Month in Review

December 2024

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

Contents

Click on any state or page number for immediate access

CEO's Address

Welcome to our December edition of Month in Review

In 2024, resilience and divergence have played major roles across property markets and business operations.

Property price performance and sales activity were fairly consistent across many of Australia's real estate markets from 2020 to 2023. However, we are now firmly in our post-pandemic phase and the past 12 months have seen a substantial divergence in market trends between various locations.

Our two largest capital city markets have certainly slowed – particularly Melbourne. The city has experienced a prolonged period of softening prices, and Melbourne has now fallen from third to sixth on the nation's capital city median house value rankings. In stark contrast, Brisbane, Adelaide and Perth have seen exceptional value gains this year. Perth experienced an astonishing house median value gain of 21 per cent in the past 12 months. Our regional centres saw mixed results too. Those with multiple economic bases and appealing lifestyle components fared best, but many regions which surged during the pandemic have undergone home price attenuation.

While there have been significant national and global market drivers this year, the one mentioned almost universally by our contributors was the lack of interest rate movement. Predictions of a pending interest rate cut at the beginning of 2024 had stakeholders primed for reaction in their markets. Many believed an inevitable fall in rates would trigger a surge in pricing and sales activity.

But stubbornly high inflation kept the RBA's decision on hold. Now, as we approach the end of the year, some forecasters are even suggesting rate cuts will be pushed to the back end of 2025. The RBA's decision to hold in 2024 appears to have contributed to a material cooling in several markets lately, particularly at price points where buyers are most reliant on borrowing.

All of this has me thinking about the importance of a long-term vision in property. Historically, those who look beyond the market's short- and medium-term shifts tend to have the most success.

It's a parallel that can be drawn to our business as well. A group of directors recently visited the birthplace of our company – Kerry Herron's modest suburban home in Rockhampton where he began practicing as a valuer in 1969. Fast forward five and a half decades, and Herron Todd White has grown to 800 employees across 63 offices. We deliver a wide range of property services across all sectors, with national coverage that's second to none.

Kerry Herron's house — Source: Herron Todd White

The long view has certainly served us well, and we are looking forward to many more decades leading the industry.

My sincere thanks to our clients for their continued support, our staff who set an exceptional benchmark for service and to our readers for their ongoing engagement. May you and your families enjoy a safe, joyous and memorable season, and we look forward to seeing you all again in 2025.

Gary Brinkworth
CEO

EXECUTIVE ADDRESS

Commercial

December 2024

National Industrial Overview

The Australian industrial market segment is going through an adjustment period of stabilisation after showing record growth post the COVID-19 pandemic (2021 to Quarter 2, 2023). The key factors to this stabilisation appear to be consistent interest rate rises post May 2022, declining consumer confidence, and the increased cost of construction materials and labour. Throughout 2024, a real measure of this was the reported reduction in transaction volumes, particularly for properties in excess of $20 million.

Nick Michael
Director

Further inflationary pressures and declines in residential markets are expected to have additional flow on effects to the industrial segment going forward. Higher construction costs as well as planning and servicing delays in several key precincts have created further complexity. These affect the feasibility of new projects which is likely to have an impact on the future supply pipeline of industrial space.

A key factor to stabilisation across this market is vacancy rates. For example, along the eastern seaboard our major capital cities have seen these rates increase. Sydney for example has seen vacancies increase nearly double (currently at 3.75 per cent), with Melbourne rising to approximately 3.1 per cent and Brisbane at near 3.4 per cent. This is largely due to ongoing supply additions, the market flipping to the tenant's favour and tenants taking longer to make occupation decisions.

In addition to vacancy increases, we are seeing higher incentives across all precincts. As a by-product, prime net face rents in Sydney's industrial market have held flat since late 2023, with prime net face rents still up marginally across all Melbourne, with six per cent growth over the past year as the flight to quality continues.

Overall transactional activity sub $20 million remains at somewhat steady levels, still driven by both opportunistic and value-add transactions, giving rise to the thinking that confidence in the longer term exists as investors recalibrate risk and return expectations. Continued talk of interest rate cuts next year should further boost investor sentiment, while the yield stabilisation and retraction over the four quarters suggests that the market is nearing its cyclical low.

The industrial investment market remains one of the most sought-after asset classes because it is relatively low risk and has long-term growth potential in comparison to retail or office style assets. Prime industrial yields have also stabilised more quickly than other sectors, indicating pricing adjustment has likely completed. Land values have generally held firm across the major Australian markets. This is due to a continued lack of land ready to be developed and available for purchase, continued land banking by major developers and more recently, a surge in owner-occupiers.

Lower inflation and interest rates, which we expect to see next year, will have a flow on effect to the logistics sector through a return to greater spending. Population growth will also contribute to a potential pickup in the industrial sector once more.

In final overview, the industrial market has strengthened significantly over the past five years yet is showing signs of overheating across 2024. Submarkets where supply moderately outpaces long-term take-up volumes include Brisbane's west, Melbourne's north and west and Adelaide's outer north, however in each case, vacancy rates remain well below balanced levels.

National Property Clock: *Industrial*

Entries coloured purple indicate positional change from last month.

New South Wales - Industrial 2024

Sydney

The past 12 months have provided stagnant conditions across most of Sydney's industrial markets. The market is coming off a high that saw unprecedented growth over the past two years resulting in record breaking rates being paid and record low yields. The strong demand has been attributed to numerous factors including lack of stock, increased consumer spending for online goods, increased demand for building supplies and strong confidence in the market. This strong sentiment has passed, and we are seeing a decline in values associated with lower demand.

During most of 2024 there was a noticeable decline in the volume of sales for this sector with agents reporting much longer selling periods. On a positive note, we have seen a slight uptick in sales volumes in recent weeks.

Following a prolonged period of stagnation, rental rates lifted considerably during 2023 but this year we have seen the market return to a more stable position. There seems to still be reasonable demand and supply creating a more balanced market.

We are gradually seeing yields increase and may see more investors returning to the industrial market capitalising on the better returns. The increased rental rates may spur some interest from investors, but overall, the decline in market demand has resulted in higher yields. It would appear that the uncertainty in the market is being priced in.

Despite the more negative commentary generally, there are still some positive signs in the market. A recent sale in Western Sydney showed a near 100 per cent increase in value since 2020, proving that there are gains to be made and buyers are still showing interest in the market.

2025 should prove to be an interesting year with the potential for changes to interest rates and hopefully improvement in broader economic conditions.

Angeline Mann
Commercial Director

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

Victoria - Industrial 2024

Melbourne

The first half of 2024 was relatively inactive with limited leasing transactions across the board compared to the levels recorded over the past three years. That said, activity increased considerably in Quarter 3, 2024 with just over 280,000 square metres of industrial space leased (for new lease agreements above 3000 square metres).

This result was the highest quarterly total in over a year and brought the total for 2024 year on year to approximately 750,000 square metres. This submarket is estimated to reach one million square metres by year's end.

Most leasing transactions in the quarter were for existing facilities, while pre-lease activity remains low, accounting for just under 25 per cent of floorspace leased in Quarter 3, 2024, a reduction from the 2020 to 2023 average of 38 per cent. However, rising incentives in select markets is expected to underpin further pre-lease activity as tenants take advantage of more favourable leasing metrics.

Melbourne's logistics and industrial vacancy rate increased moderately to 2.1 per cent in Quarter 3, 2024, a slight increase from 1.6 per cent in the last quarter. Incentives appear to be playing a larger role in rental negotiations today. In particular, the west submarket has seen deals with incentives in the mid to high 20 per cent range. That said, incentives are averaging between 15 and 20 per cent across both prime and secondary grades across the board.

Any previous growth has been stymied by higher yields and construction costs, and the cost of money which continues to test the feasibility of new projects.

Aside from the above, yields for both prime and secondary grades held steady for the third consecutive quarter. Across Quarter 3, 2024, the average core market yield sat at 5.50 per cent.

Industrial land values in Melbourne have also remained steady. Any previous growth has been stymied by higher yields and construction costs, and the cost of money which continues to test the feasibility of new projects.

Whilst the above reflects what has occurred, we expect the market to include further adjustments with rising incentives and anticipated interest rate cuts next year expected to encourage more leasing and investment activity across the board. Structural drivers such as e-commerce growth and supply chain enhancements will continue to support demand, particularly in Melbourne's western industrial hubs, signalling resilience in the sector despite broader economic challenges and headwinds.

Nick Michael
Director

Queensland - Industrial 2024

Brisbane

The industrial market has continued to go from strength to strength throughout 2024 amidst sustained levels of demand from investors and owner-occupiers, coupled with a general undersupply of industrial real estate. Land shortages have presented challenges to developers looking to make new development feasible and accordingly, there were constrained supply levels throughout the year, driving growth for existing properties.

Rental growth has been a prominent theme throughout the year with continued growth in the sub 5000 square metre, freestanding market however at an institutional level, it is becoming evident that growth is stagnant. Strata unit rental growth has also begun to slow as there has been an increasing amount of strata complexes, either currently under construction or recently completed and on the market which has aided in correcting supply levels throughout 2024. Notwithstanding, we are still in an environment where renewals for existing, older leases will realise some strong uplift in income and incentives remain subdued.

The investment market has demonstrated some levels of recovery in terms of transactional volumes with more certainty around interest rates in comparison to 2022 and 2023. In the $5 million plus investment market, yields have generally softened to levels north of 6.00% which is a factor of the cost of debt. There are some examples throughout Brisbane where cash buyers have acquired assets for firmer yields however for the most part, yields seem to have stabilised with a slight buffer over the cost of debt. Capital growth has however remained strong, piggy-backing off the rental growth. The sub $5 million market has demonstrated the strongest levels of capital value growth due to the strong owner-occupier demand.

Notable transactions include some freestanding, brand new industrial warehouses in Wright Place, Algester, developed by Castle Property Group, reflecting GLA value rates up to circa $3800 per square metre. These were purchased by owner-occupiers. Evidence has also emerged of secondary (older style or sheet metal) industrial assets in this price bracket reflecting capital value rates of between $2500 and $3000 per square metre on the GLA. This is attributable to the shortage of stock available for immediate occupation and the flow-on effect to properties which were once not so attractive.

Despite a perception early in 2024 that land values may be at their turning point, transactions have demonstrated that growth for development sites is still very prominent. Land sales in Brendale and Narangba have reflected rates north of $650 per square metre and particular transactions in the TradeCoast are now showing a minimum of $800 per square metre. This demonstrates the continued scarcity of readily developable industrial land across Brisbane, with developers now looking to secondary and tertiary locations such as North Maclean, Swanbank and Beaudesert to bring more land to the market.

Narangba sale Source: realcommercial.com.au

Finally, in a landmark transaction for 2024, North Lakes has set a new benchmark for the Brisbane land market with a $114 million deal, marking the largest englobo industrial land sale for Brisbane this year. This transaction underscores the rising demand for DA approved land in Brisbane, reflecting this wider area as a prime growth

The industrial market has continued to go from strength to strength throughout 2024 amidst sustained levels of demand from investors and owner-occupiers, coupled with a general undersupply of industrial real estate.

COMMERCIAL - INDUSTRIAL

HERRON TODD WHITE

corridor with strong investment appeal. The site will be benched, serviced and ready to build on with a developable area of approximately 25.2 hectares and the ability to cater for in excess of 100,000 square metres of gross floor area.

The substantial sale price highlights investor confidence in the region's future, driven by its strategic location, infrastructure close to the master planned North Lakes estate, and lifestyle amenities. This record-breaking transaction signals continued strength in southeast Queensland's real estate landscape.

Mackenzie Osborne
Valuer

Gold Coast

The industrial property market on the central Gold Coast and Tweed Coast has shown remarkable resilience throughout 2024, navigating a challenging economic landscape shaped by high interest rates and rising construction costs. Despite these headwinds, key sectors and regions have maintained strong performance, while shifts in demand and supply dynamics have defined the year's trends.

The central Gold Coast industrial market continues to demonstrate robust performance, although growth has tempered following years of rapid expansion. Following unprecedented value growth from 2020 to 2023 driven by land shortages, industrial land values stabilised in 2024. Elevated interest rates and construction costs have constrained new developments, impacting project feasibility. A notable sale at 385 Southport Nerang Road, Molendinar, fetched $16.5 million ($689 per square metre on total land area or $963 per square metre adjusted for embankments), reflecting ongoing demand despite these pressures. Freehold industrial properties remained highly sought after by owner-occupiers and investors, with yields for high-quality assets holding firm below 6%. For example, 9 Distribution Avenue, Molendinar, sold for $4.2 million in August 2024, achieving a 5.24% yield on a lease term certain of 4.81 years.

Boutique developments like mancaves and workstores, which saw strong demand during the COVID years, reported slower sales, particularly in the self-storage segment.

The strong demand for vacant possession properties was exemplified by the sale of 13 Ramly Drive, Burleigh Heads, on 18 October 2023. This property, offering an 810 square metre building area, sold for $4.65 million, equating to an impressive $5741 per square metre. The transaction underscores the continued appetite for high-quality assets in tightly held markets like Burleigh Heads, even as broader economic conditions apply pressure on some sectors.

The once-booming market for strata industrial units experienced a notable slowdown in 2024. Boutique developments like mancaves and workstores, which saw strong demand during the COVID years, reported slower sales, particularly in the self-storage segment. Developers have noted a shift in favour of warehouse units, reflecting evolving market preferences. Strata projects that launched earlier in the cycle faced challenges in achieving pre-sales and maintaining momentum as demand softened throughout 2023 and 2024.

While the industrial leasing market has stabilised following years of rapid growth, rental rates remain historically high. Low vacancy levels underscore the strength of the market, but agents have reported tougher leasing conditions in 2024. Some tenants have begun to experience rental stress, a trend worth monitoring in the year ahead.

The southern Gold Coast and Tweed Coast markets have continued to thrive, driven by strong demand for industrial properties and a scarcity of developable land. Limited availability of redevelopment sites on the southern Gold Coast has prompted developers to explore opportunities further south in Tweed Heads and Tweed Heads South. A record-breaking sale of an industrial property with vacant possession highlighted the strength of the market, with prices reflecting robust demand even in a high-interest-rate environment. Developers have adjusted to market preferences, favouring warehouse units over self-storage facilities in new developments.

The Gold Coast and Tweed Coast industrial property markets have shown resilience and adaptability in 2024, navigating a complex environment while maintaining strong performance in key segments. As the year ends, stabilisation

385 Southport Nerang Road & 4 Industrial Avenue, Molendina
Source: DevelopmentReady

trends and emerging market shifts set the stage for continued evolution in 2025, particularly in the context of economic conditions, tenant demand and development activity.

The Gold Coast and Tweed Coast industrial property markets have shown resilience and adaptability in 2024, navigating a complex environment while maintaining strong performance in key segments. As the year ends, stabilisation trends and emerging market shifts set the stage for continued evolution in 2025, particularly in the context of economic conditions, tenant demand and development activity.

Ryan Kohler
Director

Sunshine Coast

As 2024 draws to a close, we'd like to share some observations about our local industrial market.

Investors have become increasingly selective, carefully evaluating risk and return due to rising borrowing costs. This has contributed to a widening yield spread between prime assets in highly sought-after locations and secondary assets, particularly those with inherent challenges or in less desirable locations.

A persistent lack of supply has kept demand from owner-occupiers robust. These buyers are often willing to pay a premium over investors to secure properties, particularly stand-alone assets or larger strata units. Conversely, off-the-plan industrial strata units (sub 200 square metres) have seen a softening in interest. Higher borrowing costs, prolonged construction timelines, and concerns over project viability have deterred potential buyers. However, completed projects continue to attract reasonable interest, albeit at softened levels compared to the peak of 18 to 24 months ago.

Investors have become increasingly selective, carefully evaluating risk and return due to rising borrowing costs.

The vacant land market has remained buoyant, with limited availability bolstering values. Despite elevated construction costs, land rates per square metre have continued to rise. For example, a 5204-square-metre site in Coolum Beach traded multiple times in 2024, selling initially for $480 per square metre in January and subsequently for $500 per square metre in June. Demand for a new land release, Stage 2 of the Sunshine Coast Industrial Park at Corbould Park, has also been reported as strong.

Rents have continued their upward trajectory, particularly in tightly-held precincts. This growth is underpinned by low supply but is also influenced by rising land prices and elevated construction costs. Demand has remained strong, in particular for larger stand-alone facilities with some notable tenants seeking a presence on the Sunshine Coast.

In summary, 2024 has seen a varying industrial property market on the Sunshine Coast, characterised by heightened discernment among investors, strong owner-occupier activity, buoyant land values, and continued rental growth. However, challenges such as higher borrowing costs and construction risks have tempered certain segments of the market.

Jaydon McDowell
Associate Director

Wide Bay

Transactional sales activity remains low resulting from limited stock on the market, particularly where the market is traditionally most active under $700,000 and below 6000 square metres for vacant land. Supporting an as-if-complete valuation for the finished product is somewhat challenging with costs rising so quickly during 2022 and 2023 and gross effective rent growth now slowing.

We have noticed rises to landlords' insurance threatening the net income growth of assets, particularly for larger scale industrial premises on gross leases. We are likely to see insurance premiums and power consumption costs remaining a focal point during 2025 for industrial property owners and tenants as occupancy costs and rent affordability begin to bite.

We may begin to see industrial development spread into peripheral areas of Hervey Bay, Maryborough and Bundaberg as very low supply of land starts to encourage development away from the traditionally recognised localities. We have begun to see the supply mix of the completed product change in the light industrial market – sales and leases in 2025 may start to trickle through if accepted by the market.

Grant Collins
Associate Director

Mackay and Whitsundays

The local industrial property market in Mackay is driven largely by the coal mining industry which is currently performing well. Industrial rental rates are rising and yields for industrial investment properties have not softened to any great extent with interest rate rises in recent years.

Notable sales in 2024 include:

- 14-18 Boundary Road, Paget, sold in July for $10.625 million. The property has a land area of 3.625 hectares and a gross lettable area of 4864 square metres. This was a leaseback sale of an older heavy engineering complex. The lease term was 10 years, and the analysed market yield was 7.91%.
- 67-69 Evolution Drive, Paget sold in May for $3.45 million with a land area of 4,658 square metres and a gross lettable area of 1470 square metres. This is a semi-modern, heavy engineering property with an unexpired lease term of 2.8 years. The analysed market yield was 7.25%.
- 8 Caterpillar Drive, Paget sold in July for $8.75 million with a land area of 6444 square metres and a gross lettable area of 2,798 square metres. This is a semi-modern heavy engineering property with a high site coverage. It was sold with vacant possession to show a rate of $3,127 per square metre of gross lettable area.
- 77 Maggiolo Drive, Paget sold in September for $2.1 million. This is a vacant site of 1.128 hectares showing a rate of $186 per square metre.

Gregory Williams
Director

Whilst larger scale industrial activity is certainly noticeable, it is probable that high construction costs are delaying or will thin-out new construction throughout 2025.

Townsville

Our prediction in January 2024 was that Townsville's industrial market sector was set for continued outperformance of the commercial and retail sectors by volume. We also anticipated strong demand and activity in the first half of 2024 with an expectation that the market would hold its nerve in the face of ongoing inflationary pressures, elevated unease around interest rates, and bobbling business confidence. Again, bold yet accurate with the benefit of hindsight.

The current state reveals continued activity in the mining and resources sector, growth in the engineering and manufacturing support services, infrastructure projects, and ultimately advancements in the road transport, logistics and larger scale warehousing sectors. We highlight continued investment in significant larger scale industrial assets at the Bohle, Stuart and Roseneath localities for either owner-occupation or built for purpose assets subject to long term leases.

Whilst larger scale industrial activity is certainly noticeable, it is probable that high construction costs are delaying or will thin-out new construction throughout 2025. Put simply, rental growth has not maintained pace with escalations in construction costs over the same periods. Research reveals that construction costs have risen by 35.1 per cent since 2020 with general rental growth being meek at circa 15 to 20 per cent by comparison.

The regional industrial sector will remain as a major investment market and as such, purpose-built assets and refurbishment of existing buildings to obtain NABERS, Green Star and environmental performance targets is emerging. Additional performance inclusions such as large coverage rooftop solar systems, rainwater capture and re-use, energy metering and monitoring, ventilation and cooling, and smart lighting increase cost profiles. They therefore typically require cost offsets via increased rents or economic face rents for built for purpose assets and often over a long lease term for capital value realisation. Such investment is targeting much larger scale business or government, however smaller scale business or owner-occupiers are simply not seeing any bang for buck in this area.

In closing the highest recorded sale in 2024 to date was that of the UGL complex at Bohle for $10.7 million revealing an analysed market yield of 8.35%. Statistical data reveals continued activity and whilst recorded sales for the 2024 financial year were 26 per cent lower than the 2022 financial year, the median price for the same period was five per cent higher. The current low sale volume as at November 2024 reflects data lag, limited supply, and no noticeable price diminution. We would anticipate that 2025 will continue along the same trajectory, with lower sale volume, increased median pricing, some marginal softening in yields and increase in new builds in the manufacturing and logistics sectors.

Jason Searston
Director

HERRON TODD WHITE

Cairns

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

Sale conditions within this market over the past 12 months have been strong with the industrial market overall very buoyant and achieving values at record levels. The industrial market for existing industrial property appears to be further driven by the lack of developable industrial land and high building costs which limits overall project feasibility. Pure investment stock is limited, and the market is strong, however properties in the sub $2 million space typically achieve higher value levels if sold with vacant possession as it appears owner-occupiers have limited regard to returns when purchasing and these properties are considered more saleable with vacant possession unless there is a strong lease covenant in place.

The market appeared to peak (at least in terms of activity) in mid 2023, potentially because of overall economic conditions, however also due to a lack of overall stock. While economic conditions suggest softening of the market, value levels seem to be remaining steady at their current record levels. We consider the limited availability of industrial land and high building costs to be a significant contributor. There is some concern around the release of the updated unimproved land values which may have a detrimental impact on overall net income due to many entry level properties being subject to land tax for the first time and those already subject to land tax seeing substantial increases.

Leasing market conditions for industrial property have been strong over the past 12 to 24 months with limited stock driving up rentals to record levels. The limited availability of rentals is in part a result of very strong owner-occupier purchaser demand, though industrial rentals appear to have stabilised at their current levels. The limited recent rental evidence is testament to the lack of available rental stock rather than lack of demand.

Industrial vacant land is very scarce with no industrial land developments on the horizon.

Shane Quinn
Director

Sale conditions within the Cairns market over the past 12 months have been strong with the industrial market overall very buoyant and achieving values at record levels.

Toowoomba

Toowoomba's industrial market is largely influenced by growth in the region's manufacturing, e-commerce and agricultural sectors supported by the relocation of new business activities to the area. Strong economic conditions in the first half of 2024 resulted in continued demand for secure investment properties with several reported yields of sub-6.00% for vacant possession sales. Economic uncertainty, largely due to interest rate increases, has seen reduced demand in the second half of the year.

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, including 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

HERRON TODD WHITE

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 1500 to 2000 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.

Overall, the Toowoomba industrial market has performed largely as expected with demand from both owner-occupiers and investors remaining high. The developing industrial estates in the Charlton Wellcamp area to the west of Toowoomba have continued to see strong occupation but do not appear to have had a significant impact on vacancies within the city at this stage, with properties that have been vacated being purchased by alternative users. The impact of these moves may become more apparent in 2025. We note that local agents have reported a surge in enquiry for commercial property, specifically within the industrial sector which bodes well for 2025 and has been attributed to Toowoomba's strategic advantages, including logistics and growth within the Wellcamp Industrial Estate.

Ian Douglas
Director

Overall, the Toowoomba industrial market has performed largely as expected with demand from both owner-occupiers and investors remaining high.

South Australia - Industrial 2024

Adelaide

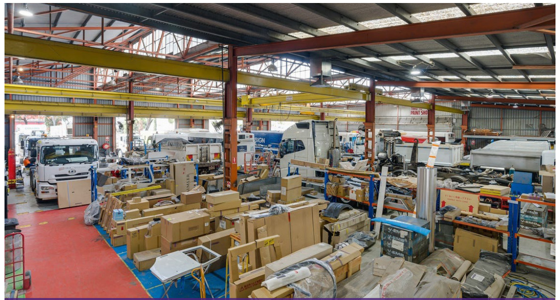
With the release of Quarter 3 data since our last industrial market update, yield stabilisation has been the main indicator for industrial property in South Australia. Despite lower levels of investment in comparison to the previous two years and the record levels seen in 2021, yields remain at 6.0% to 6.5% for prime industrial assets and 6.75% to 7.50% for secondary assets.

Looking at the notable sales for 2024, the only sale above $10 million in Quarter 3 was 27-45 Port Road, Thebarton. Transacting for $23.625 million through Leedwell and Knight Frank, the property provides approximately 10,958 square metres of gross lettable area and reflects $2,156 per square metre. Zoned urban business and spread across 24 Certificates of Title, the multi-tenanted property produces an estimated gross income of $996,500 per annum.

27-45 Port Road, Thebarton Source: realcommercial.com.au

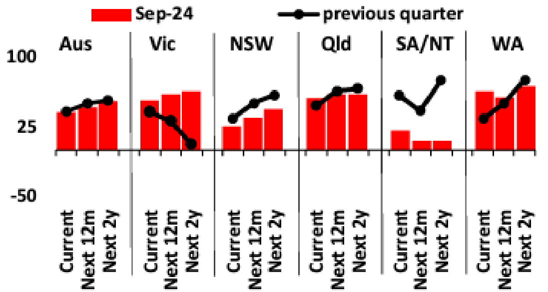
23 Indama Street, Regency Park sold through Savills in April for $8 million, offering the purchaser vacant possession. The strategic employment zoned site features approximately 9171 square metres of land, improved with an office and warehouse facility of 4428 square metres, equipped with three six-tonne gantry cranes, a 100 kilowatt solar system, B-double drive-through access and a commercial truck wash bay. The sale reflects a market yield of 5.46% at $2025 per square metre of lettable area.

23 Indama Street, Regency Park Source: realcommercial.com.au



23 Indama Street, Regency Park Source: realcommercial.com.au

Stabilisation and rebalancing have been the two key words noted across insight reports for the South Australian industrial sector towards the end of 2024. Overall sales volumes align with the previous three years, while rental increases have been fuelled by the rise in construction costs and the cost of capital. Limited availability of new developments has restricted the inner-metropolitan areas where vacancy rates remain especially tight, and industrial space uptake is headlined by the inner-northern precinct.



Industrial Property Index by State Source: NAB Commercial Property Survey Quarter 3, 2024

The NAB Commercial Property Survey for Quarter 3, 2024 indicates significant shifts in market sentiment for industrial property in South Australia. Expectations are lower for the current market and the next 12 and 24 months based on sentiment reports from the previous quarter. Despite this, industrial property records the highest sentiment levels across the nation, and sentiment in South Australia still outweighs retail and office property in these metrics for the current market and the next 12 months.

Matt Slack
Assistant Commercial Valuer

Western Australia - Industrial 2024

Perth

At the start of the 2024 calendar year, with the industrial property market in Western Australia touted to sit at the peak of the sector's property cycle, we asked the question: how sustainable was that performance? Now, at the end of the year, we can safely say the industrial property market has proven, again, to be robust and highly resilient.

Leasing demand for industrial premises continued unabated throughout the course of 2024, especially for newly built high specification facilities with such properties in limited supply, pushing overall vacancy to record lows.

Face net rental rates (i.e. before any incentives) for such premises consistently achieved $150 per square metre per annum of GLA and even higher in some cases, with often minimal disparity between premises located within core and secondary industrial estates. Leasing incentives were minimal, typically less than five per cent.

On the back of almost unprecedented rental growth, several prominent local developers chose to embark on speculative, large scale (over 10,000 square metre) built-form projects (i.e. without leasing commitments) and post completion, these are believed to still be vacant. However, this is likely a function of the shallow pool of tenants able to fill such premises.

The volume of new construction was constrained by a finite supply of land. With limited new land released in the Perth metropolitan region this year, industrial land values continued to climb. There was noticeable demand for mid-size lots (2500 to 5000 square metres) from both owner-occupiers and developers with sale prices demonstrating significant growth from previous price points.

Given the lack of suitable stock in the core industrial estates, we witnessed a rise in the number of new projects in peripheral, previously shunned secondary locations such as Neerabup, Hope Valley and Forrestdale.

The owner-occupier market remained steady given the limited stock of large scale and quality premises available which was compounded by lingering construction industry challenges. Whilst signs slowly emerged to indicate costs may have finally plateaued (welcome news for developers), labour shortages persisted.

Demand for securely-leased, newly-constructed built-form industrial property was strong during 2024, buoyed by eastern states based investors. Prospective buyers remain focused on the length of agreed lease terms, prospects for rental growth and depreciation benefits. Where all or a majority of these criteria were met, sub 6% yields were demonstrated in select instances.

Uncertainty over the short-term direction of interest rates appeared to do little to dampen activity in the industrial sector.

Owner-occupiers remained active and as such there has been a reasonable level of transaction activity in the sub $5 million market.

Overall, the clear lack of supply in the market, both in respect of development-ready land and contemporary built-form facilities, was by and large the key to the sustainability of the industrial market's performance in 2024.

The sector once again finds itself in a historically strong position as we welcome in 2025.

Greg Lamborn
Director

Uncertainty over the short-term direction of interest rates appeared to do little to dampen activity in the industrial sector.

HERRON TODD WHITE

Northern Territory - Industrial 2024

Darwin

To a large extent, the Darwin industrial property market has remained in a holding pattern for the past 12 months and this is reflected in the volume and range of sales experienced here. However, there is an air of optimism around the Top End which wasn't there to the same extent 12 months ago.

We have seen a surge of interstate investor activity in some segments of the residential property market in Darwin. Historically, that surge in interest doesn't extend to commercial and industrial property markets until six to 12 months after the residential property markets.

