



# *Month in Review*

## February 2025

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

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## Disclaimer

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

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# CEO's Address

## Welcome to our February edition of Month in Review

The announcement of Australia's first cash rate cut since November 2020 has been met with positivity by most stakeholders. Markets had been pricing in a reduction for a while now, but stubbornly high inflation kept delaying the move. Economists were regularly reassessing their rate predictions throughout 2024 - many even suggesting we'd have to wait until the second half of 2025 for the cut.

The decision this month will not only deliver some relief to mortgage holders but also bolster buyer confidence. Increased borrowing power along with expectations of more cuts as the year progresses should stimulate activity. If a reduction in loan serviceability buffers accompany rate cuts, that would improve buyer confidence too.

Another important event this year will be the federal election. The poll date is still to be announced as at the time of writing. Property markets traditionally slow down during an election. However, because we're a politically stable nation, the outcome doesn't normally tend to dramatically shift prices in the medium to long term.

In my opinion, 2025 will be a year of amplified divergence in markets - a position supported by the submissions in this edition of *Month in Review*.

Australia's property landscape is complex. It comprises multiple smaller markets described by

location, property type and price point. In 2024 we saw post-COVID market divergence firmly established. For example, our capital cities tracked varied paths. While Perth, Adelaide and Brisbane enjoyed substantial value growth, Sydney and Melbourne experienced far softer results - some sectors even saw values retract. Those disparate performances were experienced across various regional markets too.

This month's submissions from our offices around the country suggest this splintering in market performance could magnify in 2025.

Our teams across the nation have delivered varied market predictions. Even within the same location, some price points look set to outperform others. Similarly with housing types - just look at the way unit price growth exceeded detached houses in several key markets last year.

For commercial property readers our valuers have delivered their expectations of retail property market performance in 2025 across major population centres. What's most compelling is that many appear more upbeat about the sector than in the past. Commentary suggests a sustainable balance is being reached between online trading and physical brick-and-mortar shopfronts in the sector. This bodes well for retail property owners moving forward.

Finally, our rural teams discuss a range of primary production sectors and how property in those industries will fare during 2025. It's a broad array of industries which will again see varied performance in the months ahead.

We hope you enjoy this, our first edition of *Month in Review* for the year.

Gary Brinkworth  
CEO





*Commercial*  
February 2025

# National Retail Overview

After an extended period of uncertainty and significant headwinds in the post-COVID era, the retail sector is set to emerge from the long night as a favoured investment asset class in 2025.

There is an improvement in investor sentiment on account of strong indications that the yield cycle has stabilised. Additionally, the sector is

being strongly underpinned by the high levels of immigration, price inflation, and improving consumer sentiment. As a result, the number of retail transactions is now firmly trending upward, reflecting far more positive market sentiment towards this sector.

At the shopfront level, the past three years have seen an extremely challenging retail environment, and retailers have borne the brunt of the adverse economic circumstances. These have seen higher interest rates and significant pressure on household discretionary expenditure. As a result, rents have been stagnant and in many localities vacancy rates have been high. However, rentals have stabilised and are likely to start to grow, whilst turnover is starting to trend upward.

Australian retail spending is slowly recovering, having risen 3.5 per cent year on year to November 2024. This is not evenly spread across the country however with Queensland having the strongest monthly turnover increase of the eastern states whilst New South Wales is the most sluggish.

Australia's population surge is creating strong underpinning demand. However, due to the adverse conditions impacting retail investment markets and surging construction costs, supply has not kept pace with this demand. In simplistic terms, there is a requirement for the development of circa one square metre of retail accommodation per capita, yet actual construction has fallen far short of this benchmark for some period. At some point, this shortfall in accommodation will build pressure for the development of new accommodation.

In specific retail markets, the situation varies across asset classes. At the low end, for high street retailing, convenience centres and single tenant large format complexes, rents are largely stable, whilst investor demand is strong, albeit that yields have softened by up to 100 basis points from the market peak.

For neighbourhood centres, investment yields have softened slightly but remain resilient. These centres have also been the beneficiaries of the population boom, with ongoing demand for properties in strong growth localities.

At the institutional level, the market correction is largely complete and the demand for high end assets is increasing, albeit that the availability of stock has been limited.

In the online world, the rate of growth of market penetration is slowing, and all major retailers have now established a mix of physical and cyber retailing. The requirement for physical stores is now fully evident and we foresee a relatively symbiotic relationship in years to come.

The landscape for new retail development remains challenging with the rapid increase in construction costs and the complexity of establishing new larger centres presenting the greatest challenges. There is no doubt that new development will require strong significant rental growth, but this is difficult to achieve when broader economic conditions for retailing are difficult.



Alistair Weir  
Commercial Director



# National Property Clock: Retail

Entries coloured purple indicate positional change from last month.



Month in Review  
February 2025



COMMERCIAL  
- RETAIL

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# New South Wales - Retail 2025

## Sydney

Broadly speaking, Sydney's retail markets are set to perform relatively well over the next year, particularly in comparison to the past at least five years. Retail property, particularly in prime locations, has seen renewed interest, leading to a stabilisation of the market from a rate, yield and rental perspective. This trend is expected to continue into 2025 with population growth increasing demand and a positive outlook on prospective falling interest rates being driving factors in this regard.

Prime locations in high traffic areas such as Sydney's CBD and other prime retail precincts and strips will remain the strongest performers of the retail market in 2025, particularly those with strong leasing covenants.

It should be noted that older properties, properties in secondary and fringe positions with lack of exposure and footfall, and properties with weak leasing covenants are still expected to struggle in 2025, experiencing higher vacancy, higher yields, lower rents and higher incentives in comparison to their newer and better-positioned counterparts.

Retail property may see some physical changes in 2025, with competing spaces needing to update and innovate to provide unique consumer experiences, and also having an increasing regard to ESG (environmental, social, and governance) attributes as both investors and consumers become more conscious of issues surrounding sustainability. There are also financial benefits

**B**roadly speaking, Sydney's retail markets are set to perform relatively well over the next year, particularly in comparison to the past at least five years.

from ESG considerations, such as green or sustainability linked loans, providing incentives to prospective investors.

There are some good opportunities in the market right now, including:

- ▶ Properties that are well-positioned in primary retail areas, with higher degrees of exposure to passing trade and anchor tenants such as supermarkets;
- ▶ Properties with strong leasing covenants;
- ▶ Mixed use properties, particularly with residential spaces, are seen as less risky and more resilient to market downturn, with diverse income streams and lower vacancy.

Secondary, fringe and isolated retail assets in Sydney typically suffer from reduced exposure to passing trade and footfall, and often aren't underpinned by anchor tenancies within their respective areas. These assets and areas are typically subject to higher vacancy rates, higher yields and lower achieved rentals in comparison to their better positioned counterparts.

Older or run down properties requiring significant capital expenditure should also be avoided. Depending on the property's position, refurbishment may not be feasible.

Most commentary out there is optimistic and predicts the majority of retail markets in Sydney to at the very least remain stable over the next year. This is largely going to be impacted by macroeconomic factors, particularly interest rates. There will likely be a continued disparity between prime and secondary/fringe retail, with the latter continuing to struggle and underperform in 2025.



David Unkovic  
Associate Director



# Victoria - Retail 2025

## Melbourne

The softening of certain sectors within the Melbourne retail property market is expected to continue in 2025 as high interest rates, increased expenses and flat leasing markets dampen demand from investors and owner-occupiers.

Mind you, the recent decision by the Reserve Bank of Australia at its February meeting to cut rates will set the scene for the first half of 2025. The timing and number of interest rate cuts will likely play an important role in returning some certainty to the market with the potential to increase investor confidence.

The changes to the Victorian land tax minimum threshold, which was lowered from \$300,000 to \$50,000 at the beginning of 2024, saw a larger number of small-scale commercial property investors exposed to land tax liabilities. These liabilities are unable to be passed on to the majority of retail tenants given land tax is considered to be a non-recoverable outgoing in accordance with the Retail Leases Act 2003 (Vic). The local retail property market appears to have been particularly impacted by these changes in comparison to industrial or office assets which, in many cases, do not fall under the provisions of the Act.

The progressive replacement of stamp duty on commercial and industrial property through the introduction of the Commercial Industrial Property

Tax in July 2024 does not appear to have resulted in any significant increases in the number of transactions despite the government offering eligible parties a 10-year loan to assist funding the stamp duty liability.

There do not appear to be any significant signs yet that the market will move one way or the other in 2025 given continued uncertainty around long-term interest rates. While the February cut may improve sentiment somewhat, further cuts could be required to markedly improve confidence.

Rental affordability is likely to be an ongoing issue for many tenants as it was throughout 2024 with some businesses finding it difficult to support significant increases in rental rates or even seeking significant reductions given relatively flat retail turnover growth and higher operating costs.

Yields will likely remain sensitive to changes in the cash rate with some lag expected following any RBA announcement although the market is expected to respond somewhat faster to decreases than it did to the upward cycle which commenced back in May 2022.

There has been a general lack of high-quality assets offered to the market over the past twelve months and this trend is not expected to significantly change in early 2025. While demand is strong for prime assets with long lease covenants to high quality tenants, these properties are sought after

and have been attracting relatively sharp yields even throughout the peak of the interest rate cycle.

Secondary and vacant properties continue to trade at significant discounts in comparison to leased assets as investors seem less prepared to take on risk associated with securing a new tenant in the current market. Nonetheless, there do appear to be some opportunities available to acquire vacant properties at discounts either for owner-occupation or where a tenant could be secured relatively easily through existing relationships.

Quality development sites may still be attractive to some purchasers however a lack of sufficient holding income to cover ongoing expenses such as council rates and land tax has eroded confidence in acquisitions of sites. Some of these sites, which during the peak of the market had traded at sub 2.00% yields, are now experiencing significant reductions in value as a result of softer yields and smaller purchaser pools.

It is difficult to predict how the Melbourne retail property market will progress in 2025. The cash rate will continue to play a significant role in determining demand for properties and also in securing some confidence in the market and for consumers. While 2025 has brought the beginning of a downward cash rate cycle, there appears to be some disagreement about the timing and frequency of the reductions as the RBA attempts to return the economy to the target range.

**Rental affordability is likely to be an ongoing issue for many tenants as it was throughout 2024.**



Nathaniel Ramage  
Associate Director





# Queensland - Retail 2025

## Brisbane

The retail sector in 2025 is poised for a period of growth and evolution, shaped by key economic and demographic factors. Brisbane, in particular, is expected to experience continued urban development and population growth, making it a focal point for retail property investment and the reduction in interest rates along with limited supply will create a strong market.

Some key trends and predictions we have include:

### 1. Investor Demand and Capital Values:

- Investor interest in retail properties is forecast to increase, driven by a reduction in interest rates and a strong economic outlook.
- Limited stock availability and rising confidence are likely to boost capital values, presenting opportunities for capital appreciation.

### 2. Resilience of Physical Retail:

- Despite the rise in e-commerce, brick-and-mortar stores continue to play a critical role, accounting for nearly 89 per cent of retail sales.
- Retailers are expected to focus on enhancing in-store experiences, integrating omnichannel strategies, and leveraging technology to attract consumers.

### 3. Urban Renewal and Infrastructure Development:

- Brisbane's urban renewal projects, such as those in Chermside and Moorooka, are creating vibrant mixed-use spaces that blend retail, residential, and commercial offerings.

**The retail sector in 2025 is poised for a period of growth and evolution, shaped by key economic and demographic factors.**

- Improved infrastructure and public transport links will further drive foot traffic and increase retail property values.

Retail rents are expected to remain stable, with modest growth in prime locations due to high demand and limited supply. Yields may compress slightly as investor competition intensifies with the anticipated reduction in interest rates. Well-located suburban and urban hubs in particular will be best placed to achieve firmer yields. Secondary locations may see slower rent growth, but upgrades and repositioning opportunities could offer long-term value.

There are few opportunities to watch for in our retail market including:

- Suburban Growth Areas:** Emerging suburban retail centres with strong population growth are attractive options for investors seeking yield and long-term growth.
- Mixed-Use Developments:** Retail properties integrated into mixed-use developments (e.g. residential and office accommodation) offer diversified revenue streams and resilience against market fluctuations.
- Experiential Retail Spaces:** Properties that can accommodate experiential retail formats, such as food precincts and entertainment hubs, are likely to outperform traditional setups.

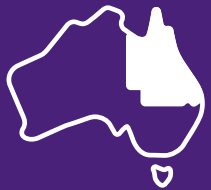
The retail sector will still face some risks and challenges. We believe these will include:

- Obsolescence of Older Assets:** Older retail properties without modern features may face higher vacancy rates unless repositioned or refurbished.
- E-commerce Competition:** Properties dependent on traditional retail models without digital integration strategies may struggle to attract tenants.
- Economic Uncertainty:** Interest rate fluctuations and inflationary pressures could impact investor sentiment and borrowing costs.

While 2025 holds promise for growth and innovation in the retail property sector, investors must stay agile and responsive to changing consumer behaviours and economic conditions. The outlook is optimistic, but success will hinge on careful asset selection, strategic upgrades, and leveraging emerging trends in experiential and mixed-use developments.



Terry Munn  
Director



## Gold Coast

Service station assets have clearly become a recognised and highly desirable asset class.

Prior to the interest rate increase phase, yields peaked in the low to mid 5% range.

However, over recent times there has been a distinct softening, partly due to the increased interest rate environment. Other reasons include the fact that some facilities are now several years old with slightly reduced lease expiry profiles and rentals that have been ratcheting up by way of annual increase mechanisms. Those with CPI increases have ramped up markedly, impacting affordability considerations. Increased risk equals increased cap rate.

While these had previously been highly profitable development opportunities, profit margins have dwindled on the back of significantly higher construction costs and softer yields.

We are aware of numerous transactions in the mid to high 6% range, along with some sales above 7%.

However, there are some firmer transactions from time to time.

One example is 27 City Centre Drive, Upper Coomera, which recently sold and settled for \$14.75 million. This comprises a mixed-use retail complex including a Caltex service station (fuel operator tenant trading as Caltex), several fast-food tenancies including a Red Rooster and Oporto with drive-through service lanes, and a car wash. It was completed in 2023 and is developed upon an

8762 square metre site. It was 100 per cent leased and reflects an analysed yield of 6.00%, a passing yield of 6.08%, and a WALE of 9.42 years (by income). While the yield is relatively sharp, the cost to purchase the land and develop a facility of this nature would be significant, and we understand this was a purchase consideration.

More broadly, there was only a handful of notable retail transactions across the Gold Coast during 2024. However, the year is off to a good start with several property owners testing the waters during the summer selling season.

By the time this article is published we will have seen numerous retail properties taken to auction, including a boutique mixed use complex on Chevron Island, a convenience centre at Varsity Lakes, a prominent service station, hinterland offerings at Tamborine Mountain, and a freehold showroom at Bundall.

Based on recent trends, expectations are for quite sharp yields with the better quality properties chasing yields in the order of 5.5%. However the yield spread in the market is now quite pronounced, with some secondary assets displaying analysed yields in the 7.0% to 7.5% range.

With a rate cut now announced, the first quarter of this year will be an important litmus test that may well set the tone of the market for the year ahead.



Ryan Kohler  
Director

## Sunshine Coast

Throughout 2024, we observed a continued softening of yields for retail assets across the Sunshine Coast, particularly for secondary or compromised properties. Higher borrowing costs and the rising cost of living have placed pressure on the market over the past 12 to 18 months.

Despite these challenges, demand remained steady for well-located, high-quality retail assets. However, limited sales volumes were recorded for premium properties, reflecting a cautious investment landscape. That said, several transactions highlighted the resilience of well-located assets with strong lease covenants, including:

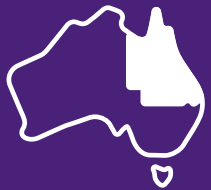
- ▶ **Pelican Waters** - A near-new supermarket leased to IGA with close to 15 years remaining, achieving a yield of approximately 5.91%.
- ▶ **Buderim** - A modern retail strata property in a highly sought-after location, leased to Coffee Club with just over five years remaining, achieving a yield of approximately 5.50%.

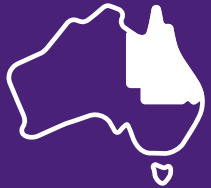
As the market has softened, the yield spread between prime assets and those in regional and hinterland locations or with less favourable tenancy profiles or physical characteristics has widened. A notable transaction illustrating this trend includes:

- ▶ **Nambour** - An older, multi-tenanted retail building with a short lease expiry, leased to NAB and several small local tenants. The passing yield exceeded 10%, though the analysed market yield was in the mid-8% range.

Looking ahead, recent economic data suggests inflation in Australia is moderating. The Reserve Bank of Australia projects inflation will return to its target range of two to three per cent in 2025, reaching the midpoint of this range by 2026.

*With a rate cut now announced, the first quarter of this year will be an important litmus test that may well set the tone of the market for the year ahead.*





The recent easing of monetary policy will likely improve investor confidence and stimulate demand across most commercial sectors.



Jaydon McDowell  
Associate Director

## Wide Bay

The Wide Bay retail property market is experiencing steady growth, supported by ongoing development across key areas.

Johanna Boulevard in Bundaberg continues to expand as a retail hub, which is highlighted by the recent openings of Anaconda and 4WD Supa Store. In Kepnock, planned developments include a Banjo's drive-through and a new McDonald's, further boosting the area's retail offerings. Meanwhile, the SPG Hervey Bay shopping centre is expanding its footprint, attracting a variety of national tenants and enhancing the region's retail appeal.

Investment yields in the region remain consistent, with prominent and highly sought-after fast-food properties achieving yields below 5%, while yields between 7% and 8% are more common for smaller or locally tenanted properties on shorter lease terms.

Despite no strong evidence suggesting a significant market shift, the region continues to benefit from substantial construction projects that fuel employment growth. According to Profile.ID, unemployment in the region is very low compared to historical trends, further supporting the retail sector's stability and ongoing development.



Ben Harnell  
Associate Director



*We suspect that investment yields for retail properties in Mackay throughout 2025 will remain stable at best and could moderately ease at worst.*

## Mackay

According to REMPLAN Economy, there were 465 retail businesses in the Mackay Regional Council area in June 2024, 3.5 per cent fewer than in June 2023 but still 4.3 per cent more than in June 2022. Around 38 per cent of retail businesses have turnovers of \$200,000 to \$2 million. Businesses with turnovers of \$10 million or greater are small in number but have gradually risen from 21 in June 2022 to 29 in June 2024. Based on these numbers, retailing has been fairly stable in recent years and high-turnover businesses requiring larger retail premises are slowly increasing.

Also according to the same source and to get a better appreciation of the relative scale of retailing in Mackay, there were 5662 retail jobs in the 2021 census including some full-time, some part-time and some casual, making it the second largest employer after health care and social



14 Discovery Lane, Mount Pleasant Source: realcommercial.com.au

assistance and ahead of construction. Given the favourable economic conditions in recent years, we suspect this number will now be considerably higher.

A prominent large format retail property at 14 Discovery Lane, Mount Pleasant was sold at \$2.82 million in November 2024. It was substantially leased to Choices Flooring. A small furniture retailer had recently vacated the property before their lease expiry and an additional upper-level office tenancy was vacant. This sale shows an analysed market yield of 7.49% with a fairly short WALE of 1.04 years. This property was previously sold at a higher price of \$3.1 million in February 2023 on a fully leased basis.

There have been very few other retail investment property transactions to signal broader market trends. Given that before the reduction in February, the RBA cash rate had been stuck at a cyclical high level since November 2023, world trade uncertainty as it relates to our regional coking (steel-making) coal mining industry and a federal election looming, we suspect that investment yields for retail properties in Mackay throughout 2025 will remain stable at best and could moderately ease at worst. Investors will become more discerning this year, with a keener eye for longer WALEs, quality tenants and newer buildings with tax depreciation benefits.



Gregory Williams  
Director

## Mackay and Whitsundays

With a high concentration of experienced based and service retail, the retail markets in the regional towns of Mackay and Airlie Beach should benefit from forecast easing inflation and interest rate cuts in 2025.

In addition to this positive broader economic outlook, Mackay's economy is underpinned by its prosperous coal mining industry and the Whitsundays is benefiting from a tourism resurgence in the region. Both regions have seen strong post-COVID-19 population growth and are expected to receive continued strong growth over the longer term. These conditions set a positive outlook for the 2025 retail market in Mackay and Whitsundays.



**Britt Atkin**  
Senior Valuer

## Townsville

2025 is expected to be a solid year for retail.

Townsville's entry level retail sector has performed relatively well over the past two years. The typical price range commences in the sub \$1 million dollar bracket and includes standalone fringe CBD and strip commercial ribbon development along major roads. Buyers are both owner-occupiers and entry level investors. The mum and dad investor market remains quite buoyant up to \$3 million.

Small standalone commercial offices, showrooms, multi-tenanted strip retail, large format retail, childcare centres and standalone fast-food properties are all well sought after although supply remains limited. The prevalence of buyer's agents continues to drive investor competition from southern investors with local buyers finding it more



*2025 has started reasonably well in the Townsville market with a number of small suburban shopping centres being offered to market between \$4.5 million and \$14 million which is favourable.*

difficult to pin down assets worthy of investment. Our analysis of sales reveals a mainstream yield spread of 6.25% to 7.50% although noting that high-profile fast-food assets are typically 100 basis points tighter and continue to be the shining light.

We do not envisage elevated risk in the sub \$5 million range given the depth of participants. High interest rates have not tempered investor attitudes with entry level assets in the sub \$3 million bracket proving to be somewhat of a safer bet, along with modern childcare centres and fast-food assets with long cash flow expiries.

We did see some big-ticket regional centres transact in the last quarter of 2024, with the most relevant being the sale of the Willows Regional Shopping Centre at \$212,550,000. At that point in time, this was reported to be the largest retail transaction of the year in Queensland, being the only triple-supermarket anchored centre in Northern Queensland, comprising over 44,500 square metres and reportedly generating more than \$360 million in moving annual turnover.

2025 has started reasonably well with a number of small suburban shopping centres being offered to market between \$4.5 million and \$14 million which is favourable.

High construction costs are continuing to retard new developments, which inversely increases buyer competition, placing upward movement on values and downward pressure on yields. We do not see any change to this scenario and if the RBA reduces the cash rate further, then we would anticipate

strong investment fundamentals to remain bullish throughout 2025.



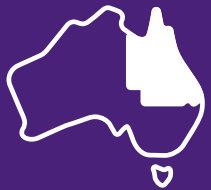
**Jamison Sayce**  
Associate Director

## Cairns

Retail in Cairns at present caters to two different markets, locals and tourists. Retail catering to the local market remains reasonably strong with relatively low vacancies and good demand with very limited stock to either rent or buy. Yields for small and affordable suburban retail buildings and strata units tightened in recent years and remain stable at the current level. We see no reason to think this situation will change in the near future.

The inner-city retail sector is largely focused on the international tourist trade and has struggled since the pandemic. During the height of the pandemic, we saw very little activity in the market overall and high vacancy rates with a number of businesses within the CBD closed throughout the height of the pandemic and some tenants opting to vacate rather than reopen. It remains difficult to secure a tenant in the current market with moderate vacancy rates and limited demand overall. The lack of demand has impacted achievable rental levels which have reduced considerably in some cases and are somewhat dependent on the financial position of the owner.

Agents advise lessees in the market are still hesitant to commit to anything of a considerable size and are more often still looking to lease on



short or month to month terms allowing the ability for the tenant to vacate if there is limited trade or the business venture is not viable.

The Esplanade retail precinct however has no vacancies, being primarily occupied by food and bar outlets.

While Cairns has regained a moderate percentage of its trade, the international market is still below pre-pandemic levels. Prior to the pandemic the inner city CBD market had been static for several years with limited purchaser and leasing demand and it is expected that the retail sector will continue to struggle in the short to medium term.

Whilst vacancies within the CBD are moderate, properties remain generally tightly held by long term owners.



**Shane Quinn**  
Director

## Toowoomba

Retail leasing activity in Toowoomba increased slightly throughout 2023 and 2024 after two years of subdued demand with the market negatively impacted by the effects of COVID-19. Investor demand has remained strong but the lack of quality, fully leased properties has significantly limited the number of investment sales.

For the entry level investor, opportunities are limited as a result of flat, if not declining growth within the retail sector as a result of economic challenges stemming from rising living costs,

increasing utility prices, and increased mortgage repayments due to higher interest rates. As a general observation, consumers appear to have generally reduced discretionary spending which has a flow-on effect on the retail sector with retail tenants tending to opt for shorter lease terms.

Retail investment sales of note in Toowoomba during 2024 include 553 Ruthven Street (Cash Converters) which sold at a 6.65% net yield with a leaseback to the franchisee in place. It is noted that quality retail investment assets are generally not sold locally with a large number included in non-local auction campaigns targeting interstate investors.

The level of development activity is strong with a number of projects in the planning or development approval stage, including the following:

- ▶ Brisbane developer Capital Transactions has submitted plans for a new commercial precinct on Brisbane Street, Drayton featuring a 2000 square metre supermarket and a mix of shopping and food and drink outlets.
- ▶ Construction of The Habitat residential subdivision has commenced with the masterplan including a supermarket, tavern and retail outlets with an application currently under consideration by Toowoomba Regional Council.
- ▶ Construction of a Woolworths-anchored shopping centre with 900 square metres of retail tenancies in North Toowoomba.

- ▶ Plans to transform the 10,569 square metres Gasworks site into a retail-focused, mixed use development area also underway.
- ▶ The owners of Clifford Gardens Shopping Centre have proposed to construct two detached food outlets for KFC and Taco Bell.
- ▶ Two detached food outlets on the corner of Bridge Street and Richmond Drive in Wilsonton with one to be leased to Guzman y Gomez.
- ▶ A food outlet with drive-through at 360a and 360b Bridge Street, Wilsonton (opposite Wilsonton Shopping Centre).
- ▶ A food outlet with drive-through at 350 Bridge Street, Wilsonton (adjoins Red Rooster). This project has been linked with Mad Burgers.

In relation to the number of fast food outlets in the planning stage, a possible concern is the increasing number and potential over-supply which may affect medium term yields.

The outlook for 2025 is expected to be similar to 2024 with similar activity levels and yields potentially impacted by movement in interest rates and the on-going effects of cost-of-living increases.



**Ian Douglas**  
Director

**Retail leasing activity in Toowoomba increased slightly throughout 2023 and 2024 after two years of subdued demand with the market negatively impacted by the effects of COVID-19.**



# South Australia - Retail 2025



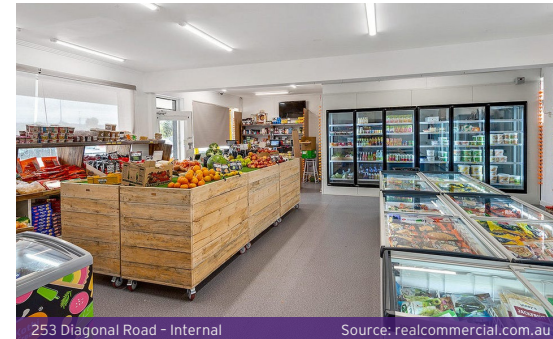
## Adelaide

Sentiment around the retail sector may begin to shift in 2025 for retail property as demand is expected to increase with macro-economic changes afoot. After the past few years of the commercial market being dominated by industrial property, retail transaction volumes picked up towards the end of 2024. This indicates that investors are becoming increasingly confident that the market has reached or is nearing the cyclical trough, seeing a potential rebound in property values and retail performance on the horizon.

Large-format retail assets in metropolitan areas could be the fastest growing in the years to come, as economists and property research analysts predict that neighbourhood centres with a diverse tenant mix will be highly sought after. NAB's commercial property survey confirms the broader rising sentiment - however the uplift in retail sentiment in South Australia lags the majority of Australia's capital city markets. Sentiment is expected to improve

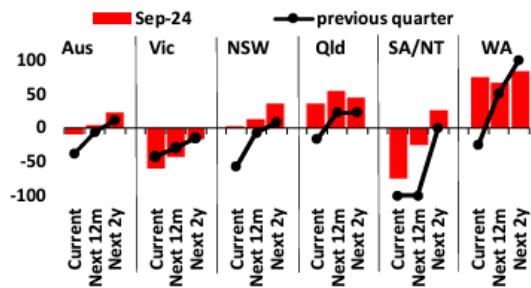
from -75 recorded in September 2024 to -25 by the end of this year, before turning positive in the next two years (NAB Commercial Property Survey, Quarter 3, 2024).

Opportunities within the retail market are currently diverse, from neighbourhood centres boasting diverse tenant mixes to smaller retail boutiques and single-tenancy options. 253 Diagonal Road, Warradale is a multi-tenancy retail property currently on the market through CommercialSA with a price guide of in excess of \$3 million. The property offers approximately 2445 square metres of land, 834 square metres of floor area and six tenancies with a net annual income of \$140,198. Tenancies include an Indian grocery store, a Middle Eastern grocery store, a cafe, laundromat, and a beauty salon. The eclectic tenant mix, coupled with main road frontage, close proximity to the local railway station, and three Certificates of Title across the property, means the site offers redevelopment upside.



253 Diagonal Road - Internal Source: realcommercial.com.au

Smaller-scale retail opportunities on the market include 100 Melbourne Street, North Adelaide. The property is listed through DG Real Estate and comprises a cafe with indoor seating area, service counter, rear commercial kitchen, cool room and separate bathroom and storage area to the rear. Tenanted until 2027 with a rent of approximately \$36,070 trading as Butter & Toast, the property would reflect a yield of approximately 4.24% if sold for the current asking price of \$850,000.



Retail Property Index by State Source: NAB



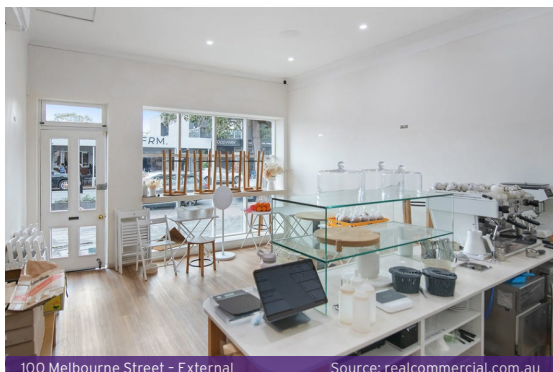
253 Diagonal Road - External Source: realcommercial.com.au



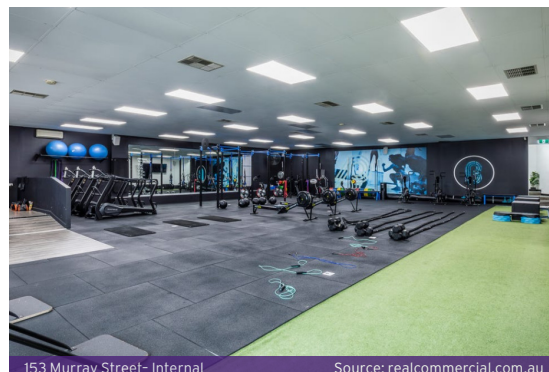
100 Melbourne Street - External Source: realcommercial.com.au



Although there has been an uptick in recent sales and investment activity, macro-economic challenges such as inflation and cost of living pressures remain, impacting retail spending.



100 Melbourne Street - External Source: realcommercial.com.au



153 Murray Street- Internal Source: realcommercial.com.au

153 Murray Street, Gawler offers a leased retail investment opportunity in the form of a BodyFit Training gym. The building comprises an open-plan gym area, a small creche and children's play space, male and female amenities, four onsite carparks and bulky goods access with hydraulic goods lift to the rear of the building. The property is tenanted until July 2026 with options to extend, providing a net annual rental of \$71,027, listed for sale through Collins Bateman (realcommercial.com.au).

Whilst major shopping centres and prime retail assets possess the ability to mitigate some of the current market risks through significant anchor tenants and premium offerings, the entry-level retail investments and those without secure tenancies are more susceptible to fluctuating market conditions. Although there has been an uptick in recent sales and investment activity, macro-economic challenges such as inflation and cost of living pressures remain, impacting retail spending.



153 Murray Street- External Source: realcommercial.com.au



Ben Millar  
Property Valuer

# Western Australia - Retail 2025

## Perth

As we embark on the 2025 calendar year, the retail property market is likely to be faced with both challenges and opportunities, however after a prolonged period of subdued activity, the Perth retail property market is poised for growth.

Underpinning the sector is Western Australia's robust economy, led by strong population growth, which is likely to bolster consumer spending and provide the impetus for retail expansion.

