years, a number of builders have either moved away or have been doing (very lucrative) remote work.

With the Country Liberal Party victorious in the recent election, it will be interesting to see if they will keep their election promise of implementing the Home Builder Program, which would provide grants of $50,000 to first home buyers to build, or $10,000 to buy existing. This may provide some stimulus and encouragement for people to consider buying land to build on.

The shortage of vacant land for sale is mirrored in the rural residential segment, with very few listings at present. It is known that there are a couple of rural lifestyle developments currently being discussed but we are also aware that one proposed rural residential development application was refused by the local council on the back of numerous objections from the general public.

Peter Nichols
Valuer

Australian Capital Territory - Residential 2024

Canberra

So far in 2024, Canberra has seen a surge in land sales, particularly in new suburbs, with overall prices trending lower compared to previous years. This shift is partly driven by the ACT Government's extensive land release program, designed to address the growing population and housing demand. Over the next five years, more than 866,000 square metres of land will be made available, enabling the construction of 21,422 new homes in areas including Macnamara, Jacka, Denman Prospect, Whitlam and the future Molonglo Town Centre (CMTEDD) (ACT Government).

As a result, land prices in newly developed suburbs have softened, and there is an increasing number of resales occurring. In real estate marketing, "awaiting price guide" or "by negotiation" followed by "new price" or "price adjustment" are the buzzwords for these allotments when initially listing and then after spending some time on the market.

It is worth noting that building approvals in Canberra have also significantly declined. Recent data shows a 21 per cent decrease in approvals compared to the five-year average, with approvals for detached houses down 26 per cent from their average (Australian Bureau of Statistics) (CityNews). This decline is attributed to high construction costs and labour shortages. Despite the reduction in approvals, the average loan value for owner-occupiers purchasing newly approved homes in Canberra has risen to $744,400, the highest in Australia and well above the national average (Australian Bureau of Statistics) (CityNews).

Across the border in Googong, significant shifts in land values and availability have also occurred. Before the rise in interest rates, the area faced a shortage of available land with limited developer land available and even fewer re-sales, with the high demand pushing prices upward. The recent economic changes have dramatically altered this landscape. Rising interest rates and higher construction costs have made holding and developing land more expensive, leading to an increase in real estate signs as sellers adjust to the new market conditions.

The most affected have been the common 400 to 500 square metre allotments, or harder to build on steeper allotments which have seen a notable increase in supply and a corresponding drop in prices. Some smaller allotments are now being sold for under $400,000, with a local agent noting that there is choice now, with some buyers becoming desperate to offload.

These trends reflect a broader adjustment in the market, where rising land and construction costs have influenced pricing and availability.

Nicole Claughton
Valuer

Rising interest rates and higher construction costs have made holding and developing land more expensive, leading to an increase in real estate signs as sellers adjust to the new market conditions.

Tasmania - Residential 2024

Hobart

Vacant land was a very hot commodity in the lead up to the top of the market towards mid 2022. Speculators were buying blocks off the plan subject to the release of the title and reselling prior to the settlement date contemporaneously with pretty healthy profits of up to $100,000 depending on how long prior to the release of titles the purchase was conducted.

It was not uncommon for developers to drag out the title release to cause the contract to fall over due to timing clauses, then put the blocks back on the market at current market value and make massive profits. Now it's a completely different story with developers bending over backwards to get a sale.

The Local Authority of Clarence City Council recorded 144 vacant land sales from mid 2021 to 2022 in comparison to mid 2023 to 2024 when only 110 sales were recorded. Median prices dropped from circa $285,500 down to $274,000 which doesn't sound too bad, but it's the cost to build the dream house that has put the brakes on land sales and construction contracts.

The Local Authority of Kingborough Council had fewer sales, 23 for 2023 to 2024, down from 38 in 2021 to 2022. Prices reduced from $385,000 to $380,000.

It appears there may be some more confidence coming back into the market with speculation that interest rates may be at their peak and an indication they may reduce in early to mid 2025. Many other countries are in the process of reducing their cash rates and hopefully it is only a matter of time before Australia follows suit.

The main factor slowing vacant land sales is the high construction costs associated with living on an island. That Bass Straight Highway is certainly a killer for the construction industry.

Blocks with the potential for current development appear not to be transacting for immediate subdivision given the relatively stagnant demand for vacant residential allotments. They are selling, but not in a speedy fashion.

On the upside, I would, at a guess, suggest that about 10 to 15 per cent of valuations being conducted in the south of the state are for those assessing the equity they have in their principal place of residence to line up their ducks to see where they sit for a potential investment property purchase in the near future. We are after all heading into the selling season with the daffodils and fruit trees starting to blossom!

Stephen Ning Liu
Valuer

We are after all heading into the selling season with the daffodils and fruit trees starting to blossom!

Australian Horticulture

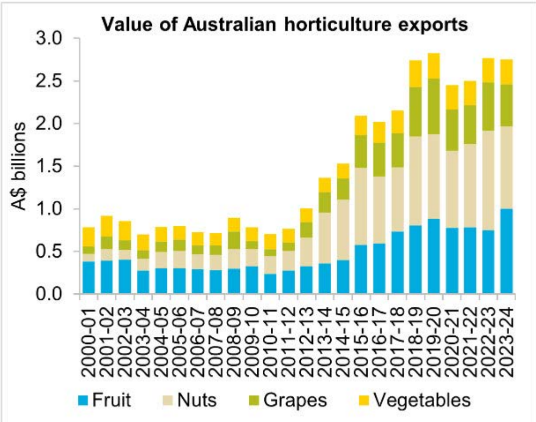
September 2024

Australian Horticulture

Australia has a diverse horticultural sector which continues to evolve to meet changing markets. This month we will focus on several of the key industries and look at what is influencing property values in 2024.

Much of the horticultural sector is heavily reliant on export markets and it is useful to see how the value of horticultural exports has tracked over recent times.

Gross export revenue for some of the key industries is shown in the following chart.



Gross exports Source: Ruralbank and GTA

The three largest industries, in terms of export revenue, are nuts (primarily almonds and macadamias), fruit (primarily citrus, but also stone fruit) and table grapes. All three of these industries have significantly expanded their export markets over the past 15 years, which in turn has supported expansion of the area under production.

At the corporate level, buyers looking to partner with a proven tenant rather than owner operate the asset can complicate the sale process due to the need to find both a tenant and a purchaser.

After a period of rapid growth between 2012 and 2020, the value of exports declined slightly in 2021 and 2022, before recovering somewhat in the past two years. Industry observers are forecasting further growth in the coming year, subject of course to favourable seasonal conditions.

The trend line in the above chart provides a pretty good correlation to farmer returns and farm values. Values of many horticultural asset classes rose dramatically between 2012 and 2020, and then either plateaued or reduced by around 10 per cent in response to lower commodity prices, higher cost of production and disrupted export markets.

Agents are currently advising that at the corporate level there is often more interest from buyers looking to partner with a proven tenant rather than owner operate the asset. This can complicate the sale process due to the need to find both a tenant and a purchaser. In some cases, the vendor is willing to enter into a leaseback arrangement, however in the absence of a ready-made tenant, some deals are proving hard to finalise.

Nuts

The 2024 almond harvest has resulted in a return to more normal yields following a run of weather affected harvests between 2020 and 2023. The 2024 crop is expected to reach approximately 160,000 tonnes, up from approximately 110,000 tonnes in 2023. The global almond price has improved in the past year, but is still stubbornly below longer term average levels. Growers are making money, but not at the levels they were seeing prior to 2021 and this has seen reduced demand for any orchards that are marketed.

There is positive news around growth in export demand from both China and India and some early commentary around lower than expected yields in California (their harvest started in mid-August). These factors could see some further upward movement in global almond prices in 2025.

A number of medium to larger scale almond orchards are currently being marketed in the Sunraysia and Riverina regions, however agents are reporting that buyers are cautious and not currently prepared to meet vendor expectations.

The global macadamia price is also below longer-term average levels and this is dampening buyer demand for any orchards put to the market.

Citrus

The main navel and mandarin season in southern Australia is nearing completion, with growers enjoying stronger returns in 2024 than they did between 2021 and 2023. The improved returns are the result of a number of factors including a return to average rainfall rather than the wetter than average conditions experienced in previous years. This has helped with good fruit quality and higher pack outs. The average bin price has also been helped by a significant increase in fresh juice prices. Growers who for many years had only been receiving around $30 per tonne for their "over-run" fruit are this year receiving over $350 per tonne for the fruit diverted to juice.

The higher juice price is a result of global shortages following poor crops in North and South America. Drought in Brazil and citrus greening disease in Florida have significantly reduced supply from the two largest juice producing regions. However history shows this can quickly turn around and we don't expect high prices for juicing oranges to necessarily turn into a long term trend.