Why would activity surge in Darwin, after a period of stagnation for ten years? We are now well behind the growth that has been experienced in most southern capitals, and this is finally being recognised by interstate investors. Major projects such as onshore gas are continuing to make some progress as well, with these headlines having a positive effect on market sentiment.

We have seen increasingly positive market sentiment for better quality office space in the Darwin CBD but this has not yet extended to all other commercial and industrial property market segments.

In the industrial market sector, there has been relatively little rental growth over the past 12 months. There has also been a relatively limited number of sale transactions of better quality stock.

High building costs are making construction of new industrial premises unviable economically. If demand for growth is pushed into our limited stock, it would seem inevitable that rents and capital values should be under upward pressure. There are limited vacancies of industrial accommodation, although there is still a large supply of vacant land suitable for development. We would expect this land oversupply to continue into the medium term.

Darwin property markets have had a history of long periods of stagnation, punctuated by brief periods of rapid growth in their five minutes of economic sunshine. It is unlikely that this cycle of volatility will change and hopefully 2025 will see that next period of strong economic growth that we have all been waiting for.

Terry Roth
Director

If demand for growth is pushed into our limited stock, it would seem inevitable that rents and capital values should be under upward pressure.

Residential
December 2024

National Residential Overview

Last year, several factors were at play in the residential market, providing a wide range of topics for avid market watchers to discuss. After the usual summer holiday break, the residential property market started briskly, with mortgage security valuation volumes up about 20 per cent on the previous year (in metro areas) and almost 10 per cent in regional areas.

It seemed that the market was expecting that we had seen the last of cash rate increases and that the RBA's next move would be a rate cut within the next few months. Buyers appeared motivated to transact before the seemingly inevitable interest rate cut exerted upward pressure on prices.

Kevin Brogan,
National Director, Group Risk and Compliance

Listings have increased, clearance rates have softened significantly, and the number of properties being passed in is on the rise.

Over the first quarter, it became apparent that stubbornly high inflation would keep interest rates higher for longer. So, would the market slow down? As usual, discussions about "the market" oversimplify the impact. In Western Australia, South Australia and Queensland, market activity and price increases continued mostly unabated. In New South Wales, the Australian Capital Territory and Tasmania, market activity was slower, and price increases extremely modest, while in Victoria and the Northern Territory, prices fell.

The Reserve Bank has now kept the cash rate at a plateau of 4.35 per cent for over a year so far and predictions for when a cut might eventually occur have been pushed further back, well into 2025, and we may even have to wait until the second half of the year. The effect of this on market sentiment has grown and is now evident across all residential markets, with even the strongest (i.e., Western Australia) slowing.

The 2024 spring selling season saw a significant increase in listings across the country, but buyer activity has generally subsided. Auction clearance data is a lead indicator and provides insight into market sentiment, almost in real time. Listings have increased, clearance rates have softened significantly, and the number of properties being passed in is on the rise.

Median dwelling prices have been in the news, with the median dwelling price in Adelaide overtaking that of Melbourne, but it is always worth looking past the headlines – the Melbourne market comprises a much higher proportion of units which exerts a downward pull on the median dwelling price.

The growth in residential rents accelerated significantly as there was a wave of post-COVID migration. This trend started to slow in 2024 as the wave passed and migration dropped to more normal levels. Rent increases in 2024 have been more modest, but the vacancy rate has remained very low, hovering in the one to two per cent range in many markets.

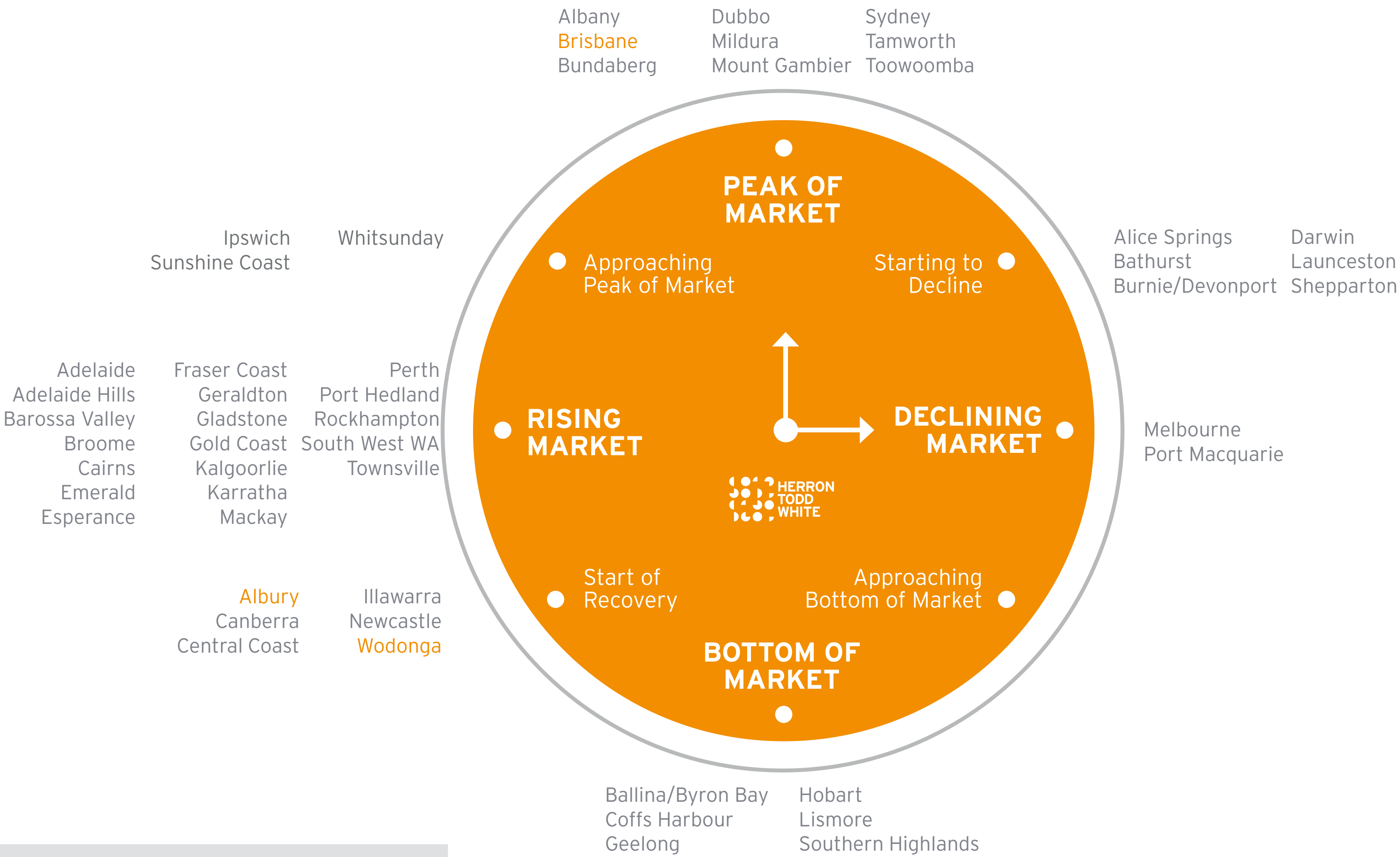
It is looking as if the residential property market may have a sluggish start to 2025. The market always takes a few weeks to get into the swing of things in the New Year, but the surge in listings and the soft auction clearance rates for the past few weeks are a giveaway that purchasers are currently wary of committing.

I'm sure that 2025 will provide its own range of topics to fuel debate amongst residential property market watchers. This issue of Month in Review includes articles from Herron Todd White's local market experts that provide insights into market trend in their specific service areas.

HERRON TODD WHITE

National Property Clock: *Houses*

Entries coloured orange indicate positional change from last month.



RESIDENTIAL

National Property Clock: *Units*

Entries coloured blue indicate positional change from last month.

Albany
Bundaberg
Burnie/Devonport
Mildura

Mount Gambier
Shepparton
South West WA
Sydney

Tamworth
Toowoomba

Brisbane
Ipswich
Port Hedland

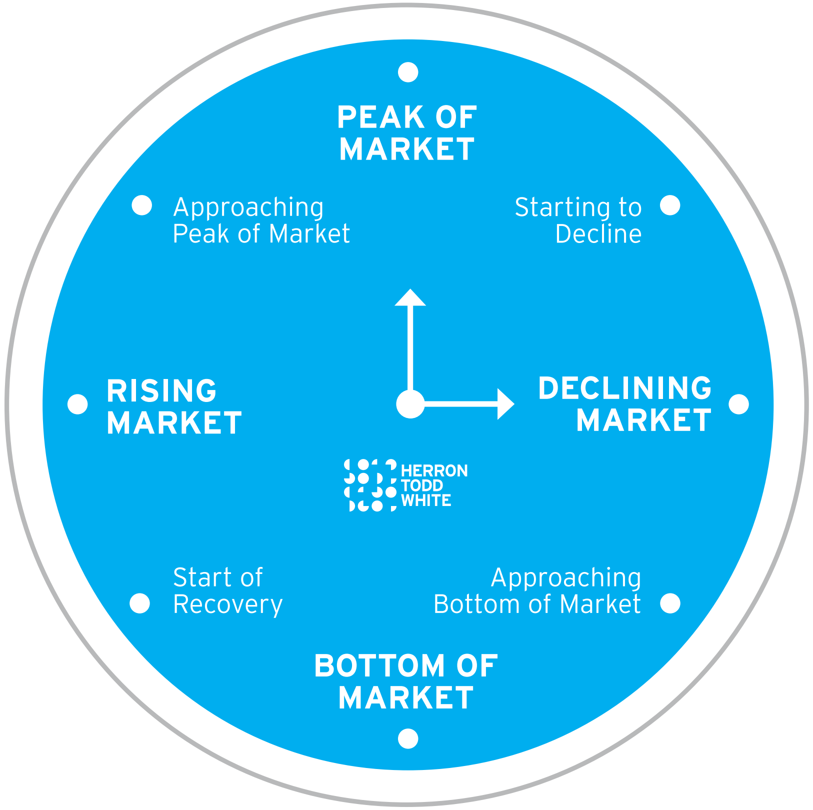
Sunshine Coast
Whitsunday

Alice Springs
Bathurst
Launceston

Adelaide
Adelaide Hills
Barossa Valley
Broome
Cairns
Darwin
Dubbo

Emerald
Esperance
Fraser Coast
Geraldton
Gladstone
Gold Coast
Kalgoorlie

Karratha
Mackay
Perth
Rockhampton
Townsville



Canberra
Melbourne
Port Macquarie

Albury
Central Coast
Illawarra

Newcastle
Wodonga

Ballina/Byron Bay
Coffs Harbour
Geelong

Hobart
Lismore
Southern Highlands

RESIDENTIAL

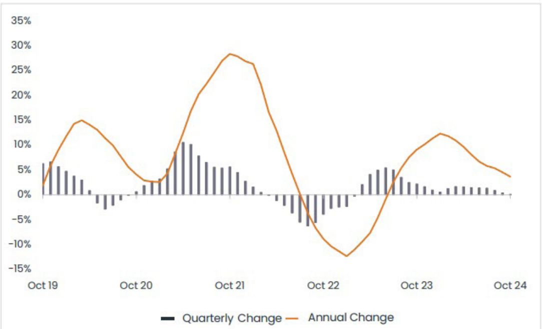
HERRON TODD WHITE

New South Wales - Residential 2024

Sydney

The 2024 year has been one of frustration for many property owners as inflation took longer to get under control, and multiple predicted interest rate cuts in the second half of the year never eventuated.

The expectation by many of a reduction to the cash rate from as early as June saw a slight bump to dwelling prices across Sydney to start 2024, although as this expectation waned, so too did the market as prices flattened and began to soften for some price points and for secondary properties. By spring, an increase in overall listings to the market, along with the abandonment of any hope of a pre-Christmas rate cut, meant that the majority of locations and price points were experiencing softening prices. In October, CoreLogic recorded the first monthly value decline in Sydney dwelling prices since January 2023.



Sydney Housing Cycle Source: CoreLogic

Our prediction at the start of the year was for the market to soften more quickly followed by a return to increasing prices in the latter part of the year should predicted interest rate cuts eventuate. The slight surge at the start of the year has effectively pushed this all back, and it now may not be until after the next federal election that we see movement in the cash rate and property market conditions beginning to improve again.

There has been a clearer softening of prices across all price points in the latter stages of the year.

Also somewhat surprisingly, data showed that investor financing, as a percentage of new financing, increased in New South Wales throughout 2024 to 44 per cent according to CoreLogic, which was above the national average of 38.3 per cent. At a time when interest rates remained high, alternatives such as the share market were performing strongly, and there was continued speculation around tax changes, it would normally be expected that investor rates would fall. In fact, in some parts of Sydney, agents are telling us that investors have not been as active as they have in previous years, somewhat in opposition to this loan data.

Eastern Suburbs

The Eastern Suburbs housing market saw some growth during the first part of the year on the back of expectations of cuts to the RBA cash rate in the second half of the year. By the mid-point of 2024, although inflation growth had continued to moderate, it was becoming clearer that an interest rate cut was not going to eventuate until at least late year, or more likely in 2025.

Throughout the second half of the year, we noticed softening market conditions, a reduction in sales activity relative to previous years, increasing selling periods, and stagnant or slightly reduced price points, with premium properties performing slightly better.

There has been a clearer softening of prices across all price points in the latter stages of the year. As stated above, we noticed that premium properties (for each property type and category) still attained a premium result, however average dwellings and unit median prices have reduced with vacancy rates increasing overall.

Duplex sites in most average areas have seen declining prices in recent months, as sustained high construction costs and acquisition costs of land increasing over the previous one to two years have taken a toll.

After an unprecedented growth in the Sydney rental market, recent reforms included the New South Wales parliament passing a bill to end no-grounds evictions, which came on the back of new rules that will limit rent increases to once every 12 months.

These changes have coincided with a shift in rental market conditions that helped slow the pace of once unrelenting rental increases, with rent prices actually declining in some areas.

RESIDENTIAL

HERRON TODD WHITE

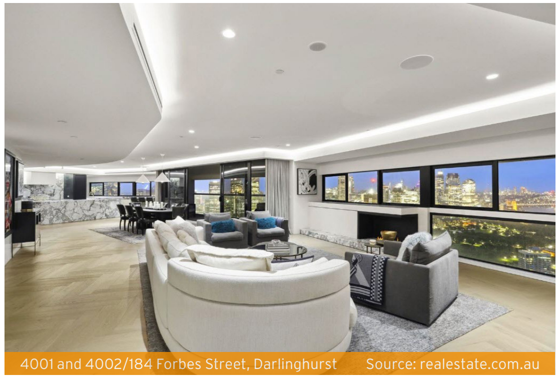
Another interesting note would be the moderate increase in vacancy rates within medium rise to highrise unit complexes. With economic pressures sustained on owners and investors and a high supply of units in particular areas, we have seen a reduction in price points. An interesting space to watch as the highrise-dense unit market is going to continue to suffer with state government plans focused more on the supply of this product to achieve its new housing targets. Boutique lowrise unit complexes may continue to see growing demand with a relatively more limited supply around Sydney.

In the prestige part of the market, as reported in our November edition, market activity eased considerably throughout 2024, which led to flattening prestige prices as the year progressed, with some price declines noted in the latter stages of the year, particularly in the $5 million to $10 million space. The trophy home market has continued to bubble along, although with far fewer sales than last year, highlighted by the reported $130 million sale in Point Piper and $80 million sale in Bellevue Hill.

In February we outlined two notable prestige listings we were keeping an eye on this year. The first was 142 Wolseley Road, Point Piper, known as Notrella. The large home, on slightly less than 1,000 square metres of non-waterfront land, but with very good harbour views towards Sydney Heads, sold in March for $51.5 million through Ken Jacobs of Forbes Global Properties.

142 Wolseley Road, Point Piper — Source: realestate.com.au

The other property was a large amalgamated unit, comprising the entire 40th floor of the Horizon complex in Darlinghurst. The large five-bedroom, five-bathroom, eight-car space unit, initially listed through another agency, transacted in September through David Malouf of Highland Property for a reported price of around $30 million, slightly below the initial asking price of $32 million.

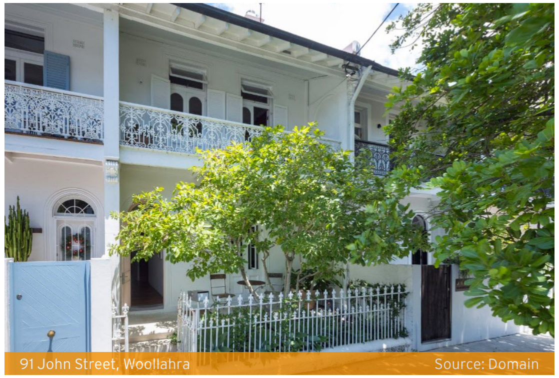


4001 and 4002/184 Forbes Street, Darlinghurst — Source: realestate.com.au

Inner Sydney

At the start of 2024 we noted that the relatively high inner Sydney median prices make the property market in the area more sensitive to interest rate uncertainty, stating that this speculation was set to lead the market in 2024. As it turns out, the market was indeed driven by interest rate uncertainty, as with each time the rate cut was pushed forward, the market entered a comparatively quiet phase for a month or two. This is currently being experienced across most market segments in the area with many agents advising they are having to adjust guide prices or remove listings for now with the intent to try again in the new year.

With CoreLogic reporting Sydney's metropolitan annual growth to be 3.7 per cent at the time of writing, October marked the first month of negative growth, albeit 0.1 per cent, indicating the market may be pausing for breath. Woollahra in the city's inner east posted an annual 4.1 per cent drop (to Quarter 3) in its median house price as per Domain, to a mere $4.075 million. The weakening market here is highlighted by listings such as 91 John Street, which previously sold for $9.25 million in February 2024 and has now been re-listed for sale, languishing on the market for 112 days (as at the time of writing).



91 John Street, Woollahra — Source: Domain

The trophy home market has continued to bubble along, although with far fewer sales than last year, highlighted by the reported $130 million sale in Point Piper and $80 million sale in Bellevue Hill.

RESIDENTIAL

Units have not been immune either, with the median unit price of popular investor locations such as Potts Point and Darlinghurst also dropping 7.6 per cent and 6.6 per cent respectively from the start of the year to the end of Quarter 3. As noted at the start of the year, good buying opportunities are present within this market segment, such as 203/37 Bayswater Road, Potts Point, a studio style unit currently listed for sale for 143 days (as per Pricefinder at the time of writing) asking $750,000 to $800,000. This property originally sold off the plan for $830,000 in 2016 with CoreLogic indicating it was rented in August 2024 for $750 per week.

203/37 Bayswater Road, Potts Point Source: PriceFinder

It is important to remember that all parts of the city and market segments operate differently, with good news stories around as well. Suburbs such as Centennial Park posted a median unit price increase of 25.5 per cent and Rushcutters Bay (neighbouring Potts Point) showed a 33.1 per cent increase in its median unit price. It's worth noting that all inner city suburbs are comparatively small and therefore a handful of high value sales can skew their statistics. Whilst we predicted that interest rates would bite this year, it has been surprising just how strongly impacted some parts of the inner city have been, whilst others have remained unscathed.

North Shore

Sydney's North Shore residential market played out mostly as expected throughout 2024 although as always, there have been a few surprises along the way. In general, prices have remained relatively steady across most price points, with secondary properties and those on main roads or requiring major works remaining the softest sector of the market.

The biggest oversight from our predictions at the start of the year was the expectation that interest rates would be cut in the latter half of 2024. This expectation was based on the advice of highly regarded economists and is further proof that the property market can be very difficult to predict at times, influenced by multiple external factors out of one person's control.

The stagnating interest rates appear to have put the North Shore market in somewhat of a holding pattern, with sellers more likely to hold their properties until we see a shift in buyer sentiment, most likely only resulting from an interest rate cut.

One sector of the market which we have mentioned multiple times in previous editions throughout the year is the new build product. These types of properties have been in very high demand, initially driven by skyrocketing construction costs and supply issues, resulting in owners not wanting to take on the risk of building themselves or renovating their own homes. The strong demand and low supply of such properties drove prices extremely high with record prices being set on a consistent basis, especially in the suburbs of St Ives and Turramurra.

In the past few months however, with supply dramatically increasing and construction costs stabilising, this sector has finally cooled. We have seen multiple new build properties being pulled from the market after not meeting sale price expectations, likely to be re-listed when the market shows signs of improvement. This cycle of course leads to increased supply levels with many of these projects currently ongoing and likely to be completed in the early part of 2025.

A typical new build property in St Ives Source: Domain

One influencer on the market this year has been the New South Wales government's implementation of new planning controls, Transport Oriented Development, part of the state government's plan for increased supply in housing. Enacted on 13 May 2024 Transport Oriented Development planning controls apply to all residentially zoned land within 400 metres of nominated railway corridors, with far greater allowances for development of these sites.

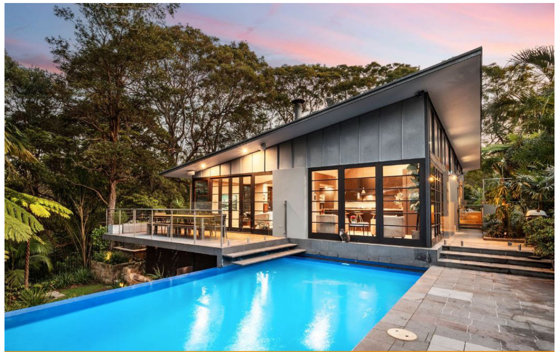
Most significantly impacted on the North Shore is the Ku-ring-gai Council area, with highly regarded, low density suburbs impacted. Properties within 400 metres of Roseville, Lindfield, Killara and Gordon railway stations are subject to the new planning controls and this is expected to dramatically change the area over time.

There has been very little evidence to date of such properties selling in isolation to developers, who generally need to acquire larger or

It appears buyers in this segment are exercising greater caution, likely influenced by broader economic uncertainty, increased living costs and the continued high costs of borrowing.

amalgamated sites to increase their profitability and mitigate their risk. It will certainly be interesting to see how the market reacts in 2025 as people gain a greater understanding of the reforms and the impact it may have on the value of their properties.

The family-focused market of Lane Cove enjoyed steady growth throughout 2024, with strong demand, driven by its reputation for excellent schools and village-style amenities. Detached homes remained particularly sought-after, as evidenced by the sale of 12 Delta Road for $5.4 million in September 2024. This represented a significant 35 per cent value increase from its previous sale price of $4 million in 2019.



12 Delta Place, Lane Cove — Source: realestate.com.au

While growth was steady throughout the year, competition for well-located properties helped maintain high median prices, making it a desirable area for family-oriented buyers.

In Hunters Hill and Putney, there were more mixed results. Some areas, particularly in the high-end market, faced challenges in the latter half of 2024. For instance, 111 Charles Street, Putney, a near new luxury home, sold for $5.545 million in September 2024 after being purchased for $5.51 million in August 2023. Factoring in transaction costs, the minimal price growth reflected a cooling trend in parts of the market.

111 Charles Street, Putney — Source: realestate.com.au

It appears buyers in this segment are exercising greater caution, likely influenced by broader economic uncertainty, increased living costs and the continued high costs of borrowing.

In the prestige market, we have also seen a stabilisation of prices and a decrease in the number of properties being sold. We discussed the volume of sales over the $10 million mark on the North Shore in 2024 in our November edition. Updating our figures, on the Lower North Shore there have now been 41 sales over $10 million to this point in 2024. For the entirety of 2023 there were 66 sales over $10 million, and although this includes a full 12 months, it shows how sale volumes have reduced. On the Upper North Shore, there have been seven recorded sales over $10 million so far in 2024, in comparison to nine sales over $10 million for the entirety of 2023.

In the first edition of the Month in Review this year, we discussed two noteworthy properties which were expected to break suburb records. Redleaf, located in the Upper North Shore suburb of Wahroonga, had a reported price guide of $17 million to $18 million, as per The Sydney Morning Herald, although this property does not appear to have been sold.

Similarly, we discussed a property on Coolawin Road in the suburb of Northbridge which was expected to sell at the high end of the $20 million range as per The Sydney Morning Herald. There is no evidence of this property having yet sold and it appears to still be advertised for sale.

Although we didn't see these expected record-breaking sales in 2024, we did see the record broken in Mosman, considered the barometer of the Lower North Shore prestige market. The property on Bradleys Head Road, known as Kia Lama, has reportedly broken the $40 million mark, evidence that demand for high quality, landmark properties, is still strong in the high-end prestige sector.

Mosman record sale - Kia Lama — Source: Domain

Overall, we can say that 2024 was a far more subdued year for prestige property on the North Shore of Sydney. As the year comes to an end and new listings are halted, we look forward to researching and reporting on any new and exciting prestige listings in our first edition of 2025.

Northern Beaches

The Northern Beaches market performance was generally in alignment with the broader Sydney area, demonstrating initial strength and steady growth in the first two quarters of 2024. Seaforth, for instance, achieved a 4.3 per cent increase in dwelling values, whilst Manly recorded a 7.7 per cent growth in unit values over the past year (source: realestate.com.au).

This growth occurred predominantly in the first half of the year as buyers maintained a strong sense of optimism about interest rate movement and stock levels remained low. However, as it became apparent that interest rates were holding and more inventory became available, market conditions softened in the latter part of 2024, marking a transition from a seller's market to a buyer's market.

Our prediction of mild growth throughout 2024 has largely proven accurate. Owner-occupier suburbs, especially at the southern end of the Northern Beaches (Seaforth and North Balgowlah), thrived. Investors returned, motivated by stronger rental yields, further enhancing market activity. While we were hopeful of a lowering of interest rates in 2024, this expectation turned out to be overly optimistic.

We are observing noticeable challenges in the prestige market, which has previously remained somewhat insulated from downturns. This trend is particularly visible at the northern end of the peninsula, covering areas like Clareville, Palm Beach, and Whale Beach. For example, a property at 2 Pacific Road, Palm Beach that sold for $5.3 million in February 2022 recently resold for $4.8 million in October 2024, whilst a number of properties currently listed have revised their price guides sharply.

2 Pacific Road, Palm Beach Source: CoreLogic

Of further interest, development activity has seen a significant decline, down 28 per cent from Quarter 1, 2023, which had already dropped by 18 per cent from Quarter 1, 2022. This ongoing shortage is driving strong demand for newly built or fully renovated homes due to limited available stock.

Quarterly Development Activity Report Source: Northern Beaches Council

Inner West

The Sydney inner west residential property market experienced a modest level of capital growth throughout 2024. This growth was mainly observed in single Torrens Title dwellings, which in most suburbs of the inner west have been under supplied. However secondary properties situated in less desired locations near busy roads or railway lines have struggled to sell, and the properties which have sold have done so at a nominal to modest level of capital growth throughout 2024.

In regard to strata property, areas such as Homebush West, Strathfield and Burwood with higher density apartment buildings have also seen modest to nominal levels of capital growth in apartment sales. However, the three-bedroom apartment market across the inner west has performed stronger than most strata markets. This may be due to an increase in demand for these properties from first homebuyers and younger families who have been priced out of the townhouse and Torrens Title markets.

Surprisingly, 2024 played out similarly to our predictions. Although it has been an unpredictable time post COVID-19, the market predictably slowed given the higher interest rate environment. The constant supply issues affecting the inner west have kept capital values at a somewhat consistent level, with highly sought after and tightly held properties continuing to perform well throughout the year. The apartment market also performed similarly to our predictions, with areas with higher density buildings experiencing nominal to modest growth.

A surprising development was the number of dwelling sales above $6 million throughout the year in the inner west suburb of Strathfield. CoreLogic recorded 25 sales of Torrens Title houses above $6 million in Strathfield during 2024. In comparison, 2023 saw 17 sales above the $6 million mark and 2022 saw just nine sales above $6 million.

The highest sale recorded in Strathfield during the year for a single use dwelling was the $12.25 million sale of 7 Newton Road, Strathfield. The property was constructed circa 2010 and comprises a 1423 square metre land allotment. The dwelling accommodates six bedrooms and six bathrooms with an approximate living area of 515 square metres and a basement level of approximately 315 square metres.

7 Newton Road, Strathfield Source: Domain

Overall the inner west residential property market has seen mixed results throughout 2024. The general market has felt the pressures of a high-interest rate environment, whilst having a limited number of properties on the market for sale. It will be interesting to see whether the market can be resilient to the challenges of 2025 or if there will be a downturn in capital values.

Southern Sydney

Although interest rates remained stable throughout 2024, the investor market has been reducing with potential buyers instead deciding to either invest in other asset classes or hold off until the RBA decreases interest rates. Sustained high interest rates, a strongly performing share market, and continued uncertainty around the speculation of negative gearing and capital gains tax changes have impacted investor activity. Local agents in southern Sydney have advised of a shift throughout 2024, with the majority of buyers being either first homebuyers or local upsizers and downsizers.

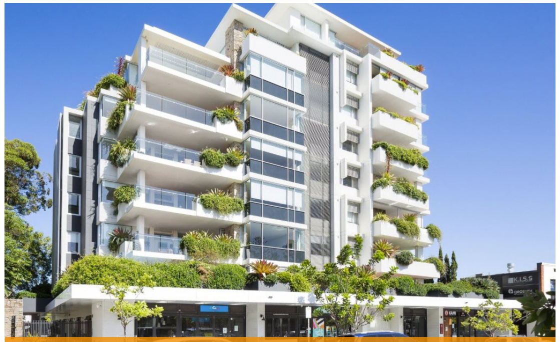
The trend towards small development sites suitable for a duplex pair or a triplex has slowly deceased over the past 12 months with developers pulling away from purchasing these sites. There is a trend towards upsizers looking to purchase and hold these properties and continue to use the sites as single-family homes.