Initially, we expect market participants to exercise a degree of caution and await further clarity surrounding key economic indicators, in particular inflation. While market pundits would have welcomed the Reserve Bank of Australia (RBA) cutting interest rates during the first quarter of the year, uncertainty remains on the back of conflicting economic data.

We caution that should mortgage interest rates remain at existing levels for longer, there is a risk that consumers' discretionary spending habits will come under further strain - in combination with broader cost-of-living pressures.

Nonetheless investor sentiment towards retail property appears to have changed course in the latter part of 2024.

Notably, Woolworths Clarkson Shopping Centre, located in Perth's peripheral northwestern

suburbs, was acquired by ISPT in late 2024 for circa \$36 million. The near new, 6,466 square metre centre was fully leased with a reported WALE of 8.15 years by income, anchored by Woolworths which accounts for some 65 per cent of the GLAR.

We expect similar investment-grade retail property (e.g. neighbourhood shopping centres) to remain a highly sought after yet tightly held asset in 2025, meeting key criteria that sophisticated investors continue to seek such as long remaining lease terms (i.e. WALE), non-discretionary tenancy mix backed by strong lease covenants (typically associated with Coles or Woolworths) and sound locational attributes with a growing population catchment.

Purchase demand for local retail assets from eastern states-based buyers appears likely to continue throughout the year with the yields on offer in Western Australia remaining above those available within their local markets.

Making headlines at the start of this year is the proposed redevelopment of Carillon City in Perth's CBD. Acquired by the investment arm of mining magnate Andrew and Nicola Forrest back in 2022, plans have been lodged with the City of Perth for a \$400 million project to include high rise student accommodation, a hotel plus a multi-storey retail and food and beverage precinct. The project

continues a trend towards providing a multi-faceted destination with a focus on enhancing customer experiences.

From a buying perspective, discussions with a number of industry participants suggest an apparent disparity over yield expectations between buyers and sellers which may limit the number of transactions in the short term. Further, the broad yield differential between prime and secondary assets is likely to remain, impacting on transaction volumes, particularly for those secondary assets.

Traditional high streets and suburban shopping hubs are likely to retain their convenience-driven customer pull. It could be argued that such destinations have benefited from the work from home movement but also the growth in higher density housing. Accordingly we expect current occupancy levels to remain fairly stable in the short term with minimal movement in achievable rental rates.

At this stage it remains difficult to predict how the market will perform in the short to medium term. Whilst there is likely to be an element of caution, the retail sector has reason to be optimistic as we navigate 2025.



Greg Lamborn  
Director

**Underpinning the sector is Western Australia's robust economy, led by strong population growth, which is likely to bolster consumer spending and provide the impetus for retail expansion.**





# Northern Territory - Retail 2025

## Darwin

The local NT landscape changed slightly throughout 2024 and we look forward to overcoming the challenges of 2025.

As always, demand for property in the NT is driven by population growth, and population growth will only really occur with employment growth.

There have already been signs of increased demand and prices in some segments of the Darwin residential market. Historically commercial property tends to follow residential property, with a time lag of six to 18 months.

On the macroeconomic front, it can be argued that the NT is the most exposed of any Australian jurisdiction to US politics. Although we have limited exports to that country, the US has an important presence here:

- ▶ In the Top End, the US Marine Rotational Force is now in its 14th iteration. Darwin remains an important staging post into south-east Asia and considerable investment in infrastructure and material is underway from both Australia and the US. US policy, especially around AUKUS, will have an important bearing on future investment in this sector.
- ▶ In the Centre, Pine Gap is a major employer and economic driver. Any detractor in its role that reduces staff numbers would have a negative effect on population levels in Alice Springs; conversely, any ramp-up of activity could stimulate demand for more housing and commercial services in the town.

▶ *Historically commercial property tends to follow residential property, with a time lag of six to 18 months.*

While this situation is obviously very fluid, it is difficult to see Defence becoming less important in the NT.

We are starting to see gold production out of Tennant Creek again, along with other mining projects that could add to the NT economy. The NT is also well placed for both traditional and renewable energy production, which would lead to population growth and demand for property.

So what does all this mean for property markets in the NT in 2025? Despite a slight surge through COVID, property markets have been generally stagnant or declining for the past 10 years. We've been looking on in envy at southern Australian capitals for some years, but if we can enjoy some economic sunshine then the increasing economic activity could result in more positive markets here. Action in the sectors mentioned above, along with a shortage of residential accommodation, high yields and the prospect of possible lower interest rates, also point to a more prosperous 2025 for NT property markets.



Terry Roth  
Director





*Residential*  
February 2025

# National Residential Overview

The Australian residential property market runs to a seasonal cycle that is apparent regardless of what other factors may be at play. There is often a flurry of transactional activity leading up to Christmas, followed by a significant slowing of activity throughout January. This year has followed the usual pattern, but as we emerge from the summer break, we can see that lead indicators are showing some renewed energy in the market. The number of auctions is steadily increasing, and clearance rates are firming in most capital cities.

Residential property listings are on the increase, albeit from a relatively modest starting point.



Kevin Brogan,  
National Director,  
Group Risk and  
Compliance

*This year has followed the usual pattern, but as we emerge from the summer break, we can see that lead indicators are showing some renewed energy in the market.*

The RBA's decision in February to cut the cash rate by 25 basis points will deliver relief to mortgage holders. The move was no doubt prompted by January's underlying inflation rate of 3.2 per cent (which is lower than many expected), and the headline Consumer Price Index which sat at 2.4 per cent, near the midpoint of the Reserve Bank's target range.

The awakening of the market and this downward move in interest rates are expected to provide a confidence boost to most residential property markets and indeed some purchasers are committing early to get ahead of any increase in prices that may be prompted not only by this cut but potentially others as the year progresses.

But there are other factors at play.

Regional markets continue to demonstrate significant resilience. The regions have an affordability advantage and even with a push to return to the office, flexible working arrangements mean that a wide range of buyers are looking to the regions. The increased demand and a relatively slower increase in supply are underpinning price growth in many regional markets.

In Western Australia, the fortunes of residential property are closely tied to the performance of

the mining industry as evidenced by the continued strength of the market in the face of high interest rates. The reduction in interest rates will only serve to support the strength of the market. At the time of writing, an unpredictable tariff regimen is in the news and could have an impact.

One of the most interesting factors affecting property markets is in Victoria. Property taxes in Victoria are playing a significant role in shaping the market and in some market segments, may be more than an offset to any stimulatory impact of the interest rate cut. The increasing incidence of land tax on discretionary markets (second homes or investment properties) is forcing sales and exerting downward pressure on prices as fewer new investors are active purchasers. This effect is particularly evident in high-value coastal locations where property tax bills are higher. First-time homebuyers may see some benefit from reduced competition at the lower price levels, but the market for owner occupiers may see price increases.

As always, the team of Herron Todd White local experts has contributed detailed market updates in this edition of the Month in Review.



# National Property Clock: Houses

Entries coloured orange indicate positional change from last month.



Month in Review  
February 2025



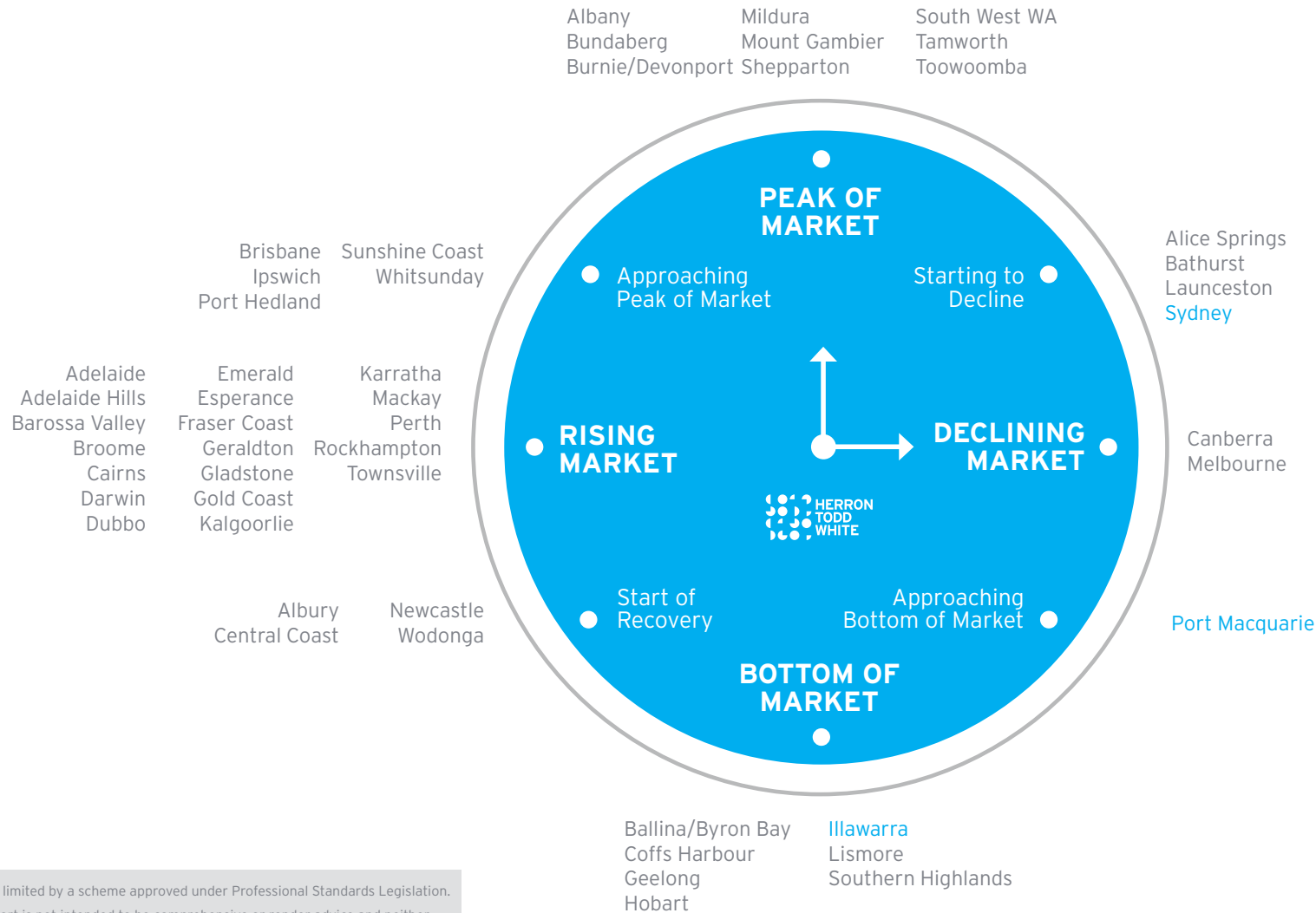
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# National Property Clock: Units

Entries coloured blue indicate positional change from last month.



Month in Review  
February 2025



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# New South Wales - Residential 2024

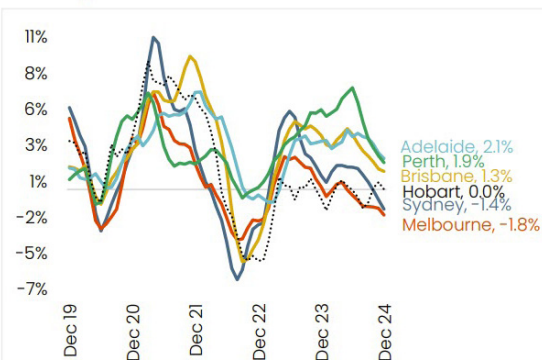


## Sydney

Heading in to 2025 feels a bit like where we were at the start of 2024, with a cooling market at the end of the previous year, and the hope of interest rate cuts in the year ahead. Last year, the expectation of several interest rate cuts to come saw a bump in values in the first quarter, before the increasing realisation that there would be no cuts saw prices flatten and then start to decline in the second half of the year as supply started to outstrip demand.

The last quarter of 2024 saw a decline in Sydney dwelling values of 1.4 per cent, according to CoreLogic, with a 0.6 per cent decline in December alone. Houses, which had seen the most appreciation in values over the past two years, fell 1.6 per cent in the December quarter, while units fell a more modest 0.7 per cent.

Rolling three-month change in dwelling values  
State capitals



Source: CoreLogic

This time around, although most economists predicted the rate cut in the first quarter of the

year, there is unlikely to be any turnaround in market conditions until there have been several cuts. The lead-up to the federal election to be held by May is also likely to act as a dampener on market activity, particularly given that the outcome appears to be close.

Overall, there were more listings hitting the market in the last few months of 2024. Whilst December traditionally provides lower new listings, we expect this influx of listings to continue in 2025.

What does an influx of new listings bring with it....? Options.

With more options for buyers, prices will continue to level out as any fear of missing out has

evaporated. Like the end of last year, 2025 will mostly be a buyer's market.

Overall, we are likely to see further softening in market conditions in the first half of 2025, with the potential for some improvement in the second half of the year assuming there have been two or three cuts to the cash rate by then.

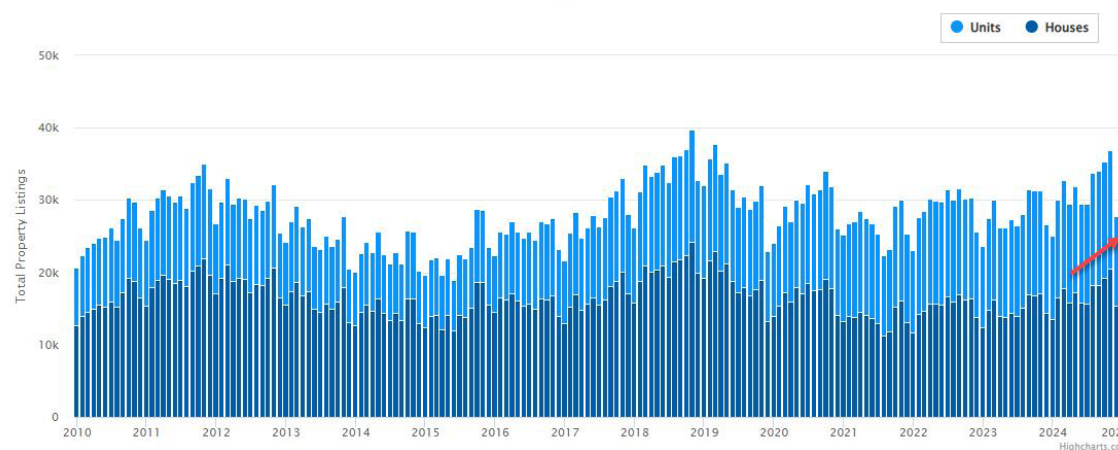
As in 2024, some property types, price points and locations will outperform others. Our local experts give an insight as to what they see for the year ahead in their local areas.

## North-West Sydney

The residential property market in the north-west of Sydney is likely to follow the softening market conditions experienced towards the end of 2024.

## Total Property Listings

Source: SQM Research



Sydney total Property Listings

Source: SQMresearch.com.au



Properties to be more wary about in 2025 will be investor grade units. These units are typically entry level in regard to quality and there are still concerns over defective developments around the greater Sydney region and a general stigma attached to units that will take some time to resolve.

However, quality renovated dwellings or new dwellings in established suburbs are still attracting a lot of attention and solid prices are being recorded.

An example of a recent strong result for a quality property is 29 Doris Hirst Place, West Pennant Hills reportedly selling via Louis Carr West Pennant Hills for \$8.5 million in November 2024.

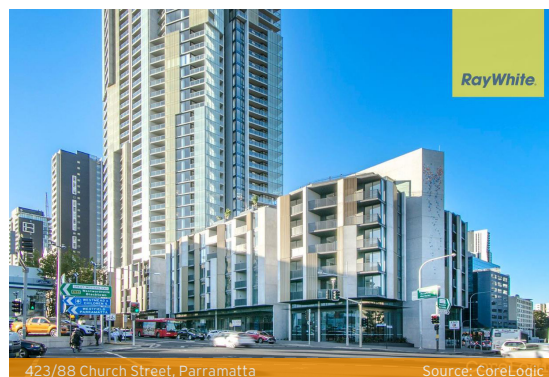


## St Marys provides a tangible example of the infrastructure upgrades being delivered to western Sydney, largely on the back of the Western Sydney International Airport.

This property is a master-built suspended slab constructed dwelling offering six bedrooms, four bathrooms with a six-car basement garage. Internally it features a high level of inclusions throughout with an internal lift and externally offers a championship-sized tennis court, infinity pool improved upon 3,275 square metres of land. This record sale is some \$1.5 million more than the previous suburb record of \$7 million achieved in September 2024.

This sale highlights that whilst some sections of the market are flatlining or struggling, other sections are booming. This is typical of the Sydney property market; it's not one size fits all.

At the other end of the scale we have a recent sale at 423/88 Church Street, Parramatta for \$595,000 through Ray White Parramatta in December 2024. This is a circa 2020 one-bedroom, one-bathroom unit with a large study room and a single car space. It is located in a modern high-rise complex within close proximity to the train station.



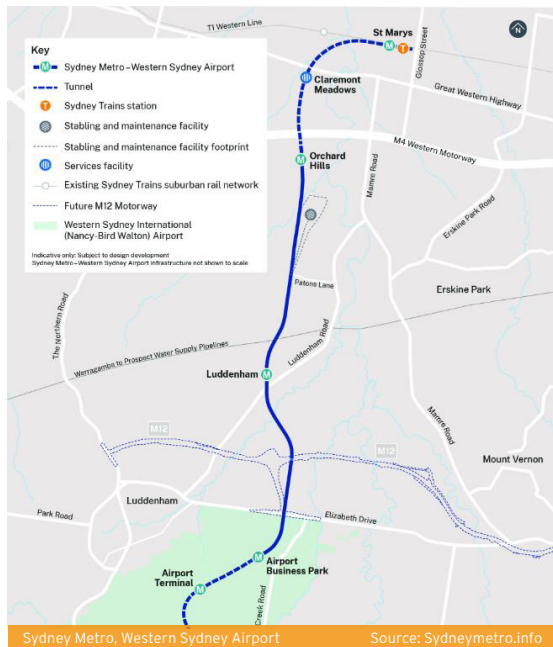
This unit previously sold off the plan for \$665,000 in June 2017 so this recent resale of \$595,000 shows an 11 per cent reduction in value over 7.5 years. This highlights that some off the plan unit sales have inflated asking prices which may take some time to recoup.

Some suburbs and areas to potentially keep an eye on include:

St Marys provides a tangible example of the infrastructure upgrades being delivered to western Sydney, largely on the back of the Western Sydney International Airport. Whilst long talked about, the airport construction is on time and nearing completion, due in 2026. This brings into focus the pace at which infrastructure upgrades to go with the airport are moving.

The currently under construction St Marys metro station will provide the link between the new airport, the existing western railway line and then back into Sydney. In addition to this, St Marys is subject to a new structure plan which will see continued redevelopment in and around the town centre, with an increase in medium to high density developments. There have been some recent developments completed which have been greeted favourably by both the owner-occupier and investor market.

We would imagine this sentiment will flow into surrounding suburbs such as Werrington, which provides some cheaper alternatives to modern estate living than the more traditional suburbs of Glenmore Park, Caddens and Jordan Springs.



The Blue Mountains, a long-time sleeper market on the edge of metropolitan Sydney, came to the attention of the broader market throughout the pandemic. Tree-changers were moving to the area in droves, attracted by the space, relative affordability and ease of connectivity back into Sydney when required.

In more recent times, the Blue Mountains has faced the same challenges as the wider market with demand dropping and prices softening. Whilst the relative lack of supply has insulated the prices to some degree, the heat has well and truly gone out of the market and has really bought the first homeowner and family upgrader market sharply back into focus. This is especially the case in the lower to mid mountains, whilst the upper mountains are benefiting from the return of international and domestic tourism.

### South-West Sydney

We predict that the overall market trends and some softening of specific markets that were experienced towards the end of 2024 will continue in 2025 due to ongoing pressures of the cost of living and reduced borrowing capacity in Sydney's south-western suburbs.

The sub \$1 million residential property market will continue to perform strongly due to affordability, strong rents and competing interests from first home buyers and investors driving selling periods down and capital values upward. Fringe Campbelltown LGA suburbs such as Airds, Eagle Vale, Claymore, Kearns, Blairmount, Ambarvale and Bradbury are our picks for areas worth watching in 2025. The Macarthur region is set for large growth in the next 10 years with Campbelltown positioned to be the main commercial hub. Additionally, we predict new housing projects will see gentrification take place within these heavy industrialised areas in the short to medium term.

The traditional unit market around Liverpool and Campbelltown will continue to struggle due to the lack of new infrastructure, lack of nearby employment opportunities and decreased confidence due to well-known building issues in medium to high-rise developments. Greenfield developments such as Oran Park and Ed Square which cater for the growing demand of community living within existing vibrant communities will continue to demand strong interest from a variety of first home buyers, downsizers and investors.

The broader \$1 million to \$2 million market which is predominantly made up of families will be the most stagnant due to interest rates and cost of living pressures. Agents predict longer selling periods.

However, good quality, owner-occupied, family-orientated neighborhoods like Abbotsbury,

Elizabeth Hills, Edmondson Park, Denham Court, Harrington Park and Oran Park are predicted to show continued demand and strong interest due to broader affordability, proximity to services and the appealing family lifestyle they provide.

The \$2 million plus market will see some softening due to the continued cost of living and interest rate pressures against which it has been so resilient in the past 12 months.

We do see the south-west Sydney market following a cautiously optimistic path in 2025 with a key interest in following interest rate movements. Going off past cycles, any slight indication that the Reserve Bank will decrease the cash rate generally has seen a flurry of buyer activity trying to beat the curve before the market takes off.

### North Shore

In general, we predict the market to be relatively stable throughout 2025 on the North Shore of Sydney. Although this is somewhat of a boring market outlook, it reflects the multitude of factors currently at play, locally, nationally and internationally. We saw this stabilising trend taking shape in the latter part of 2024 on the North Shore, with even some minor decline evidenced in certain sectors of the market. We do not expect this decline to be significant and predict stabilisation in the metrics released in the first quarter of 2025.

We will be watching the lower end of the market in 2025 to see if there is an increased appetite for renovation projects. Once a highly demanded product, derailed by skyrocketing construction costs and supply issues since 2020, we would expect to see a return in demand throughout the year. This lower end, entry price point provides the potential to add value and has traditionally appealed to a broad sector of the market including first time homebuyers who may renovate in the





future, up-graders looking to create their desired home and developers looking to make a quick profit. As an example of such a product, this property in Lindfield is on the market with a price guide of \$2,695,000. The current median price in Lindfield is \$4.01 million (realestate.com.au), providing plenty of opportunity to add value to this under-capitalised site.



3 Knox Street, Lindfield listed with a price guide of \$2,695,000 million  
Source: realestate.com.au

We will also be keeping an eye on the new-built sector of the market; newly constructed homes being sold by developers for a profit. Twelve months ago, this was the hottest product on the North Shore but in the latter half of 2024 we saw supply overtake demand with multiple properties being withdrawn from the market after extended marketing campaigns. Although this was expected to occur at some stage, it happened more suddenly than predicted. It will be interesting to see if this trend continues in 2025 or if we see a return of buyer confidence, feeling more comfortable that they are not overpaying for these once hotly contested homes.

The low to medium density unit market is one sector in which we expect to see some growth throughout 2025, particularly in the second half of the year. This sector has a greater link to interest rates and

with these likely to decrease at some point in the year, the fundamentals are in place for growth. This coupled with a continually strong rental market is also sure to increase demand from investors, who have been relatively subdued in recent times. Lower density unit developments, particularly those close to amenities and train stations, are still likely to outperform higher density developments.

As discussed in previous editions of this publication, we have yet to see the full impact of the NSW Government's Transport Oriented Development planning reforms. It is a major change for the North Shore and is in its infancy at this stage. This coming year we would expect to see landowners, developers, and Ku-ring-gai Council further navigate the legislative changes and gain a clearer picture regarding the impact on the market and associated values. It appears that developers currently have an appetite for amalgamated sites, providing greater development opportunities. We have not seen enough evidence of properties selling in isolation that meet the minimum requirements of the reforms, but we expect this to become more common throughout 2025.

The North Shore prestige market is expected to also be relatively stable throughout 2025 although it never fails to throw in some surprises. We saw reduced market activity in the prestige sector last year and this is likely to flow through to the early part of this year. This reduced market activity has been driven by the lack of stock rather than a lack of buyer confidence, evidenced by continued strong sale results for quality prestige properties. A new calendar year can often reset market sentiment for both buyers and potential sellers alike, and the first quarter of this year will be a strong indicator of where the North Shore prestige market is headed. We look forward to analysing the data as it flows

through, and reporting on any new expected record-breaking listings as they come through.

### Northern Beaches

The Northern Beaches property market in 2025 is anticipated to remain relatively stable, with pockets of variation driven by external economic and local supply factors. Anecdotal reports suggest an uplift of stock will hit the market during the first half of the year. Combined with sustained high interest rates, this could keep prices stable or lead to slight weakening.

As the year progresses, market conditions may shift. The back end of 2025 is expected to see stronger performance as early stock levels are absorbed and the Reserve Bank of Australia's anticipated interest rate cuts stimulate demand. Investor activity is likely to increase, with lower rates making property more appealing and accessible to this segment.

Suburbs such as Manly, Mona Vale, and Freshwater are poised to perform well due to their strong fundamentals, including lifestyle appeal, ongoing gentrification, and improved infrastructure. Conversely, areas with high-density developments, such as Brookvale, may face oversupply risks, requiring cautious investment.

Additionally, we anticipate Stage 2 of the New South Wales low- and mid-rise reforms to further transform the residential landscape of the Northern Beaches, which are set to take effect in July 2025 (source: NSW Government Planning). Stage 2 should provide more clarity regarding permissible development in designated station and town centre precincts - defined as being within an 800-metre walking distance from a town centre (or train line). Additionally, planning control standards for duplex development will be established outside these precincts, paving the way for





duplex development in the Northern Beaches, which should see a strong uplift in demand from developers for duplex sites and owner-occupiers for completed duplex projects potentially towards the backend of 2025 and into 2026.

### Southern Sydney

Residential property in the South Sydney and Sutherland region recorded modest levels of growth throughout 2024. Moving into 2025 we expect this trend to continue given the expected increase in purchaser demand from anticipated interest rate cuts in the first half of the year. In addition demand consistently outstrips supply in the most sought after and tightly held pockets of the south of Sydney.

The outer suburbs of the Sutherland Shire may be the areas worth watching this year. Engadine, towards the south of the Sutherland Shire, has usually been one of the most affordable suburbs in the area. The median house price in Engadine sits at \$1,322,008 as at December 2024 which is below the median for the wider south Sydney market.

We highlight the sale of 5 Numantia Road, Engadine comprising a single level brick house with four bedrooms and two bathrooms which sold in November 2024 for \$1.34 million. This is a good indication of somewhat affordable housing in the area.



5 Numantia Road, Engadine

Source: realestate.com.au

## *We anticipate Stage 2 of the New South Wales low- and mid-rise reforms to further transform the residential landscape of the Northern Beaches.*

We consider the off the plan strata market will struggle for the foreseeable future as there has been an evident oversupply of unit developments throughout the Sutherland Shire and St George areas over the course of the past 24 months. Developments situated in secondary pockets of the region including those along main roads, near railway lines or near industrial property will continue to struggle to appreciate any capital growth and may continue to experience capital losses.

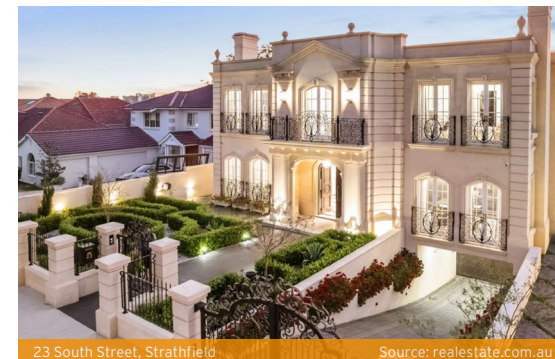
### Inner West

Predictions for the year ahead for property prices in the inner west of Sydney appear rather opaque after the last half decade of pandemics, interest rate rises, elections and high inflation levels. However the main determinant, as always, will be the levels of supply and demand in the market. Generally speaking, the inner west has historically been undersupplied in regard to Torrens Title dwellings, low density units and townhouses. As such these markets have been rather resilient over the course of the past five to ten years. Therefore, stable gradual price growth is expected in these property sectors, especially for detached dwellings in the \$2 million to \$5 million price range, despite continued cost of living pressures. Additionally the likelihood of a May 2025 federal election may bring with it some uncertainty which will continue to dampen purchaser demand.

The upper end inner west prestige market (including properties sold above \$5 million) has

seen a limited volume of sales over the course of 2024. This trend is expected to continue throughout 2025 given vendors' hesitation to sell in generally stagnant market conditions.

Strathfield has been the exception in the inner west throughout 2024 which saw more than approximately 50 houses sell for over the \$5 million price point. A suburb record was achieved in December 2024 at 23 South Street, Strathfield with the property selling for \$16.88 million. The house comprises a circa 2021 built, substantial dwelling containing six bedrooms, eight bathrooms, and an approximate twelve-car basement garage. It also includes a theatre room, multiple living areas, and very high finishes throughout, with the rear yard also featuring a basketball court and swimming pool.



23 South Street, Strathfield

Source: realestate.com.au

The apartment sector may pose a risk of a decline in value throughout 2025, especially in the areas on the border of the inner west including the suburbs of Homebush, Strathfield and Homebush



West. This sector is a risk due to gentrification efforts producing high levels of supply of high-density apartments constructed in recent years along the Parramatta Road corridor. Some recent developments in the area have also been affected by structural defects and non-compliant cladding issues - both have been off putting to buyers in the wider market. The vast majority of loss-making sales have been from sellers who purchased their unit via the original developer who initially included an unobtainable premium in their original sale price. Continued cost of living pressures will create subdued demand throughout 2025.

In summary, uncertainty similar to 2024 is the hallmark for the year ahead, however given the likelihood of interest rate cuts and the conclusion of the federal election, we consider the general inner west market will appreciate improved conditions towards the second half of 2025.

### Inner Sydney

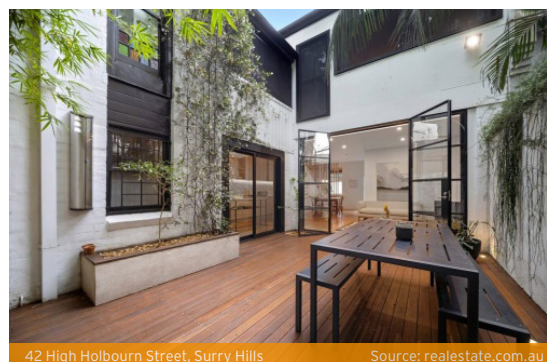
Like most of Sydney, inner Sydney properties can be categorised as owner-occupier or investor and with an interest rate reduction already in the first half of the year, conditions in both of those market segments are likely to alter in line with these new goal posts.

It is likely we will see owner-occupier properties in inner Sydney continue to stabilise with potential for some improvement in more sought after areas, or for those properties which tick all the boxes for local buyers. In the same scenario, the investor market segment - particularly units - would likely see an initial increase in buyer activity translating to some slight improvements in pricing. However, in time, rentals would likely fall due to increased investor activity increasing the rental supply, resulting in a balancing out of

## The sub-\$700,000 price point will be one to watch in 2025 with subdued activity in this market segment during 2024.

overall returns and causing pricing to stabilise.

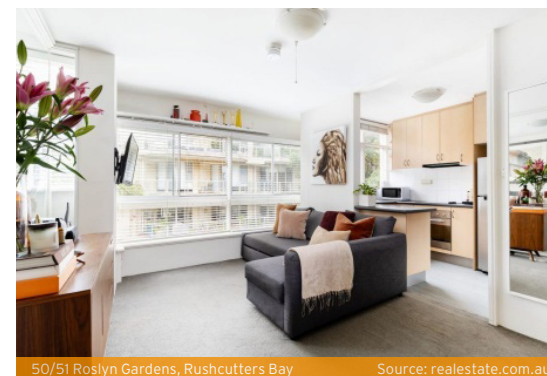
As always, we will likely see quality property fare better in 2025, with those in sought-after suburbs, streets or with desirable characteristics like renovations or views likely to see better outcomes. For example, 42 High Holbourn Street, Surry Hills, a three-bedroom, two-bathroom, double-fronted Victorian cottage sold in under four weeks, for \$2.87 million in December 2024. The house was architecturally renovated and was unusually wide for the area, with these factors contributing to its broad market appeal and therefore the strong and rapid sale result.