There have been few sales of citrus orchards in the past 12 months, which we attribute to existing growers needing to rebuild their balance sheets after several years of poor returns. We note that there is a pending sale of a medium size orchard in the Riverina region which will show that value levels for better standard orchards have held up over the past three years.

There have been some recent receiver sales in the Burnett region of Queensland, with these sales showing lower value levels, reflective of sub-optimal management leading up to their sale.

There are also several large-scale citrus orchards currently for sale in Western Australia, which are understood to be receiving some corporate interest. In summary, there are corporate buyers active in the larger orchard space, however buyers are discerning, while at the lower end of the scale, activity remains slow.

A consequence of this rationalisation will be the closure of several wineries.

Wine Grapes

This industry is currently showing mixed fortunes, depending on where you are and what you grow. Producers in cool climate areas, particularly those producing white wine varieties, are enjoying good prices, often up to $4000 per tonne and showing confidence in their industry. There have been several recent sales of small scale vineyards in the Yarra Valley and also in Tasmania, with these sales showing strong levels.

However, growers in the inland areas, particularly those growing traditional red varieties, have few reasons to smile. Wineries continue to hold large inventories and prices are unlikely to improve for several years. Vineyards will continue to be cleared and redeveloped to other crops.

There are two medium to larger scale wine grape vineyards in the Mildura region currently being marketed and these will provide a good barometer as to where buyers think values sit.

The wine grape industry is expected to continue to undergo rationalisation, with smaller growers exiting and established larger growers getting bigger. To be a sustainable grower in an inland region currently requires large areas of predominantly white varieties, producing yields in excess of 35 tonnes per hectare. Vineyards skewed to red varieties are expected to continue to have extended marketing periods in the short term.

A consequence of this rationalisation will be the closure of several wineries. Treasury Wine Estate closed its Mildura winery in 2023. This winery had a crush capacity of approximately 100,000 tonnes, although production in recent years had been less than 60,000 tonnes. It is understood that a buyer has been found for the site, who will convert it for an alternative use. The sale price will represent a fraction of the facility's replacement cost.

Table Grapes

Southern Australia's growing regions experienced slightly lower-yielding crops and mostly good fruit quality in 2024, which helped keep markets in balance. Prices were slightly better than in 2021 to 2023 and while the results were a bit patchy, most growers appear to have had a better year. On the back of this we have seen two sales in the Robinvale district, which show "ex water" value levels of between $90,000 per hectare and $100,000 per hectare, which is broadly in line with levels seen - two to three years ago. The purchasers in both cases are local family growers.

Graeme Whyte
Director

Property Market Indicators

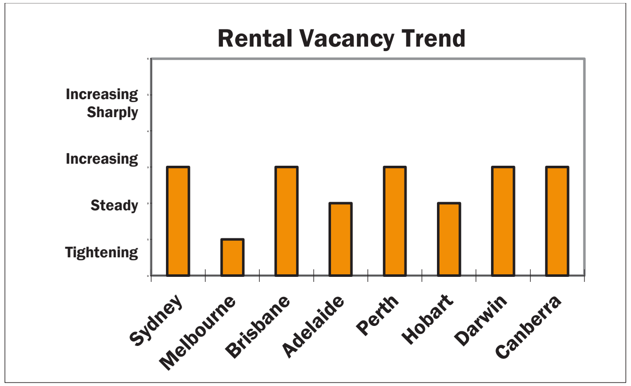
September 2024

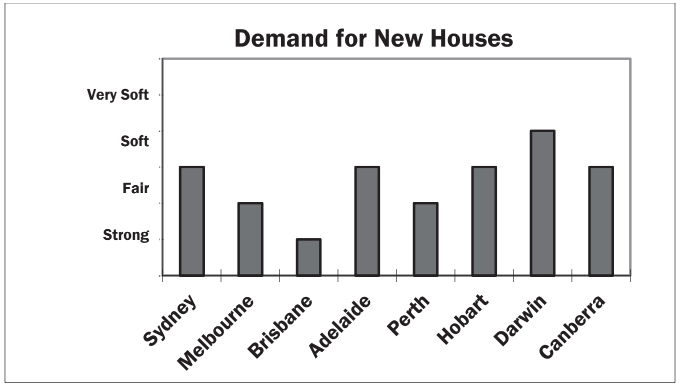
Capital City Property Market Indicators – Houses

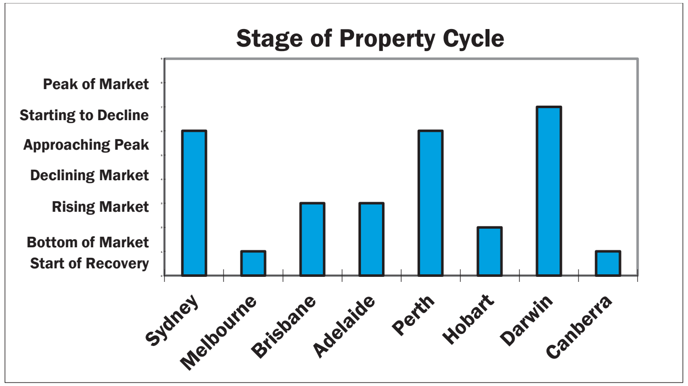
Factor	Sydney	Melbourne	Brisbane	Adelaide	Perth	Hobart	Darwin	Canberra
Rental Vacancy Situation	Severe shortage of available property relative to demand	Severe shortage of available property relative to demand	Shortage of available property relative to demand	Severe shortage of available property relative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

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	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	Shortage of available property relative to demand	Shortage of available property relative to demand
Rental Vacancy Trend	Steady	Tightening	Tightening	Tightening	Steady	Tightening	Steady	Steady
Demand for New Units	Fair	Strong	Strong	Fair	Soft	Fair	Fair	Fair
Trend in New Unit Construction	Increasing	Steady	Increasing	Increasing	Increasing	Steady	Increasing	Steady
Volume of Unit Sales	Steady	Steady	Steady	Declining	Steady	Declining	Steady	Increasing
Stage of Property Cycle	Approaching peak of market	Start of recovery	Rising market	Rising market	Rising market	Bottom of market	Rising market	Declining market
Are New Properties Sold at Prices Exceeding Their Potential Resale Value	Occasionally	Occasionally	Occasionally	Frequently	Occasionally	Almost never	Almost never	Occasionally

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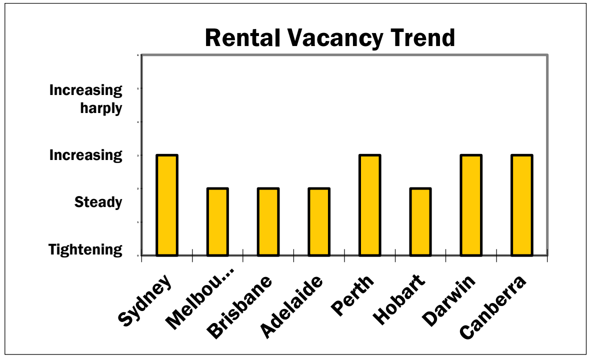
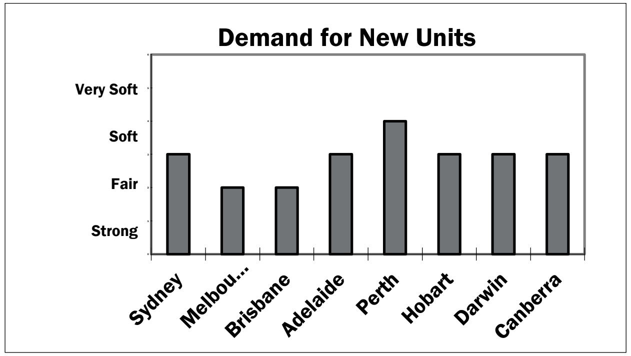
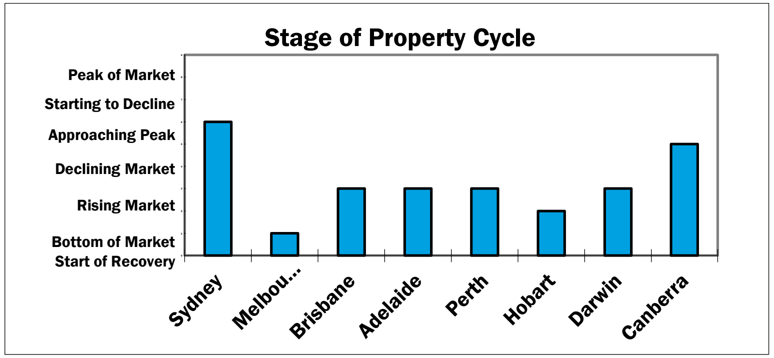