First homebuyers are currently the most active at the lower end of the sub $1.5 million market. While FHBs have been increasingly active at this price point, we haven't necessarily seen a notable shift in values which could largely be due to the investor market slowing at this price point.

The mid-section of the property market ($1.5 million to $2.5 million) appears the most active within the southern suburbs. This is highly driven by upsizers and downsizers with limited investor buyers. Although this area of the market has had the most activity in 2024, buyers are still hesitant, which in turn has continued to stabilise sale prices.

The higher end of the market over $3 million is the overall highest performing area within the southern suburbs. This price point is less influenced by interest rate increases or investors in the market. Properties that are recently built or renovated have continued to outperform those requiring renovation.

The sale at 303/19-21 Gerrale Street, Cronulla in November is an example of the upper end of the market. The 2001 built, three-bedroom, two-bathroom apartment with double garage and large terrace achieved a sale price of $3.8 million (previously sold April 2022 for $3 million).



303/19-21 Gerrale Street, Cronulla Source: Domain

Construction activity remains robust in the 2230 postcode area, which incorporates Cronulla, particularly in duplexes and multilevel buildings, driven by sustained downsizer demand and the council's investment in enhancing public spaces, including Cronulla Mall.

2024 was predicted to have at least one interest rate decrease and market growth was expected once the RBA began cutting rates. However, as the year progressed, stubborn inflation data continued to push the prospects of a cut further back, and finally into 2025. As a result some early property price increases in the first few months of the year had petered out by mid-year, with some declines noticeable in the second half of the year.

Investors tend to be active in suburbs with strong rental demand and potential for growth. These locations often have amenities such as good schools, transportation links and employment opportunities. Price points and rental yields vary widely depending on factors including location, property condition, and market dynamics. For detached housing, price points can range from moderate to high, with rental yields typically ranging from three to six per cent, though this can vary significantly based on property type and local market conditions.

Apartment rentals in densely populated areas continue to yield relatively high returns, with Kogarah sitting at an average gross yield of around 4.5 per cent while Wolli Creek has an average gross yield of around 5.5 per cent according to SQM Research.

Western Sydney

After a stronger start to the year, conditions are beginning to ease as the Western Sydney property market is transitioning to a buyer's market. More listings are available, local agents are needing to work harder to get results and buyers are playing it cool and feel no need to rush or make excessive offers.

Stock wise, we might be seeing a two-speed market with the haves and have-nots. The haves are higher quality properties that tick every box and don't need any money spent and they are still attracting buyers, however, the have-nots are poorly located properties in need of repair or homogeneous investor grade units that are showing signs of age. Agents are noting these properties are much harder to sell and vendors need to reduce their prices in order to meet the market.

The biggest surprise is the resilience of some markets despite the mounting cost of living pressure. Well-located, well-maintained family homes in established suburbs have outperformed newer subdivisions given the influx of stock.

An example would be the North Kellyville dwelling median dropping one per cent over the past 12 months back to $1.7 million, however the established next-door suburb of Beaumont Hills recorded a 3.1 per cent uplift over the past 12

Well-located, well-maintained family homes in established suburbs have outperformed newer subdivisions given the influx of stock.

months with a median of $1.825 million according to realestate.com.au.

Throughout the year we have seen some price points performing better than others as well as some suburbs performing better than others. Realestate.com.au reveals Winston Hills recorded 13 per cent median growth over the past 12 months for dwellings with a current median price of $1.616 million. Further west, Blacktown recorded 10.7 per cent median growth over the past 12 months for dwellings, with a current median price of $1.01 million, and at the foot of the mountains in Penrith, the median value has risen only 5.8 per cent in the past 12 months with a current median price of $915,000.

Whilst the median growth has been positive, the heat has come out of these markets in the past couple of months and may continue to weaken in the coming months over Christmas and into the new year.

Units are not performing as well as houses. In Blacktown the past 12 months has seen a fall of 2.4 per cent for units with a current median of $510,000. We also note that this median price is the same as the 12 months to December 2022.

Penrith saw a 2.4 per cent uplift in unit median prices over the past 12 months with a current median price of $542,500. This median price is slightly up from the 12 months to December 2022 median of $535,000.

A sale of note was 108 Eaton Road, West Pennant Hills, which recently sold via local agents Louis Carr for $4.73 million, which is considered a strong result for that pocket. A circa 2008 build with a newly renovated kitchen and a high level of inclusions, this six-bedroom, four-bathroom dwelling with a triple garage ticks every box and includes a large alfresco area and modern inground pool. Quality family homes like this are always sought after and the strong result shows that not every sector of the market is cooling.

108 Eaton Road, West Pennant Hills Source: realestate.com.au

On the other end of the scale is a recent sale of a one-bedroom unit at 523/1F Broughton Street, Parramatta. This unit sold through local agents McGrath Parramatta for $503,000. This one-bedroom unit is in a 2018 built development and features a modern interior, split system air conditioning, study nook, a small balcony and a single car space. The sale at $503,000 represents good buying and the entry level in the area for a modern one-bedroom unit. However looking further into the data, you'll notice it sold for $523,000 off the plan in September 2015 resulting in a $20,000 loss over nine years.

523/1F Broughton Street, Parramatta Source: realestate.com.au

South Western Sydney
In the south-west, our 2024 predictions were:

1. A broad market softening, however good quality owner-occupied family neighbourhoods would be the best performing markets.
2. Sub $1 million markets, particularly in the Campbelltown LGA, will offer great value for money opportunities
3. The rural lifestyle market will continue to perform well due to a lack of supply.
4. Greenfield unit developments such as Oran Park and Ed Square will outperform traditional unit markets of Liverpool, Fairfield and Campbelltown.

As the festive season rolls around this year, we take a look back at what has happened in the South West property market over 2024 and three words come to mind: affordability, demand and resilience. The broader market outperformed expectations with the cost of living and interest rates only finally succeeding in softening the market in the last quarter of the year.

The sub $1 million market has seen the largest increase in median values, with affordability, strong rents and competing interests from first homebuyers and investors driving selling periods down and price values up. As reported by realestate.com.au:

- Airds has recorded a 15 per cent median house growth over the past 12 months;
- Rosemeadow has seen a 20.6 per cent median house growth over the past 12 months;
- Ruse has seen an 8.2 per cent median house growth over the past 12 months.

The unit market performed as expected with greenfield unit developments outperforming traditional unit markets of Liverpool, Fairfield and Campbelltown. The continued performance of greenfield developments such as Oran Park and Ed Square is due to the growing demand for community living within existing vibrant communities with proximity to modern amenities at the top of the wish list.

In contrast, the traditional unit markets around Liverpool and Campbelltown have continued to struggle due to oversupply, lack of new infrastructure, lack of nearby employment opportunities and decreased confidence due to well-known building issues in medium to high-rise developments. As reported by realestate.com.au:

- Liverpool has recorded a 2.1 per cent median unit growth over the past 12 months;
- Fairfield has recorded a 3.3 per cent median unit growth over the past 12 months;
- Edmondson Park has recorded a 15.4 per cent median unit growth over the past 12 months.

The $1 million to $2 million market which is predominantly made up of families was the market most affected by interest rates and cost of living pressures. Agents experienced longer selling periods and limited growth in some markets. Available finances impacted this market where purchasers were tentative in making decisions and very price sensitive.

As expected, the better-quality homes that required no maintenance were typically more favoured. It does come as a surprise that realestate.com.au reports that the LGAs of Camden and Liverpool appear to have been outperformed by the Fairfield LGA in this price bracket, however we consider the supply of land in the later LGAs has had a greater impact on subduing price growth.

- Edmondson Park has recorded a 0.7 per cent median house growth over the past 12 months;
- Oran Park has recorded a four per cent median house growth over the past 12 months;
- Middleton Grange has recorded a 7.3 per cent median house growth over the past 12 months;
- Harrington Park has recorded a -1.5 per cent median house growth over the past 12 months;
- Wetherill Park has recorded a 13.8 per cent median house growth over the past 12 months;
- Edensor Park has recorded an 11.1 per cent median house growth over the past 12 months.

The $2 million-plus market statistically is difficult to report on as these pockets generally fall within larger suburbs and are very slow to transact as they are tightly held. From our interactions with agents we know this market continues to have strong demand. Buyers in this market tend to be less influenced by interest rate increases, while door knocking and agents approaching home owners with potential off-market buyers for their properties is commonplace in areas such as Kirkham, Ellis Lane and Cecil Hills.

It's report card time! As a score card for our predictions versus what played out, we give ourselves an easy pass mark. The overall resilience of the market was the most surprising feature of 2024. In the early months of 2024, media hype really painted a doom as gloom picture but our valuers with boots on the ground were reporting generally a more positive outlook which required us to rethink our market commentary and overall take on the market.

Shaun Thomas
Director

Illawarra

The residential market in the Illawarra has overall been reasonably steady for the year which is a nice change from preceding years of growth and correction.

While some areas' products, such as detached housing and new units, have seen very minor month-on-month price increases at times during the year, the overall trend has been a stable market. We are aware that buyer urgency has tempered with multiple inspections of a property often being undertaken before an offer is made. That said, there has still been evidence out there that the right property can still demand a strong sale price.

The most notable of sales this year has been of a Tasman Street property in Thirroul which sold in May for $8.1 million. Other very strong results include $6.3 million for a house on The Promontory Drive, Shell Cove and $7 million for a Jamberoo acreage.

Chris McKenna
Region Director

Lismore / Casino / Kyogle

As the caravan of three stood perplexed at the border of 2024 and 2025, a mysterious shadow rushed to meet them from the other side and exclaimed,

"What business does a first homebuyer, investor and an upgrader have in this place? Speak quickly I say, for I have no time to tarry and sigh at your tiresome whims!"

One of them bristled... "Tell me your Title mysterious one and I give you mine!"

"It is my burden to know all who journey here... for I am...The Market."

Shuffling nervously, the caravan spoke in unison, "We arrived here on the strength of a wish...but alas, our destinies did not align with reality."

Before vanishing in a wisp, The Market quipped, "Forget about your yesterdays; what you seek lies in front of you. As does what you fear. Farewell intrepid proprietors, I have raw data to analyze and algorithms to calculate. The only final counsel I bear is,

"Be wary of a wish but rather be hungry for hope... maybe then your property adventures will become dope."

It was around this time last year that there were muted conversations about the possibility of interest rate cuts by mid to late 2024. However, that "wish" has not come to pass, particular thanks given to the pesky strength of inflation being above the elusive two to three per cent RBA target for that. And now the economic experts are hinting that interest rate reductions may begin early 2025... time will tell!

As expected, the residential property market for Lismore, Casino and Kyogle in 2024 experienced a softening in sales activity and general downward pressure on prices. Well-established rural residential properties and large rural lifestyle properties within the wider regional context seemed to have held their own and proven to be somewhat more resilient.

Vacant residential lots within Lismore City, particularly in the suburb of Goonellabah where most of the vacant land sales activity occurs, have continued to grapple with the influence of increasing building costs thereby leading to ongoing price adjustments for land. With the reasonable supply of land available to the market, this is likely to continue for the foreseeable future, unless the "wish" of construction cost reduction materializes.

It's a little bit different in Casino and Kyogle as the price levels for vacant residential lots are significantly lower. The ceiling price for a standard residential lot is around $225,000 to $250,000 compared to $400,000 to $450,000 in Lismore City, so the market for new build development has remained relatively steady. Their problem is going to be an issue of supply in the mid to long term.

Properties in the $1 million price plus bracket in Lismore City suburbs struggled, as expected, apart from one or two outliers. But these outliers really did have something special in terms of excellent condition, panoramic vistas and all the bells and whistles.

Not a surprise, but rather a curious observation - the number of former flood-impacted homes and now fully renovated residencies entered the market in greater numbers and offered potential purchasers the choice to snap up a near new home for around $450,00 to $550,000. One would

In summary, the expectations of vendors (and agents) have adjusted robustly in light of the overall inflationary conditions.

think that to buy again in these areas that were catastrophically damaged by the late February 2022 flood event would be folly.

However, many appear to be willing to take a punt. As one happy homeowner said, "For the same price I could only get an old brick and tile, two-bedroom duplex unit on the hill with a single garage. Here, I have a backyard for the kids, four bedrooms, two bathrooms, basement double garage with storage and a brand new interior... it even came with a Fast & Furious door chime!"

In summary, the expectations of vendors (and agents) have adjusted robustly in light of the overall inflationary conditions. Property prices in the region have generally remained subdued (apart from the occasional outlier).

There was steady demand for rental accommodation throughout 2024 in the region BUT rental rates have pared back from their rampant tenancy renewal increases with most informed landlords now opting to adopt a holding pattern on rental rates or even slightly reduce the weekly rent in a bid to keep tenants onside.

Lastly, on the back of rumblings of the potential for interest rate cuts for 2025, there is some positivity re-entering the property scene and that is likely to encourage the fence sitters to re-engage with the market.

Vaughan Bell
Property Valuer

Byron

Although 2024 seems to have flown by like Gout Gout looking for another record to break, the Byron Bay and Byron Shire residential market seems to have been caught in its very own Groundhog Day.

At the start of the year I had suggested that 2024 would be one of "relative stability" following on from preceding years of extreme volatility and to a large extent, the market pretty much followed the script. The value of residential property has not made a significant move either way. Not surprising really, when you consider that interest rates have been stable all year. The only real disappointment of the year was the resolve of the Reserve Bank to hold fast on the official cash rate. (You will have to look at the next Month in Review issue to hear my thoughts on that.) What is a little surprising is that the stable interest rate environment may have given some buyers confidence to make their move with the expectation that the next rate change will be down.

The data suggests that from a volume point of view, 2024 was an improvement on the preceding years and a return to the sales numbers pre-interest rate rise:

- 2020 - 199 House and unit sales in Byron Bay (low interest rates)
- 2021 - 178 House and Unit sales in Byron Bay (low interest rates)
- 2022 - 123 House and unit sales in Byron Bay (rising interest rates)
- 2023 - 129 House and unit sales in Byron Bay (rising interest rates)
- 2024 - 165 House and unit sales in Byron Bay (stable interest rates)

Keep in mind that 2024 is not yet complete and a few more sales may trickle in between now and the end of the year.

So it hasn't been all bad news for Byron Bay and the shire more broadly. While value levels have not returned to the peak of the market, buyers are still around and transactions are still taking place.

Mark Lackey
Property Valuer

Clarence Valley

Predictions in early 2024 for the Clarence Valley were certainly proven to be accurate. We saw a climate of pause due to interest rate increases and stabilisation, all whilst the traditional steadiness of the Clarence Valley market rang true.

The Clarence Valley is made up of popular beach destinations like Yamba, more secluded beaches and river hamlets like Minnie Water and Copmanhurst as well as quality grazing and cultivation lands like Southgate. For this reason, it is hard to generalise market trends. The buyer demographic is extremely diverse.

Generally, in 2024 we saw genuine relocators and downsizers contribute to a considerable number of sales, investors offload rental properties and first homebuyers snap up entry level dwellings, units and land. However, there was a noticeable slowing in optional or superfluous renovation projects and buyers seemed more hesitant to undertake construction projects, likely due to wait times and increasing costs. It can be difficult just to get a trade quote, let alone secure a trade! On the investor front, they certainly weren't partaking in bidding wars however there were still bargains to be had. Bearing this in mind, in recent months an ever so slight uplift has been seen in the total package type properties. A house, shed and pool – no work to do!

Across the board, despite the unknowns, the Clarence Valley is established in its position as the affordable younger sister to Byron and the cheaper northern cousin to Coffs Harbour.

Caitlin Davies
Property Valuer

Coffs Harbour

It is always an interesting time looking back at the year that was and reviewing my early year predictions; suffice to say there were no surprises in 2024. As predicted and you did not need to be Nostradamus, the inflation figure has come under control with no interest rate hikes over 2024 and now the rhetoric is with the possibility of decreases in early 2025. What that meant for the market was steady as she goes; sales rates were average and there were no real price increases over the period. The realestate.com.au median house price in Coffs Harbour was $799,000 as at October 2024, whilst the same period in 2023 showed around $750,000 and in 2022 it was $815,000. This illustrates a fairly steady market.

The key aspect to the market was the affordability factor with the average wage in Coffs Harbour being about $60,000, well less than the Australian average of approximately $85,000 according to Google and it is the ability to afford a house worth $800,000 which has stalled the market. We saw the decline in investor activity over this period for the same reason – the cost of mortgage versus rental income does not add up. The migration of out-of-town money to the region also slowed back to normal levels with declining sales of the prestige market of circa $2 million plus. Given the affordability factor has been in play for the year, it is not surprising the unit market was probably the best performing in terms of sales volumes. Now summer has arrived, and consumers are fairly confident we may be seeing some of those interest rate cuts next year. We are now starting to see increased activity within the market which is positive moving forward.

Grant Oxenford
Director

Central Coast

The Central Coast property market throughout 2024 has experienced further growth in median house values with recent CoreLogic RPData records showing a 6.1 per cent growth rate change from the twelve months prior to August 2024 and a 1.1 per cent change from the three months prior to August 2024 for the Central Coast LGA. These statistics encapsulate many micro markets, with some suburbs outperforming others.

As the year progressed, we noticed a stabilisation in values with the data indicating the market is showing signs of flattening. The growth and now early signs of stabilisation in values appear to be off the back of interest rate steadiness throughout 2024. At the beginning of the year, local agents reported a boost in confidence levels in the entry level markets with first homebuyers and investors seeking opportunities, however whilst the lower end was enjoying competitive demand levels at a time when stock levels were low, the middle and prestige markets were suffering from a lack of buyer activity. This trend in the market was sustained throughout the first half of the year with only recent signs of increased demand levels in the middle market as vendors become more realistic in their asking prices.

The prestige market which encompasses properties above $3 million has been patchy with a recent increase in transactions occurring between the $3 million and $5 million price bracket across the region, however the top end of town above $5 million has remained dormant compared to previous years of success and growth.

The entry levels to the Central Coast property markets vary greatly depending on suburb. Generally speaking, entry price points for units range from $300,000 to $400,000 and for houses, $550,000 to $750,000. This market has been the better performer over the course of 2024 with values increasing throughout the region. Suburbs such as Gorokan and Toukley in the north and Umina Beach and Wyoming to the south experienced good levels of demand whilst benefitting from a lack of listings. More recently, local agents have reported an increased level of supply entering the market allowing buyers more choice and time to negotiate. There are signs the market is beginning to flatten in its median growth figures when reviewing the latest quarter's data.

As the year progressed, we noticed a stabilisation in values with the data indicating the market is showing signs of flattening.

The upgrader markets typically within the price brackets of $1 million to $2.5 million have had mixed performance results throughout 2024. Suburbs that fall within this price bracket and portrayed as upgrader markets that have seen falls in median house prices include Wamberal with a -2.9 per cent growth rate recorded over the three months prior to August 2024 and Erina recording a -11.5 per cent drop in median values fo the same time period. It is not all doom and gloom for this segment of the market with some suburbs bucking the trend. Long Jetty recorded a 16 per cent increase in median values over the 12 month period between August 2023 and August 2024 and Copacabana recorded a 6.2 per cent increase over the last three months to August 2024.

The prestige market has had a lacklustre performance throughout 2024 with limited demand for beachfront, beachside and rural lifestyle properties across the region. In the first half of the year, transactions above $5 million were scarce until the recent sales of a beachside penthouse unit in the Elysium complex at Terrigal fetching $8.5 million and a waterfront residence at Booker Bay in August for $6 million. In summary it appears buyers of prestige property above $5 million took a wait and see approach at the beginning of the year until confidence returned in the local prestige market. The prestige market on the Central Coasty heavily relies on out of area buyers, mostly from Sydney, with affordability prospects top of mind.

As we sign off for 2024, the year of 2025 brings a level of intrigue as the local property market cycle stabilises after early year market growth trends. Will inflationary pressures continue to ease and will we see the first interest rate cut since 2020? These macro factors amongst other micro factors will shape the performance of the Central Coast local property market to come.

Todd Beckman
Director

Shoalhaven

Well, another year has absolutely flown by. It is fair to say that the Shoalhaven residential property market has continued to soften during 2024. There was some optimism at the start of the year of a potential rate reduction by the Reserve Bank of Australia towards the end of the year, however this did not occur. Local agents advised of longer days on the market as the year progressed, limited or stable buyer activity and combined with an oversupply of stock in some areas, this has resulted in these softening market conditions. Let's take a quick look at the year in review for 2024 in the Shoalhaven residential property market.

Underlying inflation levels have remained stubbornly high which has resulted in no recent interest rate reduction. This, combined with cost-of-living pressures, has continued to put downward pressure on property prices in the Shoalhaven region. The upper end of the market (properties over $1 million) situated in the coastal suburbs such as Huskisson, Vincentia, Culburra Beach, Hyams Beach and Currarong seem to have been adversely affected most by these softening market conditions. Properties at the lower end of the market (circa $500,000 to $700,000) in and around the Nowra CBD in suburbs such as Bomaderry, North Nowra and South Nowra seem to have been performing the strongest.

The uncertainty surrounding the US election also seemed to have somewhat stalled prospective purchasers and, closer to home, the upcoming federal election in Australia could also place the property market on hold for a period of time. The election next year could play a significant role in how the market will perform in 2025.

At the start of the year we predicted the Shoalhaven residential market would improve, however any increase would be minimal due to cost of living pressures and the market would be largely influenced by the RBA decision regarding interest rates. No interest rate changes during 2024 resulted in the market continuing to soften.

Joshua Devitt
Associate Director

Tamworth

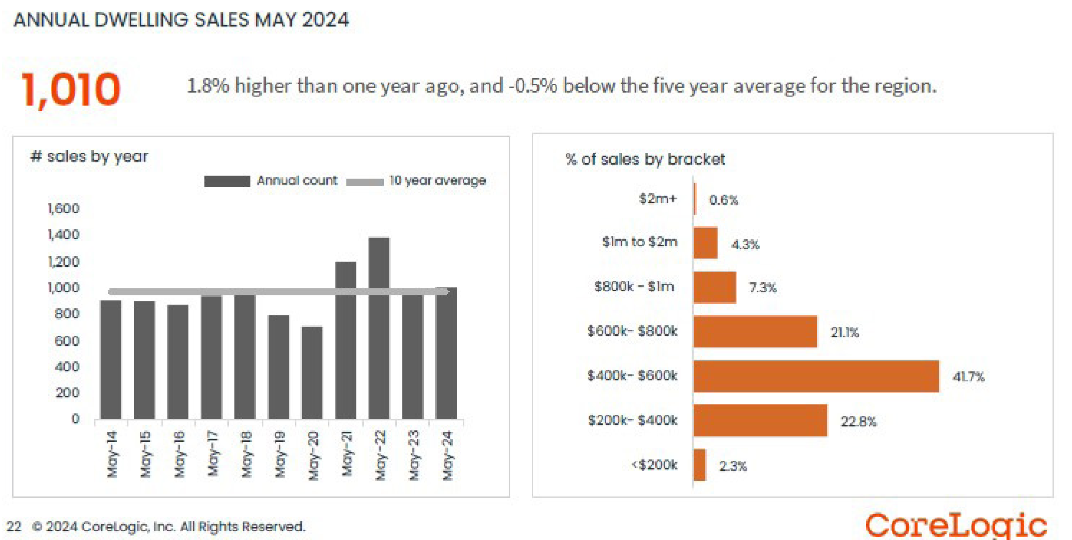
The 2024 calendar year saw a continued stable market overall in the Tamworth and New England area with Tamworth postcode 2340 showing an annual price property value increase of five per cent and an average Days On Market figure of 43 days. This has been seen as a normalisation of local residential markets. The 2024 calendar year's residential dwelling market has been well below the astronomical five-year average of 51.8 per cent (experienced primarily in the 2020 to 2022 period).

There was some optimism at the start of the year of a potential rate reduction by the Reserve Bank of Australia towards the end of the year, however this did not occur.

So why the change of pace? Our residential markets are largely influenced by the RBA cash rate and inflationary pressures which still exist. Whilst the RBA has not increased the cash rate since December 2023, Tamworth homeowners (with mortgages) have been adjusting to higher mortgage rates over the course of the calendar year. The result of this is fewer buyer participants within the local residential market.

The regional market update from CoreLogic, released August 2024, shows that the Tamworth region had 1010 residential transactions for the year to date, 1.8 per cent higher than one year ago, and 0.5 per cent below the five year average for the region. The majority of the sales were within the $400,000 to $600,000 price bracket, at 41.7 per cent of all sales recorded (see image below). This particular market segment has typically been first homeowners and investors, who until late in the year, have wanted to snap up a piece of the country music capital. The winter trading season has been slow paced with limited new listings and limited buyer demand (as is traditionally the case). The top-end residential market segment has experienced a heightened level of volatility, particularly property priced in excess of $1.2 million. This market segment is greatly influenced by vendor motivation and extended marketing periods to attract the right and qualified buyer. Sales results throughout the year for Moore Creek, East Tamworth, Hillvue and North Tamworth saw mixed results.

A very much welcome surprise has been the sales activity within the Tamworth region for dual occupancy dwellings. Very much a historically thinly traded market, investors have been snapping up both duplex pair and house and annexure developments throughout Tamworth's main suburbs including North Tamworth, Calala,



Tamworth sales activity

Source: realestate.com.au

Westdale and neighbouring Kootingal. There has been a significant number of affordable housing style dual occupancy developments being constructed in the past two years, with sales achieved reflecting a gross yield of six per cent for investors. With rental data trending in the right direction, this could be a good option as regional rental markets are expected to remain firm in the short term.

Overall, the return of stability to the region has been welcomed for the 2024 year. It was certainly a year that indicated a consolidation of household spending, with homeowners opting to renovate as opposed to testing the market and upgrading their homes. Gentle whispers from economists indicating a slight decrease in interest rates mid 2025 should give consumer confidence a nudge in the right direction. We expect another year of slow, gradual value increase in a very stable residential market. New home construction is expected to continue at a slow pace, as building costs plateau and local residential building becomes more competitive.

Nick Humphries
Property Valuer

Albury-Wodonga

2024 has seen an ever-evolving property market in the Albury-Wodonga region with higher sales volumes and stronger growth than predicted in most market sectors. We have seen a strong return of Melbourne and Sydney investors buying in our region. This was especially evident in the $400,000 to $550,000 price bracket for both established properties and new construction. Both Thurgoona and Wodonga performed well in this sector with increased demand for affordable three-bed, one-bath homes, such as the two pictured below. Sales at higher price points have continued to transact with strong results but with longer sale periods than previously experienced.

Examples of sales this year include the following two properties:

24 Daysdale Way, Thurgoona NSW 2640 sold for $490,000 in October 2024
Source: Domain

6 Jason Circuit, Wodonga sold for $470,000 in October 2024
Source: Domain

The calming of interest rates and rumours of a potential drop have contributed to the recent strong sales success across our region. This was seen earlier in 2024 than predicted.

In summary, our property market has performed stronger in most market segments than was anticipated at the start of the year. The investment market has returned stronger than anticipated. The demand for new housing has remained stable with construction costs easing and more land becoming available, especially at the lower price points.

Vanessa West
Property Valuer

HERRON TODD WHITE

Victoria - Residential 2024

Melbourne

This month we will take a look back at the overall market performance across each of Victoria's regions in 2024 and compare this against the predictions made for the year in our February edition.

Following an eventful year in 2023, the Victorian property market has seemed to settle in 2024. The predictions of prices plateauing has been seen to be mostly correct and, the RBA interest rates have had a large part to play in this. We have also seen pessimism in the investor market due to higher taxes being introduced.

Similarly to 2023, the top end of the market remained unfazed to any changes through the result of cash purchasers and a continual influx of buyers.

We will also look at any surprising trends that have disrupted the stability of this year through property types, price points and locations.

Melbourne CBD

In our February Month in Review, we predicted that rents would continue to increase and prices had two influences affecting them. The two influences were a predicted increase in price due to limited supply and there was also an expected increase in supply from investors offloading stock which would cause prices to decrease. As the end of the year approaches, we have seen a slight decrease in the median for units and apartments and we have seen an increase in median rent.

> *As mentioned in our start of year predictions, proposed higher taxes being placed on investors in Victoria would have been a driving factor in turning investors away from the apartment market.*

From Quarter 4, 2023 to Quarter 3, 2024, the median price in Melbourne's CBD has decreased by $11,000 to $509,000. The price drop can be explained by the increased supply of apartments from investors offloading stock. As mentioned in our start of year predictions, proposed higher taxes being placed on investors in Victoria would have been a driving factor in turning investors away from the apartment market. In this same time period, the median rent has increased from $600 per week to $630 per week which indicates there is still a relatively low vacancy rate. This can be explained by a shortage of the housing stock which is available for rent.

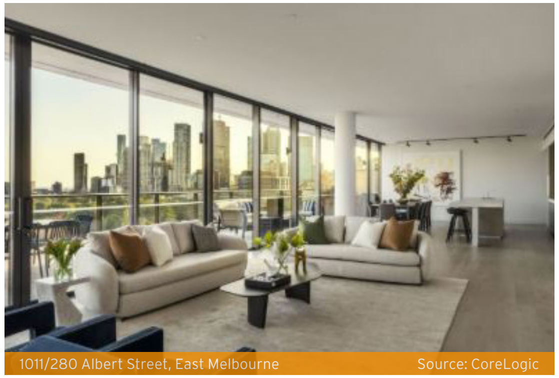
A surprising factor in the market was the slight decrease in median prices especially in the lower end properties. Some properties in the CBD have even reached rental yields of above ten per cent which is very uncommon. Generally with higher yields, investors would flock to the market to purchase properties however due to all the uncertainty in the investor market in Victoria, this did not occur.

Another surprising event in the inner-city market was a sale that occurred in May 2024 in East Melbourne. The apartment located at 1011/280 Albert Street, East Melbourne sold for $11.5 million.

Melbourne CBD median sale price Source: REIV

RESIDENTIAL

This apartment is approximately 500 square metres and boasts luxurious finishes and expansive views of Fitzroy Gardens and the CBD.