42 High Holbourn Street, Surry Hills Source: realestate.com.au

The sub-\$700,000 price point will be one to watch in 2025 with subdued activity in this market segment during 2024. Likely changes to interest rates would improve the accessibility of property at this price point to first home buyers and investors. This market segment experienced cooling in late 2024, with price drops resulting in some properties descending into this price bracket. This price level is dominated by units,

such as 50/51 Roslyn Gardens, Rushcutters Bay, a 40 square metre, one-bedroom, one-bathroom unit with a sought-after parking space, which sold in November 2024 for \$640,000, well below the last sale of a similar floor plan in the building for \$740,000 in 2023.



50/51 Roslyn Gardens, Rushcutters Bay Source: realestate.com.au

Generally the as new market is to be treated with caution, however particularly so in current market conditions with higher interest rates and more subdued growth. As new properties are far less likely to present opportunities to improve through renovation and are often priced at a premium which is lost once they have been lived in, leaving market movement as the only means of appreciation. For example, 1300/8 Park Lane, Chippendale, a suite style unit which was sold as new off the plan in 2014 for \$595,000 re-sold at the end of 2024 for \$520,000.

### Eastern Suburbs

As we move into 2025, dwelling prices are expected to stabilise after persistent increases across 2023 and the majority of 2024. We

experienced an uncharacteristically stagnant spring market with lower auction clearance rates and less stock on the market.

While demand remains steady, particularly for family homes, there is an increasing sentiment that prices may not experience significant growth in the short term, which was evident in the fact that the greater Sydney median house value slightly declined over each of the past three consecutive months.

Interest rates, which have been a key factor in market movements over the past 24 months, have started to decrease in 2025 as inflationary pressures ease. This could offer some relief to buyers who have been sidelined due to higher borrowing costs. However, the impact of rate cuts will likely be gradual, and while affordability may improve slightly, it is unlikely to result in a dramatic surge in property prices.

Comparatively speaking, secondary locations such as South Coogee and Malabar present good opportunities to find more affordable living in the east, with vendor discounts typically higher than more desired locations. These areas are slowly pushing away from their negative stigma, given that they were historically viewed as undesirable due to the amount of surrounding government housing in these areas.

66 Jacaranda Place, South Coogee sold for \$2.31 million and is considered to represent good value for money for a three-bedroom, two-storey house with a relatively large lot size. Price points of this nature allow very realistic capital growth opportunities through renovation works.



66 Jacaranda Place, South Coogee Source: realestate.com.au

The strata property market (mostly low density units), is expected to see softening price points. For investors, unit prices in these locales are still competitive compared to houses, offering a relatively more affordable entry point.

On the rental front, demand is expected to remain strong, driven by a persistent shortage of rental stock in desirable parts of eastern Sydney. This factor may increase rental prices however it is more likely that these units remain at their respective current price points. It is more likely for larger family homes and apartments with desirable features such as outdoor spaces or views to have rental increases in 2025.

In the prestige part of the eastern suburbs market, there was a noticeable softening in demand and prices in the \$5 million to \$10 million space to end 2024, as interest rate cuts never eventuated and increased spring listings hit the market. There is still likely to be some softening in this market to start the year as new listings remain strong, however this market will turn first if and when interest rate cuts begin to occur.

The prestige unit space remains relatively strong with the supply of new high-end units in smaller boutique complexes still quite constrained in the

eastern suburbs relative to the demand from downsizers in the market.

An example of the type of prices being achieved for this type of product is 10/5-13 Spencer Street, Rose Bay, which sold in November for \$8.5 million. The brand new, three-bedroom plus study, 2.5 bathroom unit with two car spaces is on the top floor of a three-level complex of 12. It has an impressive 200 square metres of internal living space and 24 square metres of balcony, providing an internal rate per square metre of \$42,500.

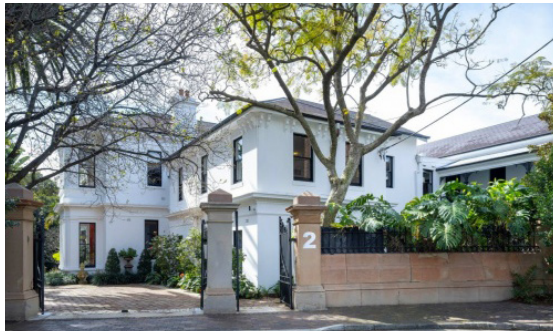


10/5-13 Spencer Street, Rose Bay Source: realestate.com.au

The trophy home market in the eastern suburbs was less active than in 2023, although there were no noticeable price declines, with several strong results from previous sales of those properties. The start of 2025 looks somewhat similar. In January last year we reported that there were 30 houses in the eastern suburbs listed for sale with an asking price of \$15 million or above. This number is exactly the same to start 2025 (as at mid-January), indicating a similar level of activity as last year to start the year.

Of particular interest is 2 Darley Street, Darlinghurst, a large, renovated Victorian Italianate home, which is listed through Ben Collier of The Agency.






2 Darley Street, Darlinghurst Source: realestate.com.au



2 Darley Street, Darlinghurst THE AGENCY Source: realestate.com.au

The 2738 square metre land area dwarfs the average land size of houses in Darlinghurst, with most land sizes in the CBD fringe suburb being less than 200 square metres. The house itself has an approximate 1000 square metres of living area over two levels, and comprises seven bedrooms, seven bathrooms, office, gymnasium, billiards room, drawing room, cellar and several other living rooms. The property last sold in February 2016 for \$16 million.

 Shaun Thomas  
Director

**Illawarra**  
With 2024 being a relatively steady year in the residential market throughout the Illawarra, there is a good chance that 2025 offers further stable conditions.

In 2025 we expect to see large residential unit projects proceed with marketing and construction such as The Works Corrimal and numerous projects around the Wollongong CBD. Land also continues to be developed in the West Dapto and Calderwood and Tullimbar regions. This continued supply currently appears to be matching demand, as evidenced by the stable prices throughout 2024, however if interest rates or other economic drivers do change in 2025, we could start to see price movement again. At Herron Todd White, we are predicting that the year will see some positive market movement overall in 2025 across most sectors, particularly with townhouses, villas and detached housing in established suburbs. The desire to live in these established suburbs will always be higher than in areas of new land supply, however for some, it is the new housing products and price point that draws them to the new subdivisions.

In the prestige market we expect transactions above \$5 million to continue as there are active buyers in the market however, they tend to be discerning and particular about what they buy. We are keeping an eye on 555A Lawrence Hargrave Drive, Wombarra, a beachfront home on a 2,000 square metre lot where the neighbour sold in 2021 for \$6.31 million. Kiama Downs has two properties trying to secure sale prices over \$7 million and we are also wondering whether 2025 will be the year that Villa Carla in Balgownie finally sells after many

attempts to offload it with differing marketing campaigns dating back to 2018.

 Chris McKenna  
Region Director

**Southern Highlands**  
As 2025 begins to emerge from the shadows of the past year, we are faced with the challenging task of predicting the likely outcomes for the local residential real estate market. Three key factors are poised to significantly influence how the market will unfold: the looming federal election, the potential for the Reserve Bank of Australia to adjust interest rates, and the overall health of Australia's economy.

The 2024 calendar year left many property owners and investors feeling unfulfilled, as hopes for an interest rate cut – similar to those in other parts of the world – did not materialize. Instead, the RBA chose to hold rates steady at 4.35 per cent, which dampened the modest market improvements observed since the start of spring. As a result, buyer activity dropped, listings became scarce, and agents saw a slowdown in enquiries.

The market in 2025 will largely depend on when further interest rate cuts are implemented. A reduction in rates could help stabilize the market, bringing it back to a more normal state, with average days on market between 30 and 50 days and steady prices. While we don't expect rate cuts to ignite a market frenzy, they could set the stage for more significant growth by spring 2026, assuming the market stabilizes.

However, any potential rate cuts could be delayed by the upcoming federal election. Historically, markets tend to remain subdued in the lead-up to federal elections, as the uncertainty surrounding





## Overall, we expect the 2025 property market to be slow and somewhat uneventful.

the outcome often leaves buyers hesitant. Once the results are in, confidence typically returns, with buyers moving forward based on the election's outcome. This, combined with concerns about the health of the Australian economy, could keep the market in a holding pattern until after the election. Much will depend on the country's ability to manage inflation, control costs, and avoid slipping into a full recession.

Overall, we expect the 2025 property market to be slow and somewhat uneventful. The market is likely to remain soft for the majority of the year, especially until after the election. After that, the RBA's decisions on interest rates will play a crucial role in determining whether the market can stabilize and return to normalcy. We anticipate that any minor declines currently being felt will likely be addressed, should further rate cuts take place within the year.



Kurt Bismire  
Associate Director

### Lismore / Casino / Kyogle

*"Hold on tight to your dream*

*Hold on tight to your dream*

*When you see your ship go sailing*

*When you feel your heart is breaking*

*Hold on tight to your dream"*

(Electric Light Orchestra - "Hold on Tight" 1981)

Predicting the 2025 real estate market for Lismore, Casino and Kyogle is like trying to guess the next plot twist in another Fast and Furious movie - mildly perplexing, dramatic and possibly leave you wondering how it got so complicated!

(fast cars and mad action - what else is there to predict?).

As we head into 2025, there is a sense that following a year of an unrequited wish (translate - interest rate cut) could there be a sliver of positivity on the event horizon for that dream to be finally realised by many borrowers and mortgage holders?

Already, it was noted in the final months of 2024 and into early January 2025 the rumblings of a potential rate cut firmed with official inflation figures falling from 3.5 per cent in October 2024 to 3.2 per cent in November 2024 (ABS). And let us not forget, it is a federal election year, so expect a lot of politics around interest rates.

So how will all of this unfold for the Lismore, Casino and Kyogle region for 2025?

Residential dwellings within the sub-\$550,000 price segment in Lismore City are likely to remain key targets, particularly if those formerly flood-impacted-now-fully-renovated properties continue to enter the fray. Of those who have taken the flood buy-back route, there is the option to purchase property up on the hill... BUT this option is tempered by what can be actually be acquired with the cash paid out i.e. it's tough to find a standard three-bedroom, one-bathroom residential dwelling with a single garage for under \$550,000 in Goonellabah, East Lismore or Lismore Heights.

Possibly the one segment of the improved residential market that is likely to experience resistance throughout 2025 is the modern, residential zoned dwelling in town purchased in

the past one or two years for over \$1 million whilst properties within the \$650,000 to \$850,000 are expected to have a bit more action, providing the dream of an interest rate cut is realised.

Kyogle and Casino are a slightly different kettle of fish as the supply of developable or developed residential lots in Casino is low now and Kyogle only has one large swathe of land towards the north-eastern part of the town that is being developed. So, the asking price for land between \$200,000 and \$300,000 is likely to hold throughout 2025 barring any dramatic changes in the economy. Both rural towns have plenty to offer in regard to affordability compared to Lismore City and the east coast, as the improved residential sector provides all the usual appointments expected for established dwellings within the \$550,000 to \$750,000 price range. i.e. three or four bedrooms, one or two bathrooms, double garage, established landscaping and possibly a pool!

The rural residential market is expected to maintain some relative stability as it is accepted that to acquire a parcel of land of anywhere between 5000 square metres to 10 hectares with a good quality semi modern three or four bedroom dwelling with double garage, good range of ancillary improvements and some rural or rural residential views....then \$1 million is a starting point nowadays within close proximity of Lismore City and even more towards the east coast. Further inland to the rural residential areas of Casino and Kyogle, the sale prices around \$700,000 to \$900,000 are likely to remain attractive to prospective rural lifestyle. For the larger rural lifestyle properties... not much change out of \$1 million plus can be expected for well-established properties over 40 hectares. However, the cost of living pressures are likely to feature i.e. distance to travel to town and services etc.

To summarise, the property market for 2025 within Lismore, Casino and Kyogle is expected to maintain some level of stability with the possibility of improvement towards the early and mid-part of the year.

In light of the expectation for possible further interest rate cuts in 2025 and the business of soothsaying the property market future, it is worthy to consider the wise words of George Bernard Shaw (playwright);

*"Our lives are shaped not as much by our experiences as by our expectations"*



Vaughan Bell  
Property Valuer

## Byron

After a reasonably placid property market in 2024 when prices and sales rates followed a relatively stable pattern, the question of what 2025 will bring to the Byron Shire market is now front of mind for both buyers and sellers.

Over the past 20 to 25 years, the Byron Shire market has been increasingly influenced by cashed-up, non-local buyers purchasing for investment and lifestyle factors who competed increasingly for limited stock with born and bred Byron locals. The inevitable shortage of stock has led to increased prices, particularly in desirable beachside locations or elevated and well positioned hinterland precincts. The median house price in Byron Bay itself now ranks as one of the highest in regional Australia and sits in the same ballpark as Sydney's median price and well above Melbourne's.

The relevance of this potted history is that the Byron Shire market, whilst small in size, is presently



*The median house price in Byron Bay itself now ranks as one of the highest in regional Australia and sits in the same ballpark as Sydney's median price and well above Melbourne's.*

heavily influenced by the performance of the east coast capital city markets which, in turn, is influenced by national economic factors. With this in mind, I consider that the two most influential drivers of the Byron Shire market, like most other locations in 2025, are going to be the federal election and interest rates.

Looking at the federal election first, buyers and sellers of residential property can be forgiven for being a little more cautious of making a purchase or sale decision until the outcome of the election and the direction of the newly elected or re-elected government is known. According to Millie Muroi of the Sydney Morning Herald (8 January 2025), housing is to be a key issue in the 2025 federal election. What has been done and what will be done for housing affordability may, in my opinion, keep the Byron Shire market relatively quiet until after the election is held, following which buyers and sellers may have more confidence to commit to a transaction knowing what is in store for them. After all, who knows what, if any, housing related cash splashes, incentives, rebates, bonuses and stimulus packages etc. may be proposed by both major parties to win votes? Maybe the old "abolish negative gearing" chestnut might receive another airing this time around to spook investors?

The official cash rate (and bank lending rates) is a topic of almost daily speculation in the media, so it's no wonder that buyers and sellers are dialed into the discussion around when interest rates can be expected to fall. With Byron Shire's

high residential property values, where entry level housing in the more affordable areas of Ocean Shores and Mullumbimby is in the range of \$800,000 to \$1 million, the cost of borrowing is equally high, particularly so when considering the shire's median household income of \$1802 per week (as at 2021- Source: Byron Shire Council). As such, the RBA's decision to reduce interest rates in February would be happily welcomed by mortgage holders in the shire.

Those buyers with an appetite for risk may be tempted into the market in early 2025 and speculate that interest rates will fall further and the federal election will produce a benign result, while others with a more conservative view will want to keep their powder dry and wait until more concrete evidence emerges. Either way, if I may make a bold prediction for the next 12 months, I would say that the Byron Shire will experience an improvement in property values over the year ahead, sooner or later. The scale and timing of the improvement will depend, however, on the size and number of interest rate changes throughout the year.

The locations in the shire most likely to benefit from a downward movement in interest rates are those where first homebuyers and lower income earners are most active. These areas to keep an eye on include Ocean Shores and Mullumbimby in general as well as the more affordable area of West Byron. Just out of Byron Shire and to the south in Ballina Shire but within an easy commute of Byron Bay is Cumbalum, the town of Ballina itself and the



Epic housing estate in Lennox Head where housing and villa or duplex units under \$1 million in these areas are also readily available.

One other aspect of the market to keep an eye on over the course of the year is how investors will react to the recently introduced 60-day cap on non-hosted short-term holiday rentals. This cap was introduced to limit the number of days that a house or unit in Byron Shire can be rented for short term holiday purposes. Certain precincts within Byron Bay itself are exempt from this cap and may potentially attract a premium from investors although anecdotally we have not noticed any premiums as yet (bearing in mind that these exempted areas already tended to attract a premium due to their well-regarded locations such as Wategos Beach, Lighthouse Road, Belongil Beach and the town's CBD.) The 60-day cap has also been debated, discussed and well publicised over the past few years and adjustments in the marketplace may have already been factored in by investors. It should be noted that the 60-day cap does not apply where the holiday rental is hosted by a live-in resident.

I would encourage potential investors to research this aspect of a property if they are considering renting their Byron investment in the holiday letting market, starting with a visit to the Byron Shire Council's web page which includes a map showing the locations of exempted areas where 365 days-a-year non-hosted holiday letting is permitted <https://www.byron.nsw.gov.au/Development-Business/Land-Use-Zoning/Short-Term-Rental-Accommodation>



Mark Lackey  
Property Valuer

## *I would say that the Byron Shire will experience an improvement in property values over the year ahead, sooner or later.*

### Coffs Harbour

It is the start of a new year and time for some insights as to what the property market might bring. As always it is a slow start to the year with January typically seeing very little activity as we all come back to reality from the Christmas holiday season. I feel the start of the year will not be too much different from last year with the high cost of living and interest rates still playing a big part in the affordability factor which will keep a lid on the market which is characterised as slow and steady. We will not see any significant increases in value as it is still a buyer's market with supply up and qualified purchasers limited.

The positive news is that the inflation figures appear to have come under control and consumer confidence is up with the February reduction in interest rates. The direction of the market in 2025 will depend heavily on this fact; with the decrease in early 2025, confidence will take a significant jump and we should see more players entering the market. We are at the bottom of the market and we did not see any significant value increases over 2024 so now is a good time to enter the market with expectations that lower interest rates in the short to medium term should see prices start to rise. Conversely, if further expected decreases do not come then we are in for more of the same.

As always the main concentration of activity will be at the affordable end of the market (up to \$850,000), whilst we expect the prestige market (over \$1.5 million) will still tick over as this is typically dependent on the out of town money

and at these levels generally not so dependent on interest rates.

Fundamentally Coffs Harbour is a good safe bet for investing or owner-occupation with its lifestyle opportunities, relatively low property prices and a major infrastructure project currently underway with the Pacific Highway bypass. This is why Coffs Harbour has made the top 100 suburbs to watch in 2025 as listed by realestate.com.au. Let's hope they have got it right.



Grant Oxenford  
Director

### Shoalhaven

The Shoalhaven residential property market ended the 2024 year in a pretty quiet fashion. Agents were advising of continuing softening market conditions as properties spent more days on the market and with fewer interested parties attending open houses. As we start 2025 there will be a number of key elements which will impact the market in the coming year. Let's take a quick look at how we think the Shoalhaven residential property market will perform in 2025 and what will be the key driving factors.

The upcoming federal election, which will occur sometime in 2025, is most likely going to stall and put market conditions on pause in the Shoalhaven region. The uncertainty as to which party will prevail in the election seems to always play on the minds of both buyers and sellers alike, resulting in many of them waiting till after the election to list or buy a property.





The upcoming decisions by the Reserve Bank of Australia throughout the year to keep on hold or reduce interest rates (assuming no rate increase) is going to play a significant role in how the Shoalhaven residential property market will perform. The softening market conditions might be turned around if confidence is installed in the market if there are a couple of interest rate reductions throughout the year. Possible rate reductions will allow prospective purchasers to reassess their financial positions and increase their borrowing capacity. This will likely lead to competition between buyers as currently it's fair to say that it is a buyer's market.

Reducing stubbornly high inflation is another key influencer impacting the market in 2025. If inflation drops to the RBA's desired levels, this will impact its decision to reduce interest rates. We predict that the Shoalhaven residential property market will stabilise throughout 2025 with no major increases or decreases in the market.



**Joshua Devitt**  
Associate Director

## Newcastle

As we embark on another year of excitement in the property world, forecasting how the market will develop throughout the year is always an interesting topic for discussion locally.

Do we consider how 2024 ended and assume it's travelling in the same direction? Do we predict what political and economic changes might influence the market? Or just simply ask what day of the week it is in the eyes of buyers.

Well, 2024 finished with a bit of a hop skip and jump with purchaser demand picking up in the last

six weeks with the number of enquiries generally increasing as we turned into summer.

The rumour of interest rate cuts again hit the media in the final quarter of the year, but with some muted effect of having heard it all before and nothing. Lower interest rates mean more affordability and therefore encourages buyers to buy.

So realistically, 2025 looks promising with improving buyer demand and lower mortgage payments indicating the market could be on the up, which is good news for vendors and probably not so good news for purchasers but one run of rainy days and enthusiasm can fall flat for a while.

As with all improving markets, lower to mid range property values (\$600,000 to \$900,000 in the suburbs and \$900,000 to \$1.5 million in the city suburbs) will be the areas where buyer demand will be at its strongest. High end values where demand is generally good but from a smaller pool of buyers will be less affected by changes in market conditions as these purchasers are more selective and less influenced by competition.

As the market shows signs of improvement, those purchasers moving at the start of the cycle can make the best returns but it's not easy to determine when the start of the cycle is.

The local region has many different types of property and price ranges available and assessing the market over a short and medium timescale is the best philosophy when buying property. An approach of comparing sales six months ago to last month for similar property types is a good

way of assessing whether the market is moving in any particular direction, then looking at possible influencing factors as to why those changes occurred.

Overall, the market looks to be relatively stable for the foreseeable future and gradual growth is the most likely outcome for the year as enquiry numbers slowly improve.



**Darren Sims**  
Property Valuer

## Central Coast

With the magnificent New Year's Eve fireworks displays at the Gosford waterfront and The Entrance drawing a close on 2024, we find ourselves at the beginning of a new year with a different set of predictions to make for the property market across the Central Coast region.

In the latter months of 2024, signs were emerging amongst buyers and sellers that many markets across the region were showing flattening market trends, putting the market increases of earlier in the year behind us. Local agents seemed optimistic by the performance of their local patches with limited supply levels fuelling this sentiment in the local market.

The expectation of a 2024 interest rate cut was not to be, leaving many economic commentators rejigging forecasts and predictions during the year. 2025 is the year of the first interest rate cut since November 2020. So how will this impact the local Central Coast market? One interest rate cut will do

**2025 looks promising with improving buyer demand and lower mortgage payments indicating the market could be on the up.**





little to change the pace of the cogs of the market with similar market conditions to continue in the first half of 2025. Not all markets are the same and we expect some markets to outperform others.

However, if we do see three to four further rate cuts by the end of the year, then it would be expected to increase buyer activity. In a time when supply levels are at historic lows, positive market growth would be predicted from this scenario across many markets in the region.

First homebuyers form a large pool of the potential buyers within the entry point markets across the region. With government grants still applicable for Stamp Duty exemptions, coupled with guarantor loans from the bank of Mum and Dad, it's the head start that's needed to enter this competitive market segment. So where are the entry level markets that provide good buying opportunities and long-term future growth prospects? Over time the entry level markets that have performed strongly have been those in established residential suburbs with a lack of new vacant land supply available. Suburbs along the railway corridor at Woy Woy, Narara, Niagara Park, Lisarow and Ourimbah have attracted buyers from Sydney still wanting the ability to commute by rail to the city for work or leisure.

Away from the railway corridor and closer to the beaches in beachside suburbs, the entry point markets near and in some cases exceed \$1 million. These suburbs include Wamberal, Terrigal and Ettalong Beach, all of which have in the past been good investments with healthy future growth prospects.

At the northern end of the Central Coast, the growth corridor around Woongarrah, Hamlyn Terrace and Warnervale continues to expand with new vacant land estates being developed. With

## One interest rate cut will do little to change the pace of the cogs of the market with similar market conditions to continue in the first half of 2025.

the continued increased supply levels, vacant land prices are expected to remain stable in 2025. As the building industry recovers from material shortages, the cost to build a new home is returning to some normality, providing an opportunity to build a new home at a reasonable cost. Many of the project home builders within the local area are now offering to build a standard single level four-bedroom, two-bathroom layout dwelling with a double garage for between \$380,000 and \$430,000 on suitable near level allotments.

The market segment that underperformed in 2024 was the prestige market exceeding \$4 million. This market was one of the strongest performers in the post-pandemic boom period, however has weakened more than other market segments post the peak of the market cycle. Areas of caution remain the waterfront markets at Point Frederick and St Huberts Island and coastal suburbs of Avoca Beach, North Avoca and MacMasters Beach. Other locations of caution include the beachside rural areas of Wamberal, Matcham and Erina Valley. Selling agents are experiencing longer than average marketing campaigns with price reductions a reality for many listings.

Gentrification shifts in Shelly Beach and the surrounding suburbs have supported the lift in capital growth rates for this area in 2024. Older style original residences have been purchased for around \$1 million with run down dwellings onsite demolished to make way for luxury residential residences. The transformation of the suburb has seen top end sale prices of anywhere around \$2.5

million to \$3 million, prices that home owners in Shelly Beach and surrounding suburbs would have only dreamt of achieving in past years.

An example is in the photos below. 59 Liddell Street, Shelly Beach was purchased in February 2020 for \$910,000 in its original condition. After undergoing an extensive renovation, the home was sold in October 2024 for \$2.9 million.



59 Liddell Street, Shelly Beach - before Source: CoreLogic/RPdata



59 Liddell Street, Shelly Beach - after Source: CoreLogic/RPdata



Cranes have been dominating the skyline over Gosford over the past 12 months with many residential unit complexes expected to be completed in 2025. A landmark development known as Archibald is expected to be completed this year after initial estimates of October 2024. The development will feature 320 residential apartments in a twin tower designed development with eateries, elevated bar and pool deck areas.

Another luxury unit development in Gosford expected to be completed in February according to their website is Rumbalara Residences, a 188-unit development across four boutique buildings. Located at the highest point of John Whiteway Drive, the unit complex benefits from commanding water views whilst immersed in luxury apartment living with residents having access to a clubhouse with an on-site concierge, private cinema, dining room, gym, day spa, work from home hot desk space and virtual golf simulator.

The unit developments are positioned within the upper market segment for unit style living in Gosford which is an emerging product across the Gosford skyline. With the increased supply of new luxury units in Gosford imminent, a watch and see mindset should be adopted.



Rumbalara Residences

Source: Rumbalaresidences.com.au

In conclusion, the Central Coast market in general is expected to stabilise in 2025 with minimal capital growth likely across the year. There will be markets that outperform others and conversely there will

## Cranes have been dominating the skyline over Gosford over the past 12 months with many residential unit complexes expected to be completed in 2025.

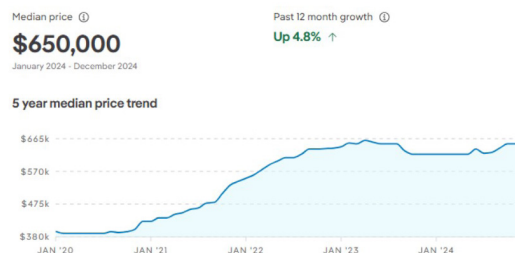
be some that underperform. This is a sign of the times until macro-economic factors such as interest rate cuts, cost of living pressures and global geopolitical issues stabilise.



Todd Beckman  
Associate Director

### Bathurst

2025 has started stable and appears to be strengthening due to the slowing of inflation and the the February interest rate reduction. In Bathurst, the annual growth rate for houses over the past 12 months was 4.8 per cent, and for units it was 4.5 per cent. This is promising given the property market has slowed considerably. Purchasers are no longer driven by fear of missing out and are well informed.



With the decline of first home purchasers in the Bathurst market, savvy investors might have their pick of the lower end of the market, however the

figures may also indicate a lack of properties on the market in this price range. The median house price of \$650,000 would indicate that the strongest market in Bathurst is the \$600,000 to \$700,000 range which also sees the most competition for prospective purchasers.

The suburb to watch in 2025 is Raglan. Whilst on the fringe of Bathurst, it is on the Sydney side and there has been substantial new infrastructure completed to the highway entering Bathurst from the east. There has also been increased commercial development on this side of town with many big-name stores such as Anaconda, Harris Scarfe and Harvey Norman either opening or moving to this location, with whispers of more to come.



The population of Raglan has grown by 11.4 per cent in the past five years and is predominantly comprised of young families. There is a local public school, parks, and public bus services. Raglan is located only seven kilometres from Bathurst CBD, and with the median house value slightly below



\$575,000, it is an attractive location for families to settle and investors to pre-empt a possible increase to property prices as this suburb grows and develops in the future.

There is also a substantial amount of vacant land stock on the market closer to the Bathurst CBD. Originally marketed as Windy 1100, the blocks have been re-branded to The Reserve. Blocks range in price from \$315,000 to \$400,000, and range in size from 500 to 1155 square metres. Only a small number of parcels have sold in this new development with many more available.



Carla Mammoliti  
Valuer

### Albury-Wodonga

The year ahead is likely to continue exhibiting a divergence in real estate market trends across Albury Wodonga. The lower price bracket, particularly under \$550,000, is expected to maintain strong demand, driven by investor activity from major cities and local buyers, pushing prices upward. In contrast, the higher-end segment, especially above \$700,000, may face longer holding periods, with properties above \$1 million seeing slower transactions.

This split in the market reflects differing dynamics in buyer affordability and demand, with lower-priced properties continuing to attract significant interest, while the higher-end market, though not weakening drastically, is showing signs of strain in some areas. As we progress through 2025, it will be crucial to monitor these trends and adjust expectations based on shifting economic conditions and market responses.

The case of 110A Brewer Drive, West Wodonga provides a good example of this, with a significant

## The year ahead is likely to continue exhibiting a divergence in real estate market trends across Albury Wodonga.

reduction in asking price after months on the market and eventually selling below its 2021 purchase price, signalling some softness in that bracket. The property sold in December 2021 for \$1.4 million and went under contract in December 2024 for \$1.385 million.



110A Brewer Drive, West Wodonga

Source: CoreLogic

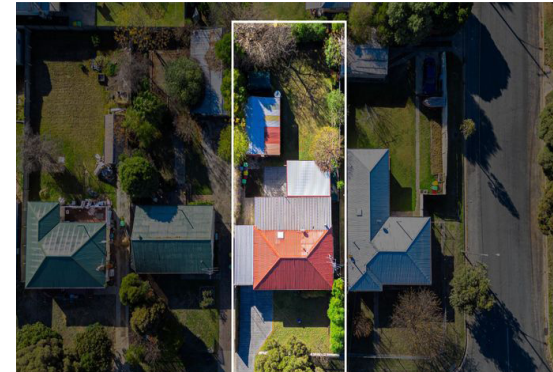


110A Brewer Drive, West Wodonga

Source: CoreLogic

Meanwhile, properties like 164 Wantigong Street, North Albury in the sub-\$550,000 range have seen rapid appreciation, despite no significant improvements, suggesting strong demand in

this more affordable bracket. That property sold in October 2021 for \$379,000 and is now under contract as of January 2025 for \$500,000. It will be interesting to see how these trends play out throughout 2025.



164 Wantigong Street, North Albury

Source: CoreLogic



164 Wantigong Street, North Albury

Source: CoreLogic



Vanessa West  
Property Valuer



## Tamworth

Welcome back to another year. For the regional city of Tamworth, the 2025 calendar year has been met by the familiar festive glow of the Tamworth Country Music Festival, mild seasonal weather and storms. Following a year of steady property trading throughout 2024, all market segments closed the year with a somewhat healthy sting in the tail. This year, we are anticipating a few shifts in our property cycle.

With New South Wales having an ongoing affordability crisis, Tamworth is a regional centre well-positioned to offer a solid alternative. Hotspotting director Terry Ryder has marked Tamworth, along with Albany and Sydney suburb Harris Park at the top of the property investment list for New South Wales as areas that will outperform in 2025 (realestate.com.au).

Major industry and infrastructure projects within Tamworth together with the local council strategic growth plan have been key indicators of the region's continued development.

It is anticipated that the affordable housing market segments (housing priced under \$650,000) will dominate the annual growth and sale transfer numbers. An increase in new home building prices and long lead-in construction periods will push investors and owner-occupiers to focus on established dwelling stock. This too is expected to affect the rental market, as we anticipate a slight increase in median rental values to impact our local market. This is considered to affect all Tamworth suburbs and surrounding areas, but largely centred around the East Tamworth, North Tamworth, South Tamworth and inner West Tamworth areas.

With all this considered, an area to keep on the

*It is anticipated that the affordable housing market segments (housing priced under \$650,000) will dominate the annual growth and sale transfer numbers.*

radar is the suburb of Hillvue in the southern precinct of Tamworth, between the CBD and new and future residential development and commercial retail development. A recently approved commercial development that will welcome another supermarket to Hillvue will help support the growth of the South Tamworth Residential Precinct and bring additional local retail and professional services to the suburb. The suburb was initially developed in the 1980s and features primarily brick veneer and concrete tile dwellings with a median house price of \$619,000.