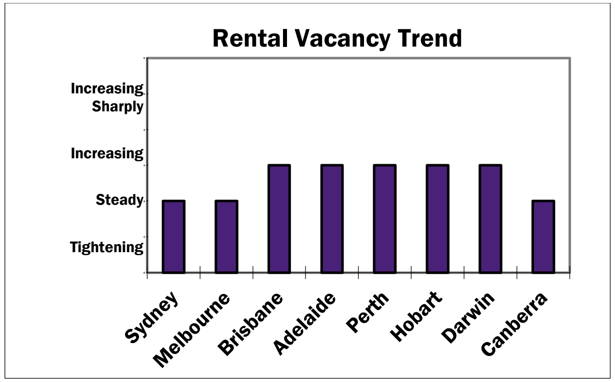


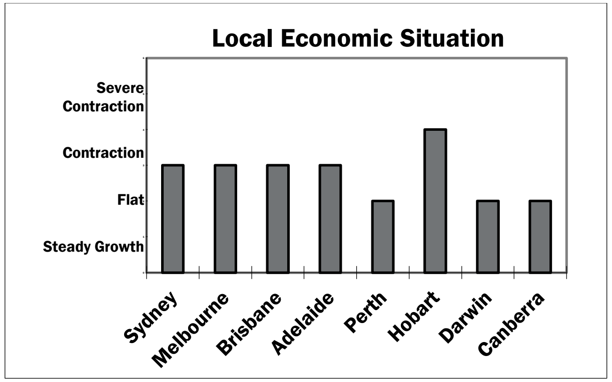
Capital City Property Market Indicators – Industrial

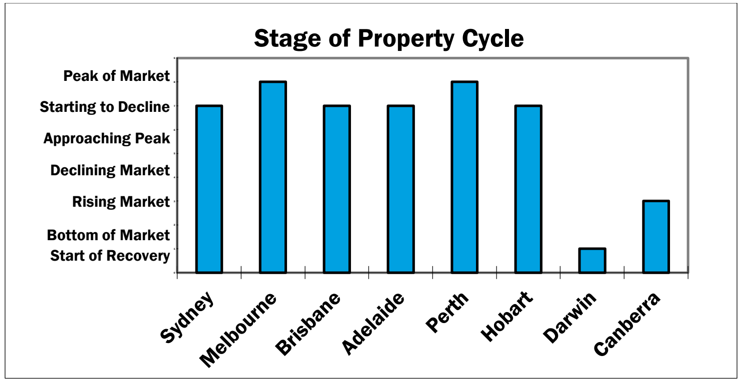
Factor	Sydney	Melbourne	Brisbane	Adelaide	Perth	Hobart	Darwin	Canberra
Rental Vacancy Situation	Shortage of available property relative to demand	Shortage of available property relative to demand	Shortage of available property relative to demand	Shortage of available property relative to demand	Severe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

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

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



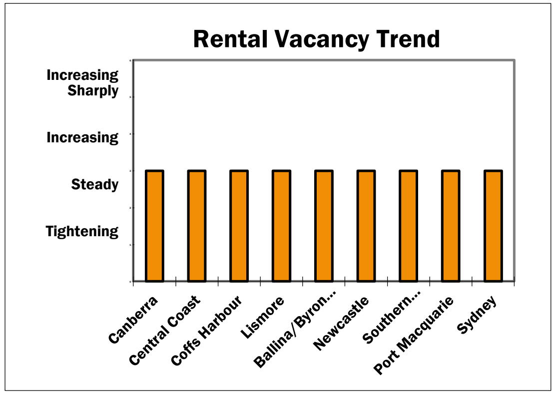


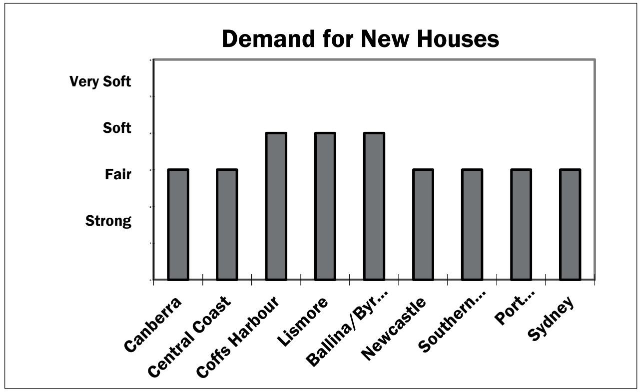


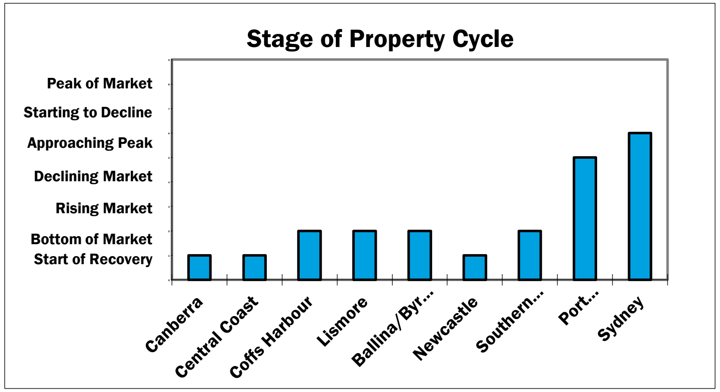
East Coast New South Wales Property Market Indicators – Houses

Factor	Canberra	Central Coast	Coffs Harbour	Lismore	Byron Bay/Ballina	Newcastle	Southern Highlands	Port Macquarie	Sydney
Rental Vacancy Situation	Shortage of available property relative to demand	Shortage of available property relative to demand	Balanced market	Shortage of available property relative to demand	Shortage of available property relative to demand	Shortage of available property relative to demand	Shortage of available property relative to demand	Balanced market	Severe shortage of available property relative to demand
Rental Vacancy Trend	Steady	Steady	Steady	Steady	Steady	Steady	Steady	Steady	Steady
Demand for New Houses	Fair	Fair	Soft	Soft	Soft	Fair	Fair	Fair	Fair
Trend in New House Construction	Increasing	Steady	Increasing strongly	Increasing	Increasing	Steady	Steady	Steady	Steady
Volume of House Sales	Increasing	Increasing	Steady	Steady	Steady	Increasing	Steady	Increasing	Steady
Stage of Property Cycle	Start of recovery	Start of recovery	Bottom of market	Bottom of market	Bottom of market	Start of recovery	Bottom of market	Declining market	Approaching peak of market
Are New Properties Sold at Prices Exceeding Their Potential Resale Value	Occasionally	Occasionally	Almost never	Almost never	Almost never	Occasionally	Frequently	Occasionally	Occasionally

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







Country New South Wales Property Market Indicators – Houses

Factor	Albury	Bathurst	Wodonga	Dubbo	Tamworth	Illawarra
Rental Vacancy Situation	Balanced market	Balanced market	Balanced market	Balanced market	Shortage of available property relative to demand	Balanced market
Rental Vacancy Trend	Steady	Steady	Steady	Steady	Tightening	Steady
Demand for New Houses	Fair	Soft	Fair	Fair	Strong	Fair
Trend in New House Construction	Steady	Increasing	Steady	Steady	Steady	Steady
Volume of House Sales	Declining	Steady	Declining	Increasing	Steady	Steady
Stage of Property Cycle	Approaching bottom of market	Starting to decline	Approaching bottom of market	Peak of market	Peak of market	Start of recovery
Are New Properties Sold at Prices Exceeding Their Potential Resale Value	Occasionally	Occasionally	Occasionally	Very frequently	Occasionally	Frequently

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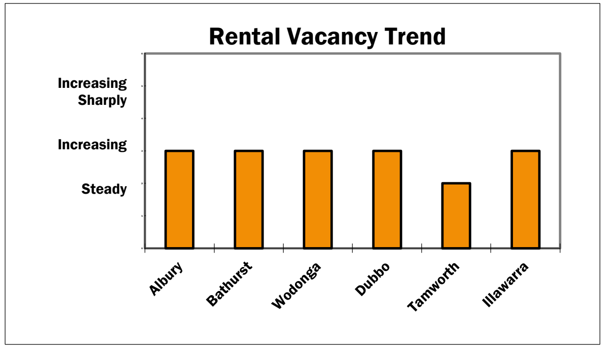