1011/280 Albert Street, East Melbourne Source: CoreLogic

1011/280 Albert Street, East Melbourne Source: CoreLogic

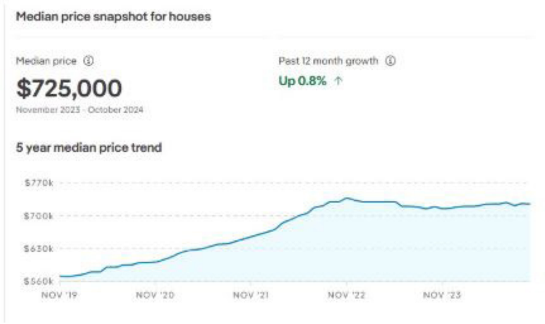
South East & Peninsula

The predictions for 2024 for the south-eastern suburbs of Melbourne were that the prices would begin to stabilise after a sharp nine per cent drop in 2023, with early signs looking to back this up.

The ongoing influx of migrants to Victoria, combined with the government's first homebuyer initiatives, have seen modest demand in developing suburbs like Clyde, Officer, and Pakenham. Government incentives, such as the first homebuyers grant, were predicted to remain highly sought after, with a continual stream of buyers flocking to outer areas like Clyde North and Officer.

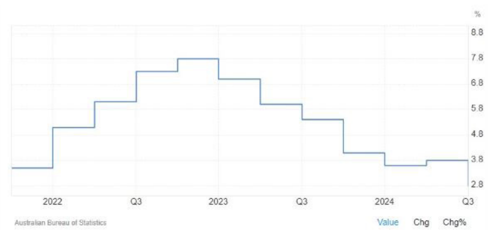
As a whole, sales were limited as prospective buyers held off hoping for long awaited interest cuts.

This has been proven correct with a negligible positive growth, but surprisingly not to the extent predicted with a consistent growth of only 0.8 per cent over the year in both Clyde North and Officer.



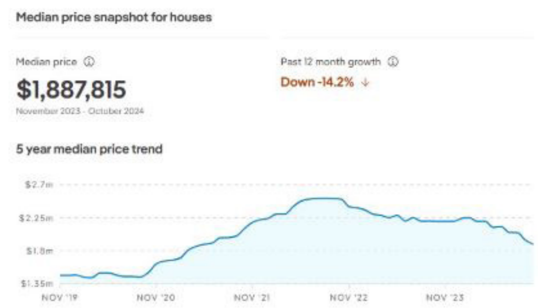
Clyde North median house price Source: realestate.com.au

Interest rates have remained stable at 4.35 per cent since January and the inflation rate has dropped by one per cent to 2.8 per cent year on year.



Australian inflation Source: Trading Economics

A surprise in the trend has been a lack of cohesion between the peninsula suburbs with varying results of growth. Sorrento and Blairgowrie decreased by 14.2 per cent and 13.3 per cent respectively while the rest of the surrounding areas have seen growth with Portsea up 10.6 per cent. The pricing inconsistencies could be due in part to the introduction of the new land tax in January 2024 and also the impact of mortgage rates not reducing, resulting in some owners selling their holiday homes.

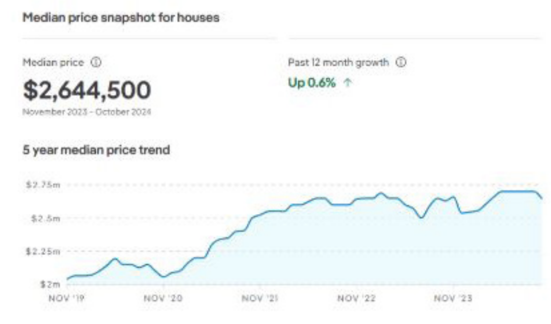


Sorrento median house pric Source: realestate.com.au

Eastern Suburbs

This year saw a range of results and performances across the eastern suburbs, with some suburbs maintaining their year-on-year growth, whilst others generally plateaued. As a whole, sales were limited as prospective buyers held off hoping for long awaited interest cuts.

The suburb of Camberwell has represented this trend well with a small growth of 0.6 per cent in the past 12 months. The suburb has yet to have seen a rise in interest or confidence, with the median house price $5,500 below where it was in June 2021.



Camberwell median house price Source: realestate.com.au

Box Hill was one suburb in particular that bucked the trend of eastern Melbourne's standstill, with the median house price rising 10.8 per cent across the past 12 months. Continued migration and China's gradual reopening is likely to have been responsible for this growth. Box Hill is very popular with the Chinese community.

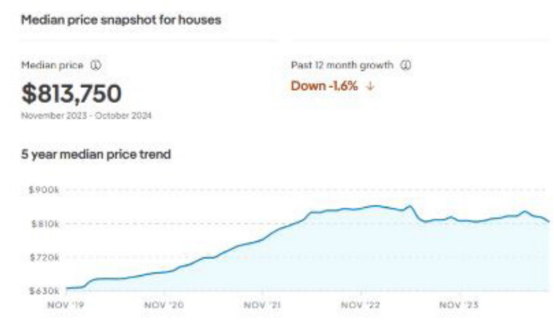
Box Hill median house price Source: realestate.com.au

In February this year, we predicted we would see stronger demand for properties in the desirable east, as inflation was slowing and interest rates were estimated to have peaked and would possibly fall, but this is yet to eventuate.

We also wrote that PropTrack data suggested that there is stronger demand for houses in the outer eastern suburbs, perhaps driven by affordability, as well as a willingness to enjoy the nearby nature reserves.

We noted that Belgrave topped the list with 28 inquiries from interested buyers for each listing, potentially leading to a climb in 2024.

Due to the various factors previously mentioned, the suburb saw a fall of 1.6 per cent, with the



Belgrave median house price Source: realestate.com.au

In an unusual trend, we have seen many investors offload their properties in a generally quiet market. One of the major reasons for this is the Victorian government's announcement of a new land tax regime in May 2023. The new tax, which came into place in January 2024, applies a flat-rate levy for property investors alongside additional taxes on landholdings. This has caused investors to look elsewhere for better opportunities that come without the tax burdens and uncertainty of Melbourne's property market.

Northern Suburbs

In the northern suburbs, there has been varied growth between the inner, middle and outer ring of suburbs. Key suburbs worth taking note of are Northcote, Preston and Mickleham. Similarly to the many other regions in metropolitan Melbourne, the northern suburbs have stagnated, with many areas even decreasing in value overall. From Quarter 4, 2023 to Quarter 3, 2024, Mickleham's median house price increased by 1.4 per cent, Preston's median house price decreased by 4.7 per cent and Northcote's median house price decreased by two per cent.

In our outlook for 2024, we anticipated steady and gradual growth in the northern suburbs due to the heightened demand for affordable properties. This was the case for the outer suburbs such as Mickleham, however inner suburbs and the middle ring suffered during this time driven by lack of affordability and weak demand.

As there was more demand for more affordable homes, it would be more logical for purchasers to look to the growth corridors. Realistically for purchasers such as first homebuyers, the only way to get into the market in the inner suburbs is by purchasing a unit. For example, the current median unit price in Northcote is $652,000 which is $39,000 less than the median house price in Mickleham.

Considering the current cost of living crisis and relatively higher interest rates, many younger families looking for a detached property would have to look to the outer suburbs as a way of entering the market.

A surprise in the market, particularly in some inner suburbs such as Northcote is how much rent has increased and how much certain properties have been rented for. For example, the property located at 18 Plant Street, Northcote was leased in July 2024 for $1700 per week; two years ago, this would have let for $1400 per week.

18 Plant Street, Northcote Source: CoreLogic

Higher rental prices indicate that there is still a desire for many people to live in sought-after suburbs. Factors such as proximity to amenities, the CBD and transport are also factors in making suburbs more attractive.

Western Suburbs

Across the western suburbs, the property market experienced a largely stagnant year, with minimal price movement across the inner, middle, and outer rings. Over the past 12 months, median house prices in key suburbs showed the following changes: Aintree declined by 1.1 per cent, Fraser Rise increased by 0.4 per cent, Truganina saw a slight rise of 0.05 per cent, Tarneit remained unchanged, and Footscray grew by one per cent (realesate.com.au). Overall, this indicates that most western suburbs experienced little to no growth in house values over the year.

Apartments in the western suburbs also saw stagnant or declining values over the past 12 months. In Footscray, where there is an ample supply of apartments, growth was limited to just 1.1 per cent. Meanwhile, the bayside suburb of Williamstown experienced a significant decline in apartment values, dropping by 16.5 per cent over the same period (realesate.com.au).

In 2024, the western suburbs saw two key surprises that have been discussed: a sharp rise in rents across the region and a surprising stagnation in property prices.

In February, we predicted that rents across the western suburbs would continue to rise in 2024 but at a stable rate compared to 2023, when some areas saw nearly 20 per cent increases. However, rents continued to climb at a rapid rate. Over the past 12 months, Footscray saw a 16.3 per cent increase in rents, with Williamstown at 15.6 per cent, Truganina at 15.1 per cent, and Maribyrnong at 18 per cent (realesate.com.au). These figures show that our predictions underestimated the pace of rental growth, as rents continue to rise sharply across the region.

We also anticipated that interest rates would decrease, leading to positive property price growth across the western suburbs. However, the cash rate remained at 4.35 per cent, which has contributed to the stagnation of property prices throughout the region .

In 2024, the western suburbs saw two key surprises that have been discussed: a sharp rise in rents across the region and a surprising stagnation in property prices. While rental rates increased rapidly, property values remained stable, with most suburbs seeing little to no growth, contrary to previous expectations.

Geelong & Bellarine Peninsula

Over the past 12 months, the median house price in the City of Greater Geelong decreased by 1.4 per cent, although areas like Newtown, Belmont, and Barwon Heads saw slight price increases. Growth occurred in suburbs with desirable amenities such as schools and parks, while areas like Corio and Norlane saw declines due to older housing and fewer amenities.

Factors contributing to the price declines include increased competition in growing suburbs like Armstrong Creek and Mount Duneed, where development has led to higher supply. Additionally, suburbs farther from the CBD or lacking key amenities became less attractive to buyers, who sought lifestyle changes in more established areas.

Newtown saw the highest growth, with a five per cent increase in median price for three-bedroom homes, now at $1.05 million. Barwon Heads and Belmont also saw increases, with median prices rising to $1.465 million, a 1.7 per cent change, and $693,000, a 1.2 per cent change, respectively.

Within the Geelong region, younger families are increasingly looking to purchase in the developing suburbs of Mount Duneed and Armstrong Creek. These areas offer new amenities and are within a reasonable distance of Geelong's CBD, making them an attractive option for families looking to grow.

At the beginning of the year, predictions indicated positive growth for coastal areas such as Anglesea and Barwon Heads, and established suburbs like Belmont. These predictions have largely held true, with Domain reporting growth for three-bedroom homes in these areas over the past 12 months, though a few suburbs did experience slight declines.

The prediction of decreased market values for growing suburbs like Charlemont, Armstrong

Creek, and Mount Duneed also proved accurate, with median house prices falling across all of these areas in the past year.

Interestingly, the tax changes, including an Airbnb tax and increased land tax, haven't steered buyers away from the coastal areas. Prices remain steady in coastal areas such as Barwon Heads and Anglesea, where many of the homes are holiday homes or investment properties.

Perron King
Director

Mildura

The Sunraysia residential property market remained fairly stable throughout 2024 which was generally in line with expectations. Data compiled by CoreLogic shows that the median house price in January 2024 was $459,964 which then peaked at $475,421 in March 2024 and remained relatively consistent for the remainder of the year with October 2024 having a median house value of $467,073. With interest rates remaining steady throughout the year and after significant value appreciations experienced throughout the region in 2021 and 2022, values were predicted to remain relatively stable in 2024 which was a similar trend as seen in 2023.

The data also shows a slight increase in the number of houses sold over the course of the year, noting that the CoreLogic data is calculated on a 12-month rolling period rather than a volume of sales per month.

At the start of 2024 we predicted that demand for vacant residential lots would likely reduce due to a combination of higher interest rates and higher building costs deterring first home buyers.

Suburb Statistics Report CoreLogic
Mildura VIC 3500

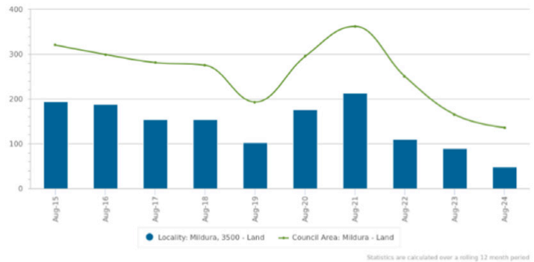
House: Median Value vs Number Sold 601 (Aug 2024)

	Median Value	Number Of Sold
Nov 2023	$452,074	579
Dec 2023	$455,620	576
Jan 2024	$459,964	578
Feb 2024	$464,510	572
Mar 2024	$475,421	562
Apr 2024	$473,606	562
May 2024	$462,050	574
Jun 2024	$464,978	579
Jul 2024	$468,559	595
Aug 2024	$462,603	601
Sep 2024	$463,475	-
Oct 2024	$467,073	-

Statistics are calculated over a rolling 12 month period

Sunraysia market activity Source: CoreLogic

Throughout the year, land values remained relatively stable however with less demand evident and a much-reduced volume of sales. We have seen a number of owners of vacant lots elect to sell their land rather than proceed with construction. To date developers have not discounted the sale price of their lots, however the lower demand has seen the volume of sales reduce, as seen in the following chart:



Vacant land activity Source: CoreLogic

The reduced new building activity is considered to have contributed to the stability in values for existing homes. Buyers have in many cases shown a preference to buy an existing, modern home, rather than build.

In the middle to latter part of 2024, local agents have reported an increase in out-of-town investor demand with some cases seeing buyers' agents acting on the investor's behalf. Investor demand appears to be driven by the higher rental returns available in the Mildura region compared to metropolitan markets. This has resulted in properties in the $400,000 to $550,000 price range experiencing increased demand with many local owner-occupiers forced to pay above the asking price in some cases to secure a home.

Jake Garraway
Valuer

We have seen a number of owners of vacant lots elect to sell their land rather than proceed with construction.

Queensland - Residential 2024

Brisbane

When you read articles about Australia's best property markets in 2024, the three centres most mentioned are invariably Brisbane, Perth and Adelaide. These cities saw relatively strong sales activity along with the best capital growth across all the major centres.

The broader south-east Queensland market has proven fairly resilient this year, despite nationwide affordability issues and higher interest rates. The Reserve Bank's response to record high inflation levels saw the cash rate raised by a total of 4.25 per cent between May 2022 and November 2023. Its current 4.35 per cent setting has remained stable even since. Add in historically low unemployment, a highly constrained rental market, the limited supply of available property and continued strong migration into our region and you can see why Brisbane's market was so robust. Sales activity increased in the later part of 2023 and continued in this vein throughout 2024, with evidence of strong auction clearance rates as well as declining days on market. As a result, values in most areas have returned to the levels experienced at the peak in early 2022, and even greater in some locations.

Detached housing markets within inner- and mid-ring suburbs have proven the strongest over the past year, with these areas characterised by the limited available stock and very firm underlying demand from both local and migrating buyers. As purchasers reassessed their lifestyle preferences following the changed working conditions and other requirements caused by COVID, lifestyle properties such as those in waterfront addresses and rural residential areas have similarly experienced firm levels of demand.

Vacant land markets in the outer and fringe suburbs have experienced strong demand due to limited land supply and increased migration. That said, the relative value between newly constructed stock and established housing remains out of kilter. The ongoing record high cost of new-build construction means that a premium is often paid for newly completed homes compared to existing dwellings, particularly those that may need some form of renovation. We do note that more recently however – on the back of rising migration levels, limited supply and increasingly expensive rental markets – relatively less expensive established stock is becoming a more attractive option in comparison to new supply.

With respect to the attached housing market throughout Brisbane, units and townhouses have experienced strong activity and demand over the past 12 months. This is due in large part to reduced supply levels. Development margins for unit development remain extremely thin because of high construction costs and longer build periods, so there have been less projects pitched at median-price-level buyers. The other driving forces have been the extremely tight rental market and affordability issues for first-time buyers. Tenants looking to exit the rental market are needing to find price-accessible housing. Similarly first-time buyers wanting to get a foothold in certain locations are having to secure affordable options. In both instances, older existing units have delivered better bang for buck. The subsequent increase in demand against tightening supply has now pushed prices up for stock that would have previously floundered in terms of capital gains.

The final quarter of 2024 started to see early signs of changing market sentiment in some segments and price points. Australian state elections and the US election caused some disruption and slowed markets – not unexpectedly of course as this has happened regularly in the past. Further, in some segments and price points (mostly inner- and mid-ring localities) we are beginning to see increased numbers of properties on the market for longer periods of time while

Detached housing markets within inner- and mid-ring suburbs have proven the strongest over the past year, with these areas characterised by the limited available stock and very firm underlying demand from both local and migrating buyers.

auction clearance rates also soften. It's possible these things are happening due to purchasers feeling the pinch of affordability pressures, compounded by the fact that expected interest rate cuts didn't eventuate this year. Anecdotally, some inner-city and mid-ring market segments and price points have been plateauing. Broadly speaking, sub-$2 million is still performing well, while $2 million to $4 million is plateauing. Properties priced above $4 million still see plenty of demand and there have been impressive transactions in that market sector this year.

Our overall take is that we're now beginning to see a disconnect between vendor and buyer expectations with regards to detached housing. Meanwhile, units and townhouse markets remain strong with off-market transactions and multiple offer scenarios on many properties.

Another observation from this year is that homebuyers appear to have been far more active than investors in Brisbane. The undersupply of property has been a big part of this but, again, the tight rental market has motivated many tenants to leave the rental market and look to purchase if they can afford to.

This has led to a rise in private sales between investors and their tenants. In many instances, the tenants will approach their landlord and see if they're open to an offer to purchase. The upsides for the tenant are they don't need to go through an expensive and timely house move or deal with competition in the buying market. They will also have established ties to an area (e.g. the kids are at the local school, and a familiar neighbourhood network). Meanwhile, many landlords have been looking to realise the capital gains they've accrued over the past few years. Selling to a tenant often means no agent's commission and

The undersupply of property and tight rental market have led to a rise in private sales between investors and their tenants.

there's no costly and inconvenient marketing and sales campaign to deal with. Landlords are also increasingly motivated to sell given legislative and tax changes that have made holding an investment property financially tougher. As such, these landlords consider it a good time to cash out. While this conversion from tenant to homeowner would be seen as desirable by many commentators, it's worth recognising that an exodus of landlords from the market can exacerbate our region's already tight vacancy rates. That's bad news for those who choose to – or need to – rent a home.

So, how did our predictions from back in February pan out now we're at the tail end of the year?

Well, we predicted that the market momentum from the end of 2023 would continue and on that we were correct. According to CoreLogic, dwelling values rose by about 15 per cent in 2023, and by around 12 per cent in 2024.

We, like many others, thought a cut in the cash rate would drive property prices even higher. Of course, those cuts didn't come, but it does make you wonder whether our real estate's values might have picked up a percentage point or two if they had.

We were bullish about the more affordable end of blue-chip and near-prime suburbs close to the CBD. By affordable, we meant anything priced below in the low $1 million at the start of the year. To that end, we did okay, but as mentioned earlier those homes are now in that price band that is beginning to plateau.

We also said back in February:

"Fringe suburbs further out should also prove solid real estate over the long term. Our very tight rental market with a current vacancy rate just below one per cent is prompting many who are or were tenants to consider buying an affordable home away from the CBD instead of renting."

So, a pat on the back for calling that correctly.

We were also right about the attached housing market, and it being driven by tenants exiting the rental market in 2024. Its strong performance mirrors our comments from the start of the year which read:

"We don't see this unit market slowing anytime soon either – especially those older properties of solid construction, with a good-size living area, smart floor plan and competent body corporate."

There was a correct prediction that townhouses as a more affordable alternative to detached housing in any given area would be a huge draw for buyers needing to get into areas on a budget.

Our forecast that there would be continued soft market conditions for homes needing renovation or rebuild proved right as well.

One area we didn't make a call on at the start of 2024 was the prestige sector. As it turns out, this price point was a strong performer. Transaction numbers were reasonably consistent compared to last year, with 86 sales in excess of $5 million this year compared to 78 sales recorded in 2023. That said, there were some outstanding prices achieved with a new Brisbane record set at 32 Sutherland Avenue, Ascot which sold for $23 million this year. Furthermore new record rates per square metre were set in the prestige apartment market.

32 Sutherland Avenue, Ascot Source: realestate.com.au

I also canvased our valuers to ask what surprised them in markets during 2024. They said suburb record prices occurred more regularly this year, particularly at the higher price point and outside of traditional prestige localities. The premiums that were paid for new construction and recently renovated homes with a high standard of finish turned more than a few heads. Put simply, those with a move-in ready home to sell were in the box seat.

Our valuers said localities where the previously price ceiling may have been $3.5 million to $4 million are now seeing a run of sales within the $5 million bracket. Suburbs such as Ashgrove, Grange, Hendra, and Coorparoo are great examples. Here are the new suburb price records achieved in some of our suburbs this year:

- 25 Sellheim Street, Grange sold for $5.1 million in January
- 59 Buena Vista Avenue, Coorparoo sold for $7.3 million in August
- 14 Goodwood Street, Hendra sold for $5.6 million in March
- 1 Goble Street, Hendra sold for $5.3 million in August
- 31 Killawarra Road, Ashgrove sold for $5.725 million in August
- 126 Buckingham Street, Ashgrove is a block that sold for $6.25 million, making a new suburb record for a vacant site.

25 Sellheim Street, Grange Source: realestate.com.au

To sign off, we'd like to extend an enormous thank you to all our clients for their support during 2024. We'd also like to wish everyone a wonderful festive season and New Year. We hope it's a memorable time for you and yours, and we look forward to assisting with all your property needs in 2025.

David Notley
Director

Gold Coast

Far Northern NSW and Southern Gold Coast

The property markets in the southern Gold Coast and far northern New South Wales areas have demonstrated remarkable resilience throughout 2024, primarily driven by strong owner-occupier demand and limited supply across most market segments. These factors, coupled with steady activity in coastal areas and attractive yields and growth prospects, have kept the region buoyant despite broader economic pressures. With supply constraints expected to persist into 2025, this robust performance appears likely to continue.

The sub-$1.1 million market segment has experienced significant growth, driven by a shortage of available stock, particularly in older units within desirable coastal locations. Prices in this segment have shown resilience, even as broader economic challenges loom. Additionally, new high-rise unit resales have recorded a strong performance, with suburbs like Coolangatta, Kirra, and Bilinga standing out as key growth areas.

In contrast, the $1.7 million to $2.5 million freehold housing market has faced a mild downturn in some areas, including Casuarina, Kingscliff, and Pottsville. Agents have reported longer selling times and reduced attendance at open homes in this price bracket, reflecting a more cautious buyer sentiment. However, the prestige market for properties above $3 million has remained stable. A lack of available stock in this upper segment has bolstered demand, maintaining price levels and overall resilience.

For buyers seeking value, suburbs slightly removed from the coastal hotspots offer compelling opportunities. Areas such as Tweed Heads West, Bilambil Heights, Banora Point, and Tweed Heads South present attractive options in the sub-$1.3 million freehold segment. These locations continue to show competitive pricing and extremely low vacancy rates, making them appealing for both owner-occupiers and investors.

In coastal pockets such as Kirra, Palm Beach and Burleigh Heads, the duplex and townhouse market has shown strong potential for growth. These areas benefit from favourable fundamentals, including steady population increases, the addition of significant infrastructure projects (such as the new Tweed Hospital in Kingscliff and the Stage 4 tram extension), and ongoing developments like the Kings Forest expansion.

Despite increasing cost-of-living pressures, the resilience of the Southern Gold Coast and Tweed Shire property markets has been remarkable. This strength underscores the region's desirability and its ability to weather economic uncertainties, making it a standout performer in the broader property landscape.

Central Gold Coast

Over the past year, property markets in Pacific Pines, Parkwood, Carrara, and Nerang have continued to strengthen. This trend appears to be largely driven by growth in entry-level properties such as townhouses, villas, and duplex units, which in turn seems to be pushing up prices for mid-tier, freestanding dwellings. The shift may stem from renters finding it more affordable to buy and pay a mortgage than to continue renting.

Meanwhile, rental price increases have started to slow or peak, although older leases are adjusting to current market levels. Agents are consistently reporting that vacant possession remains crucial for most buyers.

Demand remains strong for properties up to approximately $1.2 million, with limited stock available. Properties above this mark tend to experience longer sales periods as buyers become more selective.

The demand for vacant land is also notably high, particularly in rural residential and residential markets. For example, 9 Scullin Street, Mudgeeraba, sold at auction in July 2024 for $1.31 million, sparking discussions among agents and valuers. The property, a 4000 square metre lot with a circa 1984 dwelling in disrepair (including structural issues and termite damage), was bought by local buyers with plans to demolish the building. Although initially considered a high price, subsequent sales have validated the valuation.

9 Scullin Street, Mudgeeraba Source: Herron Todd White

Small-lot subdivision resales are also seeing strong increases from original developer sales two years ago. In the Riverina development in Nerang, a community-titled subdivision near the Nerang River and train station, original developer sales for lots of around 300 to 450 square metres are now reselling at significantly higher prices. For instance, a 305 square metre level site originally sold for $460,000 in February 2022 and resold for $550,000 in September 2024, while a 420 square metre site that initially sold for $560,000 in May 2022 resold for $695,000 in May 2024.

In Parkwood and Arundel, homes in good condition and with rear golf course frontage could be acquired for $1.3 million to $1.5 million in 2023. Today, such features are harder to secure within that price range, with dry blocks or properties lacking golf course or bush frontage now commanding similar values.

However, presentation has become a key factor for maximising sale prices. New, near new, or recently renovated homes are quickly snapped up, and even properties with cosmetic upgrades (like fresh paint and new flooring) but original kitchens and bathrooms in very good condition are achieving strong prices. An example is 4 Stonewood Court, Molendinar, currently under contract for $1.55 million. The 644 square metre property, featuring a circa 2006, partly two-level dwelling with five bedrooms, three bathrooms, a three-car garage, and a swimming pool, retains mostly original finishes but has had its flooring replaced.

4 Stonewood Court, Molendinar Source: CoreLogic

Overall, the market is stronger now than it was a year ago, which defied our expectations of a demand decrease and price drop as interest rates continued to rise. Broadbeach Waters, often considered the Gold Coast's market barometer–typically the first to rise and the first to fall–will be an interesting area to watch in the coming year.

Western Gold Coast

The rural residential and lifestyle property markets in the Scenic Rim experienced a year of mixed outcomes in 2024. The ongoing impact of interest rate hikes, which began in mid-2022, continued to affect the market, particularly in the rural residential sector. While buyer demand remained, the urgency to purchase had significantly diminished, leading to longer listing periods. The market is still adjusting to these higher interest rates and stricter lending conditions. However, some segments, especially those not reliant on finance, showed resilience, maintaining value levels throughout the year.

The rural residential market, particularly for larger properties (10 hectares and above), saw lower transaction volumes due to decreased borrowing power and tighter lending conditions. Buyers in this segment were fewer and more discerning, with properties that didn't meet specific criteria (such as size, topography, or improvements) or had unrealistic vendor expectations lingering on the market for extended periods. More recently, some properties were marketed under auction campaigns, with mixed results. Unrealistic price expectations and the absence of pre-approvals from potential buyers contributed to these extended listing periods.

Despite these challenges, well-located and well-presented properties in this market segment managed to attract significant interest, with lower-priced, high-quality rural homes still in demand. However, the prestige rural market, particularly properties priced above $4 million, experienced more volatility, with price corrections in some cases. The demand for high-end rural properties has been highly selective, with prices in this sector showing signs of softening.

Despite these challenges, well-located and well-presented properties in this market segment managed to attract significant interest, with lower-priced, high-quality rural homes still in demand.

Areas like Beaudesert and Kooralbyn demonstrated more resilience and growth, reflecting the ongoing appeal of regional hubs close to Brisbane and the Gold Coast. Beaudesert, in particular, saw a 13.89 per cent annual increase in its median house price, with homes spending just 18 days on the market. Demand remains strong in Beaudesert, especially within the $500,000 to $700,000 price range, as the area continues to attract both homebuyers and investors seeking affordable housing outside larger cities.

Kooralbyn, while still experiencing growth, saw more stability in price increases, with a 10.17 per cent annual growth rate. Homes in Kooralbyn spent a bit longer on the market (49 days), but the area remains attractive, particularly to retirees and those seeking a more rural lifestyle. The 60 to 69 years age group is the predominant demographic, and Kooralbyn continues to appeal to those looking for a peaceful, rural setting while still being within reach of urban centres.

A notable surprise this year was the role of auction campaigns in the rural and rural residential markets. Unrealistic vendor expectations led to mixed results at auctions, with agents reporting that properties were often sold to the lowest bidder, based on more favourable contract terms (such as no finance or building and pest clauses), despite higher bids on paper. Although this trend is not entirely new, it became more pronounced in 2024 as vendors struggled to align their expectations with current market conditions.

The luxury rural market also surprised many with its continued volatility, particularly for properties priced above $4 million. While there were high-value sales in unique locations with premium features, the thinly traded nature of this segment meant that certain properties struggled to find buyers, and prices softened considerably in some cases. This sector remains highly dependent on individual buyer preferences, and broader economic conditions continue to influence demand and pricing, leading to greater price fluctuations.

Overall, 2024 was a year of mixed results for the Scenic Rim region, with both the rural and prestige markets softening due to the economic impact of interest rate rises, tighter lending policies, and general buyer caution. However, areas like Beaudesert and Kooralbyn showed sustained growth, with strong buyer demand for homes in these more affordable and accessible locations. Looking ahead, while uncertainty remains in the higher-end rural sector, there are still opportunities for well-located and well-priced properties in the Scenic Rim to achieve solid growth.