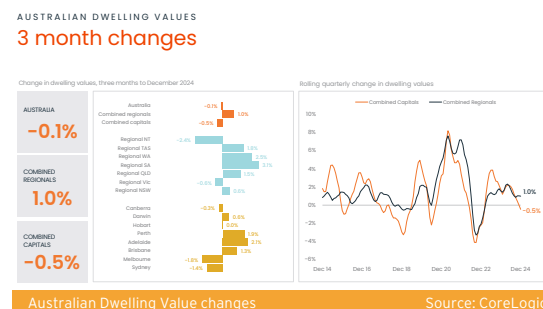
Generally, we expect the Tamworth market to be stable and possibly tick up slightly. This market activity is expected to be a continuation of the wider New South Wales regional growth rate over the last three months of the 2024 year of 0.6 per cent.

New South Wales median, together with broad infrastructure and industry project investment and pipeline funding. High-end prestige property and rural residential property are expected to continue to experience slightly longer selling periods (days on market) with limited and inconsistent transaction data affecting general market trends. The general feel locally is that the upper end of the property market has normalised to a more traditional slightly volatile market (in order to attract the right qualified buyer).

We look forward to another fantastic year of valuation and property advisory in the New England and north-west New South Wales and welcome any and all interested parties to discuss all things property in any of our local offices in the region. Happy 2025 to all.



Nick Humphries  
Property Valuer



This is a steady and conservative capital growth annual rate trajectory, largely due to the (I'll say it again) comparative affordability our housing prices represent in contrast to the greater regional

# Victoria - Residential 2024

## Melbourne

With Melbourne's property market softening throughout 2024, there are early calls that in 2025 most markets will plateau. While immigration is forecast to decrease from record highs, the population movement away from regional Victoria back to greater Melbourne will start a downfall in regional markets and provide some growth to metropolitan Melbourne.

The start of 2025 sees a number of determinants left up in the air that can affect the property market. The main issues include the upcoming federal election and the RBA's reduction in interest rates which could have a major impact on borrowing costs and influence general market sentiment.

In this Month in Review we will forecast the upcoming property market in each region through greater Melbourne and Geelong.

### Melbourne CBD

Melbourne's CBD property market in 2025 is anticipated to face challenges, with forecasts suggesting it may underperform compared to other Australian capital cities. Analysts predict residential apartment prices could decline by up to five per

cent in 2025, following a 1.6 per cent decrease in 2024.

Despite these challenges, we anticipate certain submarkets to perform above the market average. These property types include high end apartments starting at a price point of \$1.5 million. Premium units with large layouts and luxury amenities appeal to downsizers, families and foreign investors seeking centrally located, higher quality properties.

A trend worth noting is sustainable and energy efficient features becoming a significant selling point.

High quality, sustainable developments and premium apartments may outperform the broader markets.

We foresee the Melbourne CBD residential rental market continuing to experience tight conditions with current vacancy rates at 1.5 per cent indicating a high demand for rental properties and limited availability. Real estate experts suggest a three per cent vacancy rate would indicate a balanced market but anticipate that moderate rent increases may persist.

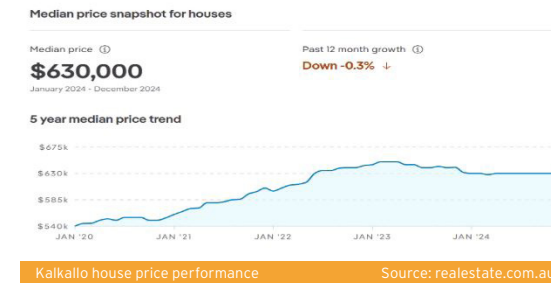
Property	Median price	Δ MoM	Δ QoQ	Δ Annual
All dwellings	\$774,093	-0.7%	-1.8%	-3.0%
Capital city houses	\$917,616	-0.8%	-1.8%	-2.9%
Capital city units	\$607,414	-0.5%	-1.6%	-3.0%
Regional dwellings	\$569,295	-0.3%	-0.6%	-2.7%

Melbourne's property price performance

Source: Herron Todd White

## Northern Suburbs

The northern suburbs of Kalkallo, Wollert and Donnybrook are emerging as growth corridors in Melbourne's property market due to their affordability, large ongoing development and strategic location along Melbourne's expanding urban fringe. These suburbs have attracted significant interest from first home buyers. Median house prices in these areas remain around \$650,000 making them accessible to many buyers.



We predict outer northern suburbs to perform steadily, supported by Melbourne's growing population and infrastructure investments such as the improved Craigieburn train line and the outer metropolitan ring road that are expected to enhance connectivity. These provide a strong potential for growth and liveability in Melbourne's outer north.

An interesting narrative to monitor in 2025 is the oversupply in these areas particularly in a suburb such as Wollert. We predict Wollert to perform poorly due to vacancy rates being higher than the national average. Supply is abundant with 1850





building approvals in the past 18 months. Wollert currently has 4.74 per cent of all homes on the market and a rental vacancy rate of 3.74 per cent. This double-edged sword of high supply for sale and high rental vacancy convinced us it will likely under perform in value and rental growth in 2025.

Middle ring northern suburbs like Reservoir have shown resilience, with some areas experiencing modest growth. Reservoir recorded a 1.79 per cent annual increase in median house prices reaching \$850,000 and a rental yield of 3.4 per cent. We predict Reservoir and similar suburbs to remain flat or even decrease in value in 2025 due to a combination of factors including the new short stay levy on rentals and buyer preference shifts.

With Melbourne predicted to face challenges forecasting a five per cent decline in dwelling prices, middle ring suburbs are particularly sensitive to overall market conditions as they attract a mix of first home buyers and investors, all affected by the economic and policy changes.

### South East & Peninsula

Within the south-east regions of Melbourne there is a variety of market impact predictions. Inner suburbs such as Elsternwick seemingly offer better investment properties for those looking for a way into these sought after property markets due to the current dip in housing values and renovation and potential subdivision options which can help achieve a rebound in property prices.

Melbourne's current rental crisis has worsened with rents surging to the highest they have been since COVID. Caulfield North has seen a median rent increase of 48 per cent in the past three years, with Victorian state government policy targeting higher density developments, particularly units, to help alleviate the rental crisis.

## Melbourne's current rental crisis has worsened with rents surging to the highest they have been since COVID.

However, this will not have an immediate impact due to longer lead in times to get properties built and to market. The federal government's policies regarding capping foreign students and immigration policy could see some slight easing of pressure on rental prices.

The federal government has advised that the intake of migrants will fall sharply as it continues to overhaul the migration policy as they aim to support management of the cost of living and the population growth (ABC News, 2024).

The outer suburbs such as Officer and Clyde North will continue to remain resilient and have the highest chance to create success in their markets due to the affordability and attractiveness for low to middle income earners, particularly new migrants to Melbourne.



### Eastern Suburbs

Ringwood and Mitcham are affordable suburbs with a median property price of \$900,000 (realestate.com.au, 2024). We consider Ringwood and Mitcham to be Melbourne's gentrifying family-friendly suburbs that are experiencing strong

growth due to relative affordability for established eastern suburbs. Family homes in these areas are expected to remain in high demand in 2025.

Box Hill has super-charged since it transformed into a major urban hub in the past decade. It attracts a diversified population keen to engage in a mix of residential, commercial and cultural developments and is very popular with the Australian-Chinese community.

The median property price is currently \$1.65 million with a slight decline of 1.79 per cent over the past 12 months (CoreLogic, 2024), offering buyers an opportunity to purchase in a relatively flat market.

In 2025, Melbourne's eastern suburbs are forecast to show a slight decline, particularly in prestigious suburbs such as Balwyn, Canterbury and Camberwell where higher valued properties are more susceptible to a subdued market. However, Ringwood, Glen Waverley and Box Hill seem to be stronger performers and likely to experience modest growth.

### Western Suburbs

The residential property market in Melbourne's western suburbs is expected to face challenges in 2025. Factors such as ongoing high interest rates, an increased supply of land, and more cautious investors may impact the performance of some western suburbs.

Deer Park is one suburb to watch closely in 2025. With a median house price of \$650,000, it presents a good entry point for investors. National Property Buyers director Antony Bucello also

sees Deer Park as an attractive option, noting that properties in this suburb could offer a potential rental yield of 4.5 per cent.

Expanding suburbs like Tarneit and Wyndham Vale offer affordable options for modern developments, making them ideal for first home buyers. These areas also provide an opportunity to take advantage of government grants available for first home buyers.

Population growth and new infrastructure are key factors that could support steady growth in Melbourne's western suburbs. Rents have increased over the past 12 months in Tarneit, mirroring the trend from the previous year.

With an 11.5 per cent rise in rental prices over the past year, this upward trend is expected to continue, driven by population growth and the demand for more affordable living options.

However, oversupply and tax implications, such as the vacant residential land tax, could deter some potential buyers from the western suburbs. While the region may face challenges in 2025, there is still potential in specific areas for some growth.

### **Geelong & Bellarine Peninsula**

The residential property market in Greater Geelong is expected to remain relatively stable throughout 2025. This stability can be attributed to several factors, including an increase in housing supply. Areas such as Armstrong Creek, Mount Duneed, and Charlemont have seen significant development, contributing to a 96 per cent rise in stock-on-market over the past three years (Propertyology, 2024).

Additionally, demand for homes has softened, with the number of real estate transactions declining from 6615 in 2021 to 5340 in 2024.

In 2025, several Geelong suburbs are expected to experience notable property price movements. Lovely Banks, for instance, recently led Geelong's house price growth, with a median price of \$765,000, reflecting an 8.2 per cent increase over the past 12 months. This upward trend positions Lovely Banks as a suburb to watch closely (realestate.com.au, 2024). The suburb's affordability and ongoing infrastructure development have driven its growth.

Meanwhile, family-friendly suburbs like Belmont have seen significant population growth, partly due to their proximity to schools, parks, and coastal amenities. Belmont's population has grown by approximately four per cent, driven by families seeking established communities and spacious properties (MPA, 2024). While Belmont hasn't seen an increase in property prices over the past 12 months, it has remained stable.

There are still affordable options in several Geelong suburbs, particularly for first home buyers. New estates such as Armstrong Creek offer affordable options, with the added benefit of being eligible for the First Home Owner Grant when purchasing or building a first home. However, potential buyers should be mindful of the oversupply in these growth corridors, especially in areas like Armstrong Creek, Mount Duneed, and Charlemont, before making a purchase.



**Perron King**  
Director

### **Mildura**

There are several factors that we expect will influence the local residential market throughout 2025, including the level of population growth,

construction costs, rental vacancy rates and general economic confidence.

Accurately predicting how 2025 will pan out is difficult, however we expect that there will continue to be good demand for established housing at all price points. Most commentators are forecasting that interest rates will start to decline in the first half of the year and employment rates remain at good levels. At a local level, several of the local region's key horticultural industries (citrus, table grapes and almonds) are enjoying better conditions than was the case between 2020 and 2023, which will help maintain demand for seasonal workers and farm inputs.

We expect that owner-occupiers will continue to dominate the buying pool, in part because of the tight rental market making buying seem like a good option. The median house price in Mildura of approximately \$487,000 is relatively affordable compared with other regional areas and rose by approximately five per cent throughout 2024. We expect value levels to at least remain stable and possibly increase by a similar amount in 2025.

Local investor activity is likely to remain active, but at comparatively lower levels than was the case three to four years ago. Higher ownership costs (land tax, council rates and insurance premiums) have eroded returns and while the higher rents have helped offset this to a degree, investors are expected to remain cautious. It will likely take a number of interest rate reductions to improve local investor confidence.

However, at this stage we are still seeing strong investor demand from out-of-town buyers, which has contributed to some of the recent price growth in Mildura. No doubt this interest is fuelled by the lower entry price in Mildura compared to many other regional locations.





## Any easing in the value of vacant lots may also stimulate greater construction activity.

First homebuyers in Mildura faced competition from this out-of-town investor group in the second half of 2024 and this may see some first homebuyers turn their attention to better standard homes in the surrounding towns of Red Cliffs, Merbein and Gol Gol, which to date have not been the focus of this investor group.

Residential construction costs remain high, which has contributed to reduced demand for vacant lots and a reduction in construction activity over the past year. It is possible that 2025 will see an improvement in new house construction, noting that the cost of buying established housing has continued to increase over the past two years, which is narrowing the gap between the cost of building a new home and buying established.

The oversupply of vacant lots is expected to continue, following completion of a number of subdivisions in recent years. There have been few resales of vacant lots in recent times and often these resales have occurred after extended marketing periods. If a larger number of lots were actively marketed, we would likely see some vendors discount their asking price.

Any easing in the value of vacant lots may also stimulate greater construction activity.

The higher end of the market is anticipated to still be somewhat fickle, with some properties selling quickly at high prices, while others can take longer and, in some cases, require some price adjustment to sell. Interest rates play a lesser role at this end of the market. Buyers currently do not feel the urgency they previously had and are tending to be

more selective. Overall, we expect there will still be good activity at the higher end of the market.



**Jake Garraway**  
Valuer



# Queensland - Residential 2024



## Brisbane

Brisbane has been one of Australia's standout property markets over the past two years, with strong sales activity and impressive capital growth across key sectors. Its metrics demonstrate the overall strength of several "secondary" capitals in recent times.

According to CoreLogic analysis through to the end of 2024, Brisbane saw dwelling values increase by 11.2 per cent, which is a record high.

This annual outcome was only bettered by Perth and Adelaide and was demonstrably more impressive than Sydney and Melbourne. As we move through the first months of 2025, the city's overall market remains dynamic, shaped by a combination of economic factors, supply constraints, and population growth.

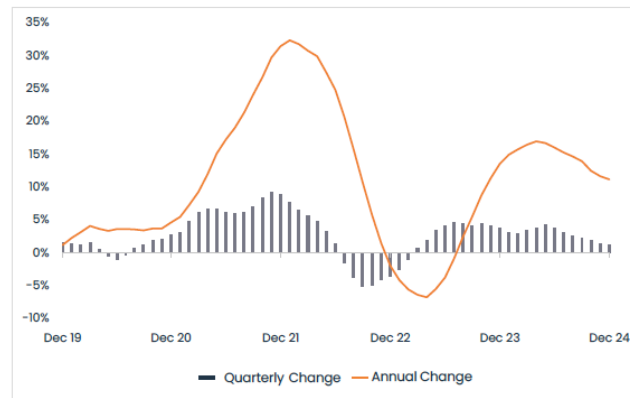
*The first half of the year is likely to see continued moderation in markets similar to those conditions experienced in the second half of 2024.*

Interestingly, our general census is that Brisbane's residential property market in 2025 could well mirror 2024 conditions... but in reverse!

The first half of the year is likely to see continued moderation in markets similar to those conditions experienced in the second half of 2024. As we move into the second half of 2025, the market may well strengthen in response to additional interest rate cuts. We will also be well past the federal election. As such the government in power will have its policy direction established with many programs implemented all of which usually delivers a boost in confidence to our markets.

As at the time of writing February's Reserve Bank decision to cut the cash rate by 25 basis points has been welcome by most market participants. Property stakeholders had been waiting for quite a while to get good news on the cost of borrowing. Throughout the last quarter of 2024 and into early 2025, the underlying inflation figure retreated. Then, with the December core inflation figure falling to 3.2 per cent, the RBA finally pushed the go button on a cut. While we expect this to positively stimulate markets, we are more reserved than some about how dramatic the influence will be. I suspect we'll need to see far more in the way of cuts before falling interest rates substantially drive property prices up.

Another consideration this year for all markets is the already mentioned federal election, with a poll date still to be announced as at the time of writing this article. While the outcome of the vote is unlikely to sway prices in any measurable way, there is normally a substantial slowdown in market activity in the lead up to elections, and I doubt it will be any different this year. The upside is the post-election stability we normally see in the months following a poll result. This confidence can entice some property participants become more active in the market.





Looking past these national issues, it's fair to say Brisbane's property market fundamentals remain strong. A continued undersupply of housing coupled with sustained population growth will support ongoing demand. Buyers, particularly those in the affordable and mid-price sectors should remain active as they adapt to current conditions.

The second half of 2025 could well bring more confidence to Brisbane buyers if the downward moves on interest rates continue. A more stable interest rate environment and improved borrowing power should encourage a fresh wave of buying, particularly in any markets that may have softened earlier in the year.

Investor activity has been good in southeast Queensland, but lower rates will stimulate further demand among this buying group too. Many have long-term capital gains in their sights... and why not? With the new state government looking to create more certainty about infrastructure plans in the lead up to the 2032 Olympic Games, Brisbane feels like a good bet for those investors hoping to enjoy value upticks over the next one-to-two property price cycles.

In fact, Brisbane's 2032 Olympic and Paralympic Games infrastructure and planning report, due in March 2025, could well influence market trends this year. Suburbs close to proposed Olympic infrastructure could see heightened demand in the near term.

One suburb to watch is Woolloongabba. There has been talk that redevelopment of "The Gabba" for 2032's global event is a hot chance in the stadium stakes. If it's announced in the report that this will be our city's main event space, then market activity in and around the suburb is likely to spike for both residential and commercial property.

Albion and Bowen Hills are other areas primed to benefit from infrastructure work. It's worth noting that nearby Victoria Park is also in the running for the main stadium location. Regardless, upgraded transport options, active hospitality offerings and proximity to the CBD bode well for the long-term appeal of these suburbs.

We also think buyers will have their eyes on Brisbane's inner-east and riverside precincts. These suburbs are close to the city centre and are also primed to benefit from infrastructure upgrades. One of the drawbacks will be enhanced lifestyle areas along the river.

Because Brisbane has a very traditional property market model, detached housing tends to be the most consistent property type for price growth and buyer demand. There are plenty of options across all price points for buyers looking to secure a detached home. Price is almost always a function of distance from the CBD - you simply get more house and land for your buck in the outer suburbs.

Detached house buyers could secure some excellent opportunities in 2025. If you're a family-home buyer who doesn't mind doing some upgrades over the long term, then now might be a prime time to purchase. There are entirely habitable homes in the market that are experiencing soft buyer demand and seem very competitively priced. High building costs and long delays in securing contractors are impacting this sector. If you can buy and hold, then many of these properties make for excellent options.

We've also seen some relative bargains at the start of this year in some of our blue-chip suburbs. For example, while Paddington's median house price has just hit \$2 million according to realestate.com.au, our valuers have spotted sales

between approximately \$2 million and \$3 million that offer good value.

For example, this home at 31 Wilden Street just sold for \$2.64 million. Set on a 405 square metre site, the home provides five-bedroom, three-bathroom, two-car accommodation with an inground pool and extensive views to the CBD. The home itself looks to be around 10 to 15 years old with an internal floor area of 250 square metres. Reproducing this property in today's market - i.e. buying the land vacant and constructing a home of similar layout and quality - would cost far more than its recent sale price. I've even heard some agents suggest that buying established homes under these circumstances is almost like "getting the land for free".



31 Wilden Street, Paddington

Source: realestate.com.au



31 Wilden Street, Paddington

Source: realestate.com.au

## Off-market transactions are also popular in this space and are likely to gain even more traction in 2025.

Affordability will be high on buyers' agendas again this year. Despite rent increases easing, our rental vacancy rate remains tight. As such, expect tenants to weigh up the option of purchasing rather than renting, particularly at the affordable end of the market. This shift from renting to ownership has helped drive a hot run of second-hand, older unit price growth since 2023. While the relative disparity between house and unit prices has closed over the past two years, apartments will always remain attractive to those wanting to put a foot on the property ladder in some of our more desirable inner- and near-city suburbs.

For buyers who are in the lower price bracket but want to secure a detached home, then suburbs in the outer and fringe suburbs are your options. While these areas have sometimes been overlooked by the broader market, they do offer good fundamentals nowadays due to improved transport links and evolving community infrastructure.

Some suburbs to watch in this space would be those throughout the Logan and Ipswich corridors. Great public transport, comprehensive arterial roadway connections and proximity to employment hubs all help fuel the demand for housing.

For buyers with tight budgets who are keen on new housing, Springfield and Ripley continue to be options with ongoing master-planned developments throughout. There is modern housing and strong long-term growth potential in these areas, and buy-in prices are fairly reasonable.

Lifestyle chasers will also look towards Redcliffe and other Moreton Bay regions. There are suburbs throughout that offer excellent value for money

while allowing residents to enjoy a coastal lifestyle with a community focus.

Prestige property had an excellent year in 2024, and it looks set to continue this year. Many of the buyers in our \$4-million-plus market are cashed up. As such, they don't tend to be as affected by interest rate movements. Given Brisbane's appeal will only grow as we head towards 2032 and beyond, high-end buyers wanting to stay ahead of the game will be keen to secure property this year.

Prestige properties, particularly those with riverfront or panoramic city views, are particularly appealing and I expect a cross-section of wealthy, interstate and expat buyers will be eager to secure a home. Off-market transactions are also popular in this space and are likely to gain even more traction in 2025.

Looking at medium to high priced units and townhouses, there is an expectation this sector will do well in 2025 too. High building costs mean that the supply of new attached housing remains very tight. Projects need to appeal to high-end homebuyers willing to pay a premium for a quality development, because developers' profit margins on projects are extremely tight.

The flow on as well is that existing units, particularly those with great fundamentals in sought-after inner-city areas, are expected to see steady price growth this year.

In looking at what to approach with caution this year, I'd perhaps put vacant land on the radar with the continued high cost of construction causing many buyers to pause and consider their options.

We really need to see costs and build time reduce in 2025, so construction becomes more affordable and housing supply improves.

It will also be interesting to see how our markets perform around the time of the federal election. Once the date is called, activity in the housing market normally slows. There could even be an opportunity to buy well during this period for some purchasers.

Overall, we remain bullish about Brisbane property in 2025. The fundamentals are strong, and future prospects look good. There's steady demand anticipated across various segments. While affordability concerns and political shifts may cause short-term fluctuations, Brisbane will reward those who buy property with good fundamentals and hold onto it for the long term.



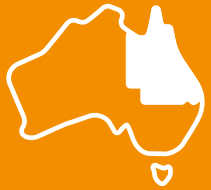
David Notley  
Director

### Gold Coast

As we begin a new year there have been a number of media reports lately insinuating that Australia is facing a property market downturn in 2025. Whilst it appears there is good evidence that we are already amidst a slowdown on a national level, there has also been cautious optimism amongst property experts that the Gold Coast will remain resilient this year, and will continue to be one of the top performing markets.

Before we discuss our own outlook for the Gold Coast market, let's quickly recap what transpired in 2024.

Upon reflection, overall it was a year of steady price growth and stability for the market despite cost of living pressures and high interest rates



being prevalent issues. Statistical data reveals that property prices on the Gold Coast further improved in 2024, with the median house price now circa \$1.1 million (up 11.7 per cent over the year), and median unit price at circa \$760,000 (up 29.6 per cent over the year).

Whilst value levels improved on the Gold Coast in 2024, it was evident that growth conditions slowed down in the second half of the year. Notwithstanding, the prestige market remained robust throughout the course of the year, and there were many eye-catching sales recorded, mainly within the popular beachside localities.

At the lower end of the market, both units and houses priced under \$1.25 million also performed well, with demand far outstripping supply in many suburbs. Unit values have been rising at a faster rate than house values of late, and this is likely a consequence of buyers facing housing affordability challenges. The current market dynamics at play have also resulted in the outer suburbs of the Gold Coast and the southern Logan Shire becoming far more popular with buyers, where residential property is far less expensive.

Given what has materialised over the past twelve months, we believe that the momentum in the property market this year will particularly depend on the level of activity at the affordable end, and the movement in interest rates.

Apart from a few good auction turnouts, many local agents have observed a sluggish start to the year compared to this same period last year. With the exception of the far northern reaches of the Gold Coast, sales activity over the summer holiday period was fairly subdued. Some agents have pointed out however that many prospective buyers have been just sitting on the sidelines waiting for

the Reserve Bank's decision to reduce interest rates in February.

The capital city markets might be losing steam but we think the Gold Coast market still appears reasonably placed to weather any potential volatility this year. The market has a shortage of available stock, there has been strong investment in public infrastructure, the local economy appears stable, and there are no signs yet of any significant slowdown in migration to the city.

Locally, developers and builders are still facing challenges in delivering new stock to the market, signifying that there will be an ongoing undersupply issue for new housing product for some time yet. Given that demand levels remain high, the current demand/supply situation will further underpin property values.

Now with that said, let's take a quick dive into the different areas that make up the Gold Coast region and see what price points and property types are worth watching closely this year.

Let's begin with the central and southern suburbs which offer great coastal lifestyle appeal. Here we expect to see good levels of market activity persisting for property priced under \$1.5 million, whilst property in the mid-tier price bracket (\$1.5 million to \$3 million) is expected to further moderate. Local agents have highlighted that it is the mid-tier market where purchaser activity is slowing the most, as exhibited by longer sale periods, with more stock to choose from in this price bracket. Despite this, we still think there are a few solid investment opportunities to be found here. Areas to watch include the beachside pockets of Miami and Tugun.

Local agents have reported that many buyers are being priced out of the highly sought after

beachside suburbs of Mermaid Beach, Burleigh Heads and Palm Beach, and are looking for less expensive property in alternative locations which offer broadly comparable lifestyle attributes.

As with the above-mentioned suburbs, Miami and Tugun are also set to benefit from the light rail system extensions. Stage 3 of this major infrastructure project is currently in progress. Investing in either units or houses that will offer future convenience to the proposed light rail extension may prove to be an astute buying option. Once complete, these suburbs will be all connected to a world class public transport system that will link up with Coolangatta Airport.



Illustration of Proposed Stage 3 Gold Coast Light Rail Extension Source: RCP Australia

Another submarket to watch this year is the top tier prestige market which has been very resilient over the past year. Developers have been keen to capitalise on this buoyant market sector in the past couple of years, and lately, we have noticed that there are many highly priced, high quality properties nearing completion and currently selling off the plan in the beachside localities. It was recently reported that high profile developer, Graya, just sold an ultra-modern style duplex residence, positioned on the non-beachfront side of Hedges Avenue, for \$8 million in an off-the-plan



sale. On face value this appears to be a very strong price, and shows that prestige property buyers are still willing to pay a premium for exclusive high quality product in good positions. According to the selling agent the yet to be constructed property was quickly secured by a Brisbane purchaser before being officially on the market. It's clear that the recent influx of cashed up buyers and sheer undersupply of quality stock is driving these very strong sales results. In order for this market segment to keep momentum this year, we think the out of town and interstate market will need to remain a significant driver.



With affordability top of mind for many buyers particularly with families, the property type to watch in the suburbs is detached housing priced under \$1.5 million. Finding affordable housing that ticks many boxes in the inner areas can be quite challenging. To buy a decent house for a family which offers a reasonable level of comfort will also likely require the family to provide a dual income in order to service the mortgage and to combat general living expenses. Recent history shows that comparatively affordable dwellings that have represented reasonable value were freestanding dwellings found in areas like Varsity Lakes, Robina and Ashmore. These are pockets where stock levels

## *The main drivers here have been first home buyers and the interstate migration seeking out affordable dwellings, duplexes and townhouse units.*

remain very tight. An example of a property which shows good fundamentals is the recently reported sale of 19 Konda Way, Robina. This freestanding home, which provides four-bedroom, two-bathroom accommodation, changed hands in January for \$1.05 million. The residence was built in 2001 and is set on a 453 square metre parcel. It currently presents in largely original condition.



We are of the opinion that affordability issues will be further exacerbated this year. Due to the lack of stock and strong prices in these central areas, buyers who are constrained by affordability challenges will likely be pushed further out. Therefore, we see good value growth potential for the lower priced outer suburbs like Merrimac, Carrara, Nerang, Pacific Pines and Helensvale which still offer good amenity to schools, shops and transport.

The same can be said for the M1 northern corridor region where the market has not exhibited any signs of a slowdown yet. Value levels have surged

in recent times for property priced under \$1 million. We've seen a number of townhouses and modest freestanding dwellings already transacting above the prices observed at the end of last year. Agents are reporting that the properties in this price range that are selling in a short time frame are those homes which are generally well presented. These types of properties are showing great prospects if your budget is tight.

The main drivers here have been first home buyers and the interstate migration seeking out affordable dwellings, duplexes and townhouse units. Agents have reported that locals who have benefited from the rise in the market are now looking to cash in on their own property and upgrade to a better home. This trend has been particularly evident in areas like Ormeau, Beenleigh, Eagleby, Belivah and Mount Warren Park.

With new and affordable house and land options becoming increasingly scarce on the Gold Coast, buyers on a very tight budget should not discount the opportunities presented a little further west. Areas in the growth corridors to keep an eye on that offer vacant land and house and land packages will be Bahrs Scrub, Yarrabilba, Jimboomba, South Maclean and Flagstone. We should point out however that there are reported delays in delivering new lots to the market at the moment. Subsequently, the flow on effect is that major developers now have long waitlists for unregistered and registered land. Interestingly, given these circumstances, the hold-up of stock coming to market has further increased the demand in the



## All in all, while the Gold Coast property market faced a minor slowdown during the latter part of 2024, it remains well-positioned to navigate the potential challenges this year.

local area, which in turn has seen premium prices being paid for registered land, and for new and established dwellings.

Finally, let's briefly turn our attention to the far southern end of the Gold Coast and Tweed border region. The recent completion of the Tweed Valley Hospital and major road upgrades is expected to stimulate some value growth for the immediate and surrounding area. We've also noticed that the market for unit product priced under \$1 million has remained strong due to the ever present supply shortage, particularly in the Coolangatta and Kirra areas. Agents have reported that many of the buyers in this submarket are first home buyers or buyers looking to exit the rental market where high rents persist.

All in all, while the Gold Coast property market faced a minor slowdown during the latter part of 2024, it remains well-positioned to navigate the potential challenges this year. Prestige property continues to attract strong interest, however we expect to see purchaser activity moderate and selling times to trend higher. Meanwhile, the lower-priced housing markets still show good potential for value growth in the short to medium term. The region's stable economy, ongoing migration and diverse market segments should provide a foundation for resilience and opportunity in the year ahead.



Sam Gray  
Director

### Sunshine Coast

When looking ahead for 2025, it feels as though it is going to remain steady as it goes. In relative terms the market remains pretty good. Sure, the unsustainable buoyancy that was experienced during the COVID period has certainly dissipated, however the market is performing well. As always it will be hard to predict as there will be some trepidation for some, but the underlying fundamentals seem to be good. Some aspects of the market are as follows:

The positives are:

- ▶ Interest rates - the lower inflation rates have given rise to a rate reduction which will assist in giving the market some confidence;
- ▶ Low unemployment remains;
- ▶ Supply levels of property for sale in relative terms remain on the low side;
- ▶ Location and the future - The Sunshine Coast and the wider south-east Queensland area continue to be popular. The reported \$100 billion of new infrastructure projects mooted in the lead up to the 2032 Olympics all lend to some long-term confidence.

And now for the negatives:

- ▶ Affordability - affordability remains a big challenge with value levels remaining high. From the coastal areas right through to the hinterland, record values have been set. In the past, Sunshine Coast property was cheaper

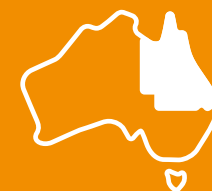
than our southern capital city cousins of Sydney and Melbourne and by some way. This is no longer the case as we are near parity with Melbourne and the gap has narrowed to Sydney;

- ▶ Hidden pain - there will be a cohort of home and business owners who are doing it tough. They have been able to survive so far, and some reductions in interest rates may help but the pain may already be in place with any interest rate falls having little effect. This could see an increase in supply and unemployment.

As we mentioned at the end of last year the market was performing pretty well. One aspect of the market is that selling periods have extended slightly. The selling periods however are more in line with pre-COVID markets. Other points noted in the market are as follows:

- ▶ Good properties are selling for good money. What we mean by that is homes that are in good condition and do not require much work, and are well located, are able to achieve good prices. Conversely, properties where the dwelling needs a renovation or a rebuild tend to linger. The construction industry is still having an effect in that people just don't want to go through a renovation.
- ▶ Entry level markets up to say \$800,000 remain good with property at this level being keenly sought after.
- ▶ Unit markets continue to perform pretty well at both ends of the spectrum. At the upper end, with the somewhat limited construction activity at the moment, buyers are having to look at the existing product. At the lower end markets, these units provide affordable options for first time buyers to enter the market.





- ▶ Land markets remain quite constrained with limited subdivisional parcels available. The major estates advise that activity remains strong.
- ▶ The rural residential and hinterland markets continue to perform reasonably well.
- ▶ There is some inconsistency returning with sales and sale results being more dependent on the characteristics of the property and circumstances of the sale.

Supply levels continue to be the big story. Discussions with our team and with a number of agents in the region indicate that of the vendors who are selling, few are under pressure. Whether or not owners are selling because a property may be a surplus asset, change of lifestyle or under pressure makes little difference.