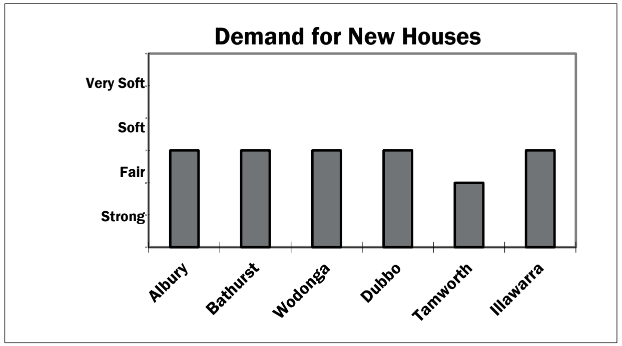

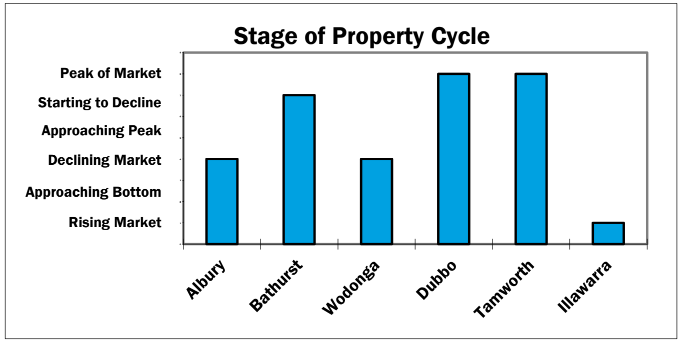

East Coast New South Wales Property Market Indicators - Units

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

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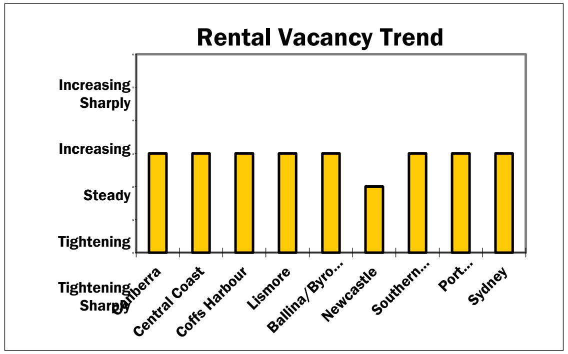

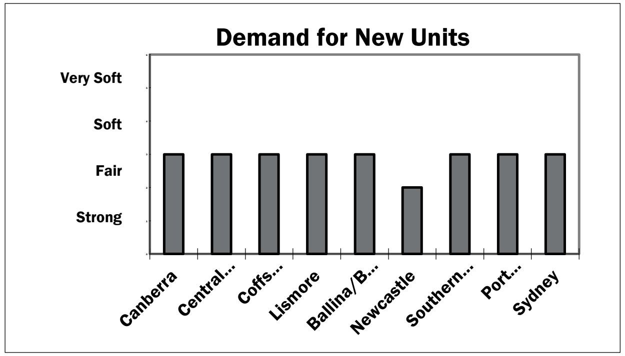

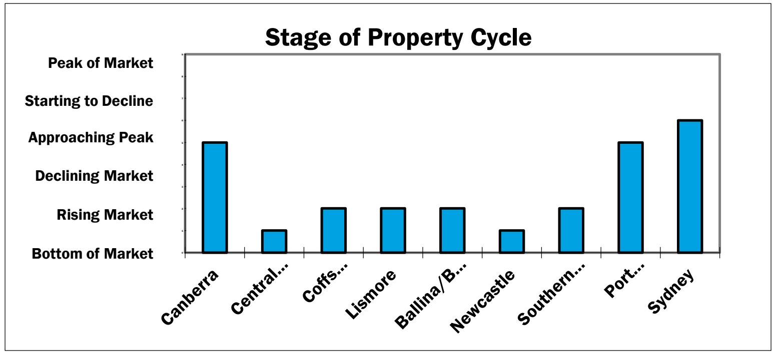

Country New South Wales Property Market Indicators - Units

Factor	Albury	Wodonga	Bathurst	Dubbo	Tamworth	Illawarra
Rental Vacancy Situation	Balanced market	Balanced market	Balanced market	Balanced market	Shortage of available property relative to demand	Balanced market
Rental Vacancy Trend	Steady	Steady	Steady	Steady	Tightening	Steady
Demand for New Units	Fair	Fair	Soft	Fair	Strong	Fair
Trend in New Unit Construction	Steady	Steady	Increasing	Declining	Steady	Steady
Volume of Unit Sales	Steady	Steady	Steady	Steady	Steady	Steady
Stage of Property Cycle	Approaching bottom of market	Approaching bottom of market	Starting to decline	Rising market	Peak of market	Start of recovery
Are New Properties Sold at Prices Exceeding Their Potential Resale Value	Occasionally	Occasionally	Occasionally	Occasionally	Occasionally	Frequently

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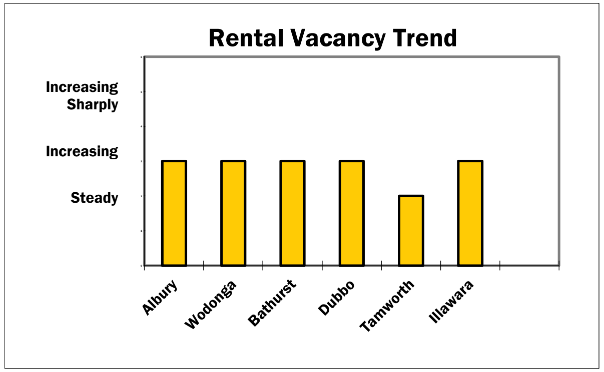
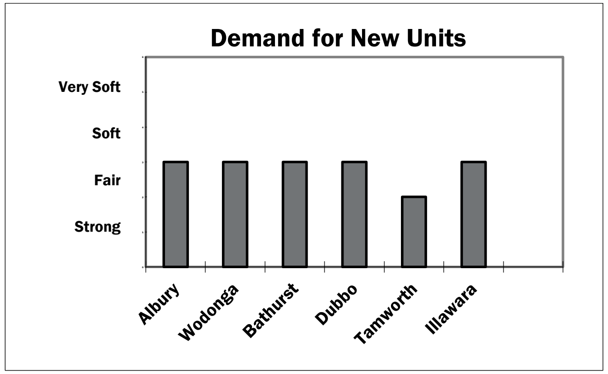
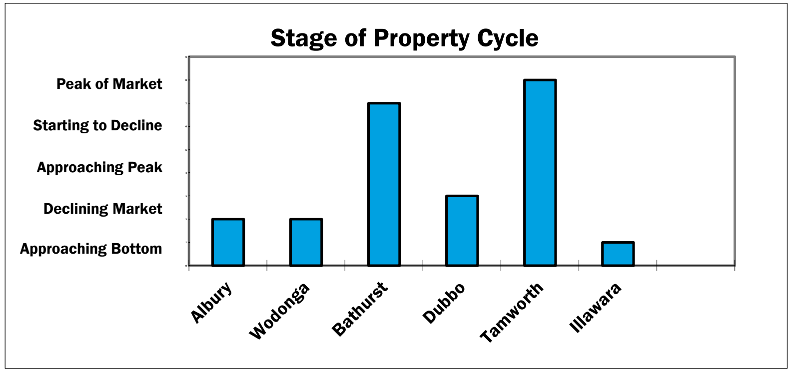




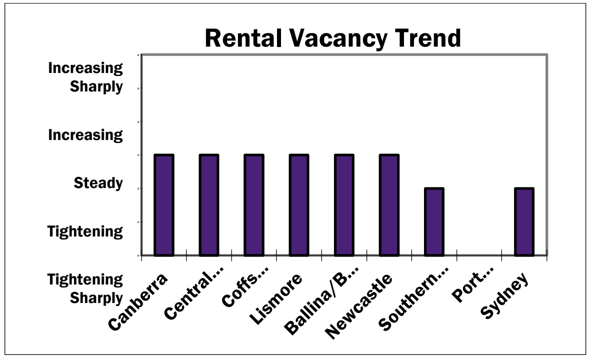


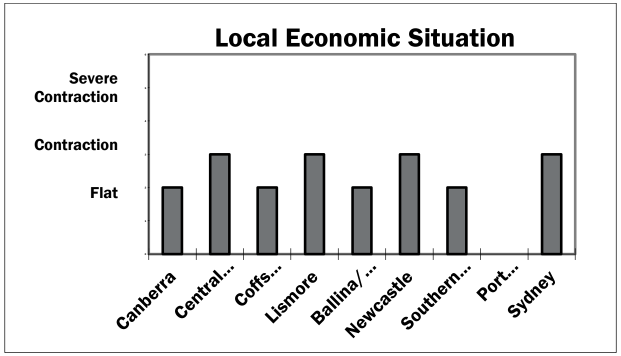
East Coast & Country New South Wales Property Market Indicators – Industrial