Northern Gold Coast

The real estate market started slowly in early 2024 following a strong second half of 2023. Many buyers were cautious with their offers, while an influx of properties—particularly investment properties—entered the market due to rising interest rates. Industry professionals worried that a surge in listings might overwhelm demand, potentially driving down prices, but this concern proved unwarranted. Instead, buyer

Vacant land prices have surged throughout 2024, exceeding even the gains made in 2023.

confidence grew, with properties selling at or slightly above asking prices within the first one to two weeks.

From mid to late 2024, property prices saw modest growth, particularly for three- and four-bedroom homes in Bahrs Scrub and Holmview. Early in the year, three-bedroom homes sold in the low to mid $600,000s, but by late 2024, similar homes in Bahrs Scrub were priced around $700,000 with single-car garages, and over $750,000 for those with double garages on lots around 400 square metres. Four-bedroom homes experienced a similar price shift, with properties that once sold in the high $600,000 to $700,000s now achieving up to $900,000, depending on size, quality, and age.

First-time buyers have been a driving force in the sub-$700,000 market, aided by various government schemes allowing them to buy with lower deposits and without lender's mortgage insurance. These incentives have contributed significantly to price increases at the lower end of the market, though many agents report negotiations often stall around the high $600,000 to $700,000 range, the threshold for some of these initiatives. However, demand remains strong just below this price cap.

Vacant land prices have surged throughout 2024, exceeding even the gains made in 2023. In development areas like Flagstone and Yarrabilba, lots that were selling in the mid to high $200,000s have reached the mid to high $300,000s, depending on size and location, such as corner positions. This rise appears to be driven by a scarcity of registered land in these regions, with new phases released by developers not expected to be ready for up to 12 months.

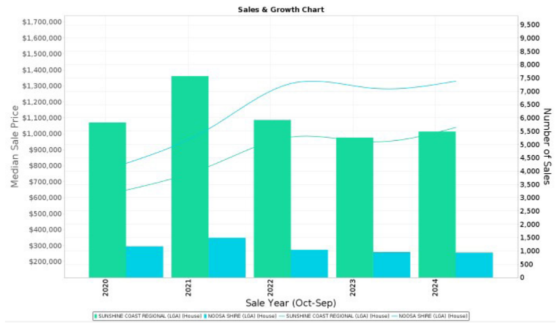
Jerusha King
Director

Sunshine Coast

After another lap around the sun once again it's time to have a look in the rear vision mirror and try to assess what's happened. When we look back at 2024 there have been some ups and downs in the marketplace. Another lumpy kind of year that has been influenced by a number of factors.

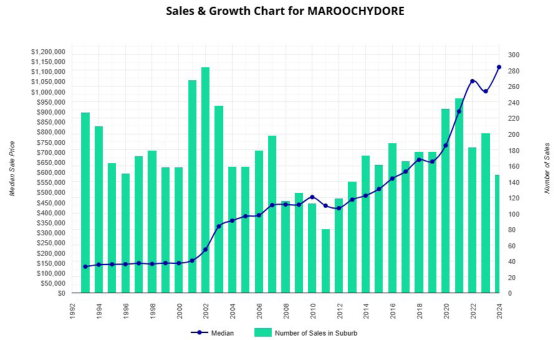
Clearly one of the main influences on the market has been the high costs of living which incorporates the high interest rates at present. Importantly the inflation rate has come down and there is talk of interest rates falling in 2025. Whilst this is giving the market some confidence there is a feeling out there that for some homeowners the damage has been done. But more on that later.

In the graph below from Pricefinder we have the sale volumes and median house prices for the Sunshine Coast and Noosa LGAs. They show that sale volumes have returned to pre-COVID levels with the sale volumes over the 12 months and median house prices showing a little bump up. We believe that this is a combination of the continued relatively low supply levels from early 2024 to August and September and that the risk of an interest rate increase has dissipated.



Sunshine Coast and Noosa LGAs Source: Pricefinder

Below is a similar graph that looks at the suburb of Maroochydore in isolation. From this you can see that any softening in values during the 2023 year has been more than recovered.



Maroochydore Source: Pricefinder

When the market was buoyant through the COVID period we saw all grades of property performing well. The market is now more segmented with the location and characteristics of the property having a greater impact. In essence we are saying that A-grade product is still performing really well with B- and C-grade product being more subdued. On the back of this we're seeing some inconsistency in sales returning. Some sales are appearing to be weak and some strong.

Properties that are older requiring renovations or vendors under pressure to sell are at the mercy of some opportunistic buyers with some discounting typically required to affect a sale. Conversely there are some buyers paying full values for properties that suit their requirements.

An example of a sale that has shown continued improvement in values is a property at unit 83, Banyandah Towers in Maroochydore. This is an older 11th level, two-bedroom renovated unit in a riverfront complex with expansive river and ocean views. It had the following sale transactions over the past four years

- March 2020 for $435,000,
- October 2021 for $637,000
- September 2024 for $750,000.

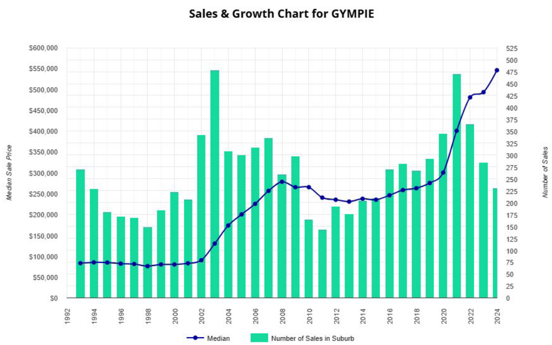
Unit 83, Banyandah Towers, Maroochydore Source: realestate.com.au

Conversely, we have a sale of a property at Federal in the Mary Valley near Gympie. This property was contracted in September for $1.05 million with the contract falling over and the property subsequently re-contracting at $950,000.

As previously mentioned, there are some areas and asset classes where there may be an undercurrent of homeowners feeling the pinch. Subsequently there is an increase in stock levels. This uptick in sale listings appears to be for these less sought after B- and C-grade properties. The interesting thing will be whether these stock levels will be absorbed by the market over the coming months.

A big issue that remains on the Sunshine Coast is the limited affordability of housing.

A big issue that remains on the Sunshine Coast is the limited affordability of housing. With the Sunshine Coast LGA having a median house price of $1.04 million and the Noosa LGA having a median house price of $1.3 million, it is little wonder that purchasers may be looking at other regions to solve the affordability issue. Subsequently the activity in the Gympie area has been significant where a modern home on a traditional circa 700 square metre allotment can be purchased for around $700,000.



Gympie Source: Pricefinder

The next 12 months will be an interesting period for the property market. Currently things are pretty good when you compare with pre-COVID levels. With the supply that is currently hitting the market there will be plenty of test cases through all the different asset classes to hopefully show us where we are at.

Stuart Greensill
Director

Rockhampton

Another year has flown by with the residential property market in the greater Rockhampton region continuing to go from strength to strength. It has been no surprise that median house prices across the board have risen over the past 12 months (October to September). Most areas of our region have seen double digit (percentage) growth in this period. We are continuing to see multiple offer sales albeit not as strong as in previous years and dependent upon the quality of dwelling and price range. Investors are strong in some sectors and have been a big contributor to growth in certain areas. Owner-occupiers have also been prevalent within all areas.

I checked in on some Pricefinder statistics for our service area.

Gracemere has seen the biggest growth over the past twelve months with an increase in the median sale price of 23.9 per cent and the median house price now sitting at $485,000. We have seen a lot of investor activity in this area due to the relatively affordable buying and the strong rents being received providing good returns for investors with median rents now sitting at $500 per week.

Rockhampton itself has seen strong growth also. Both sides of the river (southside - postcode 4700 and northside - postcode 4701) have seen double digit growth. The southside has seen the median house price increase by 21.2 per cent to $423,000. We have seen a mixture of both owner-occupiers and investors depending upon price points. A strong performer for this side of the river is the Wandal area with the median house price increasing 28.6 per cent to $485,000. Wandal has a mixture of low to mid-range priced dwellings that have been popular with both owner-occupiers and investors and also above average priced houses more suited to owner-occupiers.

The northern suburbs continue to perform strongly as well, again with a mixture of owner-occupiers and investors dependent upon price point. Overall median house prices have increased by 18 per cent to $455,000. The suburb of Berserker has seen its median house price increase by 26.9 per cent to $380,000. Berserker is an older area with a scattering of more modern homes. This price point is very popular with investors and also owner-occupiers looking at a more affordable dwelling.

Continuing the positive growth, the Yeppoon region (postcode 4703) has also continued to see an increase in median house prices albeit not as strong as Rockhampton and Gracemere. The Yeppoon area saw an increase of 8.45 per cent with the median house price now sitting at $720,000. The Yeppoon area is driven by strong demand from owner-occupiers, limited stock availability and low vacancy rates. Investors are in the market although the price point is generally below the median house price for the area. There is strong demand for new land and house construction in the Yeppoon area with a number of estates continually selling out stages with mostly owner-occupiers and a scattering of investors active in this area.

Overall, 2024 has seen continued positive growth and strong interest from both owner-occupiers and investors in the Rockhampton and Capricorn Coast areas.

Steve McDonald
Valuer

Mackay and Whitsunday

Wow, hasn't this year just absolutely flown by! And as always, we get the opportunity with hindsight to see how our predictions in February played out and report on the market throughout 2024.

So what did we say at the start of the year? Well firstly…

"The Mackay residential market has seen good, solid growth over the past few years, with 2023 part of this trend. Local agents report a lack of stock towards the end of 2023 was one of the big issues, with continued strong demand causing a fear of missing out effect among purchasers. Couple this with a very low vacancy rate for rentals, and you have a perfect storm for a seller's market. Moving into 2024, there are no signs of this shortage of stock abating. Local rentals continue to remain tight with very low vacancy rates and increases in rental prices due to high demand. The tight rental vacancy situation does not appear to be easing any time soon. Agents report stock levels have fallen further after a strong Christmas and new year period, with demand still evident across all market sectors."

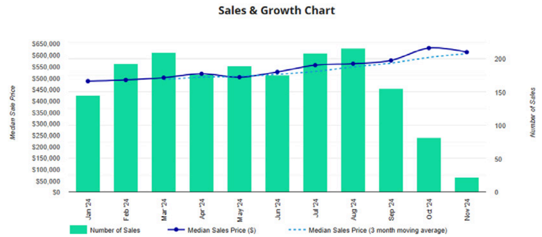
We also said, "Economically, the Mackay region is still performing well with a strong resource sector, large infrastructure projects including the Walkerston Bypass which is in full swing and general optimism in the local economy. Agents are reporting migration into Mackay is still occurring at good rates, with many open house inspections by people moving to the region. With very low available rentals, purchasing straight off the bat is becoming more and more frequent. So, what negatives do we foresee into the new year that may affect the residential market? Firstly, we are heavily reliant on the mining industry in the Bowen Basin and its associated service industries. Any major downturn will influence the market, however for the short term there are no red flags to be concerned about. Rising interest rates and potential rate hike cliffs were a concern, however after 13 rate increases, they appear to have had little effect on the Mackay market. Cost of living pressures are also a concern moving forward."

On all these points, we nailed it, with every point valid throughout 2024. Stock levels are still at low levels and demand has steadily increased throughout the year for all market sectors. Rentals are extremely tight with vacancy rates well under one per cent and rental values increasing right throughout the year. Economically, the Mackay and Bowen Basin regions have continued to be strong. No red flags presented themselves during the year and it was full steam ahead.

Overall, 2024 has seen continued positive growth and strong interest from both owner-occupiers and investors in the Rockhampton and Capricorn Coast areas.

So, what were our predictions and did we get them right? At the time, we said:

"We think the positives far outweigh the negatives, and barring a global issue or major meltdown in the mining sector, we envisage a strong residential market with steady growth over the next 12 months. The hallmarks of the Mackay residential market over the past five years have been our steady, solid growth year-in, year-out, unlike some of our other regional centres which have seen rapid growth over shorter periods."



Mackay, 4740 postcode Source: Pricefinder

Well, we were half right this year. The year started off exactly as we predicted, with the good steady growth continuing into the first quarter of 2024. However, as demonstrated by the above graph, from just before mid-year, the Mackay market took off, and increased at a greater rate than seen in previous years. Buyers' agents and interstate investors flocked into the Mackay market, especially in the sub $600,000 market, increasing demand exponentially. The Mackay residential market reached new unchartered value highs right across the board in 2024. Anecdotal evidence from agents are that properties aren't even getting to open home stages, selling off market in days, and those that do go to open homes are attracting huge crowds. This writer has witnessed it personally, attending open homes of good quality, modern dwellings above $800,000 and seeing 20 plus groups waiting to go through and the properties selling well above list price within a week. This is even greater in the entry level markets, with large first home buyer groups competing with investors for very limited stock. This trend is continuing as I write and shows no signs of letting up in the short term.

I would like to take this opportunity to thank all our clients and supporters and wish you all a happy and safe Christmas period and look forward to seeing you all again next year.

Mick Denlay
Director

Hervey Bay

At the start of 2024, the consensus in our office was that the market had peaked, and we were in for a period of consolidation. Come November 2024 and yes, the consolidation part was correct however it didn't last long. The first half of the year saw steady sales volumes with limited price movement however the past three months have seen another lift in sale prices across all sectors. Buyer urgency and selling periods have however remained relatively stable with buyers willing to shop around and vendors somewhat negotiable. This is a stark contrast to the flat-out sprint experienced in 2022 and 2023.

Vacant land has generally jumped from circa $220,000 to $250,000 for standard 600 square metre lots to $260,000 to $290,000. A delay in titling for some estates is a reason for this jump in pricing in the latter part of this year. Overall supply is diminishing which may result in continued growth in this asset class for the short term.

The house-and-land market remains very active. Construction costs appear to have stabilised with a standard four-bedroom, two-bathroom, two-car garage dwelling now in the $675,000 to $725,000 price range. This is compared to low $600,000 at the start of the year. A large part of this increase is the land value.

Villa and townhouse style units not on the Esplanade have also seen an increase with a two-bedroom, two-bathroom unit sitting around mid to high $400,000 and three-bedrooms over $500,000. Esplanade units vary depending on the complex, and body corporate and management charges play a big part in prices within these complexes. Complexes with high management costs appear to have limited appeal to the investor market and some owners have even opted to remove the unit from the complex letting pool and self manage.

Rental vacancies remain tight with limited supply and strong demand. A new four-bedroom home is likely to reach around $600 to $650 per week and a three-bedroom non-Esplanade villa or townhouse around $500 to $550 per week.

Rural residential property close to town is in high demand with very limited supply. A large portion of four hectare lots have been split into two hectares and these lots are achieving $450,000 plus. It is now common for a well-established rural residential property with extensive improvements to be over $1 million.

The residential market over $1 million has been the big mover this year. Early in the year we were wondering how high it could go given the lack of supply. To date in 2024, there have been 56 sales of properties with a selling price over $1 million on lots smaller than 2000 square metres. The highest price was $1.95 million for a property in Urraween. For larger properties between 2000 and 9999 square metres, there have been a recorded 62 settled sales with the highest being $2.3 million in

HERRON TODD WHITE

Dundowran Beach. This same property sold in 2022 for $2.15 million and $850,000 in 2018.

Now for next year, the question is again, "How high can it go"? I guess we will wait and see and report back in 12 months.

I would like to thank you all for your support this year and wish you a happy and safe Christmas.

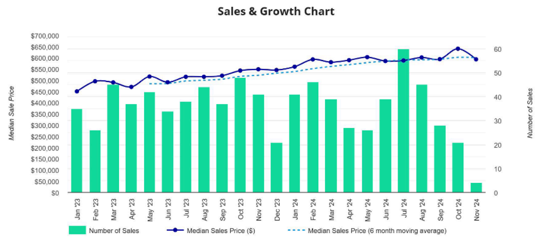
Doug Chandler
Director

Cairns

The Cairns property market recovered strongly from the flooding delivered by Cyclone Jasper in December 2023 which devastated some Cairns northern beaches suburbs and localities further north in the Douglas Shire.

The expectation at the start of 2024 was that the market would continue to perform strongly throughout the year, and this was proven to be an accurate forecast. Underpinned in the main by a lack of stock, either to buy or to rent, and southern buyers seeking to relocate to Cairns or invest, most sectors of the market delivered value rises throughout 2024.

Strong performers were sub-$700,000 properties in the Cairns southern corridor. Driven by an influx of buyers' agents seeking investors for their clients, the suburbs of Gordonvale, Edmonton and Bentley Park were stand outs in the Cairns market. The graph below illustrates the trend.



Cairns market performance Source: Pricefinder/Domain Holdings Australia Ltd

From January through to October 2024, the postcode of 4879 in the Cairns southern corridor recorded a 12 per cent rise in median sale price. Starting at $538,500 in January, it moved up to $601,583 in October. An example of the strong long-term growth in this postcode is the recent sale of a property at Resolution Drive in Bentley Park. The property was assessed at $335,000 in December 2016 and is currently under contract for $635,000. Growth of 90 per cent in an eight-year timeframe represents a solid investment for a dated, circa 1993, three-bedroom, two-bathroom brick residence with no upgrades.

Sale at Resolution Dve, Bentley Park Source: realestate.com.au

Our valuers on the ground advise that there are no signs of the market slowing and typical sub-$700,000 stock will continue to perform for as long as southern investors are active in the market.

Our valuers on the ground advise that there are no signs of the market slowing and typical sub-$700,000 stock will continue to perform for as long as southern investors are active in the market. This price point represents a sweet spot in the market where investors see rental and return growth with manageable debt in a very tight rental market.

The emergence of the buyer's agent in the Cairns market during 2024 has surprised our valuers and local real estate agents alike. Although they have long been active in most southern markets, they are a relatively new player in the Cairns market. Most buyers' agents are based in southern capitals where their clients are located, however we are now starting to see some locally based agents. In the Cairns southern corridor they are involved in a high percentage of deals sub $700,000 with their southern based investor clients the main driver of the continued strong market in these localities.

Danny Glasson
Director

Toowoomba / Darling Downs

It is always an interesting time when reflecting over the year that has been and how we thought the year would develop versus what actually took place… and what a year it has been.

Looking back at the February 2024 Month in Review, the steady to strong market conditions experienced during 2023 that we saw at the beginning of 2024 in relation to the property market have rung true. However, the belief that the property market may slow, stabilise or even decline, with many households across our coverage region, like the rest of the nation, continuing to feel the higher cost of living pressures, was not correct.

Given the vast coverage area of the Darling Downs entity service area (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), this edition will focus primarily within the Toowoomba area. Median house and unit prices across Toowoomba have consistently risen over the previous five years, and this was no exception during 2024. It was observed that this was primarily driven by the reduction in supply of new stock entering the market (in comparison to the peak), which continued to support both dwelling and unit prices, with increases in property prices observed across most market segments (based on re-sales over the previous 12 to 24 months). Generally, agents continued to report good competition for properties listed for sale (if appropriately priced) and that the general property market remained steady to strong in many market segments. This is replicated throughout the entire region, which during 2024 still demonstrated a variance between supply and demand.

Market sectors such as the Toowoomba prestige market continued to show good signs of growth with the high end and traditional suburbs of East Toowoomba, Mt Lofty, Rangeville and Middle Ridge still being sought after with strong enquiries. In this market segment and within these localities, 2024 saw some of the highest sale prices and approximately 40 sales in the over $1.5 million price point.

An example of the strength in the prestige market was a sale at 4 Fernside Street, East Toowoomba. This 1867 heritage listed, four-bedroom, three-bathroom, fully renovated dwelling situated on a 4608 square metre allotment features multiple living areas, high quality fixtures and fittings, a swimming pool, tennis court and extensive ancillary improvements with rangeside and valley views. This property sold for $6.52 million in June 2024 and was the highest recorded residential property sale in the 4350 postcode.

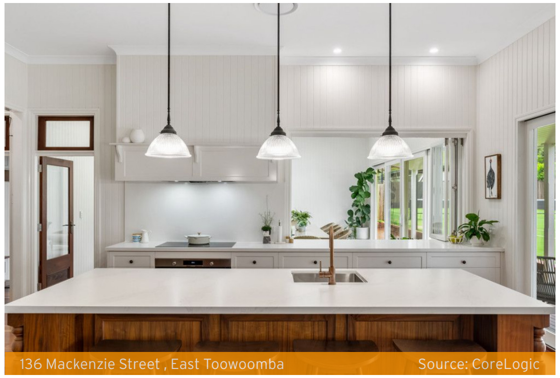
4 Fernside Street, East Toowoomba — Source: Herron Todd White

4 Fernside Street, East Toowoomba — Source: Herron Todd White

The second-highest priced dwelling sale in 2024 in the 4350 postcode was within the immediate vicinity of the highest sale, being a property situated at 2 Arthur Street, East Toowoomba (across the road from the previous sale mentioned). This property sold for $5.4 million in July 2024 and comprises an expansive 473 square metre, 1950s dwelling that had been fully renovated comprising four bedrooms and two bathrooms with extensive ancillary improvements which also included a swimming pool and tennis court.

2 Arthur Street, East Toowoomba — Source: Pricefinder

The third-highest priced dwelling sale during 2024 in the 4350 postcode was also within East Toowoomba, being a property situated at 136 Mackenzie Street. This property sold in early 2024 for $3.8 million. This 2004 square metre allotment is in the heart of East Toowoomba and is improved with a large 1890s fully renovated and restored timber dwelling that comprises four bedrooms and four bathrooms and a seven-car air-conditioned garage. This property previously sold in April 2019 for $1.03 million and was fully renovated since this previous sale date.



136 Mackenzie Street , East Toowoomba — Source: CoreLogic

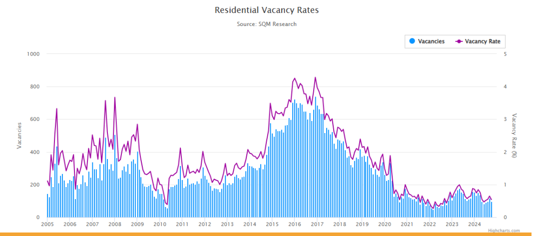
136 Mackenzie Street , East Toowoomba Source: CoreLogic

136 Mackenzie Street , East Toowoomba Source: CoreLogic

136 Mackenzie Street , East Toowoomba Source: CoreLogic

Investor activity during 2024 in the Toowoomba locality also continued to remain resilient with low housing stock, low residential vacancy rates (0.5 per cent as at October 2024) and high rental yields and returns underpinning this confidence. This activity was encouraged by the fact that Toowoomba continues to be listed as one of Queensland's most affordable regional localities, particularly for interstate buyers seeking good value for money and to stretch their investment dollar further.

RESIDENTIAL VACANCY RATES
POSTCODE 4350



Toowoomba vacancy rates Source: SQM Research

The first homebuyer market for Toowoomba and surrounds also remained strong during 2024, and this is expected to continue, driven again by the region's current record low vacancy rates and relative affordability in comparison to some of our more metropolitan localities. In the sub $1 million market segment, purchasers continue to have the ability to buy a number of different property types, including renovated older character homes in established inner city suburbs, original and renovated 1970s to 2000s brick homes in many suburbs, new houses in developing areas, and homes on larger acreage lots in nearby suburbs. However, it is observed that the market segment at around $1 million does remain out of reach for many potential first homebuyers and families, with the large portion of dwelling sales occurring in the Toowoomba locality being in the sub-$750,000 price bracket. During 2024, given the sustained increase in property prices, it did become apparent that first homebuyers were either looking further afield and purchasing in suburbs further from the CBD or were generally purchasing a unit closer to the Toowoomba CBD suburbs with the unit median prices in many suburbs exceeding the percentage increase in the dwelling median price.

Due to several factors, including a lack of rental and for-sale housing, a robust local job market, commuting distance to Brisbane, affordability and strong infrastructure development and jobs-led initiatives, it is anticipated that our region will continue to perform well in the short term. Major infrastructure development projects include: the Inland Rail Project; the Wellcamp Entertainment Precinct Development; more than $1.8 billion in various energy projects across gas, solar and wind; and of course the Toowoomba Hospital redevelopment. These investments are considered to have a lasting and widespread impact for the Darling Downs region. However, only time will tell how these projects during construction and upon completion impact on the local and broader Darling Downs property market and the influence on property prices in the short, medium and long term. As always though, the Toowoomba region is also not seen as a one trick pony, with ingrained investments and major-hub status for the agriculture, mining, services and transport sectors.

As always though, the Toowoomba region is also not seen as a one trick pony, with ingrained investments and major-hub status for the agriculture, mining, services and transport sectors.

Overall, we foresee the general property market to continue to perform well throughout all areas that we service in the short term with many agents still reporting a lack of stock in comparison to demand. 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, the allure of affordability, liveability and the potential for future growth., These continue to make Toowoomba and surrounds one of Australia's best regional cities. 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 respond to the ongoing cost of living pressures and whilst residential prices remain firm with demand strong relative to supply in most segments, at some point, a continuation of recent economic trends may reach a tipping point and translate to a softening in property markets (activity and sale values).

Marissa Griffin
Director

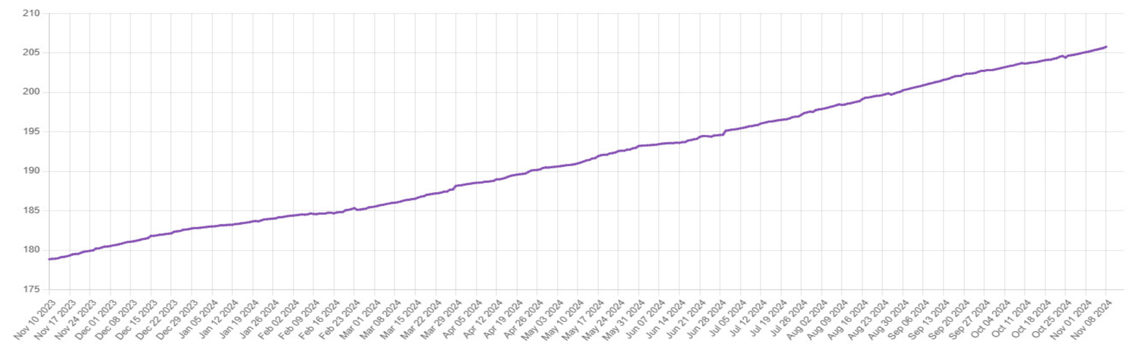
South Australia - Residential 2024

Adelaide

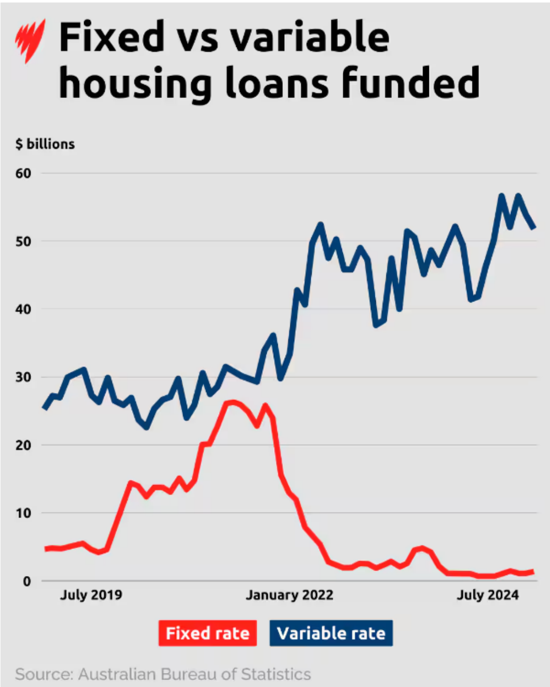
2024 has been a significant year for residential property in Adelaide. A combination of local purchasers and interstate investment has resulted in notable value level increases throughout the calendar year. As inflation falls back towards RBA target levels, the target cash rate was on hold once again and remained at 4.35 per cent in November. This marks 12 months since rates last changed and four years since the last rate cut, leaving it at the highest level since November 2011. In April 2022, the average owner-occupier was at a rate of approximately 2.86 per cent for their home lean, and with a 4.25 per cent cash rate increase since this time, they are now broadly sitting at 7.11 per cent.

Despite this, Adelaide's residential property market hasn't slowed down. The CoreLogic Daily Back Series, which tracks a rolling 12-month change in dwelling values, indicates a 15 per cent increase in Adelaide property prices from November 2023. Perth and Brisbane have experienced growth of 22.6 and 12.5 per cent respectively, as opposed to a moderate increase in Sydney of 3.7 per cent and a decrease in Melbourne of 1.9 per cent.

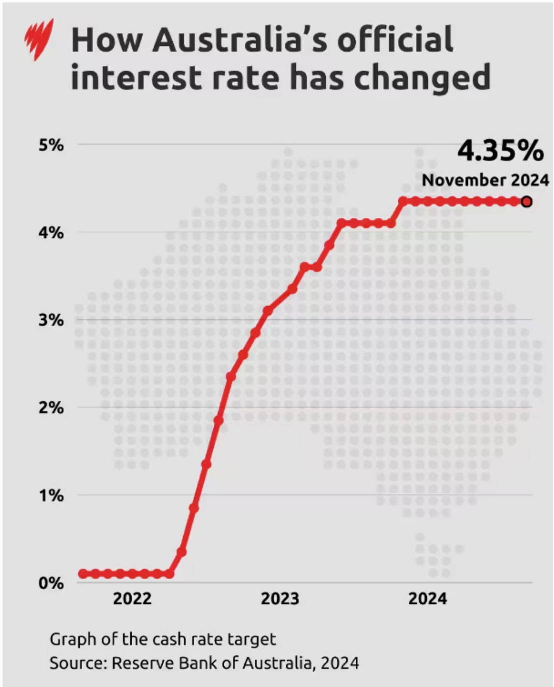
There were some shifts in buyer demographic throughout 2024, as interstate investors looked to Adelaide for relative affordability, something we will touch on later in this issue. Government incentives continued to roll out in the form of changes to the first home guarantee and first



Adelaide 'Daily Back Series' Source: CoreLogic and RP Data



Interest rates Source: SBS Australia, ABS and RBA



Interest rates Source: SBS Australia, ABS and RBA

RESIDENTIAL

HERRON TODD WHITE

homebuyers grants, geared towards expanding the options for first homebuyers in a market that was significantly outpacing their affordability.