Stuart Greensill  
Director

## Rockhampton

Last year was full of surprises in regard to the rate of growth experienced in the Rockhampton region and it is reasonable to expect little change as we enter into 2025.

Once again, the fundamentals that underpin the residential market continue, with very low vacancy rates, ongoing major infrastructure projects such as the Rockhampton Ring Road (now well underway with construction due for completion in 2031), low unemployment, a diverse and strong local economy (agriculture, health, education) and little side effects of the impacts of high inflation due to our relative affordability compared to southern metro locations. These all lead to expectations of another prosperous year in our region.

## Overall, 2025 is expected to be another buoyant year for Rockhampton and surrounds.

There are unlikely to be any oversupply issues arising throughout the year ahead, as vacancy rates are still well below what are considered balanced market conditions, remaining around one per cent for Rockhampton.

Overall, 2025 is expected to be another buoyant year for Rockhampton and surrounds. While it's difficult to comprehend another solid 12 months of the same significant price increases that we experienced throughout 2024, there are no external influences on the horizon to suggest otherwise. A conservative approach would be to expect a steadier rate of growth, potentially in the second half of the year, should we see an exit of non-local investors from the market, as this will slow competition for the limited stock available.



Cara Pincombe  
Associate Director

## Gladstone

Welcome to 2025 and what shapes as another interesting year for the Gladstone property market. Jumping straight into it, there have been a couple of signs that the market in the Gladstone region may begin to stabilise at some point this year. These include: the number of days on the market is starting to stretch out; we are starting to see sale prices that are at or slightly below asking price; after hovering around the one per cent mark for the better part of the past 12 months, vacancy rates jumped to 1.6 per cent in December 2024 and rental increases have cooled slightly according to local rental agents. Now of course these could all simply

be the result of a typical post-Christmas slump however we have been noticing these changes for a couple of months now.

I'm not suggesting the bottom is going to suddenly fall out of the market - not at all. The fundamentals of our market remain strong and we are still one of the most affordable cities to buy into on the eastern seaboard of beautiful Queensland. We are still predicting further growth in the Gladstone region in 2025 however it is unlikely we are going to see the sharp increases in value that were seen in 2024. It's more likely we will see a steady rate of growth over the course of the year with the possibility of some stabilisation.



Regan Aprile  
Director

## Bundaberg

This month we are giving our forecasts on what we see happening in our patch for the year ahead for the residential market. We feel that the incredible gains made over the past four years will start to ease as agents inform us that listings are harder to come by at the moment. Properties are starting to be on the market for more than two to three days as buyers and sellers are more realistic about listing prices and what they are prepared to pay given a federal election is in the wind and the uncertainty of interest rates. The new house and land market remains highly active as we head into 2025 after a mid-year lull in 2024. At this stage, there appears to be a balance between supply and demand for land and established homes. Land



prices are currently sitting in the \$260,000 to \$320,000 range for standard 600 to 800 square metre lots. Construction costs also appear to be stabilising. Sales prices for new homes are currently in the \$650,000 to \$800,000 range for a circa 150 square metres of living, four-bedroom, two-bathroom home with double garage. The rental market is expected to remain very tight for the foreseeable future, with very low vacancy levels.



Megan Matteschek  
Property Valuer

### Mackay and Whitsunday

I hope all our readers had a great holiday period and happy new year. 2025 - a quarter of this century is almost gone, can you believe it? But I digress. This month we look at the year ahead and try as best we can to give our predictions for the next 12 months.

I am finding this prediction to be one of the easier and harder predictions all rolled into one that I have written in some time. 2024 saw significant growth in the Mackay market, particularly the last six months when momentum really started to shift. We saw double digit price growth across all market sectors. This was on the back of a very strong local economy, a buoyant mining sector, with strong employment opportunities right across the region, large infrastructure projects such as the Walkerston bypass and highway upgrades all leading the charge into positive

economic territory. Also, Mackay's median house price and relative affordability, especially compared to capitals and other coastal localities, plus extremely tight rental vacancy rates fueled this strong demand. At the end of the year, the Mackay market was in uncharted market territory with record high median prices never before seen in this part of the world. And this was all done in the face of rising interest rates and crippling cost of living pressures, and while affecting other areas, they had little to no effect on the Mackay market.

So what does 2025 have in store? There is no evidence to suggest a slowdown in our economic activity and market confidence. All agents are recording very strong demand across all market types. Low stock levels have been a significant challenge for the market and this shows no real sign of improving in the short term. So positive market growth is the easy part. The difficult part is how far can it go? That is harder to predict.

The price growth in 2024 was not uniform. The year started off strongly, but then really gained momentum into the second half of the year with growth in the last part of the year well above the first six months. So our prediction is good growth in 2025 across all market sectors, it's just the size of the growth that is difficult to predict.

The only red flags are a possible global event that is unforeseen, or some major event that affects the mining industry in the Bowen Basin which may cause a slowdown in the market. Another issue is at present there are a large number of out-of-

town investors and buyers' agents pretty much buying anything they can get their hands on in the \$650,000 and less market, based on good solid rental returns (the reported aim is six per cent gross and low maintenance). The majority of the dwellings are bought sight unseen (a video walk through is about it) and sell well above listed prices. While all indications are that the demand from these investors is still as strong as last year, should they exit, it will definitely slow the market to a degree.



Mick Denlay  
Director

### Emerald

The residential market experienced exciting levels of growth in the Central Highlands during 2024 and we expect that this growth will continue in 2025.

This Central Highlands economy is driven by many diverse industries including mining, which is the greatest contributor to the region's economic output and employer of the largest portion of our population. The strong levels of growth in the local economy over the past two years have resulted in low unemployment and high demand for accommodation.

The relative affordability of housing in the region compared to centres along the Queensland coast paired with low vacancy rates has been encouraging renters into transitioning to owner-occupiers and attracted investors back into our region. With low supply still very much an issue in the region, we expect this demand to keep pushing up median sale prices, keep rental demand high and strengthen investor interest.

*While all indications are that the demand from these investors is still as strong as last year, should they exit the Mackay market, it will definitely slow the market to a degree.*



This growth will likely ease when the median sale prices reach parity with values in the coastal centres and the return to investors begins to diminish.



**Kellie Blomfield**  
Valuer

## Hervey Bay

Hervey Bay's local economy is primarily driven by sectors such as tourism, healthcare, retail and in recent years construction on both a residential and commercial level. If these sectors continue to expand, they could significantly bolster the property market. One market in particular is the multi-storey residential unit market. There were a number of projects approved in 2024 and hopefully some of these will begin construction in 2025. It has been in excess of 10 years since a multi-storey unit complex has been built on the Esplanade.

The balance of housing supply and demand is crucial in determining property market trends in 2025. If new housing and land developments are limited or delayed, existing properties and land might experience increased demand, resulting in price hikes. On the other hand, an oversupply of housing and new land could stabilise or even reduce property prices, as buyers have more options to choose from.

Demographic changes could also influence the property market. An influx of retirees could boost demand for specific property types, such as single-level homes or those within retirement communities. The over 50s lifestyle resort concept is in full swing in Hervey Bay with six complexes currently in development in addition to the seven villages already established.

The new house and land market remains highly active as we begin 2025. Vacant land prices have noticeably risen over the past six months. This price increase can be partly attributed to delays in titling for some estates. At this stage, there appears to be a balance between supply and demand for land and established homes. We may see a stabilisation of land prices over the next 12 months given the steep rise experienced over the past 12 months. Land prices are currently sitting in the \$260,000 to \$320,000 range for standard 600 to 800 square metre lots. Construction costs also appear to be stabilising. Sale prices for new homes are currently in the \$650,000 to \$720,000 range for a circa 150 square metre of living, four-bedroom, two-bathroom home with double garage. The rental market is expected to remain very tight for the foreseeable future, with very low vacancy levels.

Market sentiment towards property investment in regional areas like Hervey Bay is largely influenced by broader economic trends and confidence levels. Positive sentiment and economic confidence could lead to continued investment in the area, driving up property prices. Conversely, if sentiment is negative, it could result in a more cautious approach from buyers and investors, stabilising or even reducing market activity. The rise in sale prices in 2024 for new homes was more dramatic than rises in rental levels which resulted in diminishing returns for investors. This trend may continue over the short to medium term.



**Doug Chandler**  
Director

## Townsville

Townsville hit the headlines in late December 2024. An amazing article from a large buyers' agent research firm stated that Townsville is predicted to experience a remarkable growth of 25 to 30 per cent in 2025. That is some awesome crystal ball gazing. I would never be quite so bold as to make that prediction for the year ahead.

That being said, Townsville's fundamentals remain very strong. The economy is underpinned by employment and Townsville has jobs, jobs, jobs. According to Townsville Enterprise, the North Queensland region has over \$30 billion in projects in the pipeline across more than 60 projects.

Vacancy rates in rental stock remain dreadfully tight and rents remain strong which continues to attract out of town investors. These same investors compete with owner-occupiers which in turn puts continued upward pressure on prices. Agents are mixed in their marketing approaches with some voices suggesting marketing a property to investors solely gets the most eyes and best return for sellers. Other agents are open to releasing a property to the open market and letting all comers participate in the buying process. Either way, most properties are selling within days after receiving multiple offers. The market remains hot, hot, hot.

The unit market was previously seen as the poor cousin to the housing market but continued a buoyant resurgence during 2024 and this is expected to continue on the back of affordability concerns in the housing market.

I can see no reason why 2025 won't be similar to 2024. The underlying fundamentals are strong. Sale transactions (houses and units) have been approximately 6500 per annum for the past three years. Agents are reporting a strong start to 2025.



The only hand brake I can see is if rents start to plateau (based on affordability issues) or if capital values continue to increase (thereby reducing rental yields) which may reduce demand from investors. I believe there is plenty of demand from owner-occupiers looking to take up any slack that appears in the market.

Strap in for 2025 as it may turn out to be a wild ride.



**Darren Robins**  
Director

## Cairns

The Cairns market is predicted to continue where it left off in 2024, albeit with more modest gains throughout 2025. Early 2025 sales activity is showing only modest value growth in some market segments, which is an indication of a slowing market. The lack of stock is also constraining sales activity. Sales volumes have typically been falling from a peak in late 2021.

Lower value price points sub \$700,000 are the price points worth watching. Properties at these price points provide the opportunity to achieve a sound return for investors. Southern investors and buyers' agents targeted this market during 2024 and this activity is expected to continue until the market is pushed up and returns are less attractive. Market conditions are forecast to continue to favour sellers for most property types, however with fewer qualified buyers, lengthening selling periods and an easing trend towards a more

**Median prices for both houses and units in the Cairns area are forecast to rise over the coming 12 months with lower percentage gains.**

balanced market. Median prices for both houses and units are forecast to rise over the coming 12 months with lower percentage gains. Demand for acreage and rural residential property is expected to be strong driven by a lack of suitable stock.

Buyers' agents will likely remain in the market which mirrors trends in southern capital city markets. Buyers' agents will continue to be a significant force in the southern suburbs of Cairns representing a large portion of demand, particularly for stock up to and into the \$600,000s price range, driving strong competition against other buyers' agents as well as local buyers. Vacancy rates are expected to remain low with tight market conditions characterised by the limited supply of rental properties. Upward pressure on rents due to competition by multiple prospective tenants is expected to continue throughout 2025.

Construction costs are expected to stabilise in 2025 after significant cost increases averaging over 50 per cent post-COVID 2021. It is likely there will be a continued shortfall of new home and unit construction in relation to demand which will result in some upward pressure on prices in the established markets. Supply of new vacant land lots on the northern beaches will be partially met by the release of The Palms estate at Kewarra Beach. The release of new land lots in the Cairns suburbs will generally be low throughout 2025 with limited new releases planned. Supply in the southern corridor between Gordonvale and Bentley Park is expected to be steady with a reasonable supply of new land lots forecast to be available.

Interest rates and cost of living pressures are likely to influence the market in 2025. Interest were at an 11-year high of 4.35 per cent since November 2023, and February's cut has brought some relief. Lower interest rates and easing cost of living pressures may trigger a further strengthening of the market.



**Danny Glasson**  
Director

## Toowoomba / Darling Downs

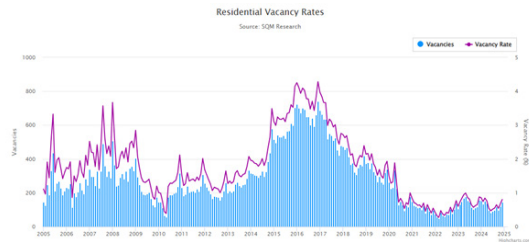
The start of a new year is always an optimistic time, when New Year's resolutions are made, many people are returning to work and school after a well-earned break, and we all take the time to reflect on what could occur during 2025. As reported across many media outlets during 2024, many Australian property markets showed signs of a slowdown, however during 2024 there were limited indications of this occurring in the Toowoomba region, and whilst the coverage area of the Darling Downs entity service area is vast, being bound by the Scenic Rim and Brisbane Valley to the east, the south Burnett to the north, the Queensland and Northern Territory border to the west and northern New South Wales and Moree Plains area to the south, this edition will focus primarily within the Toowoomba area.

It is anticipated that our region will continue to perform well when benchmarked against other localities during 2025, particularly given the prospect of possible interest rate reductions, which could increase many household borrowing capabilities and alleviate financial tension on household budgets which may help in continuing to drive market activity in the region. Although there may have been a slowdown in real estate transactions during 2024 (in comparison to the peak or boom), this is more due to a lesser number



of new listings. Toowoomba's infrastructure development, affordability, liveability, development projects still underway, the various energy projects across gas, solar and wind and the potential for continued future growth is what makes Toowoomba one of Australia's best regional cities.

Investor activity during 2024 in the Toowoomba locality continued to remain resilient with low housing stock, low residential vacancy rates (0.8 per cent as at December 2024) and high rental yields and returns underpinning this confidence. It is anticipated that this will continue in 2025, especially given that Toowoomba continues to be listed as one of Queensland's most affordable cities, particularly for interstate buyers seeking good value for money and the ability to stretch their investment dollar further.



Vacancy rates Source: SQM Research

Several Toowoomba suburbs continue to check all of the boxes and are considered excellent choices for first-time homebuyers and investors alike. In early 2024 it was still possible to purchase a single detached dwelling for \$500,000 or under in several Toowoomba suburbs which ranged from small modern dwellings to older style dwellings, however as property prices continued to increase during 2024, the sub \$500,000 market segment is now generally dominated by unit sales. Properties that are still affordable in several Toowoomba suburbs purchased in the under \$500,000 market segment include:

**Glenvale (located approximately seven kilometres from the Toowoomba CBD)**

Young families or investors can buy a small modern brick unit (generally in a duplex complex) for less than \$500,000 in this suburb and can be particularly drawn to the affordable real estate pricing and good rental returns. Consider this circa 2018 three-bedroom, two-bathroom attached unit with a one-car built-in garage at 2/5 Shelby Street, which sold for \$490,000 in November 2024 (achieving \$450 per week rent). Although a larger semi-modern to modern detached dwelling is now priced above \$600,000 in this suburb (which is still affordable), units are the more predominant asset being sold for under \$500,000.



2/5 Shelby Street, Glenvale Source: CoreLogic

**Harristown (located approximately five kilometres from the Toowoomba CBD).**

Harristown is a popular neighbourhood of Toowoomba in close proximity to the CBD. Harristown is a suburb to the south-west of the Toowoomba CBD hosting residential properties and some light industrial properties along its main roadway links of James and West Streets and Anzac Avenue in the south-west. Workers like it due to its convenient location, and families like it because of the variety of well-recognised schools nearby. There are a variety of residences in the suburb, including new brick constructions

and older-style homes like this 1945 two-bedroom updated timber residence at 16 Glenvale Road (which is a busy thoroughfare), which sold for \$450,000 in October 2024.



16 Glenvale Road, Harristown Source: CoreLogic

**Kearneys Spring (located approximately four kilometres from the Toowoomba CBD)**

Kearneys Spring continues to be a popular suburb because of its short drive from the CBD while still giving residents a sense of living in a quiet neighbourhood. Detached dwelling prices continued to increase during 2024 (with an increase in the median house price of 11.4 per cent over the previous 12 months). The sub \$500,000 market segment is now dominated by unit sales, as seen by the \$467,000 price tag (pending settlement advice) of this two-bedroom 1990s brick unit (in a complex of two) at 2/15 Kratzmann Court.



2/15 Kratzmann Court, Kearneys Spring Source: CoreLogic





**North Toowoomba (located approximately one to two kilometres from the Toowoomba CBD)**

An example of an affordable price point of a detached dwelling is 195 Bridge Street, North Toowoomba, which is a busy thoroughfare. As the name suggests, North Toowoomba lies just to the north of the Toowoomba CBD and hosts mostly residential properties with some light industrial businesses following main thoroughfares such as Ruthven, Mort and North Streets. Rail lines dissect the suburb as does Gowrie Creek in the west. The 102 square metre chamferboard home consists of two bedrooms and one bathroom on an 849 square metre parcel and sold previously in November 2020 for \$265,000. The property is approximately 2.4 kilometres from the CBD and again resold for \$480,000 in October 2024 after some renovation and tidying up works since the previous sale in 2020.



**Centenary Heights (located approximately three kilometres from the Toowoomba CBD)**

Other family favourites are the suburbs of Rangeville and Centenary Heights. Centenary Heights is a leafy suburb to the south-east of the CBD within close proximity to East Creek and parklands in the east. There are a variety of property types in this suburb, including new

brick constructed units and dwellings and older-style homes. Again, given the market growth experienced during 2024 the predominant property types selling in the sub \$500,000 market segment are units, like this 2012 two-bedroom brick unit within a six-unit complex at 1/12 Garde Street, which sold for \$480,000 in October 2024.



As highlighted above, there is still a degree of affordability across this regional city for either older style houses or more modern units from various suburbs and price points as well as representing varying construction and era homes.

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 neighbouring suburbs. However, it is observed that the market segment at around \$1 million does remain out of reach for many potential buyers 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 many buyers were either looking further afield and purchasing in suburbs further from the CBD or were generally purchasing a unit within closer proximity to the Toowoomba CBD suburbs. This trend is expected to continue in 2025.

The Toowoomba region remains supported by generally affordable prices, low vacancies and high rental yields attracting homebuyers, upgraders and investors alike. Overall, we foresee the general property market to continue to perform at a steady rate throughout all areas in the short term. We maintain that a prudent purchaser can feel secure in investing or purchasing in various localities throughout the Darling Downs area given the continued investment in infrastructure developments, the allure of affordability, liveability and the potential for future growth, being what continues to make Toowoomba and surrounds one of Australia's best regional cities. Toowoomba's strong position also has the effect of spreading to the wider area with centres such as the Southern Downs, Western Downs, areas in the Lockyer Valley, Goondiwindi etc also following similar trends with no areas currently considered oversupplied or needed to be treated with extra caution other than normal due diligence prior to purchase.

As always, the Toowoomba region is not seen as a one trick pony with its ingrained investments

*The Toowoomba region remains supported by generally affordable prices, low vacancies and high rental yields attracting homebuyers, upgraders and investors alike.*

and being a major hub for the agriculture, mining, services and transport sectors. Its property market has a reputation for remaining steady and stable. With the continued boost to major new infrastructure, this reputation is set to continue in 2025. However, as always, it is still important to recognise that there remains an element of uncertainty as to how the local economy will respond to the continued cost of living pressures and whilst residential property prices remain firm with demand steady to strong relative to supply in many localities, at some point, a continuation of recent economic trends may reach a tipping point and translate to a softening in the property markets (activity and sale values).



**Marissa Griffin**  
Director



# South Australia - Residential 2024

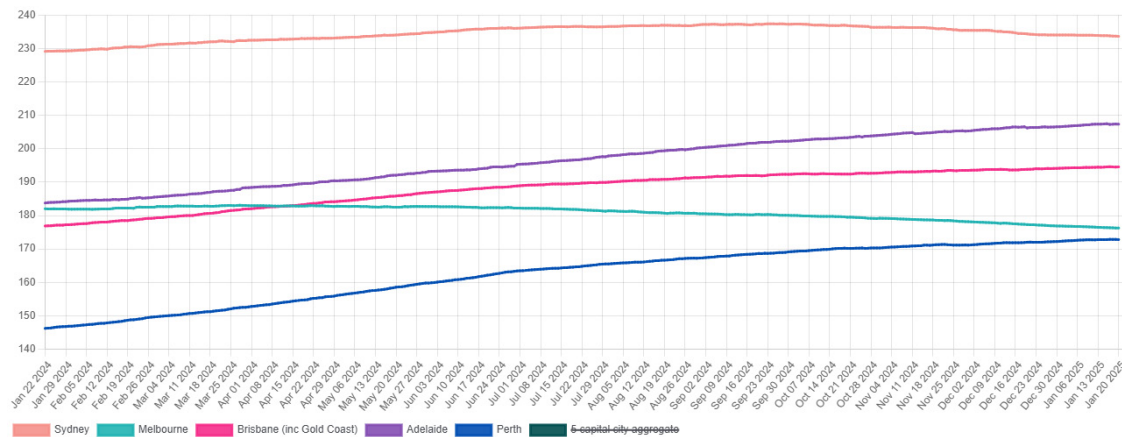
## Adelaide

PropTrack's Property Market Outlook published in December 2024 indicates that Adelaide has recorded the highest value growth of any state over the past five years. Home prices in Adelaide are up 80.9 per cent over the five years to November, in comparison to an average growth across Australia's combined capital cities of 43 per cent.

The residential property market in Adelaide has continued to outperform interstate capitals, as declines in the Melbourne and Sydney markets started in mid 2024. Continued growth in the Adelaide market is contrary to the cost-of-living pressures and mortgage stress levels facing many borrowers and prospective buyers.

PRD Real Estate Chief Economist, Dr Diaswati Mardiasmo, said Australia has typically lagged the interest rate cuts and rises that we have seen internationally in the US, the UK and Canada. "We were six months behind in increasing so we're six months behind in cutting" - with Mardiasmo acknowledging that, as inflation reduces towards the RBA's two to three per cent benchmark, an interest rate cut becomes more likely. Further updates for interest rates in 2025 from the major Australian lenders as at the time of writing indicate anywhere between two (ANZ) and five (NAB) interest rate cuts. In addition, the Commonwealth Bank and ANZ predicted the first cut to occur in February (which we now know proved correct).

## CoreLogic RP Data: Daily Back Series



CoreLogic Daily Back Series

Source: CoreLogic

## Big Four Banks - Cash Rate Forecast 2025

	First Change	Number of cuts forecast
CBA	February 2025	4
ANZ	February 2025	2
Westpac	May 2025	4
NAB	May 2025	5

Cash rate forecasts (source: SBS Australia)

Areas of the market to keep an eye on in 2025 will be the outer metropolitan ring and lifestyle markets. The outer ring continues to be driven by a combination of first home buyers seeking a more affordable price point, and investors looking for rental returns. The outer ring suburbs such as Davoren Park, Elizabeth North and Elizabeth Downs offer the chance to purchase a three-bedroom home between \$425,000 and \$500,000 approximately 30 kilometres from the Adelaide CBD. 24 Mainwaring Crescent,



24 Mainwaring Crescent - External

Source: realestate.com.au





24 Mainwaring Crescent - Internal Source: realestate.com.au

Davoren Park is a three-bedroom, one-bathroom maisonette set on 555 square metres, currently listed for \$429,000 to \$469,000 through Edge Realty (realestate.com.au).

Further to this, the Hills market offers purchasers a mix of lifestyle and affordability, albeit moving up in price point from the outer ring northern suburbs. Suburbs such as Nairne, Bridgewater and Mount Barker offer alternative options with larger homes on larger blocks, approximately 20 to 30 kilometres from the CBD. 9 Princes Avenue, Crafers West is on the market for \$790,000 to \$850,000, offering a three-bedroom, two-bathroom dwelling on 626 square metres. The property is listed for sale through Harcourts Adelaide Hills within a price range that captures that current Adelaide median house price of approximately \$850,000, recorded in the December quarter of 2024, jumping from \$803,000 in the September quarter. Further options in the Hills include a 2017 built, three-bedroom, two-bathroom house at 8 Reddy Close, Littlehampton - set on 582 square metres and listed for sale through Nitschke Real Estate for \$690,000 to \$730,000 (realestate.com.au)



8 Reddy Close - External Source: realestate.com.au



8 Reddy Close - Internal Source: realestate.com.au

As 2025 is an election year, we may see an increase in policy promises from both sides of the political spectrum. Towards the end of 2024, federal housing minister Clare O’Neil was interviewed on youth radio station Triple J, responding to the argument that young people and first home buyers would be hopeful of not only a stagnation, but a reduction in house prices. To this, O’Neil stated that the government was

targeting more sustainable house price growth, as opposed to the double digit increases we have seen in years gone by. Independent economist, Saul Eslake, and Deloitte Access Economics partner, Stephen Smith, were of similar viewpoints in response to O’Neil’s comments. Eslake stated that a stagnation in prices, or a decline of circa five to ten per cent over a decade would be beneficial for the broader market and society, whilst Smith believed that prices would need to stay put for the next 10 to 15 years as wages catch up (abc.net.au). With the current state of the market, the upcoming interest rate decisions, and the federal election, it’s shaping up to be an interesting year for potential purchasers, investors and homeowners alike.



Nick Smerdon  
Valuer

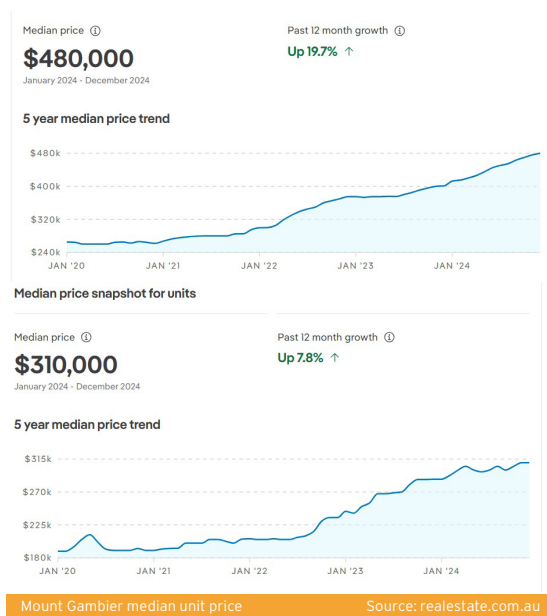
### Mount Gambier

Over the past few years we have seen the Mount Gambier market perform strongly with increased prices and demand. The median house price has increased from \$415,000 in January 2024 to \$480,000 in January 2025 and the median house price for units has increased from \$287,500 to \$310,000. This is an annual compound growth rate of 19.7 per cent for houses and 7.8 per cent for units in the past 12 months. This indicates the Mount Gambier market retains good demand and growth in values compared to other regional centres which have reported softening markets.

*With the current state of the market, the upcoming interest rate decisions, and the federal election, it's shaping up to be an interesting year for potential purchasers, investors and homeowners alike.*







Like any market, the Mount Gambier market is driven by supply and demand. We do expect to see more signs of a softening in the market and buyer sentiment easing depending on what the RBA decide to do in the first half of the year. In the last three months of 2024, agents advised that interstate investment had tempered, allowing more locals to enter the market.

All types of properties are still performing strongly at the moment, and we expect prices to continue to climb for properties located in the sought after lakes location and central areas close to the CBD. We expect rural residential properties to continue to perform well this year with limited stock available. We do expect to see a slight change in coastal areas where a majority of the houses are used for holiday residences; these markets will be ones to watch as we have seen a growth in values in the past 12 months.

A price point which we will continue to watch is the over \$600,000 sector. In previous years, properties above this price were thinly traded in Mount Gambier and outskirts of the CBD (postcodes 5290 and 5291) however in the past 24 months we have seen a large increase in stock in this bracket. In the past 12 months approximately 108 properties have sold for \$600,000-plus compared to 2023 with a lower yearly total of 87 properties. A variety of property types are traded in this range such as modern and character style dwellings. The higher volume of sales occurring should endure as we see demand for these properties continue.

The Mount Gambier market compared to other regional cities is still a very affordable market. We expect the Mount Gambier market to have another strong year with good demand for real estate. We would expect values to somewhat stabilise, but it is unlikely we will see a substantial decrease in property values whilst demand for properties in the region remains strong.



**Lauren Kain**  
Valuer

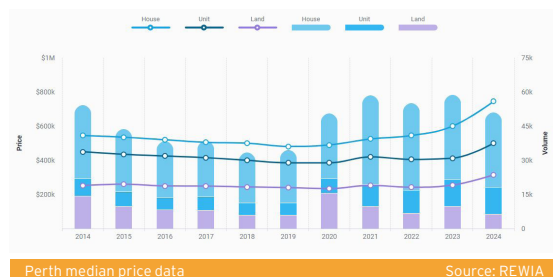


# Western Australia - Residential 2024



## Perth and regionals

In general terms, the Western Australian property market performed strongly throughout 2024 as demand exceeded expectations in most areas and supply remained constrained.



In some locations, the market performed so strongly that it defied logic, but these were in the minority. Overall, the outcome was simply a result of strong migration numbers, strong employment and wage data, years of undersupply of new housing and the key factor - years of the median house price not reflecting Western Australia's strong underlying economic fundamentals and we had a positive correction in house price expectations.

In Perth, we saw a dramatic 23.5 per cent increase in the median house price, reaching \$720,000 according to REIWA, although CoreLogic reported this as a 19.1 per cent increase, reaching \$813,016, surpassing what some call an underperforming Melbourne, but what we say reflects a shift in expectations between each city, and we expect this trend to continue throughout 2025.

*It is to be expected that many buyers were fatigued by 2024, attending home openings and being unable to secure a property due to the high levels of competition.*

It is to be expected that many buyers were fatigued by 2024, attending home openings and being unable to secure a property due to the high levels of competition. Now that stock levels are trending upwards slightly, they will come back for another crack however the unbridled joy that comes with both state and federal elections impacting Western Australia is expected to be a distraction and may stifle activity in the first three or four months of the year by introducing a further level of uncertainty, along with the possibility that the federal election will also distract the RBA. Once they are out of the way, if a further interest rate cut has not occurred by then, it is likely to be very close, and will play a pivotal role in shaping market activity by improving affordability and enlarging borrowing capacity.

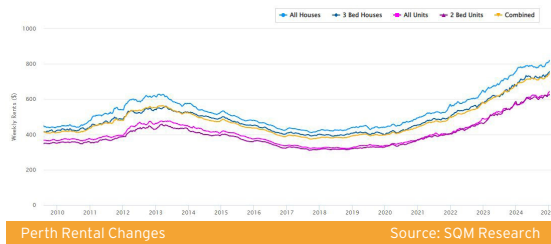
Western Australia's population growth persisted and was the strongest nationally, increasing by 3.1 per cent according to recent ABS statistics. Whilst overall net overseas migration is expected to decline in 2025, Western Australia has been one of the only states also benefiting from positive net interstate migration, and on the back of strong jobs and wages data, and the potential for improved affordability in the rental market, we expect this trend to continue. The WA Government State Budget forecasts that Western Australia's population will grow by 1.7 per cent in 2025-26,

and assuming the current average of 2.5 people per household trend remains true (we expect it to increase slightly), we will need to construct another 20,000 new houses this year to support our increase in population. Whilst the construction crisis has eased, we now have a land supply crisis, hence the ability to create a further 20,000 new homes will be a challenge to say the least, placing additional pressure on what was a slightly easing rental market.

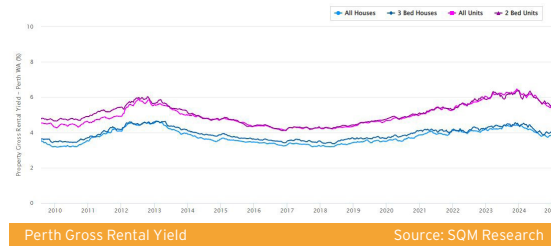
There was some pickup in the number of dwelling completions in 2024, but this has tailed off and the rate of completions remains below the long run average. The number of dwelling units approved in Western Australia in the September quarter of 2024 was 60.8 per cent higher than the previous year and the number of dwelling units completed in the June quarter of 2024 was 2.5 per cent lower than the previous. Hence there is a pipeline of work - but to date, it has been struggling to come to market.



The graphic shown above compares the volume of properties listed for sale and the volume of transactions occurring in Perth compared to the same time the previous year. At the time of writing, the volume of sales activity was stable, but with circa 750 more properties listed for sale in comparison to the same week last year. These volumes are still sitting much lower than what we would consider a balanced market, which based on Perth's current population, is considered to be 12,000 to 14,000 properties. Hence whilst there may be more properties coming to market, we are a long way from switching from a seller's market to a buyer's market, and as previously stated, there is every chance that new supply remains below population growth throughout 2025.