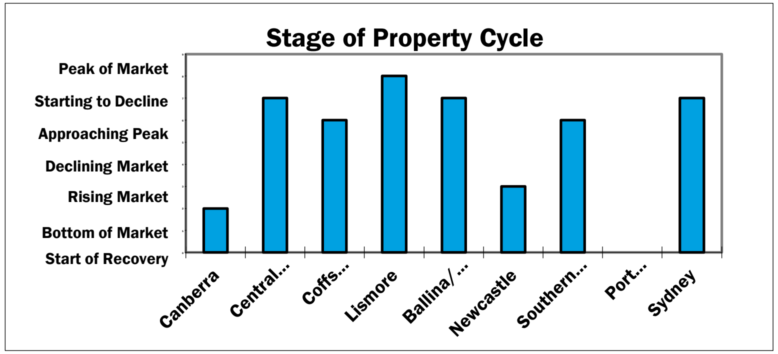
Factor	Canberra	Central Coast	Coffs Harbour	Lismore	Ballina/Byron Bay	Newcastle	Southern Highlands	Sydney
Rental Vacancy Situation	Shortage of available property relative to demand	Balanced market	Shortage of available property relative to demand	Balanced market	Balanced market	Balanced market	Balanced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

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

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







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	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	Balanced market	Shortage of available property relative to demand	Shortage of available property relative to demand
Rental Vacancy Trend	Tightening	Tightening sharply	Steady	Steady	Steady	Tightening	Steady	Steady
Demand for New Houses	Fair	Strong	Soft	Fair	Fair	Fair	Fair	Fair
Trend in New House Construction	Increasing	Increasing	Increasing	Steady	Steady	Steady	Increasing	Increasing
Volume of House Sales	Steady	Steady	Steady	Steady	Declining	Declining	Steady	Steady
Stage of Property Cycle	Bottom of market	Start of recovery	Starting to decline	Peak of market	Peak of market	Bottom of 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

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

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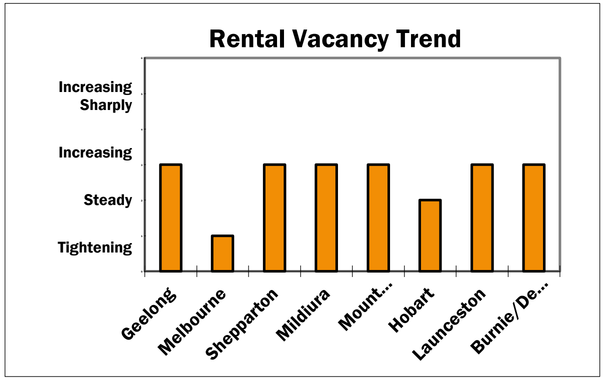

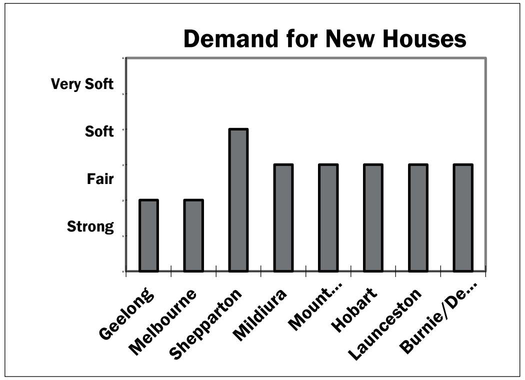

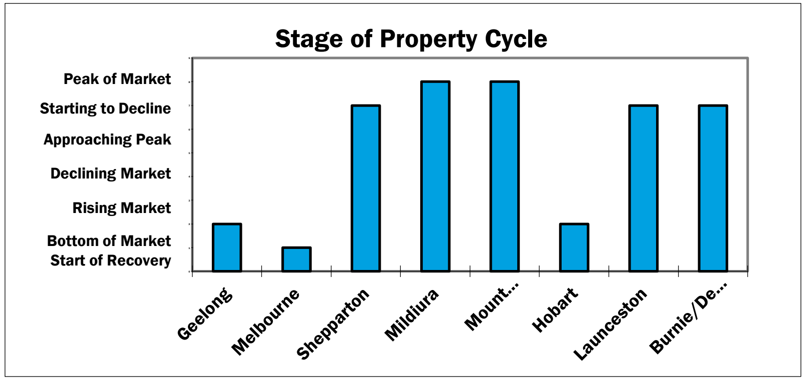

Victorian and Tasmanian Property Market Indicators – Units

Factor	Geelong	Melbourne	Shepparton	Mount Gambier	Mildura	Hobart	Launceston	Burnie/Develport
Rental Vacancy Situation	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	Balanced market	Shortage of available property relative to demand	Shortage of available property relative to demand
Rental Vacancy Trend	Tightening	Tightening	Steady	Steady	Steady	Tightening	Steady	Steady
Demand for New Units	Fair	Strong	Fair	Fair	Fair	Fair	Fair	Fair
Trend in New Unit Construction	Increasing	Steady	Declining	Steady	Steady	Steady	Increasing	Increasing
Volume of Unit Sales	Steady	Steady	Steady	Steady	Steady	Declining	Steady	Steady
Stage of Property Cycle	Bottom of market	Start of recovery	Peak of market	Peak of market	Peak of market	Bottom of market	Starting to decline	Peak of market
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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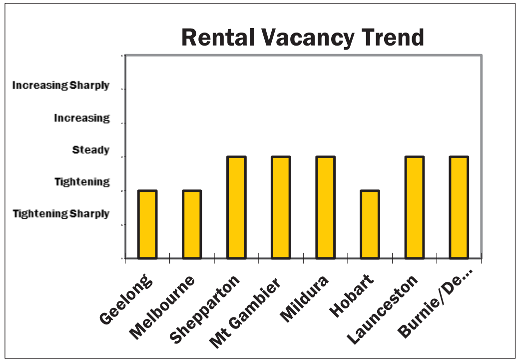

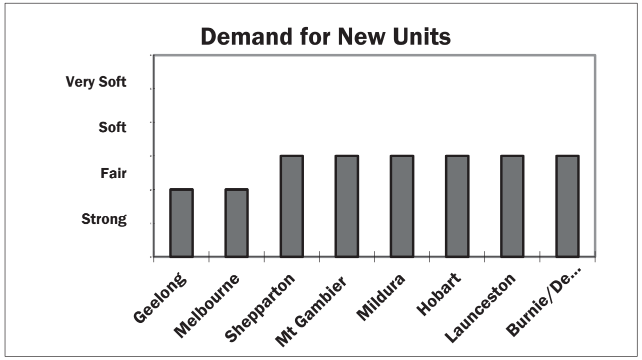

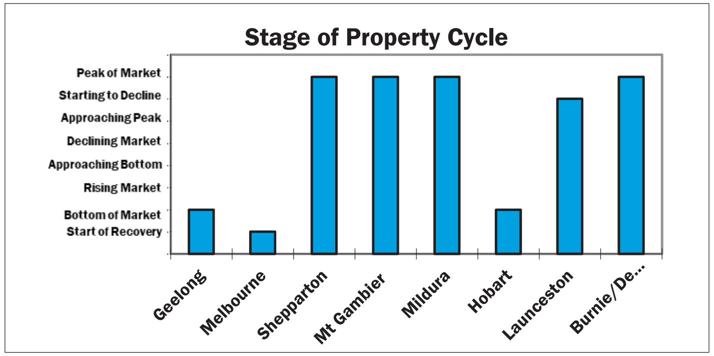

Victorian and Tasmanian Property Market Indicators – Industrial

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	Shortage of available property relative to demand
Rental Vacancy Trend	Tightening	Steady	Steady	Tightening	Steady	Steady
Rental Rate Trend	Increasing strongly	Stable	Stable	Increasing	Stable	Increasing
Volume of Property Sales	Steady	Steady	Steady	Steady	Steady	Declining
Stage of Property Cycle	Starting to decline	Rising market	Start of recovery	Peak of market	Start of recovery	Starting to decline
Local Economic Situation	Flat	Flat	Flat	Flat	Steady growth	Contraction
Value Difference between Quality Properties with National Tenants, and Comparable Properties with Local Tenants	Significant	Small	Significant	Small	Small	Significant

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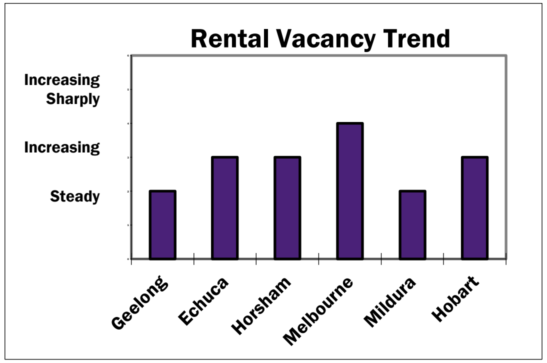