Looking back at our predictions from the February issue, many have rung true. Perhaps not a prediction as such, but we touched on a cash rate reduction in late 2024; it remains to be seen if this will eventuate at the final RBA meeting in December. Homeowners may be waiting a little longer for any relief, as the big four banks haven't predicted any rate cuts until February 2025. The silver lining in all this - all four predict the current cash rate of 4.35 per cent is the peak in this cycle and that the first cut will occur in February.

To highlight the performance of South Australia's residential markets this year, the median dwelling price for Adelaide climbed past that of Melbourne for the first time in August this year, the first time this has occurred in the history of CoreLogic reporting which began some 40-years ago. This sparked new calls from the Property Council of Australia, with executive director Bruce Djite declaring "South Australia's attractive competitive advantage of being relatively affordable is well and truly eroded".

Median house Oct 2024 data

City	Median Price ($)	Annual Change (%)
Sydney	$1,193,240	6.90%
Brisbane	$883,357	13.00%
Canberra	$850,223	0.40%
Adelaide	$808,644	15.00%
Perth	$804,621	22.60%
Melbourne	$778,926	-1.90%
Hobart	$650,881	-1.20%
Darwin	$492,692	-0.10%

Source: ABC News and CoreLogic

There were some shifts in buyer demographic throughout 2024, as interstate investors looked to Adelaide for relative affordability.

PropTrack's latest Home Value Index shows that of the top 50 suburbs for value growth in South Australia (houses or units), 32 of them were located in Adelaide's north (and five of them were Elizabeth suburbs). The report covers 545 suburbs where significant data can be gathered, noting that every single suburb recorded a value growth in the 12 months from September 2023.

One example of this growth in the northern suburbs is 2 Salway Street, Elizabeth Park. The property sold in July 2024 for $540,000 after selling in February 2023 for $432,000. Marketing information indicates that there were no significant changes to the dwelling in this time, reflecting an increase in price of 25 per cent in approximately 18 months. Similarly, 13A Kilsby Street, Elizabeth Park transacted for $575,000 in August 2024 after previously selling for $476,000 in July 2023 - a 21 per cent increase in just over 12 months.


2 Salway Street, Elizabeth Park   Source: realestate.com.au

13A Kilsby Street, Elizabeth Park   Source: realestate.com.au

2024 has proven to be a dynamic year for Adelaide's residential property market, marked by strong growth and significant price increases. Despite stagnant interest rates, local demand combined with interstate investment has buoyed the market, driving the median dwelling price in Adelaide to new levels.

Nick Smerdon
Valuer

Mount Gambier

In 2024, Mount Gambier's housing market still performed well despite the challenging interest rate and economic environments. At the beginning of 2024 we predicted seeing the increased interest rate environment having more of an impact on values in the market, however as the market is affordable to a wide variety of demographics with the median house price lower than other nearby similar size regional cities, demand for the area stayed strong. All types of properties

The market has been strong this past year with many sales that surprised us, however this became the new normal over a short period.

have performed well with the median house price starting the year at $405,000 and increasing significantly to now sit at $475,000. There has been growth in all property types but by far the most popular has been detached dwellings. With Mount Gambier still affordable we have seen strong demand in the $400,000 to $450,000 price bracket. In the past, the over $800,000 price range has been thinly traded however this past year we have seen a large increase in stock offered on the market.

Modern properties in the market have been making premium prices with limited days on market. We can only assume this demand has come from buyers opting to purchase new instead of building due to increased costs and timeframes to build as well as lack of vacant land divisions.

In terms of buyer demographics, we have seen a slight change towards the end of the year. Agents have advised that with increased interest rates, interstate investment has subsided slightly, and locals are now more active in the market.

The market has been strong this past year with many sales that surprised us, however this became the new normal over a short period. A recent sale at 17 Navajo Drive, Mount Gambier achieved a strong re-sale price. The property is located in the popular part of town of Conroe Heights and boasts four bedrooms, two bathrooms and three car spaces. The property sold in 2020 for $450,000 and after cosmetic renovations has just re-sold for $820,000.

17 Navajo Dve, Mount Gambier — Source: CoreLogic

17 Navajo Dve, Mount Gambier — Source: CoreLogic

A sale that shows the strength of the rural residential market is 5 Compton Rise, Suttontown which is located on the outskirts of the CBD. This property was built in 2014 and offers four bedrooms, two bathrooms and large workshop situated on one hectare. The property was sold in 2020 for $660,000 and after adding a workshop and some other improvements, the property has re-sold for $1.2 million.

5 Compton Rise, Suttontown — Source: CoreLogic

5 Compton Rise, Suttontown — Source: CoreLogic

Overall, the Mount Gambier market has performed well. Over the past 12 months the market has continued to grow. There are a number of factors that look like they could influence the market over the next 12 months including increased rental supply, decreased investor demand and an increase in a number of land divisions and we will be watching closely to see how the market reacts.

Lauren Kain
Valuer

Warnambool

A look back to our start of year predictions and it's a mixed bag of self-assessed results.

Firstly, we were bullish on the $700,000 to $800,000 price bracket being the most active as the market looked increasingly likely to turn away from home building due to falling land prices and rising building costs.

We batted 0.500 on this prediction. While we did see a significant about face from the market in willingness to undergo the building process, this didn't translate into the ramping up of activity in the $700,000 to $800,000 bracket.

This price bracket, as per Pricefinder, actually fell to third behind the $500,000 to $600,000 and the $600,000 to $700,000.

We also noted the market trending towards established properties. This prediction has come to pass and then some. Perhaps the most surprising aspect of the year is the market's readiness to attribute a tonne of value to additional features and improvements of a property such as a very basic storage shed. These items only 12 months ago were generally a minor bonus with an associated bump in value but recently the market appears to be all-in on these items and placing a major focus and major dollars on them.

Finally, we noted that there may have been some level of hope for a firming of residential land prices but this hasn't played out. With a greater sample size, we can now understand that those early land sales were mostly investors and the pace of sales didn't continue. Further, a few sales achieved solid results but now appear to really be upper end level sales with most recent sales not matching those prices.

Jordan Mowbray
Valuer

We noted that there may have been some level of hope for a firming of residential land prices but this hasn't played out.

Western Australia - Residential 2024

Perth and regionals

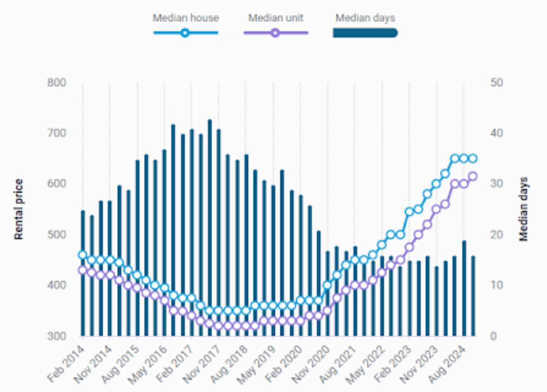
Well... that's a wrap! The time has come to reflect on our beginning of year predictions and discuss the journey of the residential market throughout the year. This year, quite a few of our predictions of the market became a reality, with some exceeding expectations. At the beginning of the year, we expected to see the stabilisation of interest rates and potentially the softening of financial pressure for buyers. After many expectations of movement, interest rates remained at a stable 4.35 per cent throughout the year and although interest rate cuts did not eventuate, demand for housing exceeded expectations.

Population increases in the state have persisted, with overseas and interstate migration resulting in Western Australia experiencing the highest population growth in the country, up 3.1 per cent according to recent ABS statistics, primarily driven by overseas immigration. This population influx has further pressurised the state's already undersupplied housing market as neither existing nor new dwelling stock can support this influx without there being upward pressure on prices.

Whilst strong demand continues to create an upward pressure on house prices, cost increases in the construction industry stabilised throughout the year, with building becoming a competitive option for home buyers, particularly earlier in the year before rapid price rises in land estates occurred.

In the rental market space, we predicted a continued increase in the median rent and the vacancy rate to remain well under one per cent.

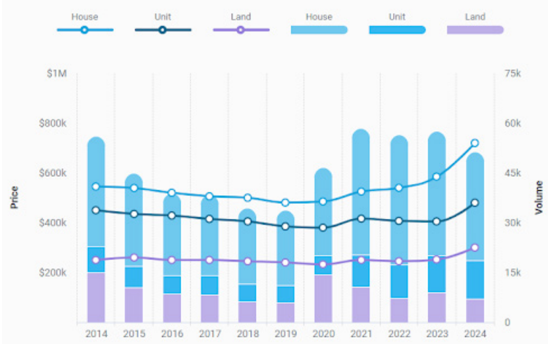
Median rents actually stabilised with the median rent for homes sitting at $650 per week since March. Whilst REIWA reports a vacancy rate of 1.9 per cent, CoreLogic reports this figure as 1.2 per cent and Proptrack reports it as 0.97 per cent. Regardless, the vacancy rate increased throughout the year, but remains well below historical lows, and investor activity started the year strongly, before declining throughout the year as rents did not keep up with the growth in overall values.



Market Insights Rental and Median Days to Rent — Source: REIWA

As predicted in February, strong growth has continued throughout the market, specifically in those suburbs considered affordable as drivers of population growth and local buyers remain strong in a continuing undersupplied market. Our February edition stated, "We anticipate the median house price in Perth will increase by circa seven to nine per cent in 2024, however some market segments are set to outperform others." Additionally, we stated that this is likely to be fulfilled by a stabilisation in interest rates, with the prediction of increased competition between lenders and affordability relief for buyers.

This year, supply has remained low with continued upward pressure on home values and demand has exceeded expectations. To our surprise, the median price for houses in Perth increased by circa 23 per cent, with the median price reaching $720,000 according to REIWA, although it is reported as being higher than this by CoreLogic, who has the median house price as $804,000, surpassing Melbourne.



Perth Median Price Data — Source: REIWA

The suburbs of Camillo and Armadale outshone the Perth market. The long-shunned suburb of Camillo experienced a massive 45 per cent growth throughout the year, with the median house price jumping from $377,000 to $550,000. A notable sale within the suburb is this beautifully renovated home at 43A Westfield Road. This property, built circa 1982, features three bedrooms, two bathrooms and is situated on a 773 square metre battleaxe shaped allotment. Found in original 1980s condition and in desperate need of some TLC, this property was purchased for $415,000 in June, then underwent a brief renovation and re-sold in August for $685,000. Following its sale, the property was listed for rent at $680 per week.


43A Westfield Road, Camillo Source: CoreLogic

Another highly notable sale is this three-bedroom, two-bathroom home at 24 Ballina Way. This property was built circa 1974 and features a modest 97 square metres of internal living space situated on a 352 square metre allotment. This property sold in October this year for $550,100, displaying a circa 48 per cent increase from the previous sale of $370,000 in August 2023.


24 Ballina Way, Armadale Source: CoreLogic

The inner suburb of Karawara has displayed significant growth over the past twelve months, with the suburb's median house price experiencing a whopping 50 per cent increase and reaching a median value of $1.14 million

As forecast in our February edition, the inner suburb of Karawara has displayed significant growth over the past twelve months, with the suburb's median house price experiencing a whopping 50 per cent increase and reaching a median value of $1.14 million (REIWA).

Similarly, we forecast the inner suburb of Dianella would be another hot spot, although in comparison to Karawara, the growth in Dianella has been somewhat timid, with a mere 20 per cent increase in values throughout the year, although properties still flew out the door. An example of this heated demand is the recent sale at 8 Timewell Street. This three-bedroom, two-bathroom dwelling is situated on a 764 square metre allotment and comprises an internal living area of 173 square metres, generally presented in original 1970s condition. The property, listed for sale in September 2024 for offers from $875,000, rapidly sold for $985,000 within just three days!


8 Timewell Street, Dianella Source: CoreLogic

Similarly, in Cloverdale, this property at 226 Scott Street is a prime example of how strong the growth has been in Perth's inner suburbs this year. This property features three bedrooms, two bathrooms and sold in September for $650,000, circa 65 per cent above its previous sale of $395,000 in March 2023.


226 Scott Street, Cloverdale Source: CoreLogic

As predicted in our February report, the outer Perth suburbs of Medina and Mandurah have demonstrated significant growth, as they remain some of the most affordable locations to buy. In Medina, values have experienced circa 39 per cent growth, surpassing its neighbouring suburbs. An example is this circa 1950s built two-bedroom, one-bathroom dwelling at 41 Summerton Road. The property comprises an internal living space of 97 square metres on a large 769 square metre allotment. In November 2023, this property was purchased in poor condition for $290,000 and had since had some internal renovations and a fresh coat of paint to later sell for $510,000 in October

RESIDENTIAL

HERRON TODD WHITE

this year, accruing a massive circa 75 per cent growth.


41 Summerton Road, Medina Source: CoreLogic

In the prestige space of the Perth market, we stated in our February edition "We expect to see far more trophy home sales in 2024, due to dramatic increases in equity positions and well performing businesses in Western Australia". Last year, there were very few properties above the $10 million mark in the Perth market and as predicted, 2024 has brought many new prestige properties into the limelight, including the highest sale of the year at 177 Wellington Street, Mosman Park, which sold for $25 million.

In the apartment space of the Perth market, our February report predicted strong growth including the potential outperforming of established housing in some areas. As stated earlier this year, "the construction of new apartment developments remains unviable due to continued high construction costs." These costs place a strain on the development of new apartment stock, especially in affordable suburbs where apartment prices remain in the sub $450,000 market. As a result, many buyers have found purchasing older or established apartments is a much more affordable option. In Cockburn Central, apartments have experienced circa 38 per cent growth, with the median unit price reaching $421,000, far below the expected cost of a new off the plan apartment product.

Moving into regional Western Australia, the Broome property market exceeded expectations with demand remaining strong.

Moving into regional Western Australia, the Broome property market exceeded expectations with demand remaining strong. The median sale price experienced a circa 35 per cent increase, supported by the booming tourism industry, mining opportunities and migrating buyers to the town. However, as predicted early this year, the rental sector in Broome softened, somewhat due to the construction of new housing stock throughout the year. An example of recent market activity is this four-bedroom, two-bathroom dwelling located at 44 Honeyeater Loop. This circa 2009 built property features an internal living area of 167 square metres situated on an 823 square metre allotment and sold in September for $890,000, circa 18 per cent more than its previous sale price of $755,000 in April 2022.


44 Honeyeater Loop, Djugun Source: CoreLogic

Moving to the Pilbara region, the markets of Port and South Hedland have had mixed performances. South Hedland's rental market has not seen much rental growth in 2024 with the median rent remaining at $950 throughout the year. However, the suburb has experienced positive growth of circa 16 per cent with the median house price increasing to $500,000. In comparison, the median rent for houses in Port Hedland experienced a slight decrease of 5.25 per cent from the beginning of the year, down to $1,137 per week, with a 10.3 per cent increase in the median house price to $785,000.

An example of growth in South Hedland is this circa 1982 built three-bedroom, one-bathroom dwelling with 158 square metres of internal living space on a 798 square metre allotment located at 11 Denman Place. The property sold in July for $455,500, circa 27 per cent higher than its previous sale of $360,000 in June last year.


11 Denman Place, South Hedland Source: CoreLogic

Moving into the mid-west, as predicted, Geraldton has performed well this year supported by interstate investor activity and migration from

Perth buyers looking for an affordable seaside escape from the hustle and bustle. As predicted in our February edition, the suburbs of Spalding and Rangeway have performed well with growths of circa 27 per cent and 29 per cent respectively although we caution that the volume of very modest properties being purchased sight unseen by investors on the east coast after having very modest cosmetic renovation works has become concerning throughout the year. The popular suburb of Rangeway has experienced an upwards turn of sales volume and median price, now reaching a new median of $255,000.

This humble 82 square metre property located at 36 Rifle Range Road, built in 1963 and in original condition features three bedrooms and one bathroom and is situated on 770 square metres of land. The property sold for $335,000 in September and has accrued a circa 97 per cent increase since its previous sale in July last year of $170,000.

36 Rifle Range Road, Rangeway Source: CoreLogic

In the Goldfields region of Western Australia, the Kalgoorlie market remained strong and resilient despite the downturn of the lithium and nickel industries within the region. With the town's mining industry being the backbone of the local housing demand, the suspension of nickel and lithium operations in the state surprisingly had little to no effect on the property market as the gold industry remains incredibly strong. Kalgoorlie's market experienced circa 16 per cent growth this year, with the median price reaching $373,000, alongside 15 per cent growth in rental prices.

This property at 30A Boundary Street sold for $380,000 in August. The Colorbond-clad dwelling features three bedrooms, two bathrooms and a large workshed situated on a 471 square metre allotment. This property was previously sold in February this year for $240,000, equating to circa 58 per cent growth in less than a year!

30A Boundary Street, South Kalgoorlie Source: CoreLogic

Travelling to the south-west region, demand has remained strong as predicted, with many suburbs experiencing high rates of growth throughout this year. In our February edition, we stated "The most active part of the market is anticipated to be the sub-$600,000 sector due to affordability and the involvement of interstate investors". Bunbury has become one of the most in demand regional centres in Western Australia, experiencing a circa 14.5 per cent increase in values along with 20 per cent rental growth, with a median price of $755,000. A variety of demand remains attracted to the region, from interstate investors, migrants from Perth to local first homebuyers looking to exit the rental market in areas where the median house price remains below $600,000.

In summary, whilst we expected that interest rates and affordability would be key themes this year, the predominant impact on the housing market was migration-fuelled demand. Supply remained constrained but did improve slightly throughout the year but remained well below the levels required. Affordability impacted the rental market via hitting a rental price ceiling for houses, although units have continued their upward trend.

Investors impacted many areas of the state throughout the year. After focusing on the lower priced stock in Perth, they turned their attention to historically less desirable suburbs throughout regional centres in Western Australia, often buying properties that on the face of it appear to be low quality and high risk, but during a housing crisis, will rent well.

Chris Hinchliffe
Director

HERRON TODD WHITE

Northern Territory - Residential 2024

Darwin

To kick off 2024, the Top End property market started with the same steady pace observed throughout 2023, showing little market movement. However, in recent months, there has been a significant shift, marked by a surge in activity. A key driver of this change is the strong push from interstate investors, supported by buyers' agents, who have shown considerable appetite for property in the Top End.

Over the past six months, there has been increased activity in the sub-$650,000 price range, particularly for newly built homes with leases in place. This has been largely due to Darwin's position as offering the highest rental yields among all Australian capital cities, making properties with attractive rents and tax depreciation benefits especially appealing to investors. These rental yields have contributed to a surge in demand for new builds as investment-grade properties.

Investors have become more proactive, with many actively seeking off-market deals as the number of active listings continues to decline. Discussions with local agents who are working closely with interstate investors suggest that while property values remain within the current range, there is still strong demand for these properties. The increased demand has started to place an upward pressure on investment property prices however only in certain market segments. This will be much clearer as the Quarter 4, 2024 data is released and will be key in determining whether the market experiences a large shift.

Investors have become more proactive, with many actively seeking off-market deals as the number of active listings continues to decline.

Traditionally, the Top End market tends to slow down during the wet season, especially in the early months of the year, so it will be interesting to see how the market evolves given the current demand levels. The spread of information regarding increased demand has created a sense of excitement for the upcoming year, but it remains to be seen whether this trend continues into 2025.

Demand remains stable in the higher-end market with owner-occupier properties continuing to trade at similar levels as 2023. In contrast, the rural residential market remains strong, with many local buyers seeking to move out of the city. Factors such as affordability, crime concerns, and the ability to work from home continue to influence decisions, making rural properties more attractive.

Renovated homes in particular have proven to be popular in the market. High construction costs and a shortage of available trades have made turnkey, renovated properties particularly desirable. Homebuyers are recognizing the value in well-presented, move-in-ready homes, which are selling quickly. Properties that require upgrades or full renovations have seen a decline in demand.

Looking at the Greater Darwin market, statistics from Quarter 3, 2024, released by the NT Government, show that the median house price is $561,000, while the median unit price is $373,000. These values have remained stable over a 12-month period, indicating a steady market overall.

The surge in house and land packages followed a brief pause in the lead-up to the Northern Territory election in August 2024, when potential homeowners delayed purchasing until after the election. The introduction of first home builder grants of up to $50,000 in October has driven increased construction activity, particularly in developments such as Zuccoli in Palmerston, Northcrest in the northern suburbs, and the Lee Point development. These developments have helped stimulate the northern vacant land market, with Northcrest, Marrara Gardens, and Boulter Road remaining the main sources of land supply in the northern suburbs. The rural residential land market however remains more limited, though a new subdivision in Virginia has been reported to be selling well, alongside a few lots sold in Howard Springs.

Interstate investors have been prominent in the market, with a preference for newly built homes with leases in place, priced between $450,000 and $600,000. These investors have been particularly attracted to Darwin's high rental yields. The number of active listings has decreased by 7.19 per cent since the beginning of 2024, making it a tighter market and further fuelling competition among buyers.

The unit and townhouse market has also shown increased demand, with sales volumes up although still lower than the same time the previous year. This segment of the market is still far from its peak in 2014 and 2015. With limited new stock available and only modest supply coming through the pipeline, the unit market has struggled to experience sustained growth or stability.

In conclusion, the Top End property market in 2024 has shown early signs of strength, particularly with the influx of interstate investors seeking affordable properties with strong rental yields. While the market has not yet seen dramatic increases in property values, the tight supply and continued demand suggest that upward pressure on prices is likely. The rural residential market remains stable, and renovated homes continue to be popular, while the unit market is still working through challenges.

Louis Cox
Valuer

Australian Capital Territory - Residential 2024

Canberra

Canberra's housing market experienced growth in the first three quarters of 2024 for houses, as reported by CoreLogic. The median value for houses was recorded at $967,933, reflecting 0.3 per cent growth for the September quarter, and the median value for units was $591,952, reflecting a 1.8 per cent decline for the September quarter.

The optimistic start to the 2024 year had likely been due to inflation rates easing and interest rates being on hold for the year.

However much of that optimism didn't translate into steady growth over 2024, with a lot of the momentum of the market being hampered by an increase in new sales listings for newly completed and existing houses over the previous few years (2021 and 2022), which were marked by limited supply and strong demand. Greenfield land has also been widely available within the ACT and surrounding regional areas, with the increase in construction costs likely to have contributed to the easing of demand for vacant land as well as owners having to forgo future construction plans and unable to hold on to the land due to higher interest rates, thus selling their vacant blocks back onto the market. The lacklustre momentum over 2024 has allowed some first-time homeowners to step onto the property ladder.

The decline in unit values is likely due to a combination of higher interest rates as well as the historically large increase in recent years of ongoing unit developments in local town centres coming to completion, adding to the wide availability of apartments concurrently on the market at any given time. Recent local examples include the cluster of high-density apartment towers along Grazier Lane in Belconnen Town Centre, as well as Irving Street and Furzer Street in Phillip (Woden) Town Centre, which includes the WOVA development – Canberra's largest unit development, with over 800 units in the development.

CoreLogic Home Value Index tables

Capitals

	Sydney	Melbourne	Brisbane	Adelaide	Perth	Hobart	Darwin	Canberra
All Dwellings								
Month	0.3%	-0.2%	1.1%	1.4%	2.0%	-0.1%	-0.2%	-0.4%
Quarter	0.8%	-1.2%	2.9%	4.0%	5.7%	-0.4%	-0.3%	-0.2%
YTD	3.2%	-1.4%	9.4%	9.8%	16.2%	-0.2%	1.3%	0.4%
Annual	5.0%	-1.0%	15.0%	14.9%	24.4%	-1.2%	1.6%	1.5%
Total return	8.3%	2.8%	19.6%	19.4%	30.1%	2.9%	8.1%	5.6%
Gross yield	3.1%	3.7%	3.7%	3.7%	4.3%	4.2%	6.6%	4.1%
Median value	$1,180,463	$776,044	$875,040	$790,789	$785,250	$655,114	$504,367	$845,875
Houses								
Month	0.3%	-0.2%	0.9%	1.4%	1.9%	-0.4%	-0.1%	-0.3%
Quarter	0.8%	-1.5%	2.5%	3.9%	5.7%	-1.1%	0.2%	0.3%
YTD	3.6%	-1.4%	8.5%	9.4%	15.9%	-1.3%	2.6%	1.3%
Annual	5.7%	-1.1%	14.1%	14.5%	24.3%	-2.0%	2.9%	2.6%
Total return	8.6%	2.1%	18.2%	18.6%	29.9%	1.9%	9.0%	6.5%
Gross yield	2.7%	3.2%	3.5%	3.5%	4.1%	4.2%	6.0%	3.7%
Median value	$1,471,892	$929,715	$966,382	$844,963	$818,839	$692,606	$589,392	$967,933
Units								
Month	0.5%	-0.1%	1.7%	1.5%	2.2%	1.3%	-0.5%	-0.5%
Quarter	0.7%	-0.5%	5.0%	5.1%	6.4%	2.9%	-1.5%	-1.8%
YTD	2.3%	-1.3%	13.9%	12.9%	18.4%	5.0%	-1.4%	-2.6%
Annual	3.3%	-0.9%	19.4%	17.9%	25.0%	2.6%	-0.9%	-2.3%
Total return	7.6%	4.2%	25.4%	23.9%	32.5%	7.6%	6.7%	2.7%
Gross yield	4.0%	4.8%	4.7%	4.7%	5.7%	4.4%	7.7%	5.2%
Median value	$859,050	$610,652	$653,325	$555,464	$561,582	$549,569	$355,297	$579,774

As predicted at the beginning of this year, we saw inflation rates easing, which helped with cost-of-living pressures, however that easing in inflation

WOVA development Source: geocon

was largely due to higher interest rates from which there was no relief with interest rates being kept on hold. The last RBA cash rate increase was November 2023, which had been the 13th rate rise since May 2022. An interest rate cut would have eased pressure on existing mortgage holders and softened the entry for first homebuyers.

Recent Canberra re-sales show the fluctuations of the property market. Below we have reviewed re-sales where the property previously sold in 2022.

For example:

- **110 Langtree Crescent, Crace ACT** sold in November 2024 for $1.3 million, previously selling in April 2022 for $1.35 million, (a loss of 3.7 per cent).
- **10 Kohlhagen Street, Conder ACT** sold in November 2024 for $1.2 million, previously selling in November 2022 for $1,16 million (a profit of 3.4 per cent).

RESIDENTIAL

- **13/44 Catalano Street, Wright ACT** sold in November 2024 for $815,000, previously selling in September 2023 for $775,000 (a profit of 5.1 per cent).
- **14 Clancy McKenna Crescent, Bonner ACT** sold in October 2024 for $1.075 million, previously selling in July 2022 for $1.1 million (a loss of 2.3 per cent).
- **54 Cullen Street, Watson ACT** sold in October 2024 for $1.265 million, previously selling in December 2022 for $1.287 million (a loss of 1.7 per cent).
- **45 Denny Street, Latham ACT** sold in September 2024 for $1.05 million, previously selling in March 2022 for $1.2 million (a loss of 12.5 per cent).

In these examples, the results were quite mixed with variances between a 3.4 per cent increase and a 12.5 per cent loss. This shows the market is still fluctuating within the different market segments and is subject to supply and demand factors within suburbs and different regions across Canberra.

Michelle Akhmediev
Director

Tasmania - Residential 2024

Hobart and regions

2024 turned out to be a bit of a fizzer for the Hobart property market. The reduction to the high interest rates that were suggested throughout the year did not eventuate, interstate migration was very low (there are more young people leaving now than ever) and the cost-of-living pressure has surely taken its toll.

February's Month in Review noted that strength in the Hobart property market depended heavily on the reduction of interest rates.

Don't get me wrong, there are still pockets around Hobart that are holding their ground, but blue-collar northern suburb localities appear to be having their financial strings pulled just a little harder than other areas.

Rental vacancy rates are still at very low levels (circa under one per cent), however the amount of rent paid appears to have plateaued. We are seeing increased numbers of "For Rent" signs going up and rental reductions offered to entice prospective tenants. The average gross yield for investment property is still sitting slightly below the five per cent mark.

When interest rates do reduce, get ready (in my opinion) for a price jump. All major capital cities have seen some good growth over the past 12 months. Hobart was predicted to follow Adelaide but that did not eventuate.

24 Riverway Road, Montrose Source: realestate.com.au

24 Riverway Road, Montrose is currently listed for offers over $565,000 and is very well located within 12 minutes to the CBD. The house itself is nice and tidy with two near new bathrooms and off-street car parking. It is currently receiving $470 per week rent with the potential to achieve $500 per week which represents a 4.6 per cent gross return.

Montrose has always been a popular suburb with easy access to the Brooker Highway and the conveniences of Glenorchy Central and as mentioned, only a 12 minute commute to the CBD.

2025 will be a hard one to pick, just like 2024 was. It all depends on those stubbornly high interest rates. As soon as inflation reaches the levels the RBA wants, people will be able to breathe a sigh of relief with the pressure released from around their necks by reduced mortgage repayments. Fingers crossed.

Mark Davies
Valuer

Hobart was predicted to follow Adelaide but that did not eventuate.