Perth's rental market remains constrained, but by how much depends on which statistics you look at. REIWA is reporting a vacancy rate of 1.9 per cent, however the vacancy rate sits at a mere 0.4 per cent according to SQM Research, where a balanced market would be considered a range of three to four per cent. New listings have increased slightly, however the market remains undersupplied with average lease times sitting at just 15 days. Median rents for both houses and units increased by circa nine per cent in 2024. The median house rent price sits at \$650, showcasing a \$30 gap for units.



The challenge we see is that much of the stock coming to market is likely ex-rental stock, and the majority of activity is now being driven by owner-occupiers, hence the overall supply of rental stock may decline in 2025 - depending on the number of investment construction completions.

Perth has demonstrated some of the strongest capital city yields in Australia, with units currently sitting at 5.6 per cent and houses at 3.9 per cent according to SQM Research, higher than all other capital cities except Darwin. Heightened investor activity peaked in early 2024, and whilst we expect investors will continue to pick through the various markets around Western Australia throughout 2025, we expect their influence on the Perth market to decline throughout the year.

To summarise, we anticipate that Perth's property market will continue to perform well, estimating the median house price in Perth will increase by circa ten per cent in 2025.

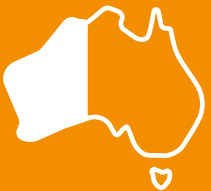
Looking at specific areas in more detail, we start our discussion in the Perth metropolitan area.

We predict 2025 to be the year favoured to amenity, a rush to quality if you will, where we will see an increase in buyers who have accumulated good equity in recent years and are seeking their next upgrade by buying in an aspirational suburb, or by completing extensive works to their existing

home. This second factor is likely to see lower than usual levels of stock coming to market as people invest the ridiculous and heinous amount they would otherwise pay in stamp duty, back into their existing residence.

We anticipate that suburbs located within a circa 10-kilometre distance from Perth's CBD will perform well and will be a market worth watching as the year progresses. Desired for their proximity to the city and accessibility to amenities, these inner ring suburbs are predicted to dominate the 2025 market. Whilst we consider that established housing will continue to be in demand, in particular, we consider that vacant land or redevelopment opportunities within this inner ring will increase in demand as the year progresses. A lead indicator can be found in the inner suburb of Morley, where the median land price increased by 37 per cent in 2024, but generally speaking, the price of a vacant lot in Morley is not dissimilar to that found in new estates twice the distance from the CBD. This is partly due to the impact of the construction crisis we have been experiencing, where many builders prefer uniform sites and cookie cutter house designs - however, the imbalance in land pricing indicates upward potential in established areas where the end product meets market pricing expectations.

For example, take a look at this cleared 728 square metre allotment at 35 Driscoll Way in Morley. This allotment had recently been subdivided into two equal 364 rectangular lots and individually sold in November last year for \$440,000 each. For comparison purposes, similar sized blocks of land in Brabham, another 13 kilometres away from the CBD are listed for sale for \$420,000.





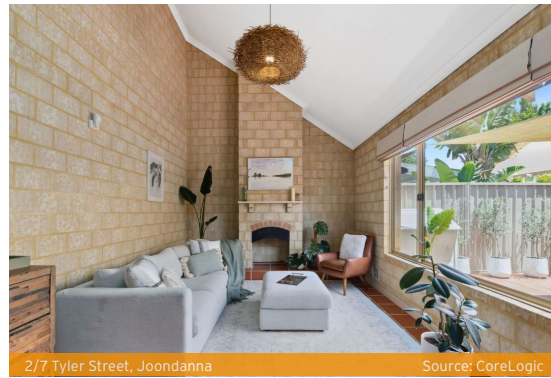
If we compare this to the established housing market, 510 Walter Road East, Bayswater features a renovated but 1960s built dwelling with three bedrooms and one bathroom situated on a 303 square metre allotment. The property sold in November for \$700,000, having previously transacted for \$330,000 in August 2022.



Another notable sale is this 1960s built dwelling at 55 Eileen Street. This property sold in September for \$735,000 and features three bedrooms, one bathroom and an internal living area of 104 square metres on a 440 square metre allotment. The property previously sold for \$450,000 in March 2022 and has since generated a circa 63 per cent growth.



Inside this inner ring, older villas and units in good locations such as Joondanna, Maylands and Parkwood are expected to perform well this year as they offer a more affordable buying opportunity for those wanting to remain in relative proximity to the CBD. An example of the growth of this product is this circa 1999 built villa offering three bedrooms, one bathroom and 116 square metres of internal living space. This property is located within walking distance of local shopping and public transport and sold for \$781,000 in November, accruing a circa 29 per cent increase since its previous sale of \$605,000 in March 2022.



Another notable villa sale is this early 1990s built Maylands villa at 2/41 Joseph Street. The villa offers three bedrooms, two bathrooms and an internal living area of 118 square metres. The property is located within walking distance of local shops and public transport and sold in November for \$735,000. The villa previously transacted for \$570,000 in February 2022, accruing a circa 29 per cent increase.



Another interesting market segment of Perth to watch this year is the outer Perth suburb mortgage belt, such as Baldivis, Ellenbrook, and the Armadale area. These highlighted locations of Perth have displayed inordinate growth, predominantly driven by investment activity. However, we expect to see some profit taking in these areas as rents stabilise, hence there may be periods of relative oversupply, followed by periods of stabilisation as owner-occupiers absorb the stock.

In the prestige space, 2024 was quite a big year for the Perth property market. We saw many trophy home transactions, especially in the above \$10 million space. The market experienced its highest sale for the year being 177 Wellington Street, Mosman Park having sold for \$25 million in May and we will be keeping our eyes on the listed



mansions yet to transact, such as 56 Dun Craig Road in Applecross. The Applecross mansion is an amalgamation of properties in a prime location but has been sitting on the market since July for offers in the low to mid \$30 millions. In continuation of last year, we predict a further increase in trophy home sales and we would not be surprised if we see records broken.



56 Dun Craig Road, Applecross

Source: CoreLogic

An example of a recent trophy home transaction is this property at 4 Ozone Parade. The multi-level property features five bedrooms, five bathrooms and an internal living area of 497 square metres. This property transacted in October for \$13.5 million and features ocean views, a wine cellar, and a lift.



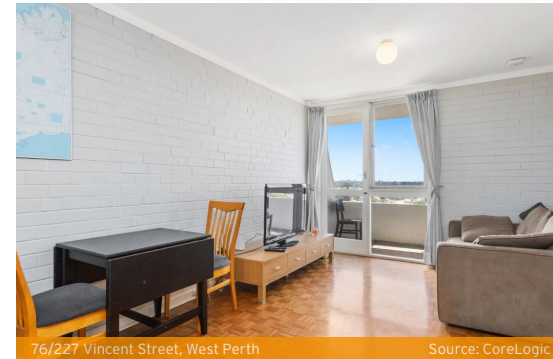
4 Ozone Parade, Cottesloe

Source: CoreLogic

## One prime market to watch this year is the Perth apartment market.

One prime market to watch this year is the Perth apartment market. The apartment market has moved far more slowly than the housing market over the past three years, and whilst it has gathered pace, many products remain well below their replacement cost and the gap between established and off the plan apartment complexes remains significantly wide. For many, apartments have gained popularity as they can be found to offer a somewhat affordable option while achieving the desired amenities and location for buyers.

An example of Perth locations expected to thrive in the apartment market are the suburbs of Cockburn, Joondalup, West Perth and Northbridge as they provide many affordable apartment options with good transport and accessibility for Perth residents. Take for example, this circa 1968 built apartment at 76/227 Vincent Street in the heart of West Perth. The 7th floor apartment features one bedroom, one bathroom and an internal living area of 47 square metres. This inner city property sold in November for \$329,000 and has achieved a circa 67 per cent growth from its previous transaction of \$195,000 in February 2023, but by comparable standards to other cities, the price appears to be attractive. We would not be surprised to see the increase in the apartment market median price outpace the housing market in 2025.



76/227 Vincent Street, West Perth

Source: CoreLogic

Stepping into the regional locations of Western Australia, we generally predict a positive year ahead due to a maintained interstate and international migration, along with the price competitiveness offered by many regional locations given the increasing affordability challenges for some sections of the market in Perth.

The Broome property market displayed surprisingly strong growth throughout 2024, as the lifestyle on offer combined with high rental prices and a lack of supply continued to drive the local housing market. Median prices across the region peaked at circa 22 per cent for the year, with no significant signs of demand easing, however we think it is unlikely that growth of that nature will be repeated in 2025, and a period of stability is more likely. For the rental sector, there may be an easing in prices as affordability pressures continue to play out, however the cost of housing ownership in Kimberley towns such as Broome means that for investors to be active, the rents need to stay high. If the rental price falls, we are likely to see an increase in stock converting from rentals to owner-occupier properties, perpetuating the cycle of a shortage of rental properties in the town.





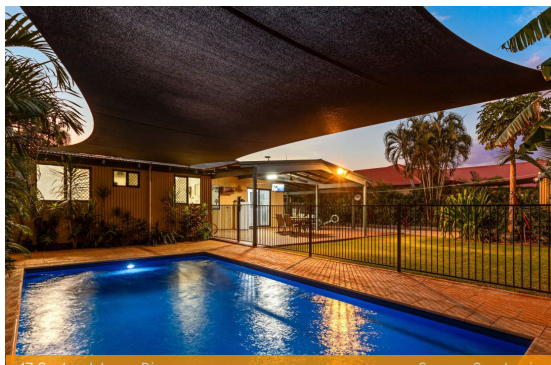
In Cable Beach, this 1990s built property at 25B Glenister Loop features three bedrooms and one bathroom with 115 square metres of living space situated on a 463 square metre allotment. This property sold in November for \$510,000, demonstrating a circa 28 per cent increase from its previous sale of \$400,000 in September 2023.



25B Glenister Loop, Cable Beach

Source: CoreLogic

Another notable sale is this early 2000s built property at 17 Goshawk Loop. This property features three bedrooms, three bathrooms and a large swimming pool situated on a 700 square metre allotment. The property sold in December for \$780,000 and has since been listed for rent at \$1,250 per week. In August 2022, the property transacted for \$675,000, allowing for a circa 15.5 per cent increase over two years.



17 Goshawk Loop, Djugun

Source: CoreLogic

In the Pilbara region of Western Australia, the housing market is heavily driven by population pressures in the mining and energy sectors. The region's strong economy is expected to continue to place further pressures on the property market throughout 2025, with some challenges.

The town of Port Hedland has experienced positive growth since 2019, and 2024 saw another increase in median rental prices with the median rent currently at \$1400 per week. In contrast, the neighbouring suburb of South Hedland has begun to show signs of a slight easing in the rental market, however this is more a flight to quality as opposed to a genuine easing. Upper tier rentals continue to trend upwards, supporting rises in capital values with gross returns generally reflecting 11 to 12.5 per cent.

An example of the strong rental market in Port Hedland is this duplex at 35 McGregor Street. The duplex, comprising 35A and 35B sold for \$449,000 in November 2024, and has been maintained as a rental property. Unit 35A is presently listed for rent at \$900 per week, with 35B leased with a corporate tenant for \$1,000 per week.



35B McGregor Street, Port Hedland

Source: CoreLogic

In Karratha and surrounds, predictions are set on the local market experiencing steady growth

for 2025 supported by current resource project activity. The market has been somewhat restrained by the abnormal supply of excess company housing stock into the market, however the impact of this is likely to be subdued moving forward. Construction costs continue to be prohibitive to new construction, and the rejuvenation of the town over the past 10 years has made it an increasingly sought-after location for young families, and we expect this trend to continue throughout 2025.

In the mid-west region, the Geraldton market experienced very strong growth in 2024, as east coast-based investors swarmed into the area, feasting on low-cost housing in lower socioeconomic suburbs. The region is predicted to continue to perform well, as interstate investor activity and local migrator demand remains strong in the region. The mass investor activity is an interesting one - there is a pack frenzy that we have seen play out in many suburbs where investors pay prices well above the value allocated by local residents of the area, and the mass investor interest self-perpetuates into capital growth. The suburb of Rangeway experienced 46 per cent growth in its median house price in 2024, lifting its median house price to \$278,000. With a median rent of \$400 per week, we expect the investor frenzy to continue for a while longer before petering out in the second half of 2025 as gross returns become indigestible to new buyers, or maintenance costs eat into the returns of existing investors, as the volume of quite low-quality property being purchased sight unseen is sure to catch some buyers unawares.

This property in Abelia Street, Rangeway is quite typical for the area. It is a 1960s built, three-bedroom, one-bathroom dwelling with 80 square metres of living space situated on a 738 square metre allotment. The property sold in November

2024 for \$352,000 and has since been listed for rent at \$470 per week. Some months earlier, the property transacted for just \$190,000, indicating circa 85 per cent growth in less than six months (on paper at least)!



Abelia Street, Rangeway

Source: CoreLogic

Another notable sale in the region is this original 2000s built brick home at 17A Gardner Street. The property provides accommodation of three bedrooms and two bathrooms on a 411 square metre allotment and was sold in October 2024 for \$410,000. The property transacted prior in January 2023 for a mere \$230,000, generating a whopping circa 78 per cent growth in less than two years.



17A Gardner Street, Spalding

Source: CoreLogic

## Owner-occupiers will play a pivotal role in the market, and we expect to see records set in the upper value bands.

In the Goldfields region, the city of Kalgoorlie-Boulder experienced a strong and resilient market throughout 2024 despite severe challenges in the region's lithium and nickel industries. The strength of the region's property market was heavily supported by the booming gold industry, which shows no signs of abating and as such, housing demand is expected to remain strong. In 2024, the Kalgoorlie market experienced circa 16 per cent growth in median house prices and circa 15 per cent growth in rent respectively. The relative affordability of city life in Kalgoorlie-Boulder due to the strong wages on offer and lower house prices in comparison to the Perth metro area continues to make the city an attractive proposition, especially for those in the mining industry disenfranchised or not attracted to the FIFO life.

Owner-occupiers will play a pivotal role in the market, and we expect to see records set in the upper value bands. Investors will continue to impact the lower price levels of Kalgoorlie-Boulder throughout 2025, as these low-cost housing options remain below replacement cost, but are also experiencing upward pressure on rents.

This property at 3/94 Cheetham Street is a three-bedroom, one-bathroom late 1990s built townhouse offering 138 square metres of living space. The property sold for \$420,000 in November 2024 with a lease attached at \$850 per week. The property was previously sold in April 2022 for \$290,000, achieving a circa 45 per cent increase.



3/94 Cheetham Street, Kalgoorlie

Source: CoreLogic

Another notable sale is this humble 1930s built property at 229 Piccadilly Street. This renovated property comprises a main dwelling of a three-bedroom, one-bathroom accommodation and a small one-bedroom, one-bathroom ancillary dwelling on a 1,012 square metre allotment. The property sold in November 2024 for \$410,000, and previously sold in September 2022 for \$285,000, reflecting circa 44 per cent growth.



229 Piccadilly Street, Piccadilly

Source: CoreLogic

Taking a look at the Wheatbelt property market, we predict relatively stable market conditions in most areas, with positive growth anticipated in some



areas closer to Perth that offer unique affordability in comparison to the metro area. As an example, Northam's median house price increased by circa 20 per cent last year but remains at just \$370,000. Rental growth is expected to continue its upward trend, with the median rent having increased by circa 22 per cent, reaching \$435 per week, again, well below the median in Perth.



30 Hutt Street, Northam Source: CoreLogic

30 Hutt Street was built in the 1920s and features three bedrooms and one bathroom with an internal living area of 111 square metres, situated on a 913 square metre allotment. This property was sold in November 2024 for \$310,000 indicating a circa 29 per cent growth from its previous transaction of \$240,000 in June 2023.

Whilst the Wheatbelt's property market is predominantly influenced by farming operations, the remote working trend is going strong, offering a diversity of income that was not available pre-COVID, whilst enjoying the best parts of a country lifestyle. This region also faces the challenge of

having a limited supply of readily available modern housing options, with the majority of housing being developed between the 1950s and 1970s, and most towns have very limited offerings built after the 1990s. Whilst there are some initiatives, the challenge is that the cost of construction generally equates to a loss-making exercise in these areas. In one example, the state government has approved the sale of Crown land to deliver residential and key worker housing to the Shire of Narrogin. This provides the opportunity to deliver a range of housing options and to boost the availability of affordable housing within the community, although this will not be seen for some time due to the relative lag in delivery and the unknown of who will foot the construction bill as it will need to be subsidised to some extent to make it economically viable.

Heading to our South West region, demand remains strong with median selling days sitting around the 13 day mark, the number of listings remaining low and the median house sale and rent prices both continuing to show an increasing trend. Sale price shows a circa 21 per cent increase from the previous year, whilst the median house rent price increased by circa 12 per cent, reaching \$650 per week. All of these factors continue to place upward pressure on values, particularly in the coastal towns, and affordability will continue to be a key issue for this year. Busselton secured another direct route to the east coast in March 2024, opening up an attractive outlook for interstate investors. This is likely to be a continued trend however will continue to slow as yields can't keep pace with the rise in

capital values although affordable older areas that are well located and provide good infrastructure offer a great opportunity for gentrification and investment.



63 Schooner Crescent, Dunsborough Source: CoreLogic

This three-bedroom, two-bathroom Dunsborough property built in 2018 offers an internal living area of 171 square meters and is situated on a 500 square metre allotment. This property was most recently sold for \$1.21 million in November 2024 showing a 21 per cent increase since its last sale in April 2023.



9 Macintyre Street, Abbey Source: CoreLogic

Another example is this 2017 built home situated on a 949 square metre corner block, 350 metres away from the shoreline of Geographe Bay. This property

*Whilst there are some initiatives, the challenge is that the cost of construction generally equates to a loss-making exercise in these areas.*





was sold in October 2024 for \$2.2 million and comprises four bedrooms, three bathrooms and a total interior living area of 305 square metres. The property previously sold for \$1.6 million in February 2022, experiencing circa 37 per cent growth.

Moving down to the Great Southern region, we can expect the more affordable sub-\$500,000 market to remain active as it has been in the past. We saw similar amounts of volume come through in 2024, with days on the market sitting at around 14 days, comparable to previous years.



40 Wakefield Court offers three bedrooms and one bathroom with a total internal floor area of 128 square metres, situated on a 690 square metre allotment. This property is an example of the steady growth seen in the Great Southern region. It sold in November 2024 for \$570,000, indicating a circa 32 per cent increase in sale price from its previous sale in April 2022.

Properties that are of higher value sitting at the top end - i.e. \$2 million plus homes - continue to experience subdued conditions, with few listed for sale and much longer days on market for those currently. Overall, we saw a circa 15 per cent increase in house prices, a circa 19 per cent increase in median house rent and a 20 per cent

drop in median unit rent. We expect a far more stable market in 2025.

Finally, taking a look at our South Eastern region, the majority of this region is impacted by the performance of the agricultural industry. Although the performance is likely (hopefully) to be sustained for the year ahead, the rental crisis remains a concern. The local Chamber of Commerce has outlined an additional 60 local jobs could be filled immediately if there was adequate available housing, these only referring to job types that focus on technical skills most likely not already residing in town. In addition to this, other sectors such as healthcare, education and policing are also struggling as a result of the housing crisis. A circa 5.5 per cent increase in dwelling price was seen and there was a much larger increase in the rental sector, jumping by circa 55 per cent. It appears that 2025 will see further pressure placed on the rental market, and this may drive an increase in investor activity.

In summary, we feel that the Perth market will follow a key theme of amenity where many homeowners have accumulated equity in their properties and are looking to upgrade, alongside a potential interest rate cut, a modest supply increase and rent stabilisation. Although rents are expected to remain strong, we expect housing rents to stabilise due to affordability limits being reached, but we expect to see upward pressure on apartment rents, which will feed into increased investor activity. Overall, we expect there to be a positive outlook this year as there is significant pent-up demand from existing local buyers, plus the pressure that positive net migration adds to the slowly increasing housing stock.



Chris Hinchliffe  
Director



# Northern Territory - Residential 2024

## Darwin

At last, it's Darwin's time to shine. After several years of fairly modest movement, there is now reason to be genuinely optimistic about Darwin's property forecast. An abundance of activity from buyers' agents and interstate investors in the back end of 2024 is expected to carry through to 2025 and beyond. Those same investors that swamped the Western Australian markets are now looking for their next investment opportunity. Where better than Australia's most affordable capital city? And like a top end wet season, when it rains it pours, with local agents fielding requests for the purchase of up to 30 properties at a time.

Investors are drawn to the high rental yields and affordability in Palmerston suburbs. Areas like Moulden, Gunn, Durack and Woodroffe have seen strong demand, exemplified by the recent sale of 37 Kafcaloude Crescent in Moulden. This three-bedroom, two-bathroom property situated on an 800 square metre block sold for \$450,000 and offers a gross passing yield of 6.3 per cent – exactly the type of investment many buyers are seeking.

As affordable stock gets acquired in Palmerston, we expect these same investors to start snapping up under \$600,000 dwellings in the northern suburbs with the same high rental yields of six per cent plus. For example, this typical three-bedroom, two-

bathroom dwelling at 37 Hedley Place, Durack sold on 13 December 2024 for \$475,000.



37 Hedley Place, Durack

Source: realestate.com.au

The recent market movement coincides with a newly elected Country Liberal Party (CLP) government which has not been in power since 2016. The CLP promised to crack down on crime, which has instilled a sense of confidence with Darwin locals and investors alike.

Cost of building remains an issue, with Darwin's remoteness and limited number of skilled labourers contributing to high costs. To combat this, the CLP has implemented the Home Grown Territory Program which is proving popular during these early stages, offering several key incentives to boost homeownership and construction activity. First home builders of new homes can receive a

\$50,000 grant, with no cap on the build price, helping to stimulate construction and increase supply. First home buyers purchasing existing homes are also eligible for a \$10,000 grant, with no cap on the purchase price. Additionally, anyone seeking a fresh start in the Territory by building a new home to live in—whether they are first-time buyers or have previously owned a home—can receive a \$30,000 grant, again with no cap on the build price. This incentive is designed to attract and retain people in the Northern Territory, where the population has remained relatively stagnant in recent years, lagging the rest of the country. We expect the majority of this new build activity to be seen in Northcrest and Zuccoli.

Charles Darwin University's new city campus, which opened in October 2024, is set to breathe new life into the city. With plans to attract 6000 international students by 2027 (source: NT News, June 2024), CDU has marketed and appealed to students from India, Nepal and Bangladesh. In response to the growing demand for student housing, CDU has partnered with Campus Living Villages to develop a new accommodation complex at 56 Woods Street, providing space for around 350 students. This is especially crucial as Darwin already hosts 2500 US Marines on annual rotation, with escalating tensions in the Asia-Pacific potentially increasing this number. As rental vacancies in greater Darwin remain tight at just 1.6 per cent (source: SQM Research, December 2024), securing housing has become an ongoing challenge.

**After several years of fairly modest movement, there is now reason to be genuinely optimistic about Darwin's property forecast.**



Affordable housing remains in short supply, though the resumption of construction at Lee Point after a lengthy protester campaign, establishment of Marrara Gardens, and ongoing building in Berrimah (Northcrest) and Zuccoli will help address the gap. The LUXE Apartments, a 24-unit complex currently under construction at 35 McMinn Street, will offer three-bedroom accommodation. This development marks the first significant addition to Darwin's CBD in nearly a decade, further adding to much-needed housing stock.

Looking into the crystal ball for 2025, we expect continued strong performance of established dwellings in blue-chip suburbs like Parap, Fannie Bay and Nightcliff. Palmerston suburbs are expected to see more growth, driven by interstate investors seeking high rental yields. The northern suburbs dwelling market under \$600,000 in suburbs such as Tiwi and Leanyer also stand out as undervalued areas, so expect these areas to move. With sentiment in Darwin shifting, it looks like an exciting ride ahead.



Will Johnson  
Valuer

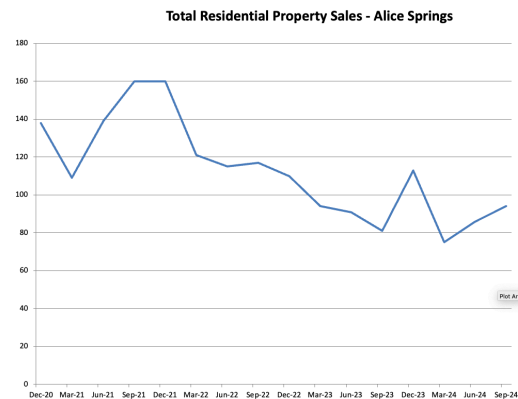
## Alice Springs

After a year of highs and lows for property sales in 2024, what does 2025 hold in store for the residential market in Central Australia? Well, 2024 started slowly (after a buoyant December 2023 quarter that saw a total of 113 sales), with only 75 sales for the first quarter of 2024. The numbers slowly crawled their way back up and the year ended with a bang, with transaction numbers jumping up to 131 for the December quarter. This gives us hope of a turnaround from what has been a couple of lacklustre years in 2023 and 2024. The major influencing factors behind these

disappointing results were rising interest rates, cost of living increases and more locally, skyrocketing crime statistics in the Northern Territory, sparking substantial numbers of people leaving the territory.

What can we expect to see in 2025? With inflation seemingly under control and sitting within the RBA's Goldilocks zone, there are very real prospects of multiple interest rate reductions during the course of the year. This would certainly be welcomed enthusiastically by everyone and hopefully will breathe some life into the property market. Cost of living pressures are not expected to ease greatly and there appears to be no silver bullet in relation to the crime and anti-social behaviour crisis. The newly elected Country Liberal Party has come good on their election promise of a \$50,000 grant to first home builders and \$10,000 to first home buyers, which will hopefully prove to be a stimulus to the market.

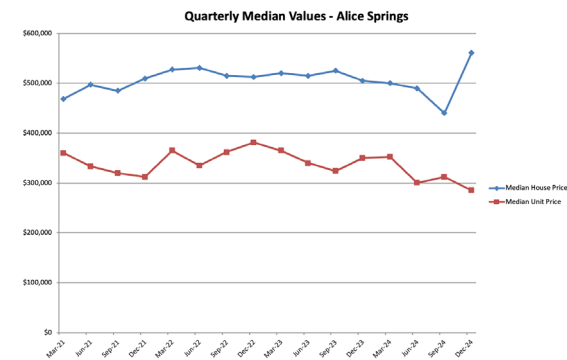
According to some statistics from unconfirmed sources, the median house price fluctuated between \$440,000 and \$561,000 for the 12 months to December 2024. Transaction numbers have returned to "pre-COVID" levels as illustrated



Total residential sales Source: REINT & LJ Hooker

by the following graph which shows the total number of sales (houses and units combined) between March 2021 and December 2024. This illustrates the spike in activity that occurred in the back half of 2021, before beginning to fall away in the March and June 2022 quarters.

Historically, the Alice Springs market remained steady for the majority of the time in recent years, with the occasional brief period when prices were either growing or declining. We saw some specific locations suffer a contraction during 2024, but it would appear that 2025 will bring stability. Some might call it stagnation, as periods of capital growth are uncommon, and the market for the most part will just tread water with no significant gains or losses. This can be illustrated by the following graph, which tracks movements in the median house and unit prices since March 2021.



Quarterly median values Source: REINT & LJ Hooker

Suburbs such as Larapinta, Sadadeen and sections of Gillen and Araluen have experienced some reductions in value over 2024 and it is quite possible this trend will continue in 2025. These locations are classified as being in an overall lower socio-economic band than the more affluent suburbs such as Desert Springs, Mount Johns, East Side and the rural residential areas of Ross,



*It would appear that in 2025, properties will, on average, require slightly longer marketing periods, with a drop off in the number of buyers actively seeking to buy.*

Connellan and Ilparpa. Crime and anti-social behaviour in these lower socio-economic suburbs are also likely to be more of an issue, deterring some would-be buyers from investing in these locations.

Well-presented and realistically priced properties are still selling reasonably quickly, although we are seeing longer marketing periods at present than those experienced in the boom times of late 2021 and early 2022. It would appear that in 2025, properties will, on average, require slightly longer marketing periods, with a drop off in the number of buyers actively seeking to buy. We have also seen in the past twelve months an increase in the number of properties on the market, giving buyers more options and creating something of a buyer's market as vendors compete over a smaller number of genuine buyers.

To sum up, it is difficult to see 2025 providing anything spectacular in the residential market, based on recent trends. We expect median prices to maintain equilibrium at best, and transaction numbers to hover between 90 and 110 per quarter.



**Peter Nichols**  
Valuer



# Australian Capital Territory - Residential 2024

## Canberra

Late in 2024, the residential property market in Canberra experienced a return to more stable conditions following a year of volatility. This shift came after fluctuating demand, changing interest rate expectations, and external economic pressures that impacted buyer and seller confidence throughout the year.

Looking ahead into 2025, market analysts predict that these stabilised conditions will persist, fostering a more predictable environment for both buyers and sellers.

According to Allhomes.com.au, the median dwelling price in Canberra reached \$982,000 in December 2024, with units averaging \$565,000 during the same period. Affordability remains a significant challenge for prospective buyers in our city, particularly when compared to property prices in other capital cities across Australia. Despite this, Canberra's residential market continues to attract interest.

A key factor underpinning the local property market's stability is Canberra's robust employment landscape founded in the public sector. This often helps insulate the property market from some of the fluctuations seen in other major Australian cities, where economic conditions may be more dependent on the private sector.

However, the upcoming Federal Election due in the first half of 2025 may temporarily dampen market activity. Historically, election periods tend to create a wait-and-see approach among both buyers and

sellers in our city. As a result, the first half of the year may see slightly subdued transaction volumes.

On the financial front, lending conditions should improve throughout 2025, providing a potential boost to buyer confidence. Major lenders have forecast between two and four interest rate cuts over the course of the year, which would make borrowing more accessible and potentially increase purchasing power for buyers. Lower interest rates typically lead to improved affordability for mortgage holders, which encourages more activity in the housing market.

Another notable trend is the increase in housing supply. More properties are entering the market, giving buyers a greater selection and leading to slightly longer selling times compared to the peak periods of 2022 and 2023.

Overall, while 2025 is shaping up to be a steadier year for the Canberra property market, key factors such as interest rate movements, election outcomes, and supply levels will determine how conditions evolve. Prospective buyers and sellers alike should stay informed and adaptable as the market progresses through another dynamic year.

**Angus Howell**  
Associate Director



# Tasmania - Residential 2024

## Hobart and regions

Values for residential houses and units are remaining steady so far. Major infrastructure developments including the new Bridgewater Bridge project and Mac Point Multipurpose Stadium have resulted in new construction job opportunities and associated businesses can increase the area's economic activities.

The residential land market in Hobart's northern suburbs has undergone significant changes in recent years, with concerns about potential oversupply emerging due to increased land releases, rezoning and a shift in demand patterns. City fringe areas such as Brighton, New Norfolk and Bagdad have led to more residential development land being made available for development. There's no crystal ball to tell us what lies ahead, however current factors including an oversupply of stock on the market, high construction costs and traffic issues etc. can significantly influence the land price and result in a decline in values in 2025.

For first home buyers looking for entry level housing, suburbs such as Claremont, Chighwell and Berridale have become more popular in the past 12 months and sales activity numbers have increased significantly in comparison to high-end properties. We have noticed some great buying opportunities for three-bedroom, one-bathroom typical original

style houses under \$450,000. These properties have been more attractive to first home buyers but they also offer great yields for investors.

Overall, we predict that 2025 will unfold as a more stable property market. We are expecting further cash rate decreases. Affordability, steady employment rate and major infrastructure developments are expected to keep the local and state economy growing and may possibly tip property prices locally.