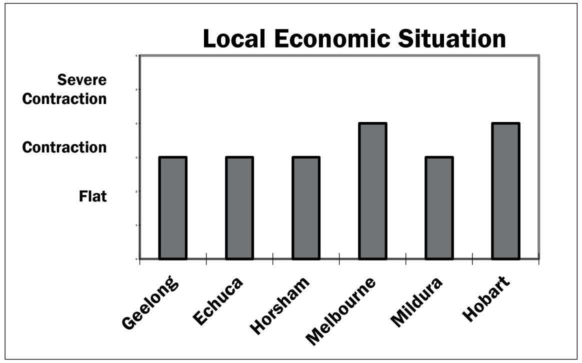

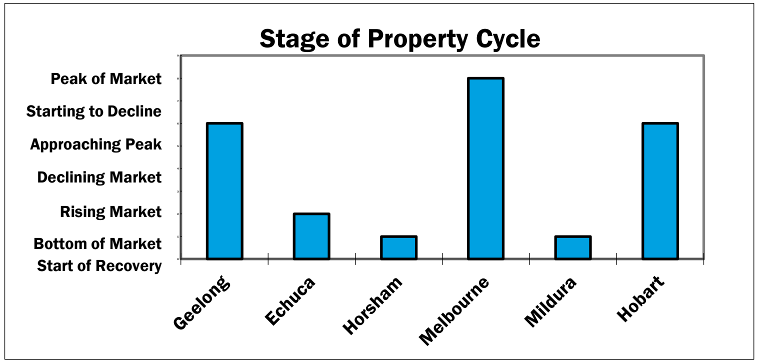

Queensland Property Market Indicators – Houses

Factor	Cairns	Townsville	Whitsunday	Mackay	Rockhampton	Emerald	Gladstone	Bundaberg	Hervey Bay	Sunshine Coast	Brisbane	Ipswich	Gold Coast	Toowoomba
Rental Vacancy Situation	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	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	Shortage of available property relative to demand
Rental Vacancy Trend	Steady	Steady	Steady	Tightening	Steady	Tightening	Tightening	Steady	Steady	Tightening	Steady	Steady	Steady	Tightening
Demand for New Houses	Fair	Fair	Fair	Strong	Strong	Strong	Strong	Fair	Fair	Fair	Very strong	Very strong	Fair	Strong
Trend in New House Construction	Steady	Steady	Steady	Declining	Declining	Steady	Declining	Steady	Steady	Steady	Declining	Declining	Steady	Declining
Volume of House Sales	Declining	Declining	Steady	Increasing	Increasing strongly	Increasing	Increasing strongly	Steady	Steady	Declining	Increasing	Increasing	Steady	Increasing
Stage of Property Cycle	Rising market	Rising market	Approaching peak of market	Rising market	Rising market	Rising market	Rising market	Peak of market	Peak of market	Start of recovery	Rising market	Rising market	Rising market	Peak of market
Are New Properties Sold at Prices Exceeding Their Potential Resale Value	Frequently	Occasion-ally	Occasionally	Occasionally	Occasionally	Occasionally	Frequently	Occasionally	Occasionally	Occasionally	Occasion-ally	Occasionally	Occasio nally	Occasionally

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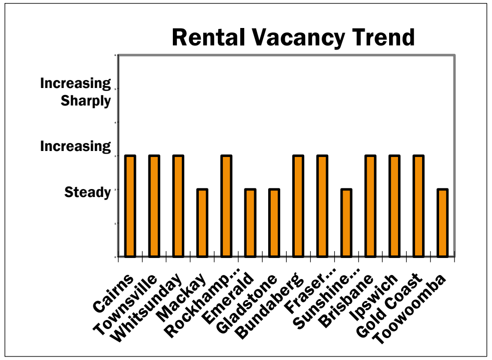

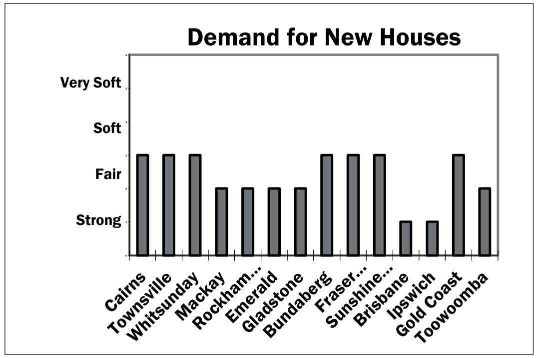

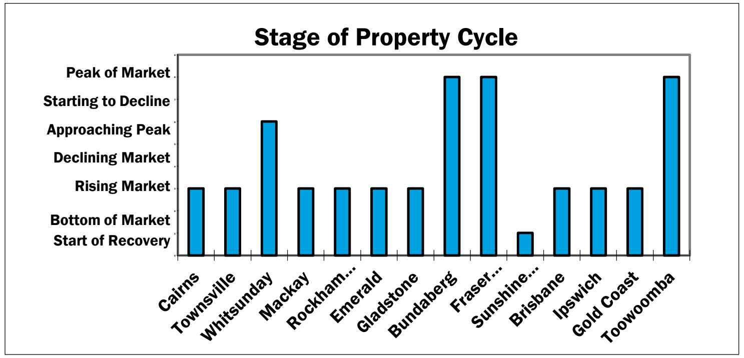

Queensland Property Market Indicators – Units

Factor	Cairns	Townsville	Whitsunday	Mackay	Rock-hampton	Emerald	Gladstone	Bundaberg	Hervey Bay	Sunshine Coast	Brisbane	Ipswich	Gold Coast	Toowoomba
Rental Vacancy Situation	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	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	Shortage of available property relative to demand
Rental Vacancy Trend	Steady	Steady	Steady	Tightening	Steady	Tightening	Tightening	Steady	Steady	Tightening	Tightening	Tightening	Steady	Tightening
Demand for New Units	Strong	Soft	Fair	Fair	Fair	Strong	Fair	Fair	Fair	Fair	Strong	Strong	Fair	Fair
Trend in New Unit Construction	Steady	Increasing	Steady	Steady	Steady	Steady	Steady	Steady	Steady	Steady	Increasing	Increasing	Steady	Steady
Volume of Unit Sales	Increasing	Increasing	Increasing	Increasing	Increasing	Increasing	Increasing	Steady	Steady	Declining	Steady	Steady	Steady	Increasing
Stage of Property Cycle	Rising market	Rising market	Approaching peak of market	Rising market	Rising market	Rising market	Rising market	Peak of market	Peak of market	Start of recovery	Rising market	Rising market	Rising market	Peak of market
Are New Properties Sold at Prices Exceeding Their Potential Resale Value	Frequently	Occasionally	Occasionally	Occasionally	Occasion-ally	Occasionally	Occasionally	Occasionally	Occasionally	Occasionally	Occasion-ally	Occasion-ally	Occasionally	Occasionally

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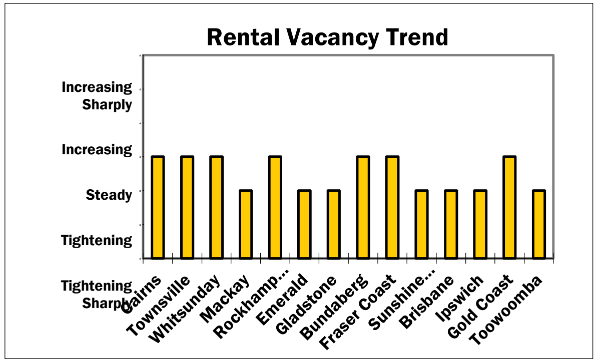