RESIDENTIAL

Rural

December 2024

Southern Queensland and Northern New South Wales

Recent rainfalls across large parts of southern Queensland and northern New South Wales look to be ensuring we are heading into 2025 with full moisture profiles and green paddocks. This is a much better situation than this time last year for most of us. The improvement in seasonal conditions has certainly been reflected by a lift in the Eastern Young Cattle Indicator and with continued strong demand for beef and good margins for processors, these price points are beginning to feel a lot more stable. The below graph of the EYCI illustrates the low point we hit at the end of last year and beginning of 2024, though also demonstrates the relative stability of price between 550 and 700c/kg since this time.

Eastern States Young Cattle Index — Source: MLA

2024 has been an eventful year involving plenty of speculation, plenty of global tension and unfortunately continued wars in a number of regions. Yet the impact on the property market has been relatively benign. Reflecting this level of

Weekly Commodity Report

Report prepared 6 December 2024.

Wheat — **$350/t (H2)**
Steady
Quality concerns for the remaining wheat harvest after heavy rain over cropping areas on the weekend. Most of the crop has been harvested already.
Source: Ag Scientia

Barley — **$292/t (feed)**
Steady
ABARES cut its estimate for Australian barley production to 11.67 million tonnes for 2024-25, mainly due to poor conditions in South Australia.
Source: Grain Central

Sorghum — **$310/t**
Steady
New crop sorghum planting has continued. High Chinese corn imports from South America will likely compete with Australian sorghum in early 2025.
Source: Profarmer

Cotton — **$632.9/bale (Cotlook 'A' Index)**
Up 0.1%
Cotton futures eased this week, down in part with thin trading, bringing down the Cotlook 'A' Index to 81.7 USc/lb, or $X per bale.
Source: Fibre2Fashion

Oilseeds (Canola) — **$759/t**
Up 3.7%
Domestic canola markets recovered with increased volatile I noffshore oilseed markets recently. Buyer interest remains strong at current prices.
Source: Profarmer

Pulses (Chickpeas) — **$802/t**
Up 3.9%
Chickpea prices rose with higher competition from buyers. ABARES increased its estimate for the Australian chickpea crop, up to 1.9 million tonnes.
Source: Grain Central

Sugar — **$719/t**
Down -0.9%
Sugar futures fell slightly due to a lower Brazilian Real, making Brazilian sugar cheaper on the world market, despite delays to harvest in Brazil.
Source: QSL

Cattle — **670c/kg (EYCI)**
Up 5.2%
A strong week for cattle prices this week, with all indicators lifting. Dubbo, Gunnedah and Singleton saleyards had the highest averages in NSW.
Source: MLA

Cows — **275c/kg (lwt)**
Up 3.4%
Australian beef exports are on track for a calendar year record, up to 1.2 million tonnes in the year to November. USA was the major market.
Source: MLA

Lamb — **858c/kg (NTLI cwt)**
Up 5%
Lamb prices rallied this week, as rain helped the restocker and trade lamb indicators, even with a jump in yardings. Wagga averaged 903c/kg.
Source: Mecardo

Wool — **1,142c/kg (EMI)**
Down -0.2%
Mixed results in the wool market this week left the EMI down slightly. The Merino sector was higher in Sydney but broadly lower in Melbourne.
Source: Elders Wool

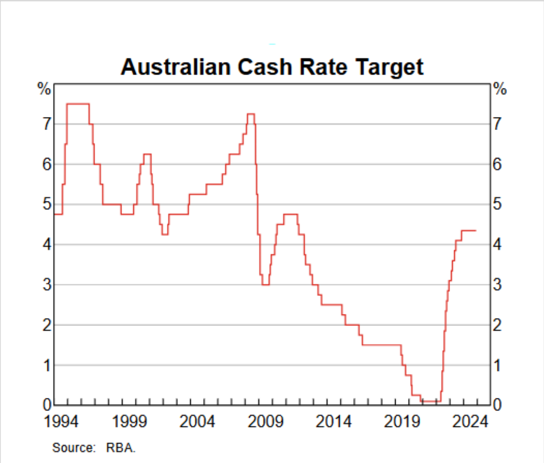
Weather
The Bureau of Meteorology long rage forecast indicates much of the state is likely to have above-median rainfall over summer.
Source: Bureau of Meteorology

Commodities report — Source: NSW DPI

unease and varied trade appetites, a number of key pricing indicators for a variety of grains and pulses have also been somewhat static (with some margin of volatility noted throughout the year). That said, several of those key metrics have seen a bit of a lift over the past month to hopefully see the year out in sound territory. Those who managed to pull off pulse crops have been particularly rewarded.

Wheat is sitting around $350 per tonne and some improvements in barley prices have also supported margins. The following is a snapshot put together by the New South Wales Department of Primary Industries which I find particularly interesting.

Obviously one of the key drivers of the economy is the cash rate and its influence on interest rates. There has certainly been what feels like a lot of unnecessary talk about when the next cash rate cut will be. In my opinion it really doesn't matter; all the experts in this regard agree inflation is still above target and fundamentally only a small change if any in the cash rate is needed and likely under current economic conditions. Therefore, without a significant change, the status quo is likely to remain in terms of its impact on the property market.



Cash Rate Source: RBA

Throughout 2024, the carbon market and the variety of applicable carbon projects available to producers has been a regular topic of conversation. A recent survey completed by the Carbon Market Institute found that almost two-thirds of Australian businesses (65 per cent) expect Australian Carbon Credit Unit prices will be above $90 by 2035. From my perspective this would appear likely with more and more of the world focusing on ESG, and minimising our environmental footprint through carbon management certainly seems to be a dominant focus. Furthermore, the Safeguard Mechanism in Australia appears particularly likely to see major polluters rely on ACCU generation to offset emissions. However, this is still an emerging and developing industry and legislative changes can move markets overnight. Throughout 2024 there was a strengthening in ACCU prices, particularly in the second half of the year, eventually reaching 32-month highs. As seen in the graph below, this is still a volatile market and obviously somewhat of a jump ship event transpired since reaching this high point in mid-November and prices have now corrected back below $38 per ACCU. In south-western Queensland the expiry of the Human Induced Regeneration Methodology has certainly slowed the demand for mulga property suitable under the old methodology. That said, the credits produced under that method are certainly paying dividends and will likely help to underpin property market fundamentals in the region, providing a valuablenon-production income stream if needed.

Australian Carbon Credit Unit price Source: Core Markets

Over 2024 we have seen the property market switch from a seller's market to be more in equilibrium. While property listings have increased in many regions, limited supply is still a factor in some. Continued transaction activity appears more evident in areas with a recognised lifestyle influence and further growth over the past 12 months has been demonstrated by a number of recent sales of irrigation and prime dryland cropping, albeit these increases are not of the same scale of growth experienced for grazing property over the past five years. The grazing property market appears to have largely stabilised. We are currently seeing some listings and sales in specific regions placing some slight downward pressure on values though conversely some regions which have experienced lower volumes of supply are still indicating some further growth.

A number of genuine corporate properties have been made available to the market over the course of 2024 and some notable transactions have occurred throughout the year at a variety of price points. A few of those large family farms and genuine corporate properties remain on the market and are beginning to demonstrate extending selling periods.

Some of the notable sales in 2024 include:

- Mount Lonsdale, Mungallala - $20 million
- Timberlite, Taroom - $21 million
- Raceview Station, Charleville - $21 million
- Roma Feedlot & Spelling Yards, Mount Abundance - $22.95 million
- Macquarie Downs Feedlot - $55.9 million
- U/C Sale in proximity to Injune circa $35 million plus representing $1526 per acre improved
- Worral Creek Aggregation, Mungindi - $360 million
- Oakleigh West, Bowenville - $24.75 million

An interesting sale to watch will be the Hollymount Aggregation at St George which is under offer.

Bart Bowen
Director

Northern Beef

Throughout the course of 2024 the northern pastoral zone has emerged as a multi-speed market with a continued level of demand and strong value levels for premium properties, while second tier assets, which are often subject to higher operating input requirements, have met a level of market resistance.

There were a handful of sales in the Northern Territory, in most cases reflecting values which are considered in line with 2023 levels. These include:

- Murray Downs (5595 square kilometres) $46.5 million WIWO or $27.5 million bare to Richard Hughes.
- Aileron (4076 square kilometres) $22.5 million WIWO or $14.7 million bare to Charlie Shahin
- Woolner (647 square kilometres Floodplains east of Darwin) $49 million bare to Rallen Australia
- Carbeen Park (7390 hectares freehold west of Katherine) $12.8 million bare to Heytesbury Pastoral Company

Murray Downs Station Source: realestate.com.au

In North Queensland larger breeder sales have been sparser with one of very few including Harvest Home which sold mid-year for $17.7 million. At around $5000/AE the sale reflects a stable trend in prices, however other properties of a similar class remain listed for sale which indicates that demand may have moderated.

Family scale graziers remain active in the Julia Creek and Richmond area with quality properties reaching levels above $1200 per hectare, and comparative land types in Longreach, Muttaburra and Winton are selling to values near on $700 per hectare. Recent sales results in these locations suggest that the market is in line with or firm on the market peak levels, and buyers are seeing value in this market at beast area rates in the order of $5000/AE to $7000/AE.

The Central Queensland market remains active although at a level which is less than that experienced throughout 2022 and early 2023. Values for better quality properties remain in line with market peak in most cases, and the recent offering of the Scott Pastoral Portfolio confirmed the depth of the buyers in the area, with all seven properties on offer selling to local families for a total consideration in excess of $150 million.

Key sales for this year have been:

- Fairfield Station (west of Moura) sold at auction for $49 million ($4599 per hectare)
- Rockland Springs (south of Blackwater) sold at auction for $48.25 million ($4334 per hectare)
- Morpeth (south of Nebo) sold post auction for $18.5 million ($4538 per hectare)
- Hillcrest (east of Middlemount) sold post auction for $33 million ($3247 per hectare)

In summary, the 2024 year has seen a moderation in the volume of sales. Values for better quality assets which attract competition remain in line with the peak levels set in 2022 and 2023. Values for second and third tier assets have softened to varying degrees although there have been few sales as vendors continue to hold out or withdraw properties from the market.

Will McLay
Director

Southern WA Dryland Farming

2024 has seen a shifting and varying level of sentiment across the southern agricultural regions of Western Australia, largely due to varying environmental conditions and economic influences from the start of the year and throughout.

Market conditions changed significantly over the three to five years leading into 2023 as a low-interest-rate environment and strong commodity prices coupled with high production resulted in strong demand and significant price growth across the majority of southern Western Australia. However, on the back of this came a 2023/24 season which resulted in total grain production of 14.5 million tonnes of grains, seeds and pulses, almost 50 per cent lower than the previous record seasons of 2021/22 and 2022/23. This was allowed by a dry start to 2024 as well as low confidence and high uncertainty surrounding the sheep industry due to the phase-out of live export, so the general consensus was that a steadying in the market was likely.

Seasonal conditions improved throughout winter, and despite the overall below average seasonal rainfall across most of Western Australia except the northern regions which have experienced above average rainfall, together with a market still regarded as tight in supply, the outlook for southern Western Australia's rural property market improved throughout 2024. Some of the larger operators are out of the market following a period of growth, as are those within the high rainfall western regions in particular, indicating that the price of land is now at the edge of profitability. In addition, the extremely high levels of demand throughout 2021 to 2023 have subdued, however more affordable smaller scale and well-developed add-on properties, particularly those in tightly held localities that have experienced limited transactional activity over the previous three years, are still experiencing good interest and are achieving strong prices. Subsoil moisture reserves in some regions ready for 2025, expected interest rate cuts, and a Grain Industry Association of Western Australia total grain production estimate for the season of between 18 and 19 million tonnes, which would make this season's result the third largest grain crop on record, are likely to support the improved market sentiment into 2025.

Mitchell Boylan
Valuer

Wine & Vineyard

The vineyard and wine industry overall has had another year of highs and lows with many across the industry hunkering down and riding through another tough vintage, both seasonally and economically. Wine production for 2023-24 was just over one billion litres, an eight per cent increase compared with the weather-affected 2022-23 vintage, but still the second-smallest reported production in 17 years, and 16 per cent lower than the 10-year average of 1.24 billion litres. The lower production has helped sales of Australian wine exceed production for the second consecutive year.

On a positive note, 2024 has seen the lifting of the Chinese tariffs on the Australian wine industry with many growers buoyed by the return of the Chinese export market. Recent prices for main red varieties in warm climate regions are expected to increase slightly from around $246 per tonne to $284 per tonne with white varieties expected to range from $395 per tonne to $501 per tonne for the major varieties.

Vineyard and winery transactions have been down across the key wine regions of Australia with agents reporting that vineyards and wineries are spending extensive periods of time on the market with buyer confidence low as a general observation. This has been seen both at grower level and at a cellar door/winery level, as a number of reputable winery and cellar door facilities have been offered to the market over the past twelve months with limited success. If grape prices, profitability and balance sheets continue to improve, buyer confidence is likely to follow, however any rises in vineyard/winery values may lag given the high level of stock currently sitting on the market.

A number of larger vineyard sales in the inland areas have been purchased by buyers intending to redevelop to other crops. These buyers have seen opportunities to acquire vineyards with some existing irrigation infrastructure at historically low prices, often at a cheaper overall cost than starting from scratch doing greenfield developments.

Salena Estate Source: realcommercial.com.au

One recent sale of note is the Salena Estate business in the South Australian Riverland which includes a 15,000 tonne winery, a 17 million litre storage facility, 185 hectares of vineyards and a fully equipped laboratory with a bottling line for a reported price of $9.2 million.

Overall, there appears to be varying levels of confidence returning to the industry following several difficult years. Whilst there have been positive signs out of China, it is unlikely that demand will return to pre-tariff levels in the near future with the industry still carrying elevated stock levels together with the overall decline in wine consumption and the uncertainty of long-term success in China following the re-introduction and restocking of wine into the Chinese market.

Chris Algie
Valuer

HERRON TODD WHITE

Property Market Indicators

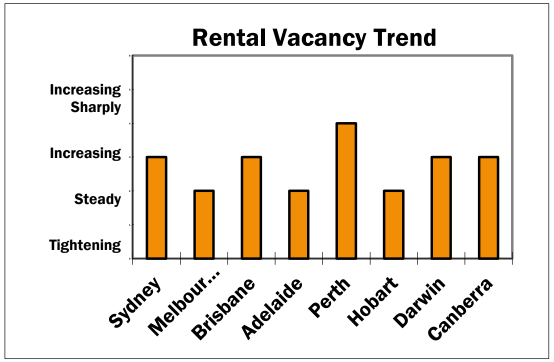
December 2024

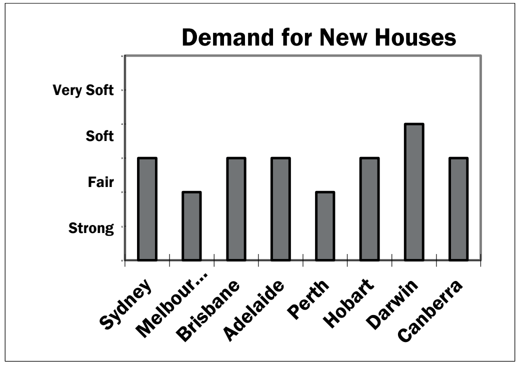
Capital City Property Market Indicators – Houses

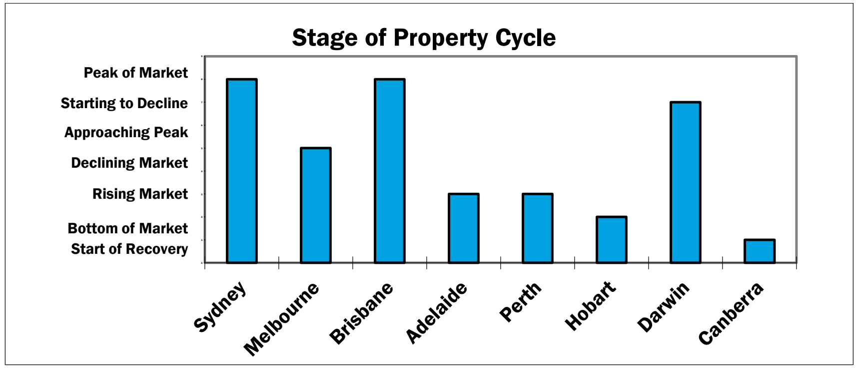
Factor	Sydney	Melbourne	Brisbane	Adelaide	Perth	Hobart	Darwin	Canberra
Rental Vacancy Situation	Shortage of available property relative to demand	Shortage of available property relative to demand	Shortage of available property relative to demand	Severe shortage of available property relative to demand	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	Steady	Tightening	Increasing	Tightening	Steady	Steady
Demand for New Houses	Fair	Strong	Fair	Fair	Strong	Fair	Soft	Fair
Trend in New House Construction	Steady	Increasing	Steady	Increasing	Steady	Steady	Increasing	Increasing
Volume of House Sales	Steady	Steady	Declining	Declining	Steady	Declining	Steady	Increasing
Stage of Property Cycle	Peak of market	Declining market	Peak of 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





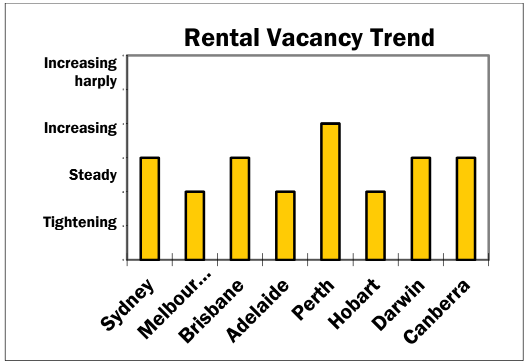


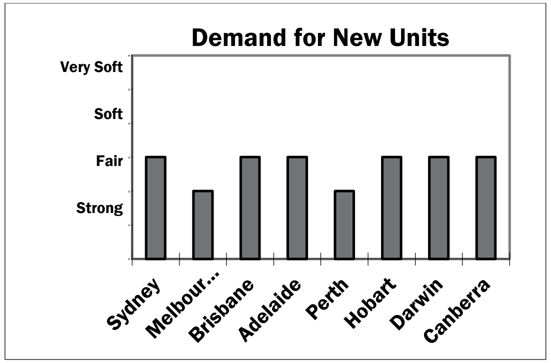
Capital City Property Market Indicators – Units

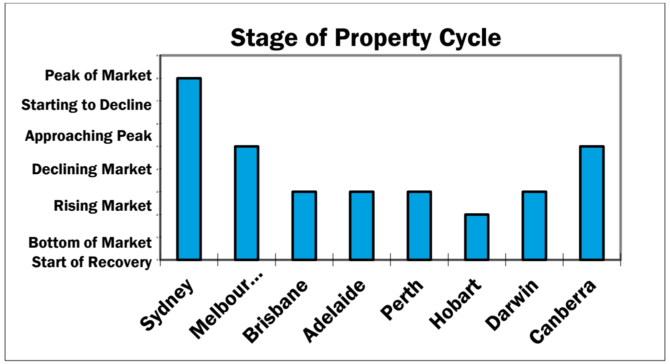
Factor	Sydney	Melbourne	Brisbane	Adelaide	Perth	Hobart	Darwin	Canberra
Rental Vacancy Situation	Shortage of available property relative to demand	Shortage of available property relative to demand	Shortage of available property relative to demand	Severe shortage of available property relative to demand	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	Steady	Tightening	Increasing	Tightening	Steady	Steady
Demand for New Units	Fair	Strong	Fair	Fair	Strong	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	Peak of market	Declining market	Approaching peak of 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

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

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





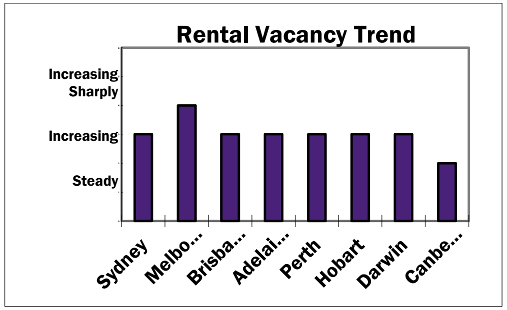


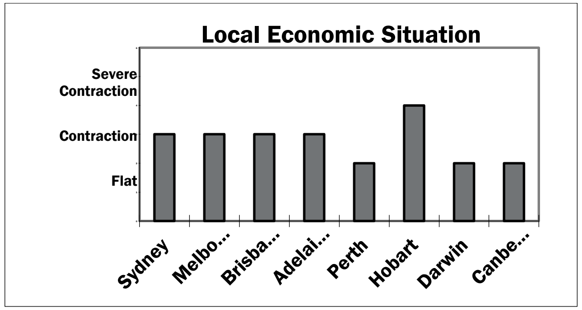
Capital City Property Market Indicators – Industrial

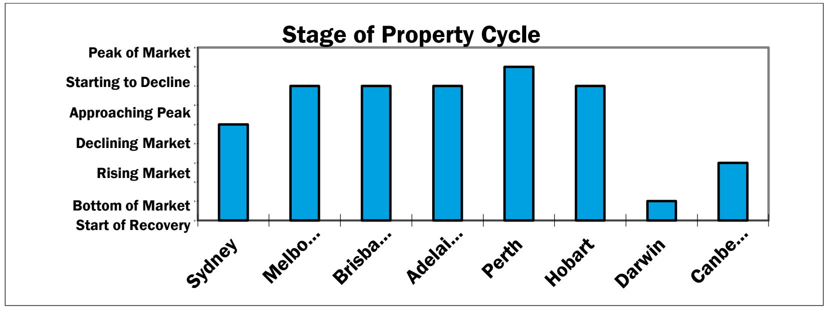
Factor	Sydney	Melbourne	Brisbane	Adelaide	Perth	Hobart	Darwin	Canberra
Rental Vacancy Situation	Shortage of available property relative to demand	Balanced market	Shortage of available property relative to demand	Shortage of available property relative to demand	Severe shortage of available property relative 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	Steady	Increasing	Steady	Steady	Steady	Steady	Steady	Tightening
Rental Rate Trend	Stable	Stable	Stable	Increasing	Stable	Increasing	Stable	Increasing
Volume of Property Sales	Declining	Steady	Declining	Steady	Declining	Declining	Steady	Increasing
Stage of Property Cycle	Declining market	Starting to decline	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





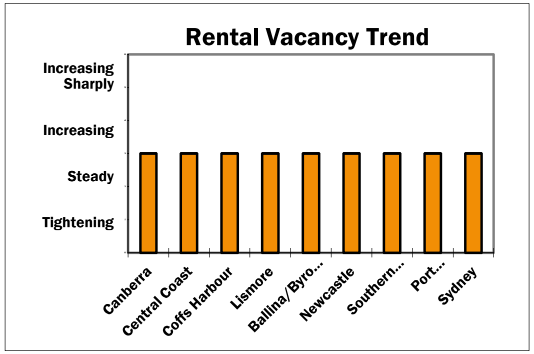


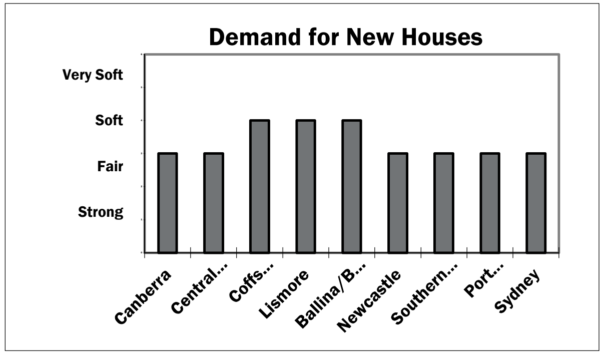
East Coast New South Wales Property Market Indicators – Houses

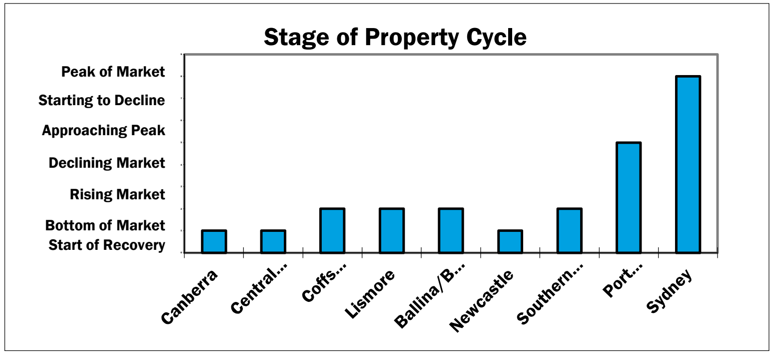
Factor	Canberra	Central Coast	Coffs Harbour	Lismore	Byron Bay/Ballina	Newcastle	Southern Highlands	Port Macquarie	Sydney
Rental Vacancy Situation	Shortage of available property relative to demand	Shortage of available property relative to demand	Balanced market	Shortage of available property relative 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	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	Steady	Steady	Steady	Steady	Steady	Steady
Volume of House Sales	Increasing	Steady	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	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





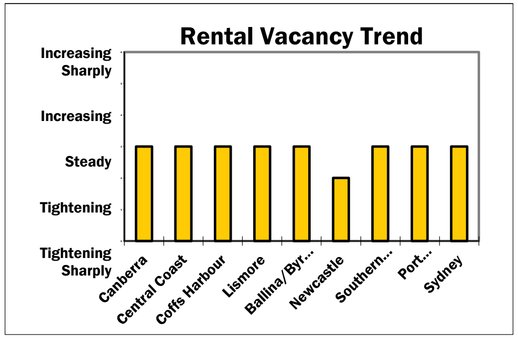


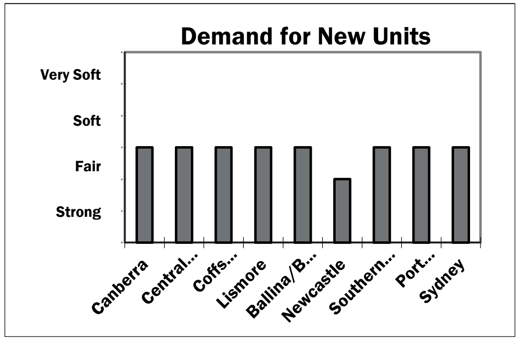
East Coast New South Wales Property Market Indicators - Units

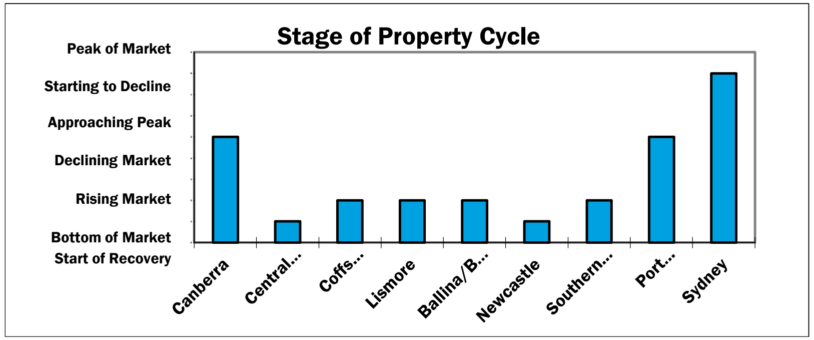
Factor	Canberra	Central Coast	Coffs Harbour	Lismore	Byron Bay/Ballina	Newcastle	Southern Highlands	Port Macquarie	Sydney
Rental Vacancy Situation	Shortage of available property relative to demand	Severe shortage of available property relative to demand	Balanced market	Balanced market	Balanced market	Shortage of available property relative to demand	Shortage of available property relative to demand	Balanced market	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	Steady	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	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





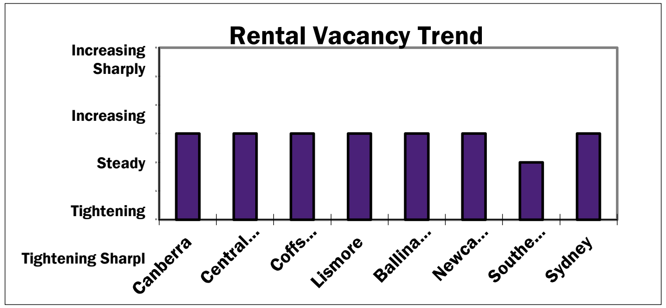


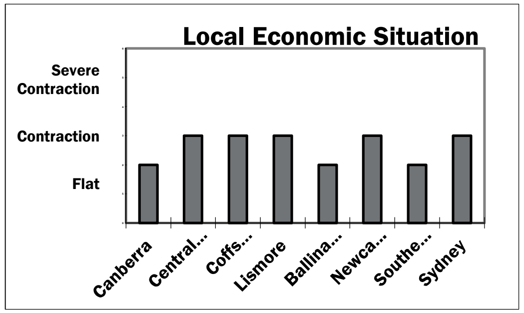
East Coast & Country New South Wales Property Market Indicators – Industrial

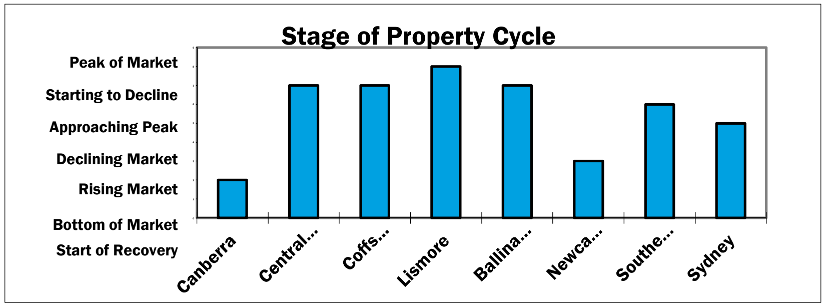
Factor	Canberra	Central Coast	Coffs Harbour	Lismore	Ballina/Byron Bay	Newcastle	Southern Highlands	Sydney
Rental Vacancy Situation	Shortage of available property relative to demand	Balanced market	Shortage of available property relative to demand	Balanced market	Balanced market	Balanced market	Balanced market	Shortage of available property relative to demand
Rental Vacancy Trend	Tightening	Steady	Steady	Steady	Steady	Steady	Tightening	Steady
Rental Rate Trend	Increasing	Stable	Stable	Increasing	Stable	Increasing	Increasing	Stable
Volume of Property Sales	Increasing	Declining	Steady	Declining	Declining	Steady	Increasing	Declining
Stage of Property Cycle	Rising market	Starting to decline	Starting to decline	Peak of market	Starting to decline	Rising market	Approaching peak of market	Declining market
Local Economic Situation	Steady growth	Flat	Flat	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