Stephen Ning Liu  
Valuer

**We have noticed some great buying opportunities for three-bedroom, one-bathroom typical original style houses under \$450,000.**

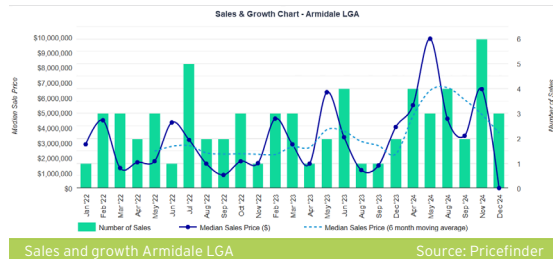
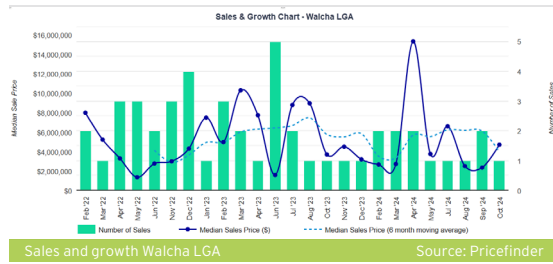
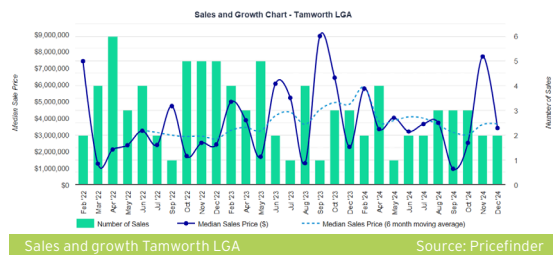




*Rural*  
February 2025

## New South Wales

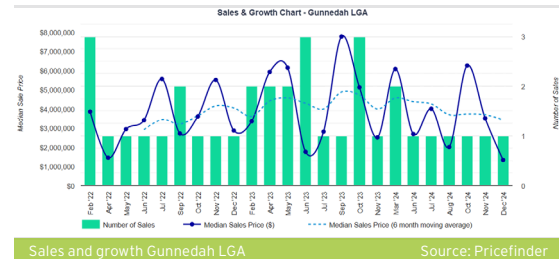
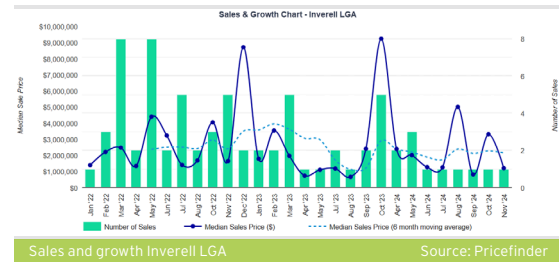
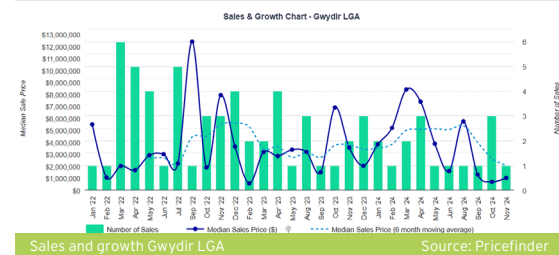
The rural market in New South Wales during 2024 was marked by a general slowdown, with a clear trend of buyer caution despite improved seasonal conditions across most regions. This cautious sentiment resulted in extended selling periods for many properties and reduced sales volumes across various local government areas, especially when compared to the strong sales activity seen in 2022 and 2023. In particular, properties over 200 hectares in regions such as Northern, North-West, and Upper Hunter New South Wales saw a



flattening of median sale prices, as indicated by the charts from PricewaterhouseCoopers.

The outlook for 2025 suggests a stable market environment, driven by a likely increase in beef cattle supply during the first half of the year. While this might soften cattle prices, the general sentiment in the market is expected to remain steady. Similarly, the outlook for sheep markets is also projected to remain stable, provided that seasonal conditions continue to be favourable.

In summary, while 2024 saw a lacklustre performance, 2025 is expected to maintain relative



stability, with the beef and sheep sectors playing a significant role in shaping market conditions for grazing properties within the Northern, North-West, and Upper Hunter areas of New South Wales.



## NT/Kimberley

The number of commercial-scale freehold farm sales in the NT was fairly light-on in 2024 with only one sale in the Douglas Daly (Midway, 2430 hectares in December) and one in the Katherine district (Carbeen Park, 7390 hectares in December) however the Ord River Irrigation Area (ORIA) was a lot more active. Looking at the NT first, Midway was an ex Quintis Indian sandalwood property with an extensive dripline irrigation system and the buyer was looking to farm cotton in the mix although cucurbits could well be the dominant use. Although Carbeen Park had over 1300 hectares of predominantly dryland country (cleared, previously cleared and regrowth) and around 80 hectares of potential irrigation (old pivot and potential expansion land with ten megalitres per hectare surface water allocation) to play with, the buyer is reportedly not looking at farming cotton at this stage. During most of 2024 there were three other commercial-scale farms for sale, all in the Katherine district. These properties offered around 4900 hectares of dryland cultivation between them and one had around 100 hectares of dripline irrigation watering Indian sandalwood, but the demand appears to be less for the dryland and more for the proven irrigation water or higher rainfall. The ORIA saw more sales activity in 2024 than the NT, and much of it was also to do with the sell-down of Indian sandalwood plantation properties. Delta

## Month in Review February 2025







## Obviously, a significant driver of demand during 2025 will be the cost of money.

Santanol Pty Ltd negotiated a multi-property sale of a combined 700-plus hectares of quality brown and grey cracking clay flood irrigation for around \$19.3 million, the majority of it to Arek Farming Pty Ltd (a company related to Darling Downs in Queensland cotton farmer Russell Keeley who also has four other irrigation properties in the ORIA including non-sandalwood property, Kneebone, 281 hectares of gray Kununurra clay flood irrigation which was purchased for \$5.2 million in mid 2024). It would appear that at the moment the greater attraction is for the higher rainfall of the Douglas-Daly (around mean 1200 millimetres per annum) plus good and relatively secure Ooloo Aquifer groundwater resource, or, over in the ORIA the abundant and secure water supplied by Lake Argyle for growing cotton, and that the lower rainfall dryland around Katherine is attracting less interest from the emerging cotton sector in the NT. The dryland around Katherine is likely to continue to test the market during 2025 however it will be interesting to see whether the volume of cotton grown in the Douglas Daly continues to expand during 2025 (around 13,000 hectares was farmed in 2024) and how significant the impact might be of cotton seed to the local cattle industry, particularly for those dryland hay and improved pasture growing properties around Katherine. The new Katherine cotton gin processed 56,000 bales last year which has provided the local cattle industry an injection of protein previously unavailable (or not viable to import). This could shift the productive potential of these good quality dryland blocks around Katherine, enhancing their saleability.

We understand that a significant portion of the cotton ginned at Katherine during 2024 was grown over in the ORIA so with the new cotton gin in Kununurra due for completion by mid-2025 it will be interesting to watch how the rivers of cotton will flow. The Katherine gin is reportedly capable of processing between 150,000 and 200,000 bales per annum and the Kununurra gin around 100,000 bales. 2023 and 2024 saw continued gradual conversion of Indian Sandalwood plantations in the ORIA to cotton and around 2,700 hectares was grown in the valley last year. With the completion of the Kununurra gin, we would expect the area under cotton to increase quickly, particularly because cotton as the base field crop in the ORIA needs a minimum area of at least 5,000 hectares to achieve viability. There are likely to be several more ex Indian sandalwood properties come to market during the first half of 2025 so the buyer profile here will be telling but we predict cotton to be the underpinning driver of demand.

Obviously, a significant driver of demand during 2025 will be the cost of money. With the price of nearly all agricultural inputs having increased significantly in recent years, any lowering of interest rates is likely to underpin demand, particularly in markets where property prices are at record highs, which is basically the case for all primary industry related land across the NT and Kimberley. Other points of interest to watch during 2025 will be how the NT's largest horticultural crop, mangoes, proceeds under the cloud of mango twig tip dieback (MTTD) which has impacted the industry over the past couple of

years and appears to have significantly impacted the marketability of a number of farms for sale last year. However, the formation in August last year of a dedicated research and planning committee made up of NT government department (primary industry) representatives, farmers, peak bodies, and agronomists, aims to drive future research efforts and coordinate on-farm trials and we understand that already the efforts are starting to bear fruit (so to speak).

On the pastoral front, the live export trade will continue to be front and centre for any movement in pastoral land values which remain at all-time record highs. With at least three northern NT pastoral holdings still sitting on the market for sale after an extended period at asking prices which tend to still be pushing the limits, it appears that the market is unwilling to bite. Vendors look like they will need to be more price realistic in order to achieve a sale within a realistic time.



Frank Peacocke  
Director

### South Australia

For many of South Australia's key agricultural regions, 2024 was a year to forget with much of the state receiving well below average to record low rainfall since records have been kept together with a mixture of untimely frosts and late harvest rains that ultimately impacted the production yields achieved by grain growers.

This sentiment has been reflected in the recent South Australian Crop and Pasture Report which states the current estimated grain production for 2024/25 has been reduced to 5.3 million tonnes, which is 42 per cent below the five-year average and the lowest total since 2008/09 (4.9 million



*Looking to the year ahead, the South Australian rural outlook for 2025 is showing signs of greater optimism with the forecast interest rate cuts expected to ease the cost of debt burdens which has the potential to fuel greater demand for property.*

tonnes). The estimated farm gate value of grain is \$2.1 billion which is well below the past two years of \$4.8 billion and \$3.3 billion for 2023/23 and 2023/24 respectively.

The typically reliable cropping regions such as the Mid-North and Yorke Peninsula have experienced uncharacteristically difficult seasons with growers reporting that yields have been up to 50 per cent down on long term averages with some growers across the Mid-North having to make the difficult decision to either salvage a crop for hay or abandon this year's harvest to save on production costs.

Intriguingly, this didn't stop the Yorke Peninsula from achieving the record dryland farming sale on a rate per arable hectare for the region of \$44,476 per hectare or approximately \$18,000 per acre. The property at Section 210 Pine Point Road, Maitland is prime continuous cropping country within a historically reliable rainfall area and achieved a total price of \$4.75 million by locally based Elders Real Estate agents. This sale, amongst others, shows the overall sentiment across South Australia that premium agricultural properties will continue to be in high demand. However, anecdotally, the buyer pool appears to be thinner for C- and B-grade with enquiry levels down since the peaks of 2022-2023.

Whilst strong sales are still being reported across a number of asset classes, particularly tightly continuous cropping and grazing regions, there have been signs of caution from investors and buyers in recent times. The rising cost of

capital, softening of commodity prices and high production and input costs have put pressure on primary producers with many reassessing their capacity to acquire new properties as they consolidate their position in tougher market conditions.

Portions of the south-east have experienced a green drought this year which saw a large number of graziers having to purchase large quantities of hay as feed stocks were put to the test. Broadly speaking, this has seen a reduction in transactions across the area as primary producers have had to become more discerning as they navigate tough seasonal conditions and have become strategic in their approach to acquiring property.

Looking to the year ahead, the South Australian rural outlook for 2025 is showing signs of greater optimism with the forecast interest rate cuts expected to ease the cost of debt burdens which has the potential to fuel greater demand for property. A return to more favourable weather conditions together with stabilised input costs and sustainable commodity prices should likely see a return of buyer confidence and should see buyer pools increase and values strengthen across the cropping and grazing sector.



**Chris Algie**  
Associate Director

### Northern Victoria

As is usually the case in the rural market, the future really comes down to the weather and general economic confidence. Looking first at the major horticultural industries in the local area, there is some good news in that growing conditions have been quite good over the past 12 months and the Australian dollar is at near record lows, which helps with export returns.

The global almond price has improved by nearly 15 per cent since mid 2024, due to lower Californian production and strong demand from India. The 2025 crop is forecast to be down on 2024, in keeping with the crop's biennial pattern. We expect the higher global price to have a positive impact on buyer sentiment, with agents reporting there is some new enquiry on properties that have been quietly advertised for the past year or so. Hopefully we will see a sale or two, following a period where sales evidence has been very thin.

Citrus growers are also expecting prices for the coming year to be relatively strong, assisted by the low Australian dollar and a global shortage of orange juice. Anecdotal evidence suggests there should be ongoing good demand for navel oranges and easy peel varieties from key Asian export markets, and that while the mixed Asian economic conditions may not see any price increase, the low dollar will help. The higher juice market may turn out to be a short-lived event, however is very welcome, given the boost this has to overall bin prices. We have heard of growers



## At this stage it is difficult to see any factors that are likely to contribute to value growth in 2025.

receiving over \$400 per tonne for their over-run fruit, compared to historic prices that were often below \$100 per tonne.

The table grape harvest in the Sunraysia region started in the last week of December and reports so far are of good yields and good fruit quality. Demand from Asian markets is understood to be quite good, however the good crop loads coupled with some weakness in Asian economies may see little or no price growth this season. Once again the low Australian dollar is expected to help maintain acceptable farm gate prices.

There have been few recent sales of table grape vineyards or citrus orchards in the local area. There has been one sale of a medium sized table grape vineyard in the Mildura region at a level which is slightly below rates we had seen between 2020 and 2023, however the property was in a slightly under-maintained condition. Several sales in the Robinvale district have been at higher levels. Future table grape transaction activity will depend on how the current harvest pans out, which will not be completed until the end of April.

Irrigators have benefited from several years of relatively cheap temporary water prices, with above average rainfall between 2020 and 2023 keeping the catchment dams relatively full and allocations high. The past few months have seen lower inflows, with storage levels now down to around 66 per cent and the cost of leasing water back over \$150 per Megalitre. Much will depend on inflow levels in the late autumn and winter period. There is potential for the cost of leasing

water to be over \$200 per Megalitre by mid 2025 should inflows remain low.

The wine grape industry in the inland areas continues to suffer from an oversupply of red grapes, however there are signs that production in 2025 will be much lower than expected, which might help restore balance sooner than expected. This is due to some widespread frost damage in September 2024, coupled with the removal of vines from a number of large-scale vineyards. White wine grape prices remain similar to 2024 and are at a level where efficient growers can expect to generate a profit. There were two sales of medium scale wine grape vineyards in the Mildura region during the latter half of 2024, both of which occurred at low prices. Our sense is that sentiment bottomed out in mid 2024 and that there may be some improvement in the coming year.

The dryland cropping sector in central and northern Victoria starts the 2025 year with most areas having very low sub-soil moisture levels. This is in contrast with last year, when many farmers were able to capitalise on stored moisture to get crops up and going.

In some ways, this is a return to what would be expected to be a normal weather pattern, given our reliance on winter dominant rainfall, however the coming season will be highly dependent on a good autumn break.

There were relatively few cropping sales in 2024, with a number of vendors holding off marketing their properties. Values in northern Victoria have held up well, with no significant reduction evident,

while values have declined by around -five to ten per cent in the Wimmera and central Victoria. At this stage it is difficult to see any factors that are likely to contribute to value growth in 2025. While anecdotal evidence suggests balance sheets remain strong, confidence levels have been impacted by the patchy seasonal conditions in 2024 and farmers are expected to be cautious, especially while interest rates and input costs remain high.



Graeme Whyte  
Director

### Western & South-West Victoria Dairy

Few dairy farm sales are occurring across western and south-west Victoria at present with the 2024 spring having little in the way of prime assets going to market and a similar forecast is expected for the autumn, suggesting a cautious but stable market. This newfound cautiousness pervades the dairy farm sector, with buyers now completing a large degree of due diligence when looking to acquire property, by scrutinising property conditions, presentation, infrastructure, and potential capital expenditure.

Across the board, milk prices have softened slightly from the 2023/24 season with processors likely to offer higher prices for large milk volumes from single producers, rather than competing for smaller suppliers. Fresh milk contracts with Woolworths and Coles will attract a higher price, but with this comes a larger and more intensive degree of management and quality. While local milk prices are steady compared to global markets, international dairy prices are gaining momentum and are increasing after hitting a five-year low during 2023.

Changes in demand from major importing countries such as China, the United States and Japan can have significant implications for Australian dairy exports. Forecasting the short to medium term performance of the local economy and property sector remains challenging, however underlying indicators suggest an elevated likelihood that the property market has passed its peak in the current cycle and is now easing.



Benjamin Mugavin  
Director

### Southern WA Dryland Farming

Consolidation has been a prominent word when describing how southern Western Australia's rural property market might fare over the next 12 months. With expected interest rate cuts and a total grain production estimate nearing 20 million tonnes for the 2024/25 season (what would be the third largest grain crop on record as reported by the Grain Industry Association of Western Australia), in addition to good subsoil moisture reserves in some regions, this can be foreseen without significant argument to the contrary.

The level of demand in 2024 was curtailed from the significant highs experienced throughout 2021 to 2023. This was due in part to a number of operators leaving the market following a growth phase, a more selective buyer pool compared to the significant price growth years of the early-2020s, and a strain on profitability for property in the high rainfall western regions. In particular

*Consolidation has been a prominent word when describing how southern Western Australia's rural property market might fare over the next 12 months.*

more affordable smaller scale and well-developed add-on properties with proven production, particularly those in tightly held localities that experienced limited transactional activity over the previous three years, still experienced good interest and strong prices. A similar trend could be expected for 2025 barring a poor season or unexpected commodity price or monetary policy changes.



Mitchell Boylan  
Valuer

### Queensland

An active summer storm season has resulted in significant rainfall throughout much of Queensland during the Christmas break, and as a result cattle markets have opened well, led by strong demand, with prices firming above the December levels. This along with the expectation of at least some degree of interest rate softening should result in the key market pillars being at least in line with that of 2024.

The Queensland pastoral property market has traded relatively well over the past 12 months and we expect that this should continue, with the potential for very strong market competition for premium quality properties as a result of these favourable factors.

Primarily as a result of favourable growing conditions in most growing regions, broadacre cropping properties should also maintain a sound

level of liquidity, with scarcity of supply creating a healthy level of competition for premium assets.

The horticultural sector throughout the state will be subject to mixed demand due to the impact of inflationary pressures on the cost of production and the flow on to profitability. There were a number of receiver-instructed sales of permanent crop assets during 2024, and while some of these sales were heavily discounted, buyers were active in most cases.



Will McLay  
Director



# Property Market Indicators

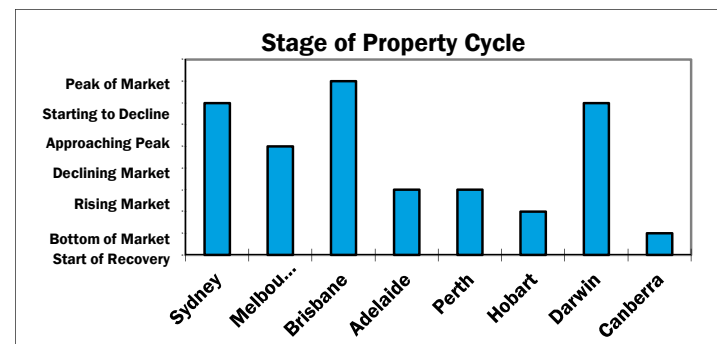
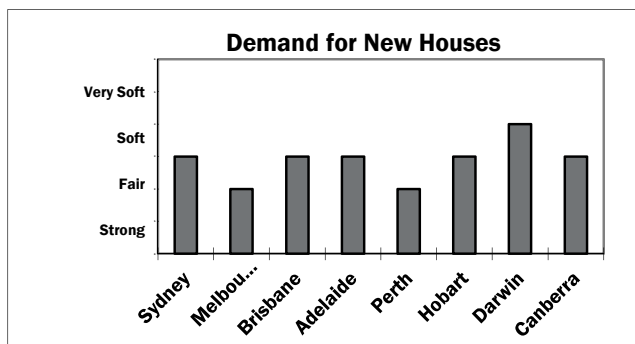
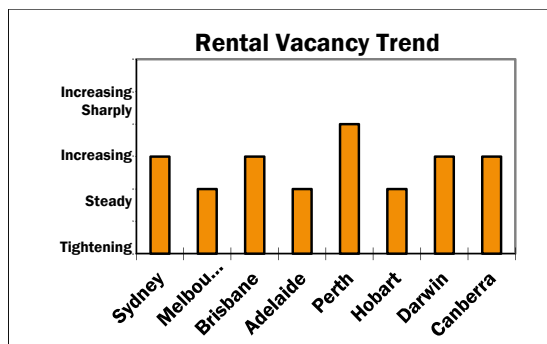
February 2025

# 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	Starting to decline	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

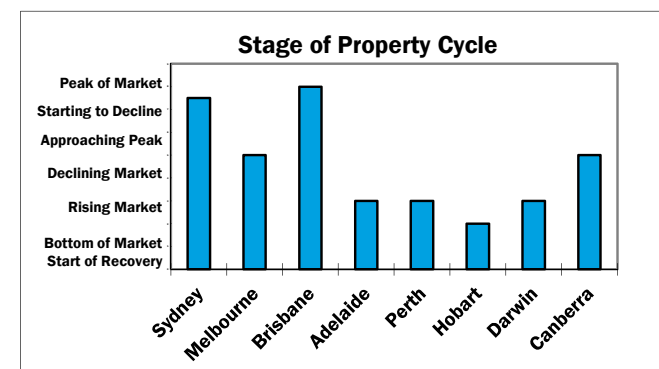
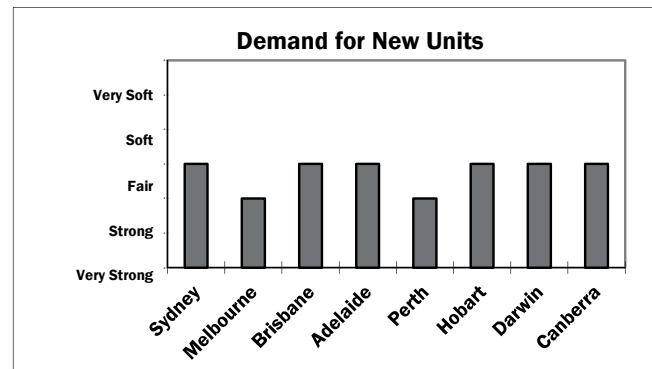
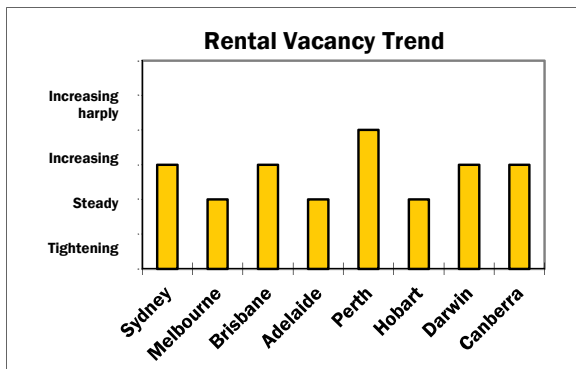


# Capital City Property Market Indicators – Units

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	Starting to decline	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



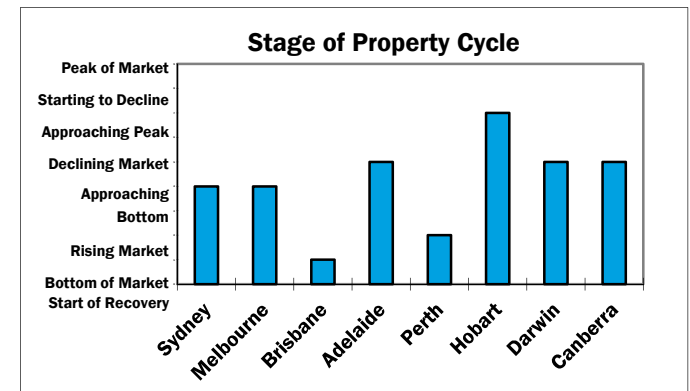
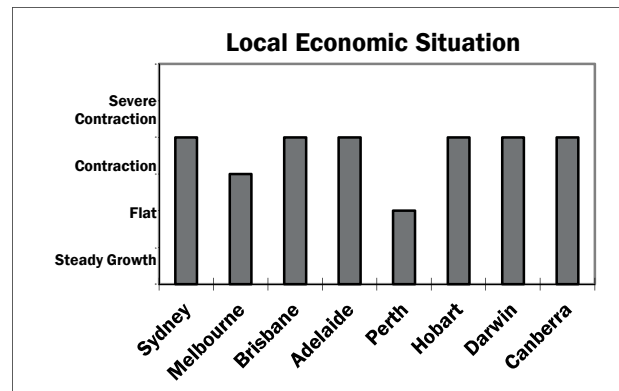
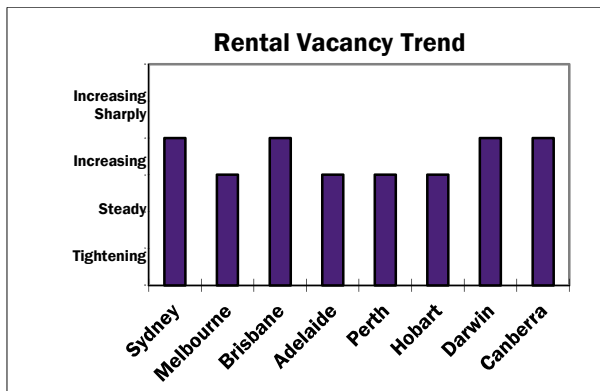
# Capital City Property Market Indicators – Retail

Month in Review | February 2025

Factor	Sydney	Melbourne	Brisbane	Adelaide	Perth	Hobart	Darwin	Canberra
Rental Vacancy Situation	Over-supply of available property relative to demand	Over-supply of available property relative to demand	Over-supply of available property relative to demand	Balanced market	Over-supply of available property relative to demand	Shortage of available property relative to demand	Over-supply of available property relative to demand	Over-supply of available property relative to demand
Rental Vacancy Trend	Increasing	Steady	Increasing	Steady	Steady	Steady	Increasing	Increasing
Rental Rate Trend	Stable	Declining	Stable	Stable	Stable	Stable	Declining	Declining
Volume of Property Sales	Declining	Declining	Declining	Steady	Steady	Declining	Steady	Steady
Stage of Property Cycle	Approaching bottom of market	Approaching bottom of market	Start of recovery	Declining market	Bottom of market	Starting to decline	Declining market	Declining market
Local Economic Situation	Over-supply of available property relative to demand	Over-supply of available property relative to demand	Over-supply of available property relative to demand	Balanced market	Over-supply of available property relative to demand	Shortage of available property relative to demand	Over-supply of available property relative to demand	Over-supply of available property relative to demand
Value Difference between Quality Properties with National Tenants, and Comparable Properties with Local Tenants	Increasing	Steady	Increasing	Steady	Steady	Steady	Increasing	Increasing

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

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



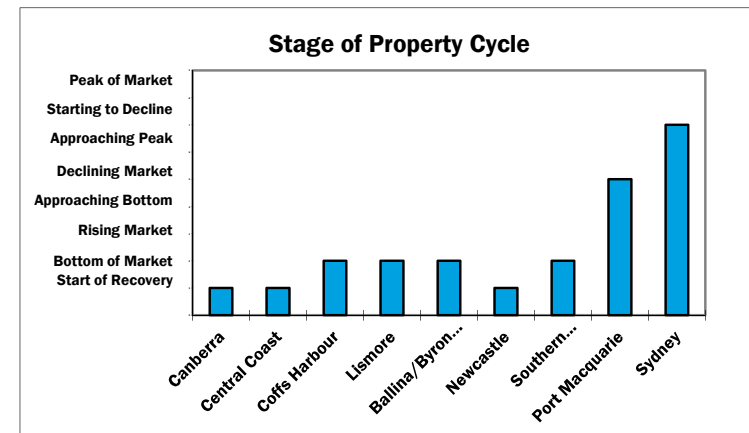
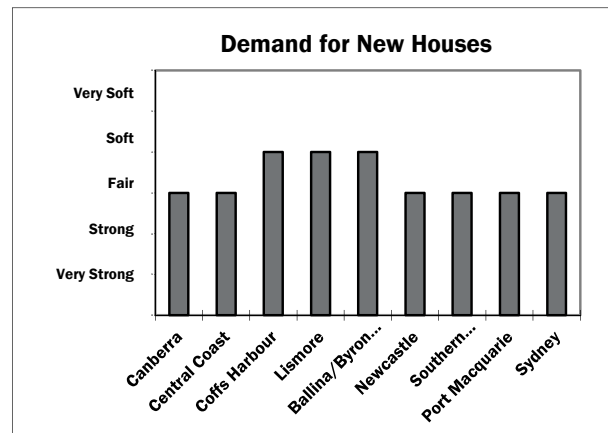
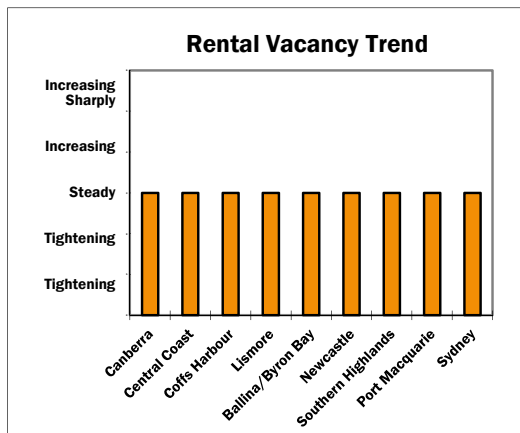


# East Coast New South Wales Property Market Indicators – Houses

Factor	Canberra	Central Coast	Coffs Harbour	Lismore	Byron Bay/Ballina	Newcastle	Southern Highlands	Southern Tablelands	Sydney
Rental Vacancy Situation	Shortage of available property relative to demand	Shortage of available property relative to demand	Balanced market	Shortage of available property relative to demand	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	Approaching bottom of market	Starting to decline
Are New Properties Sold at Prices Exceeding Their Potential Resale Value	Occasionally	Occasionally	Almost never	Almost never	Almost never	Occasionally	Frequently	Occasionally	Occasionally

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

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

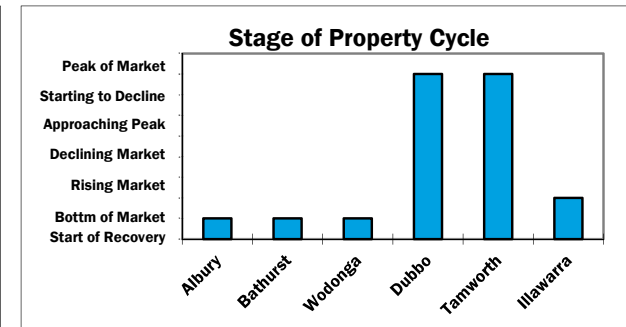
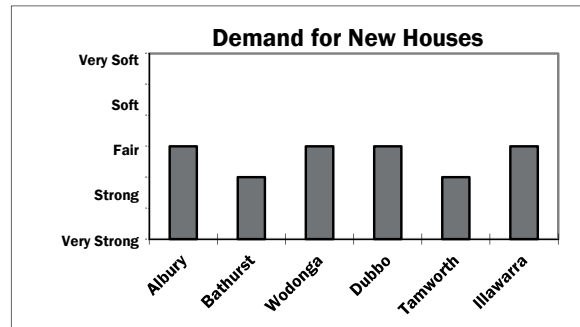
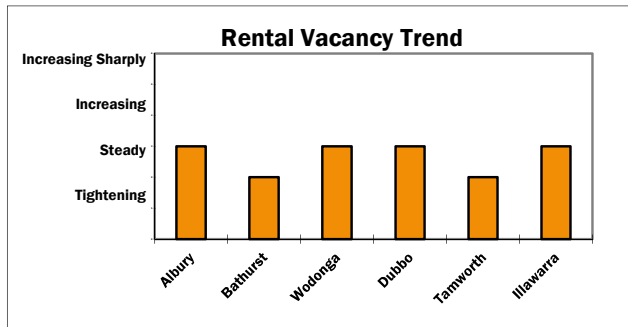