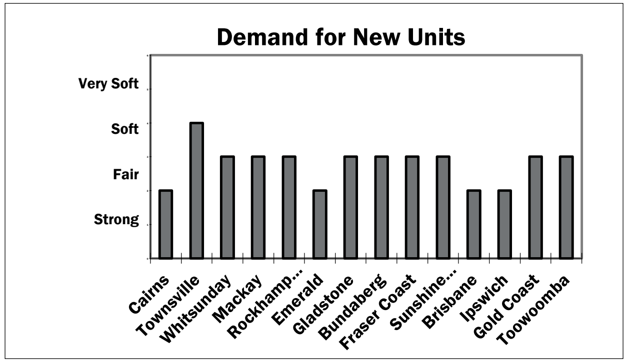

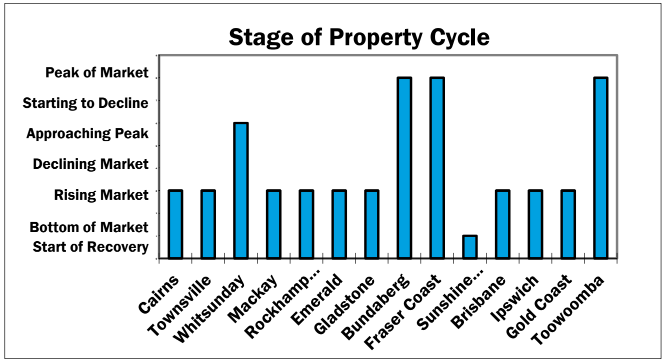

Queensland Property Market Indicators – Industrial

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

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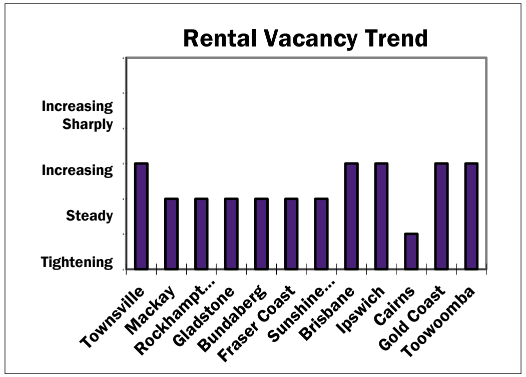

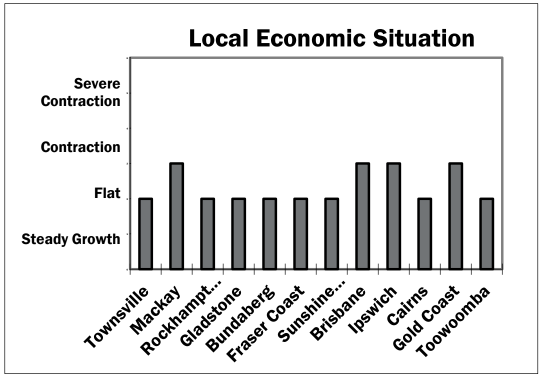

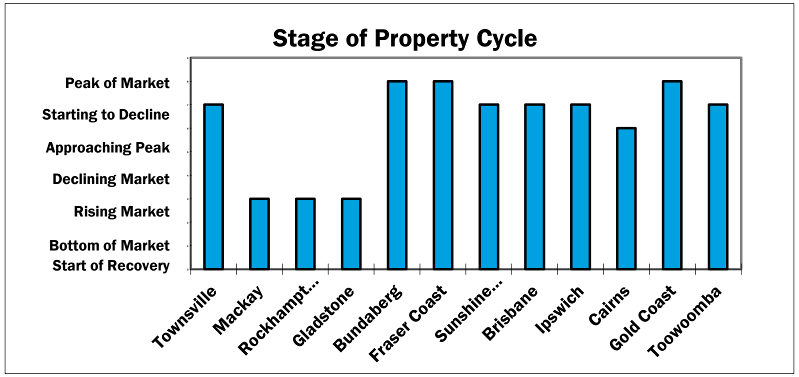

SA, NT and WA Property Market Indicators - Houses

Factor	Adelaide	Adelaide Hills	Barossa Valley	Alice Springs	Darwin	Perth	Geraldton	Kalgoorlie	Karratha	Port Hedland	Broome	South West WA	Albany	Esperance
Rental Vacancy Situation	Severe shortage of available property relative to demand	Severe shortage of available property relative to demand	Severe shortage of available property relative to demand	Balanced market	Shortage of available property relative to demand	Severe shortage of available property relative to demand	Shortage of available property relative to demand	Shortage of available property relative to demand	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
Rental Vacancy Trend	Tightening	Tightening	Tightening	Steady	Steady	Steady	Steady	Tightenin g	Steady	Steady	Tightening	Tightening sharply	Increasing	Steady
Demand for New Houses	Fair	Fair	Fair	Soft	Soft	Strong	Fair	Fair	Strong	Strong	Strong	Very strong	Soft	Fair
Trend in New House Constructio n	Increasing	Increasing	Increasing	Increasing	Increasing	Steady	Declining	Declining	Declining	Declining	Declining	Declining significantly	Increasing	Declining
Volume of House Sales	Declining	Declining	Declining	Declining	Steady	Steady	Increasing	Steady	Steady	Steady	Steady	Increasing	Declining	Increasing
Stage of Property Cycle	Rising market	Rising market	Rising market	Starting to decline	Starting to decline	Approachin g peak of market	Approachi ng peak of market	Rising market	Rising market	Rising market	Rising market	Peak of market	Peak of market	Rising market
Are New Properties Sold at Prices Exceeding Their Potential Resale Value	Frequently	Frequently	Frequently	Almost never	Almost never	Frequently	Occasion-ally	Occasion-ally	Occasion-ally	Almost never	Occasionally	Very frequently	Occasionally	Almost never

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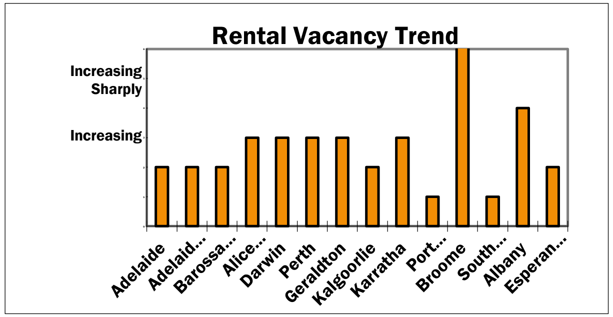
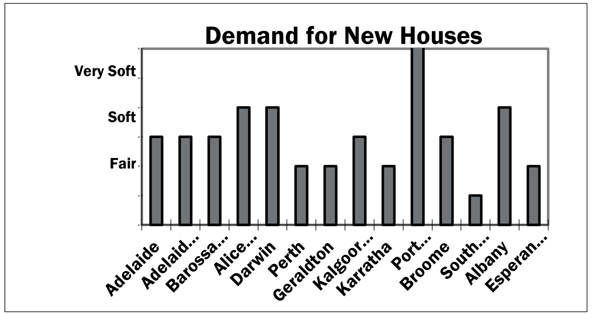
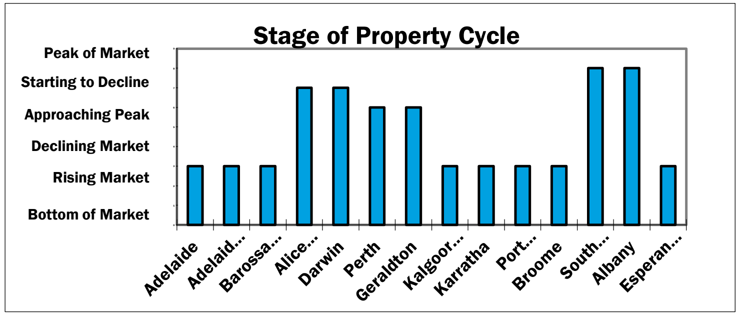


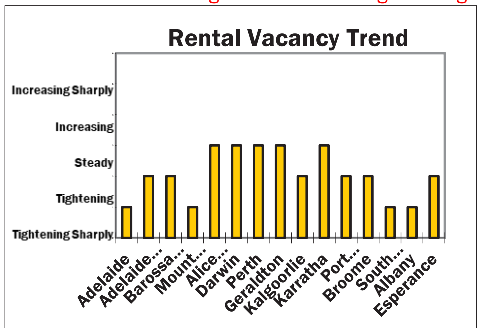


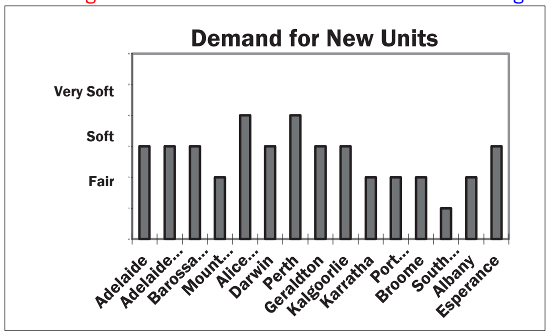


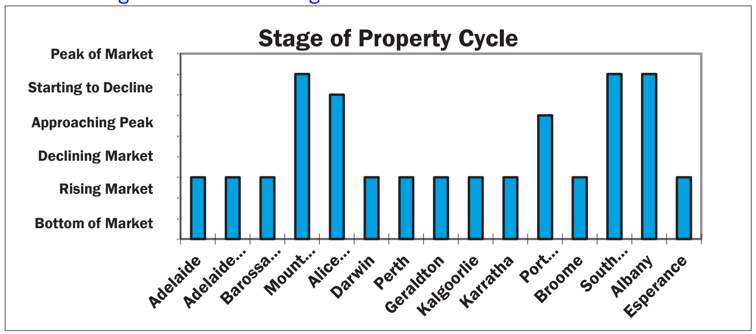
SA, NT and WA Property Market Indicators – Units