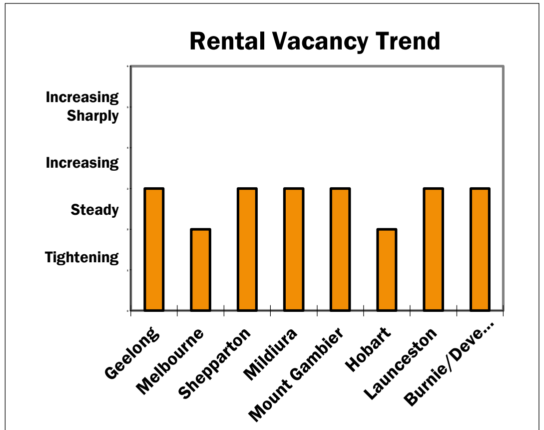


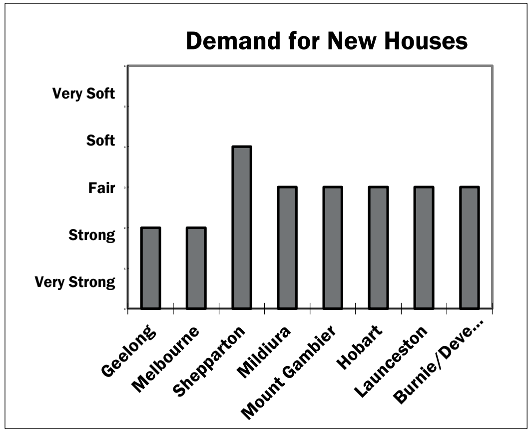


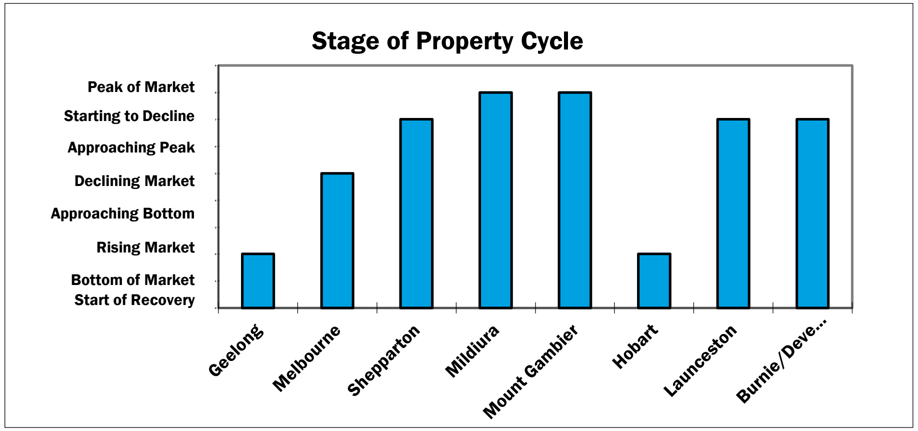
Victorian and Tasmanian Property Market Indicators – Houses

Factor	Geelong	Melbourne	Shepparton	Mildura	Mount Gambier	Hobart	Burnine/ Devenport	Launceston
Rental Vacancy Situation	Shortage of available property relative to demand	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	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	Declining market	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 *Blue entries indicate change from previous month to a lower risk-rating*





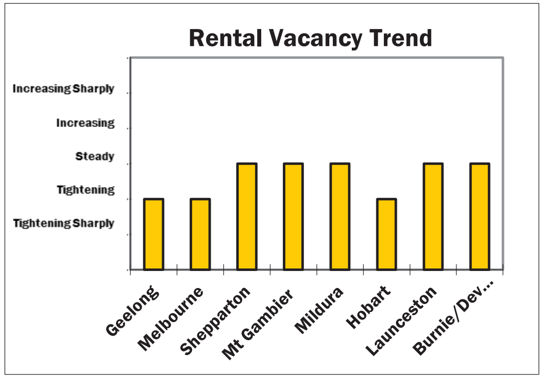


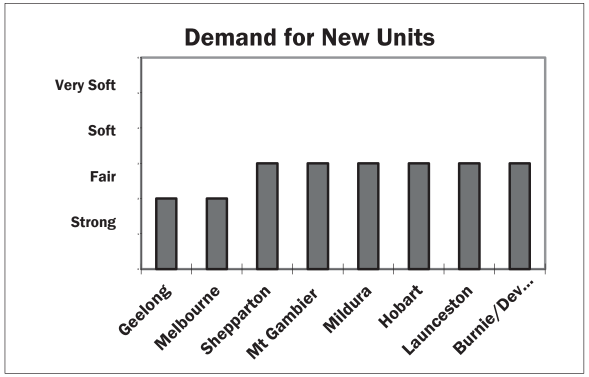
Victorian and Tasmanian Property Market Indicators – Units

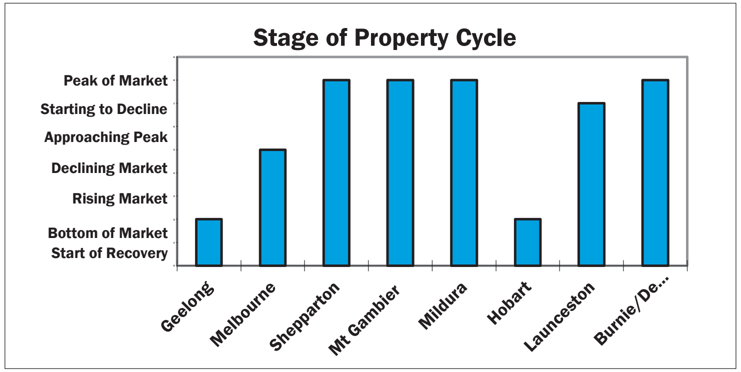
Factor	Geelong	Melbourne	Shepparton	Mount Gambier	Mildura	Hobart	Launceston	Burnie/Develport
Rental Vacancy Situation	Shortage of available property relative to demand	Shortage of available property relative to demand	Shortage of available property relative to demand	Shortage of available property relative to demand	Shortage of available property relative to demand	Balanced market	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	Declining market	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

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

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





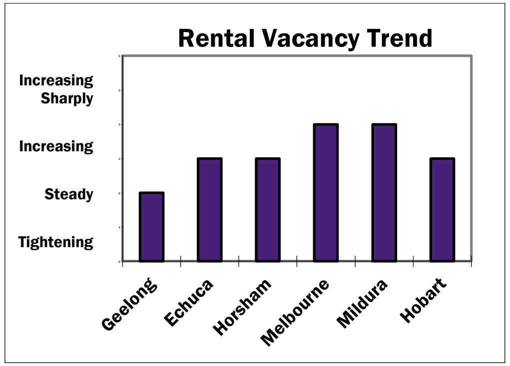


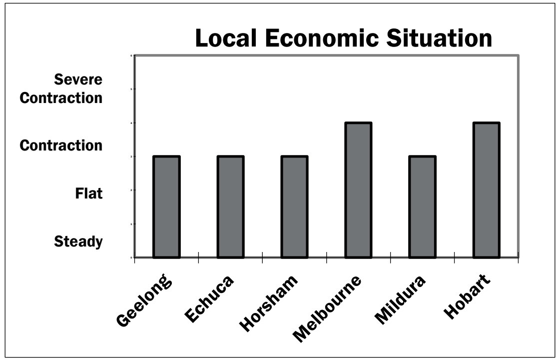
Victorian and Tasmanian Property Market Indicators – Industrial

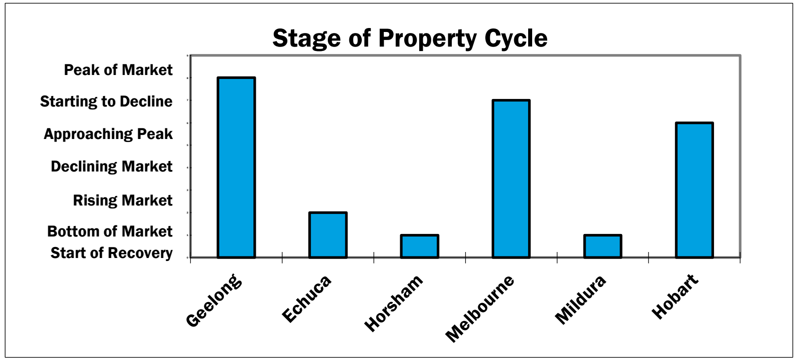
Factor	Geelong	Echuca	Horsham	Melbourne	Mildura	Hobart
Rental Vacancy Situation	Shortage of available property relative to demand	Balanced market	Over-supply of available property relative to demand	Balanced market	Balanced market	Shortage of available property relative to demand
Rental Vacancy Trend	Tightening	Steady	Steady	Increasing	Steady	Steady
Rental Rate Trend	Increasing strongly	Stable	Stable	Stable	Stable	Increasing
Volume of Property Sales	Steady	Steady	Steady	Steady	Steady	Declining
Stage of Property Cycle	Starting to decline	Rising market	Start of recovery	Starting to decline	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

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





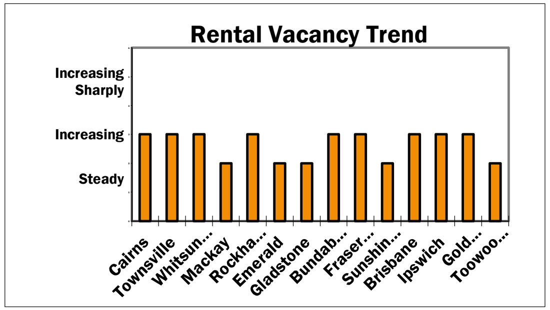


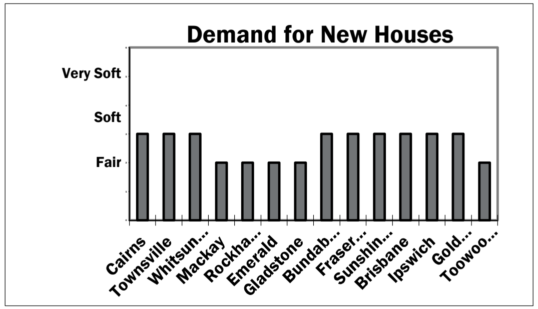
Queensland Property Market Indicators – Houses

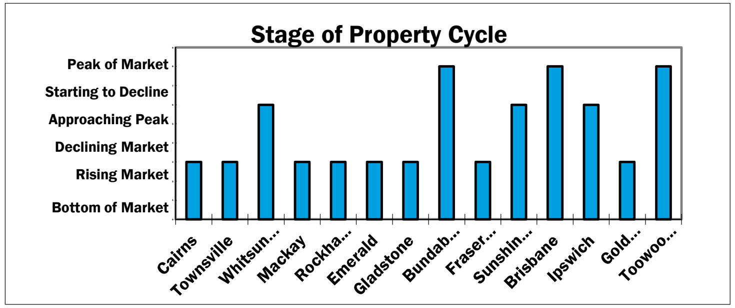
Factor	Cairns	Townsville	Whitsunday	Mackay	Rockhampton	Emerald	Gladstone	Bundaberg	Hervey Bay	Sunshine Coast	Brisbane	Ipswich	Gold Coast	Toowoomba
Rental Vacancy Situation	Severe shortage of available property relative to demand	Severe shortage of available property relative to demand	Severe shortage 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	Fair	Fair	Fair	Strong
Trend in New House Construction	Steady	Steady	Steady	Declining	Declining	Steady	Declining	Steady	Steady	Steady	Steady	Declining	Steady	Declining
Volume of House Sales	Declining	Declining	Steady	Increasing	Increasing strongly	Increasing	Increasing strongly	Steady	Increasing	Steady	Declining	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	Rising market	Approaching peak of market	Peak of market	Approaching peak of 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

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

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





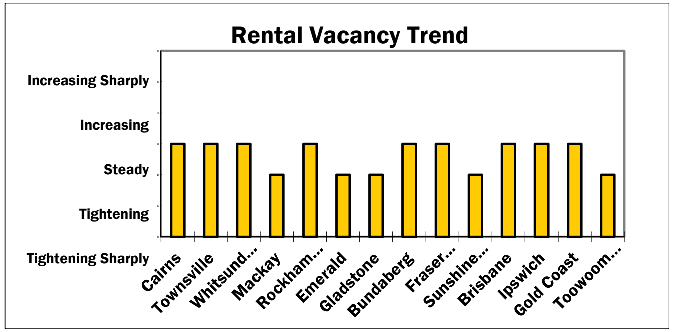


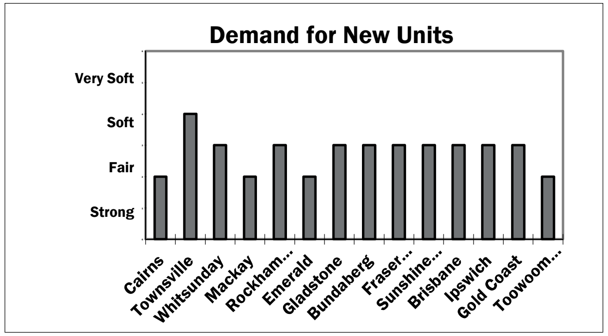
Queensland Property Market Indicators – Units

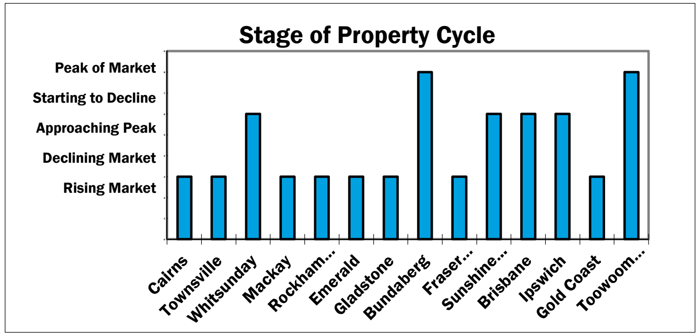
Factor	Cairns	Townsville	Whitsunday	Mackay	Rock-hampton	Emerald	Gladstone	Bundaberg	Hervey Bay	Sunshine Coast	Brisbane	Ipswich	Gold Coast	Toowoomba
Rental Vacancy Situation	Severe shortage of available property relative to demand	Severe shortage of available property relative to demand	Severe shortage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

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

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





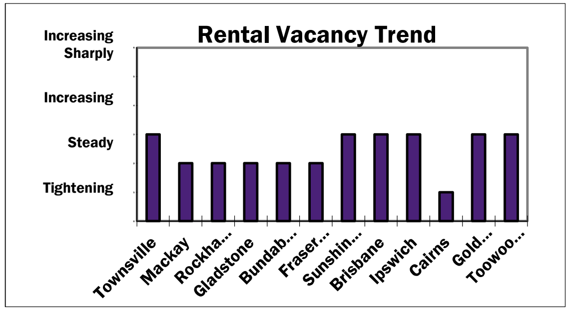


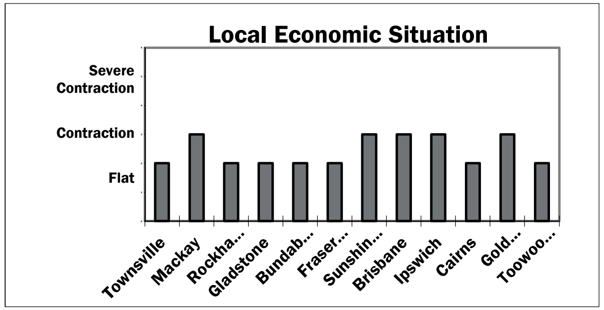
Queensland Property Market Indicators – Industrial

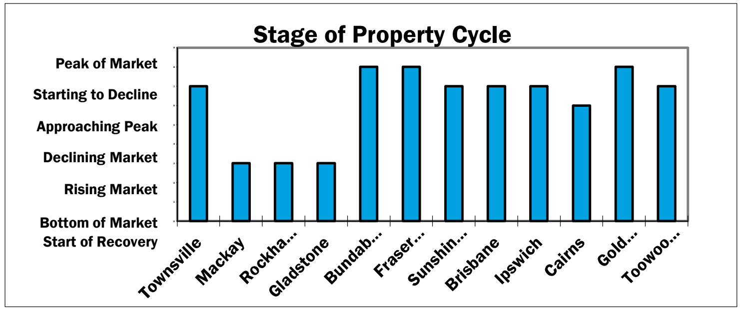
Factor	Townsville	Mackay	Rockhampton	Gladstone	Bundaberg	Hervey Bay	Sunshine Coast	Brisbane	Ipswich	Cairns	Gold Coast	Toowoomba
Rental Vacancy Situation	Balanced market	Balanced market	Shortage of available property relative to demand	Shortage of available property relative to demand	Shortage of available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

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

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





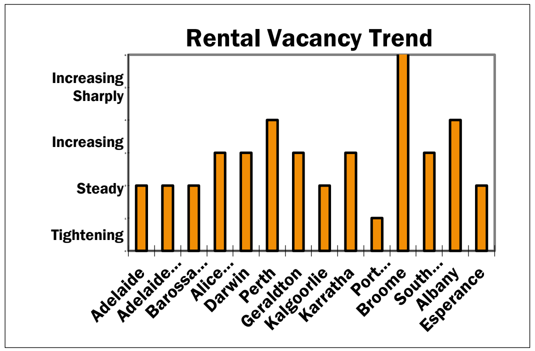


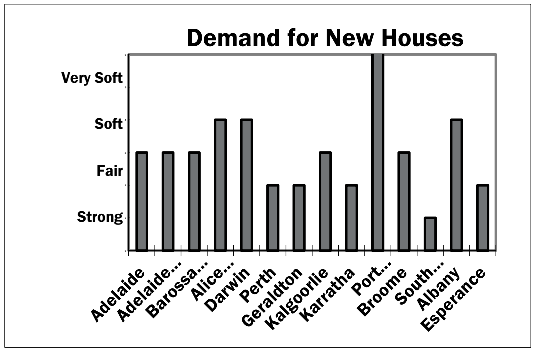
SA, NT and WA Property Market Indicators - Houses

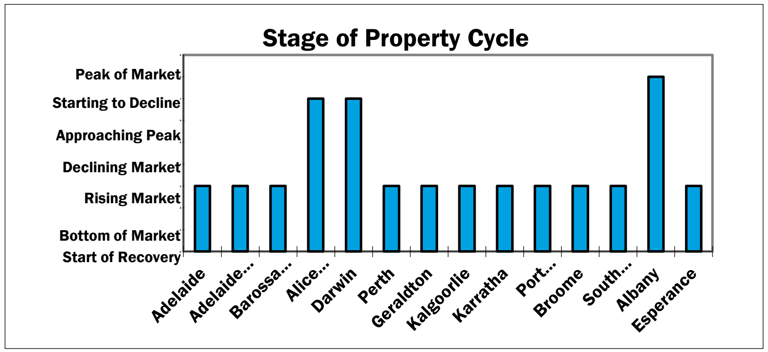
Factor	Adelaide	Adelaide Hills	Barossa Valley	Alice Springs	Darwin	Perth	Geraldton	Kalgoorlie	Karratha	Port Hedland	Broome	South West WA	Albany	Esperance
Rental Vacancy Situation	Severe shortage of available property relative to demand	Severe shortage of available property relative to demand	Severe shortage of available property relative to demand	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	Increasing	Steady	Tightening	Steady	Steady	Tightening	Steady	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 Construction	Increasing	Increasing	Increasing	Increasing	Increasing	Steady	Declining	Declining	Declining	Declining	Declining	Declining	Increasing	Declining
Volume of House Sales	Declining	Declining	Declining	Declining	Steady	Steady	Increasing	Steady	Steady	Steady	Steady	Steady	Declining	Increasing
Stage of Property Cycle	Rising market	Rising market	Rising market	Starting to decline	Starting to decline	Rising market	Rising market	Rising market	Rising market	Rising market	Rising market	Rising 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	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





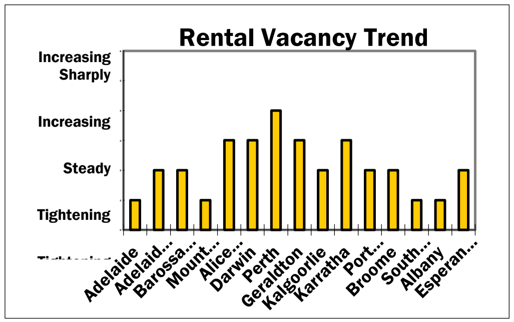


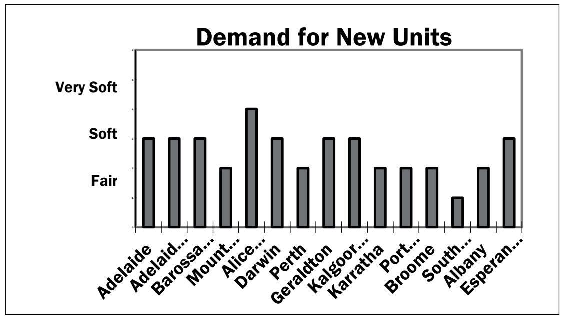
SA, NT and WA Property Market Indicators – Units

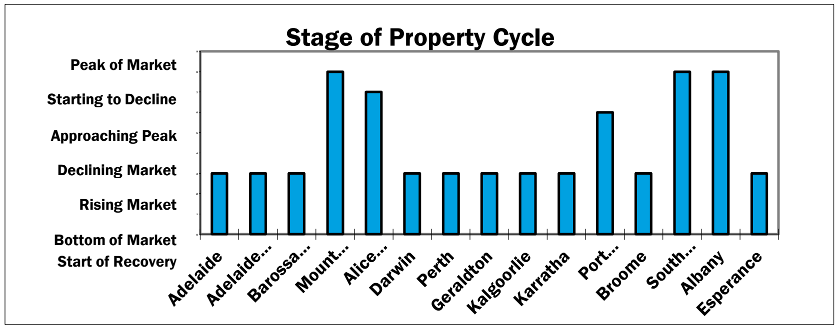
Factor	Adelaide	Adelaide Hills	Barossa Valley	Mount Gambier	Alice Springs	Darwin	Perth	Geraldton	Kalgoorlie	Karratha	Port Hedland	Broome	South West WA	Albany	Esperance
Rental Vacancy Situation	Severe shortage of available property relative to demand	Severe shortage of available property relative to demand	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	Increasing	Steady	Tightening	Steady	Tightening	Tightening	Tightening sharply	Tightening sharply	Steady
Demand for New Units	Fair	Fair	Fair	Fair	Soft	Fair	Strong	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	Occasionally	Almost never	Almost never	Occasionally	Occasionally	Occasionally	Occasionally	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





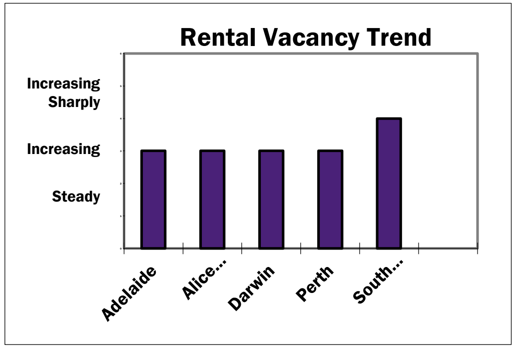


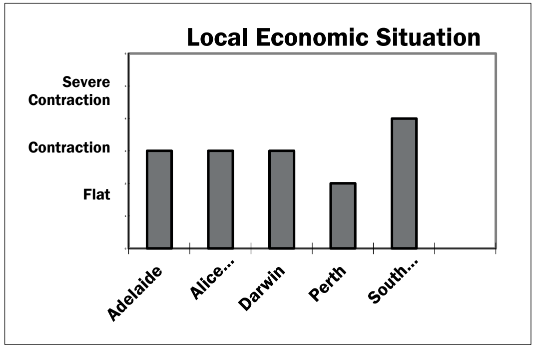
SA, NT and WA Property Market Indicators – Industrial

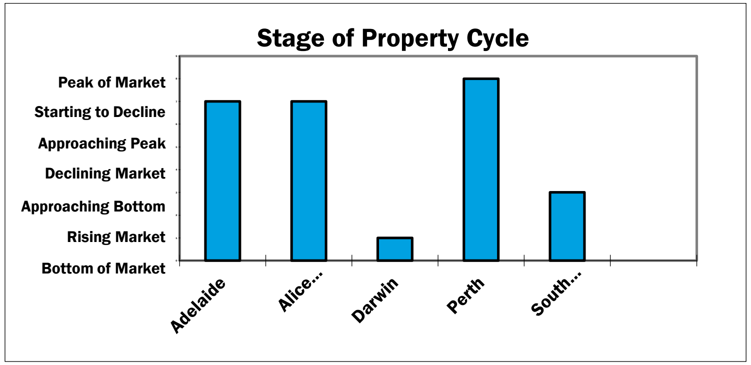
Factor	Adelaide	Alice Springs	Darwin	Perth	South West WA
Rental Vacancy Situation	Shortage of available property relative to demand	Balanced market	Over-supply of available property relative to demand	Severe shortage of available property relative to demand	Over-supply of available property relative 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

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

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







TALK TO YOUR LOCAL EXPERT

Commercial

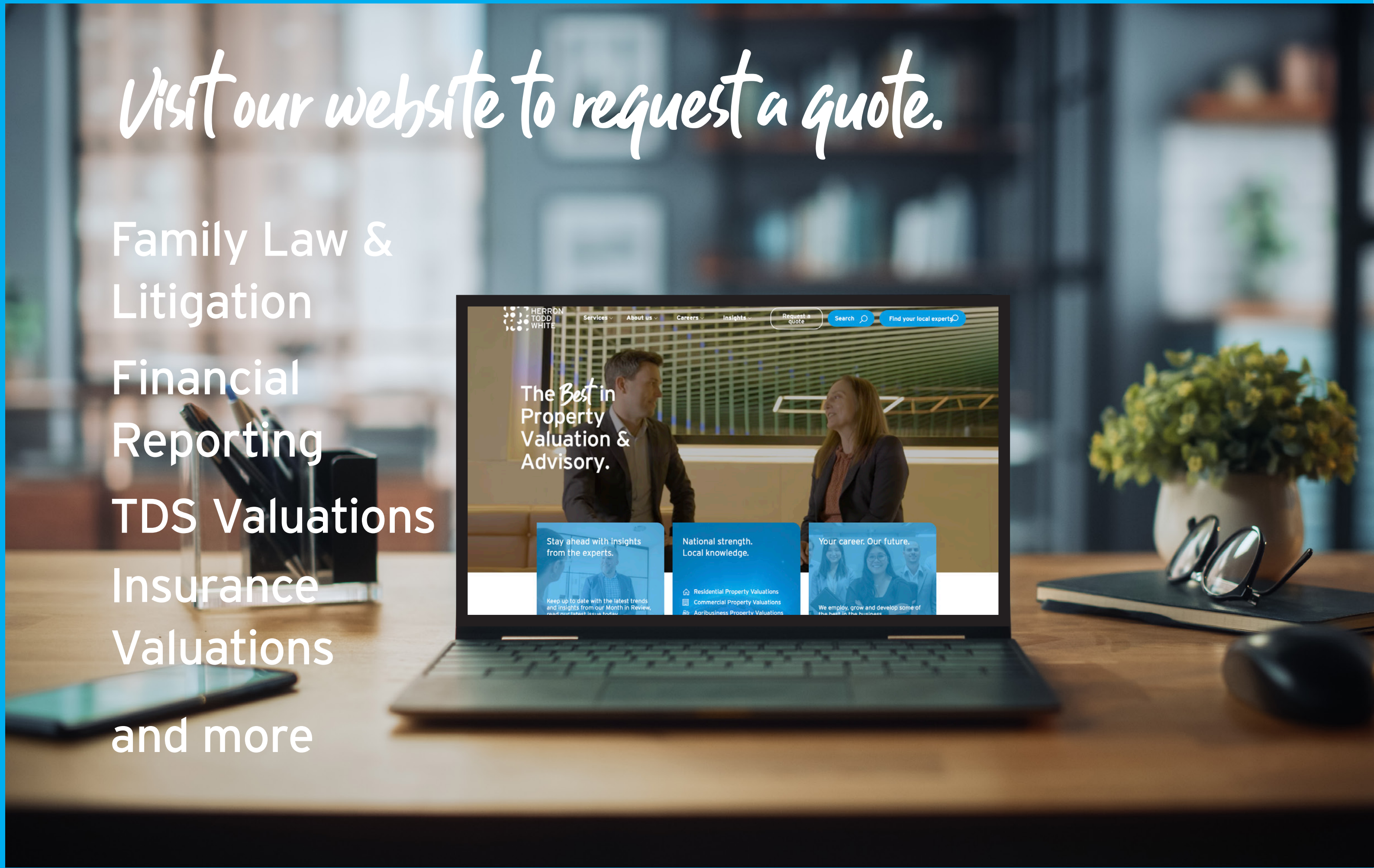
NT	Terry.Roth@htw.com.au
SA	Chris.Winter@htw.com.au
QLD	Alistair.Weir@htw.com.au
ACT	Scott.Russell@htw.com.au
VIC	Jason.Stevens@htw.com.au
WA	Greg.Mullins@htw.com.au
NSW	Angeline.Mann@htw.com.au
TAS	Andrew.Peck@htw.com.au

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



HERRON TODD WHITE

www.htw.com.au

1300 880 489
admin@htw.com.au