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	Shortage of available property relative to demand	Balanced market	Shortage of available property relative to demand	Severe shortage of available property relative to demand	Shortage of available property relative to demand	Shortage of available property relative to demand	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	Steady	Steady	Steady	Steady	Steady	Tightening	Steady	Tightening	Tightening	Tightening sharply	Tightening sharply	Steady
Demand for New Units	Fair	Fair	Fair	Fair	Soft	Fair	Soft	Fair	Fair	Strong	Strong	Strong	Very strong	Strong	Fair
Trend in New Unit Construction	Increasing	Increasing	Increasing	Steady	Increasing	Increasing	Increasing	Steady	Steady	Steady	Steady	Steady	Declining significantly	Declining significantly	Steady
Volume of Unit Sales	Declining	Declining	Declining	Steady	Declining	Steady	Steady	Steady	Steady	Steady	Steady	Steady	Increasing	Increasing	Steady
Stage of Property Cycle	Rising market	Rising market	Rising market	Peak of market	Starting to decline	Rising market	Rising market	Rising market	Rising market	Rising market	Approaching peak of market	Rising market	Peak of market	Peak of market	Rising market
Are New Properties Sold at Prices Exceeding Their Potential Resale Value	Frequently	Frequently	Frequently	Occasion-ally	Almost never	Almost never	Occasion-ally	Occasionally	Occasionally	Occasion-ally	Almost never	Almost never	Very frequently	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	Shortage of available property relative to demand	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	Steady	Increasing
Rental Rate Trend	Increasing	Stable	Stable	Stable	Declining
Volume of Property Sales	Steady	Steady	Steady	Declining	Steady
Stage of Property Cycle	Starting to decline	Starting to decline	Start of recovery	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	Large	Small	Large	Small	Large

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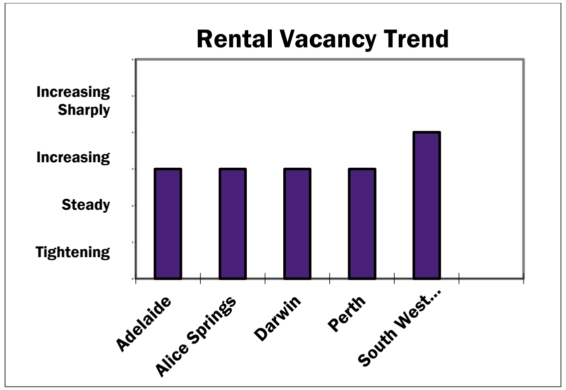
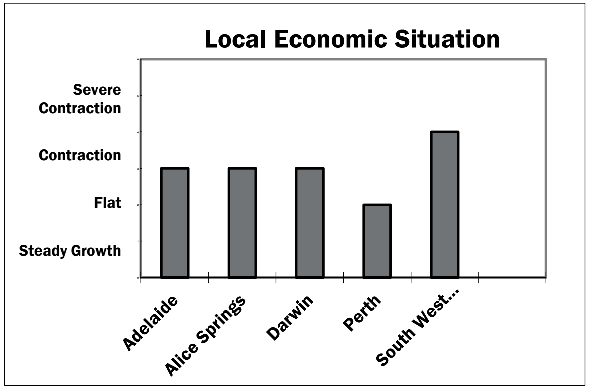
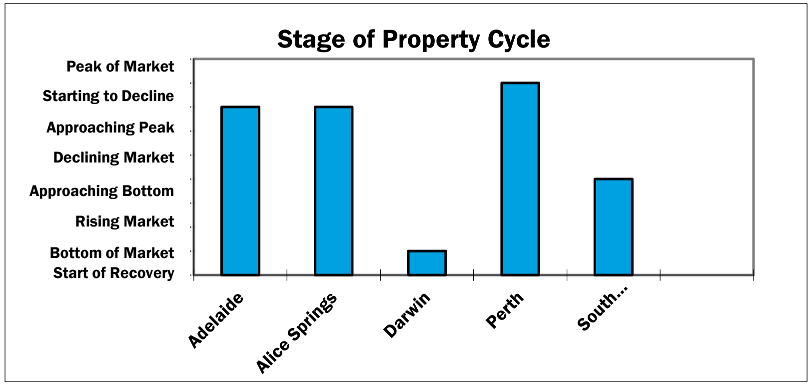






TALK TO YOUR LOCAL EXPERT

Commercial

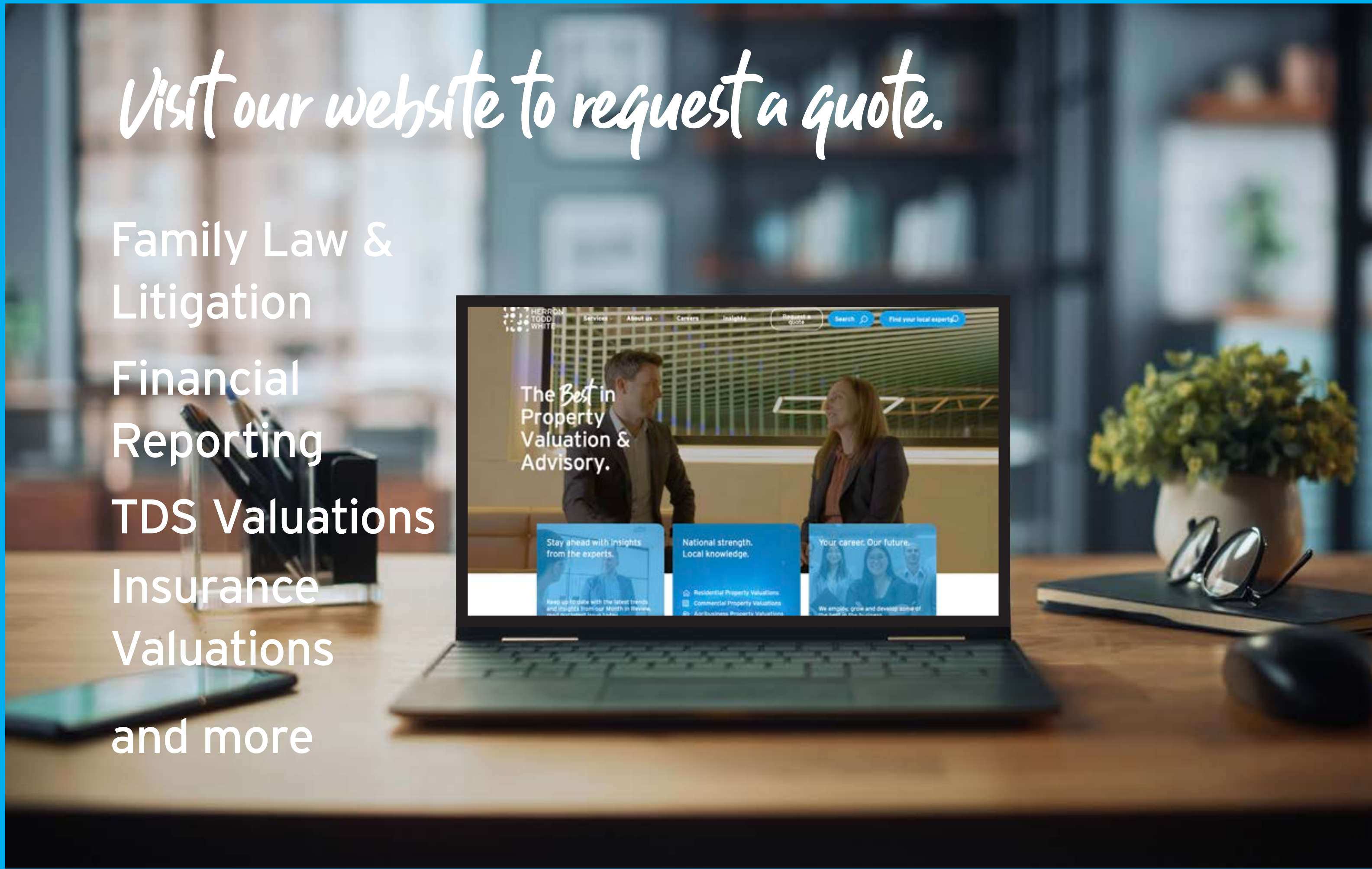
NT	Terry.Roth@htw.com.au
SA	Chris.Winter@htw.com.au
QLD	Alistair.Weir@htw.com.au
ACT	Scott.Russell@htw.com.au
VIC	Jason.Stevens@htw.com.au
WA	Greg.Mullins@htw.com.au
NSW	Angeline.Mann@htw.com.au
TAS	Andrew.Peck@htw.com.au

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



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1300 880 489
admin@htw.com.au