## Country New South Wales Property Market Indicators – Houses

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

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

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

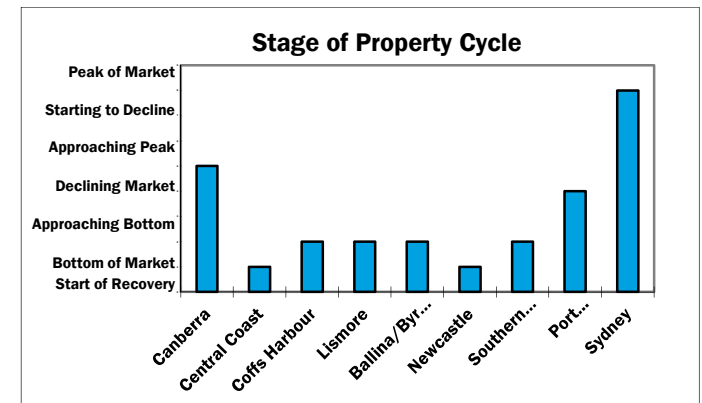
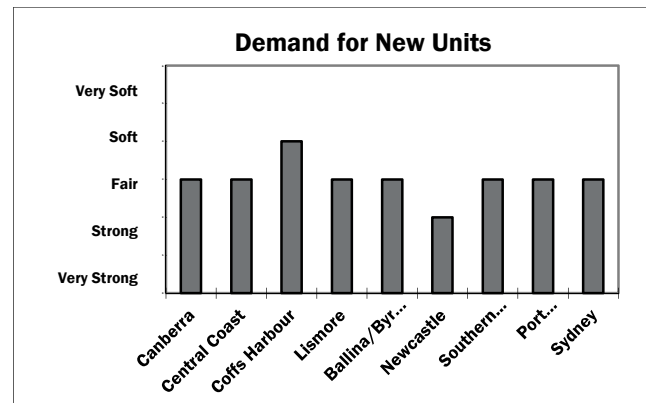
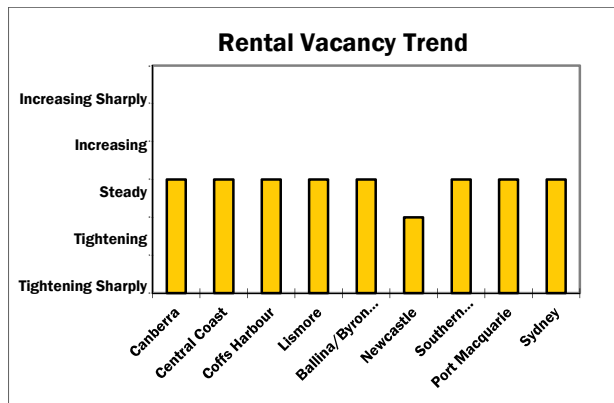


# East Coast New South Wales Property Market Indicators - Units

Factor	Canberra	Central Coast	Coffs Harbour	Lismore	Byron Bay/Ballina	Newcastle	Southern Highlands	Southern Tablelands	Sydney
Rental Vacancy Situation	Shortage of available property relative to demand	Severe shortage of available property relative to demand	Balanced market	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	Soft	Fair	Strong	Strong	Fair	Fair	Fair
Trend in New Unit Construction	Steady	Declining	Increasing	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	Approaching bottom of 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

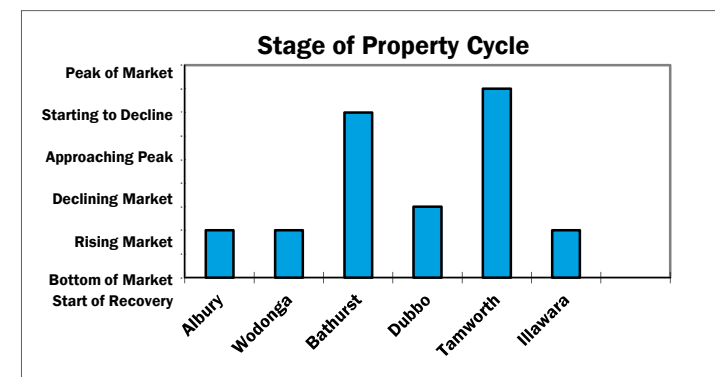
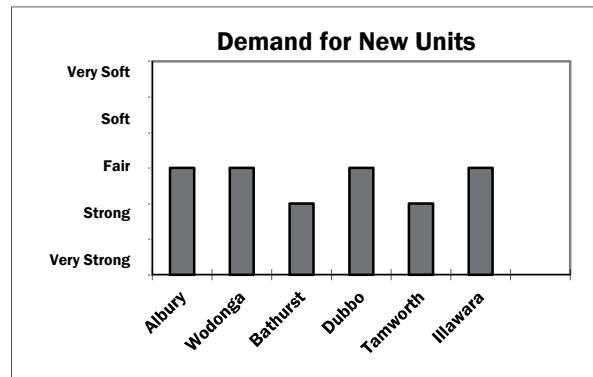
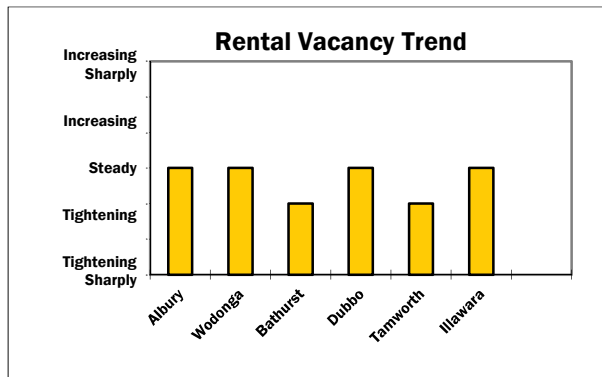


# Country New South Wales Property Market Indicators - Units

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

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

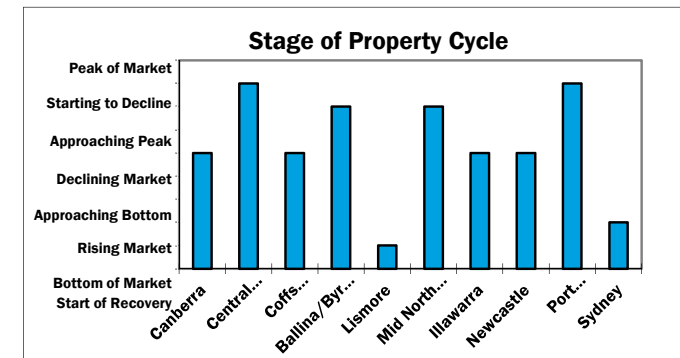
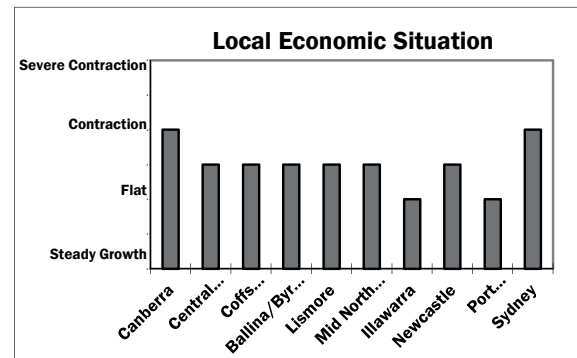
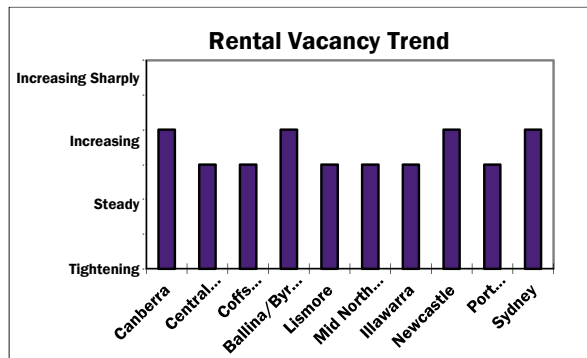


# East Coast & Country New South Wales Property Market Indicators – Retail

Factor	Canberra	Central Coast	Coffs Harbour	Ballina/Byron Bay	Lismore	Mid North Coast	Illawarra	Newcastle	South East NSW	Sydney
Rental Vacancy Situation	Over-supply of available property relative to demand	Balanced market	Over-supply of available property relative to demand	Balanced market	Large over-supply of available property relative to demand	Over-supply of available property relative to demand	Over-supply of available property relative to demand	Over-supply of available property relative to demand	Balanced market - Over-supply of available property relative to demand	Over-supply of available property relative to demand
Rental Vacancy Trend	Increasing	Steady	Steady	Increasing	Steady	Steady	Steady	Increasing	Steady	Increasing
Rental Rate Trend	Declining	Stable	Stable	Stable	Stable	Stable	Stable	Declining	Stable	Stable
Volume of Property Sales	Steady	Steady	Declining	Steady	Steady	Steady	Steady	Declining	Steady	Declining
Stage of Property Cycle	Declining market	Peak of market	Declining market	Starting to decline	Start of recovery	Starting to decline	Declining market	Declining market	Peak of market	Approaching bottom of market
Local Economic Situation	Over-supply of available property relative to demand	Balanced market	Over-supply of available property relative to demand	Balanced market	Large over-supply of available property relative to demand	Over-supply of available property relative to demand	Over-supply of available property relative to demand	Over-supply of available property relative to demand	Balanced market - Over-supply of available property relative to demand	Over-supply of available property relative to demand
Value Difference between Quality Properties with National Tenants, and Comparable Properties with Local Tenants	Increasing	Steady	Steady	Increasing	Steady	Steady	Steady	Increasing	Steady	Increasing

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

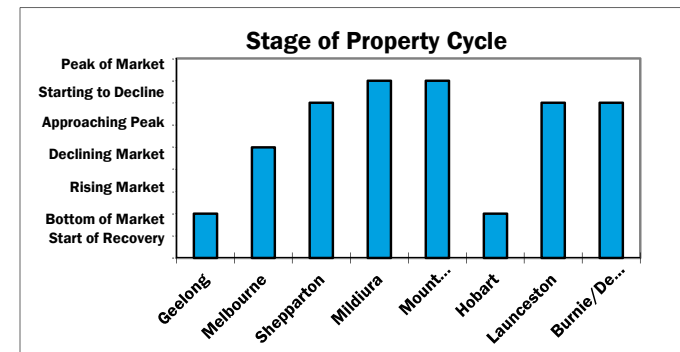
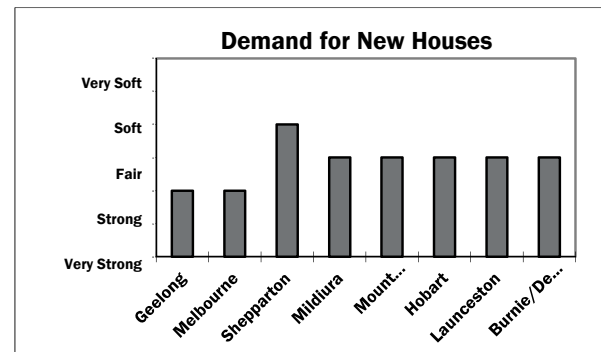
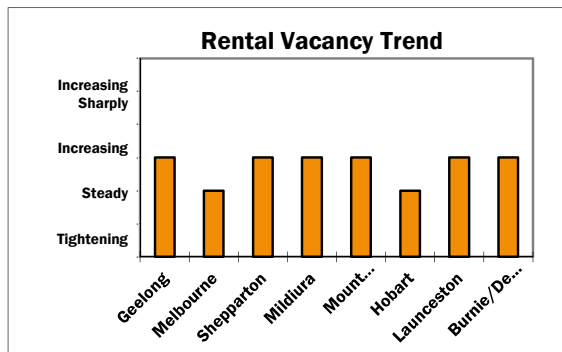


# Victorian and Tasmanian Property Market Indicators – Houses

Factor	Geelong	Melbourne	Shepparton	Mildura	Mount Gambier	Hobart	Burnie/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

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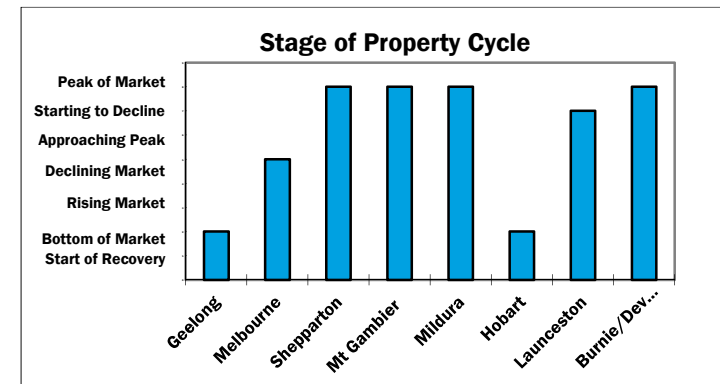
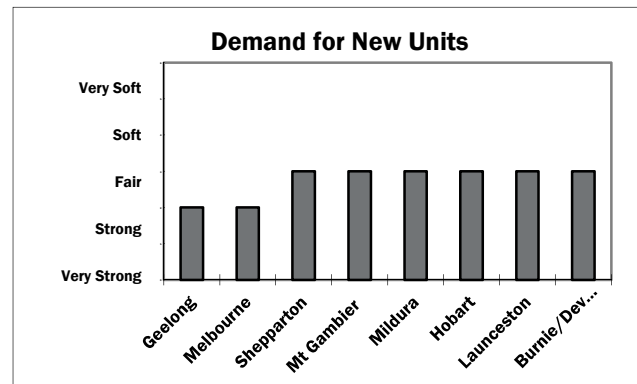
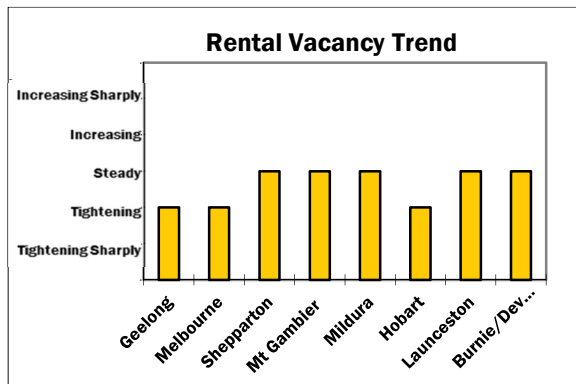


# Victorian and Tasmanian Property Market Indicators – Units

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

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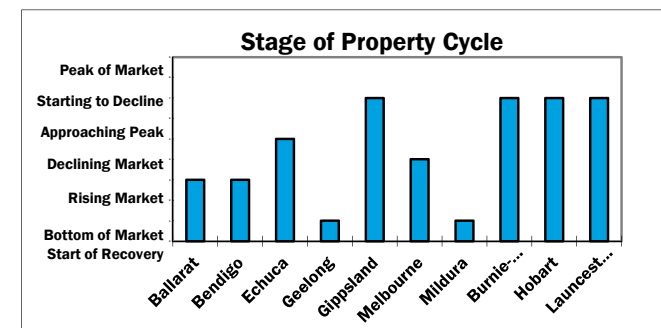
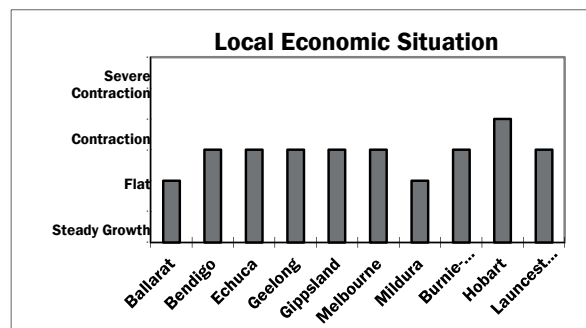
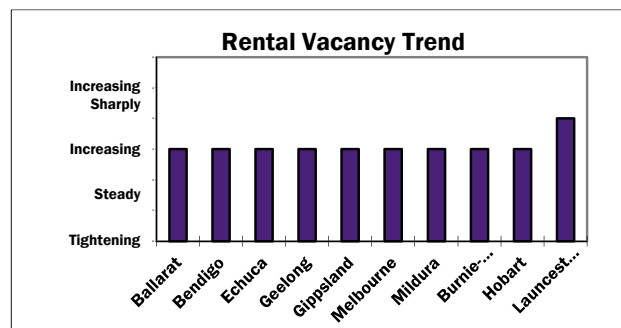
# Victorian and Tasmanian Property Market Indicators – Retail

Month in Review | February 2025

Factor	Ballarat	Bendigo	Echuca	Geelong	Gippsland	Melbourne	Mildura	Burnie/Deveport	Hobart	Launceston
Rental Vacancy Situation	Balanced market	Balanced market	Balanced market	Balanced market	Balanced market	Over-supply of available property relative to demand	Balanced market	Shortage of available property relative to demand	Shortage of available property relative to demand	Over-supply of available property relative to demand
Rental Vacancy Trend	Steady	Steady	Steady	Steady	Steady	Steady	Steady	Steady	Steady	Increasing
Rental Rate Trend	Stable	Stable	Stable	Stable	Declining	Declining	Stable	Stable	Stable	Stable
Volume of Property Sales	Declining	Steady	Steady	Steady	Steady	Declining	Steady	Steady	Declining	Steady
Stage of Property Cycle	Rising market	Rising market	Declining market	Start of recovery	Starting to decline	Approaching bottom of market	Start of recovery	Starting to decline	Starting to decline	Starting to decline
Local Economic Situation	Balanced market	Balanced market	Balanced market	Balanced market	Balanced market	Over-supply of available property relative to demand	Balanced market	Shortage of available property relative to demand	Shortage of available property relative to demand	Over-supply of available property relative to demand
Value Difference between Quality Properties with National Tenants, and Comparable Properties with Local Tenants	Steady	Steady	Steady	Steady	Steady	Steady	Steady	Steady	Steady	Increasing

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

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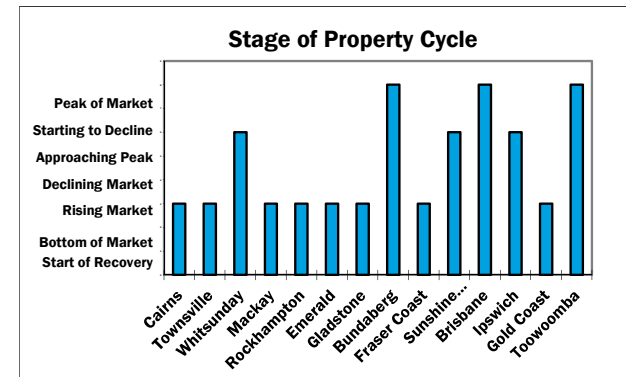
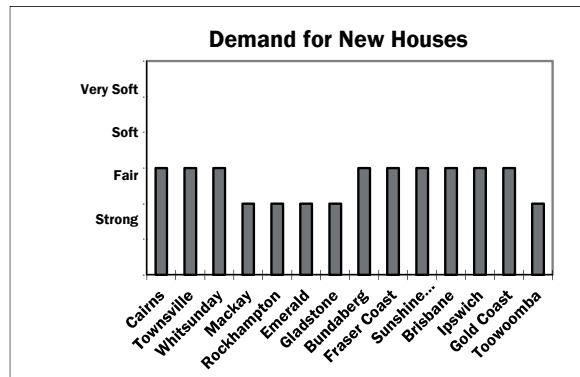
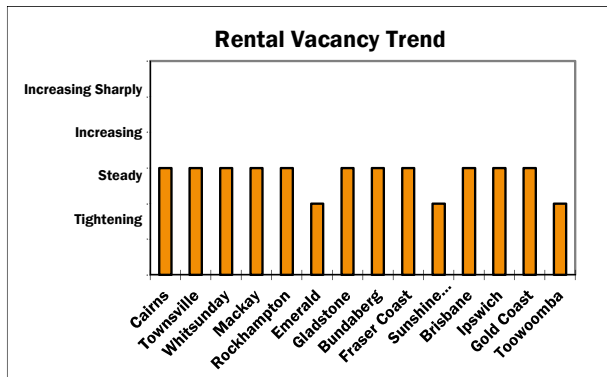


# Queensland Property Market Indicators – Houses

Factor	Cairns	Townsville	Whitsunday	Mackay	Rockhampton	Emerald	Gladstone	Bundaberg	Fraser Coast	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	Steady	Steady	Tightening	Steady	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	Steady	Steady	Increasing	Increasing strongly	Increasing	Increasing	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	Occasionally	Occasionally	Occasionally	Occasionally	Occasionally	Frequently	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

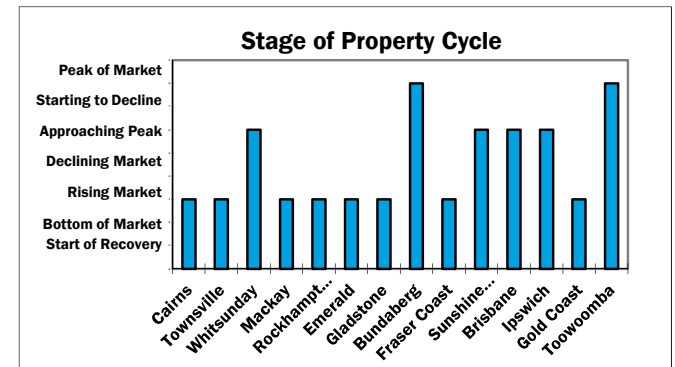
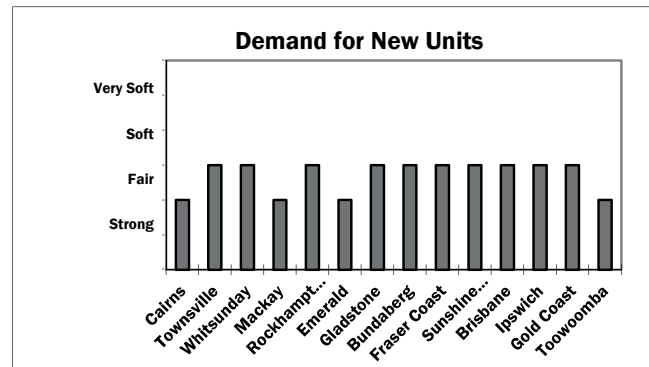
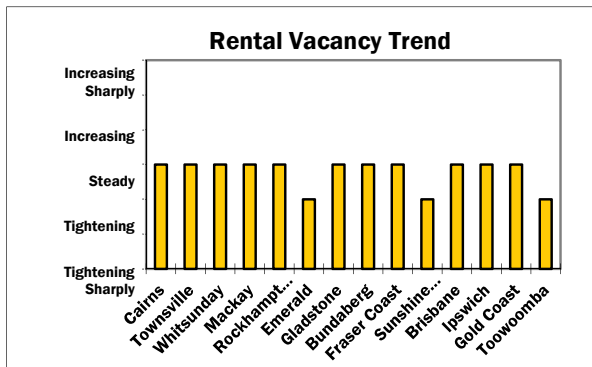


## Queensland Property Market Indicators – Units

Factor	Cairns	Townsville	Whitsunday	Mackay	Rockhampton	Emerald	Gladstone	Bundaberg	Fraser Coast	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	Steady	Steady	Tightening	Steady	Steady	Steady	Tightening	Steady	Steady	Steady	Tightening
Demand for New Units	Strong	Fair	Fair	Strong	Fair	Strong	Fair	Fair	Fair	Fair	Fair	Fair	Fair	Strong
Trend in New Unit Construction	Steady	Steady	Steady	Declining	Steady	Steady	Steady	Steady	Steady	Steady	Increasing	Increasing	Steady	Declining
Volume of Unit Sales	Increasing	Increasing	Increasing	Increasing	Increasing	Increasing	Increasing	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

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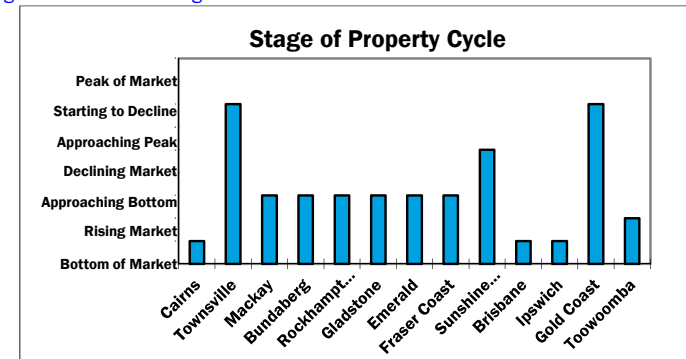
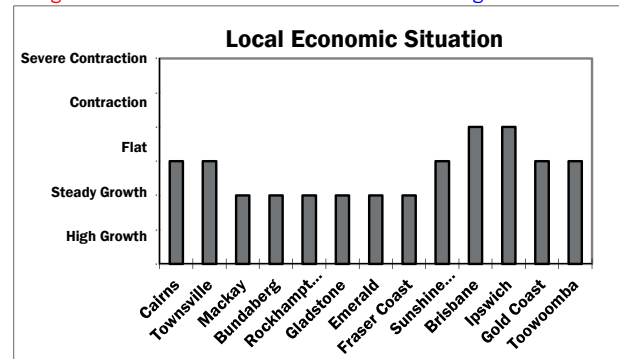
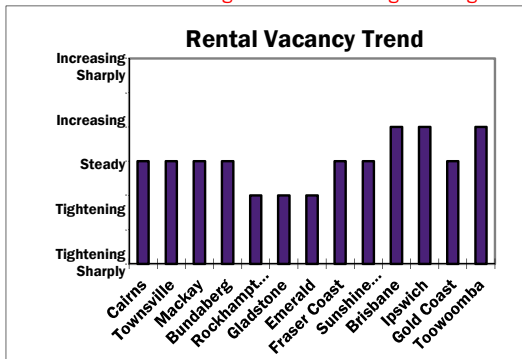


# Queensland Property Market Indicators – Retail

Factor	Cairns	Townsville	Mackay	Bundaberg	Rockhampton	Gladstone	Emerald	Fraser Coast	Sunshine Coast	Brisbane	Ipswich	Gold Coast	Toowoomba
Rental Vacancy Situation	Over-supply of available property relative to demand	Over-supply of available property relative to demand	Balanced market	Balanced market	Balanced market	Balanced market	Balanced market	Balanced market	Balanced market	Over-supply of available property relative to demand	Over-supply of available property relative to demand	Balanced market	Over-supply of available property relative to demand
Rental Vacancy Trend	Steady	Steady	Steady	Steady	Tightening	Tightening	Tightening	Steady	Steady	Increasing	Increasing	Steady	Increasing
Rental Rate Trend	Stable	Stable	Stable	Increasing	Increasing	Increasing	Increasing	Increasing	Stable	Stable	Stable	Stable	Stable
Volume of Property Sales	Steady	Steady	Steady	Steady	Steady	Steady	Steady	Steady	Steady	Steady	Declining	Declining	Steady
Stage of Property Cycle	Start of recovery	Starting to decline	Rising market	Rising market	Rising market	Rising market	Rising market	Rising market	Declining market	Start of recovery	Start of recovery	Starting to decline	Bottom of market
Local Economic Situation	Over-supply of available property relative to demand	Over-supply of available property relative to demand	Balanced market	Balanced market	Balanced market	Balanced market	Balanced market	Balanced market	Balanced market	Over-supply of available property relative to demand	Over-supply of available property relative to demand	Balanced market	Over-supply of available property relative to demand
Value Difference between Quality Properties with National Tenants, and Comparable Properties with Local Tenants	Steady	Steady	Steady	Steady	Tightening	Tightening	Tightening	Steady	Steady	Increasing	Increasing	Steady	Increasing

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

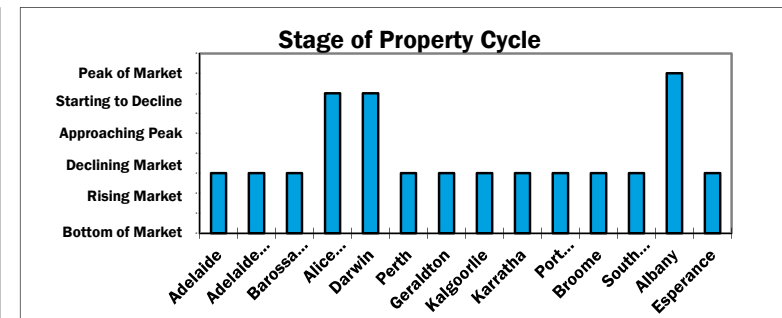
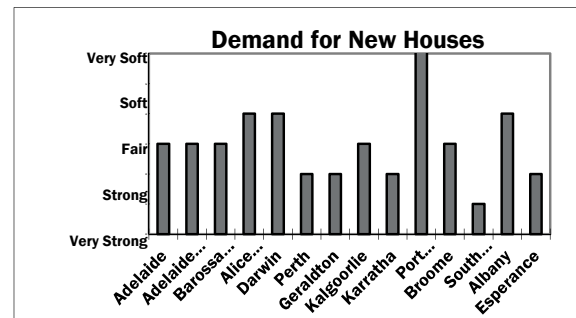
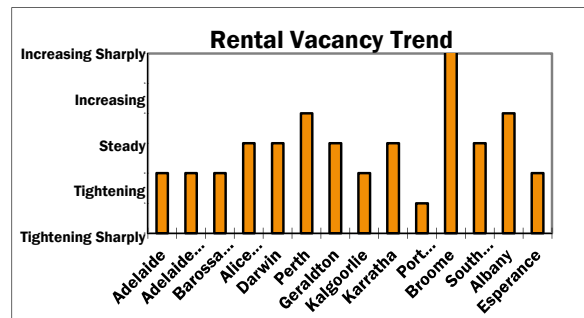


# SA, NT and WA Property Market Indicators - Houses

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	Steady	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	Occasionally	Occasionally	Occasionally	Almost never	Almost never	Frequently	Occasionally	Almost never

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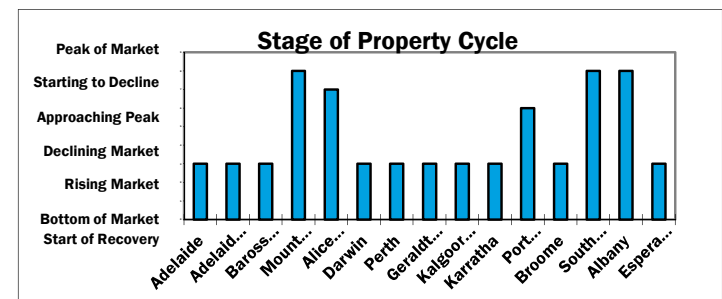
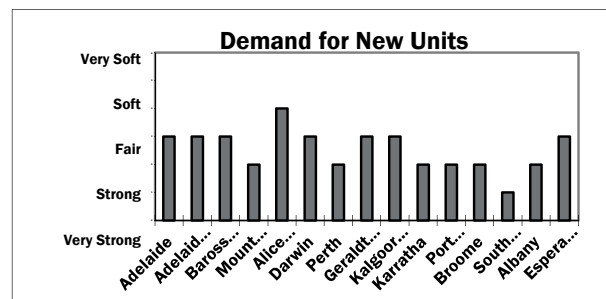
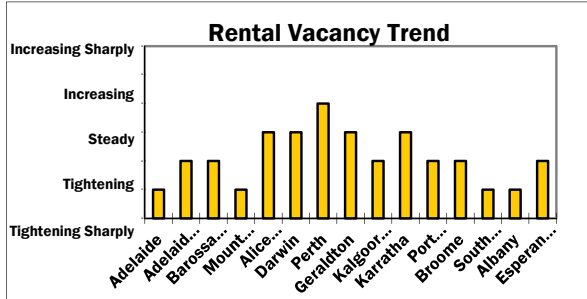


# SA, NT and WA Property Market Indicators – Units

Factor	Adelaide	Adelaide Hills	Barossa Valley	Mount Gambier	Alice Springs	Darwin	Perth	Geraldton	Kalgoorlie	Karratha	Port Hedland	Broome	South West WA	Albany	Esperance
Rental Vacancy Situation	Severe shortage of available property relative to demand	Severe shortage of available property relative to demand	Severe shortage of available property relative to demand	Shortage of available property relative to demand	Balanced market	Shortage of available property relative to demand	Severe shortage of available property relative to demand	Shortage of available property relative to demand	Shortage of available property relative to demand	Shortage of available property relative to demand	Shortage of available property relative to demand	Severe shortage of available property relative to demand	Severe shortage of available property relative to demand	Severe shortage of available property relative to demand	Shortage of available property relative to demand
Rental Vacancy Trend	Tightening	Tightening	Tightening	Steady	Steady	Steady	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

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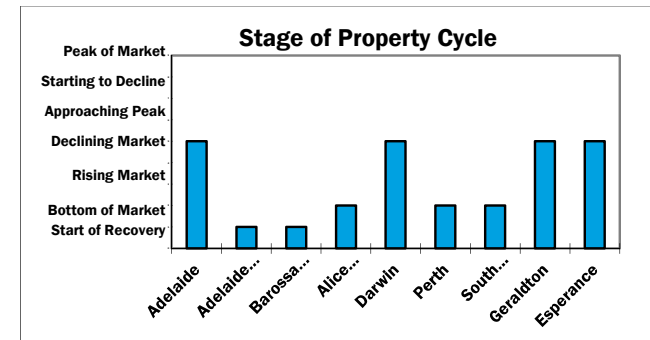
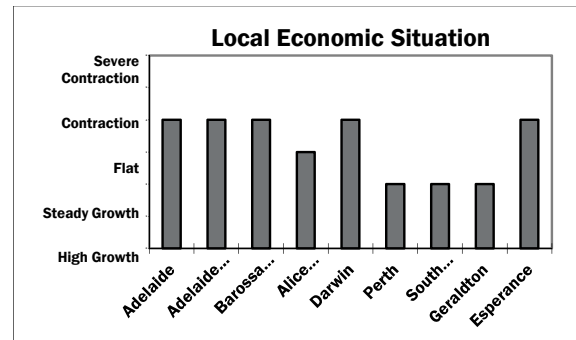
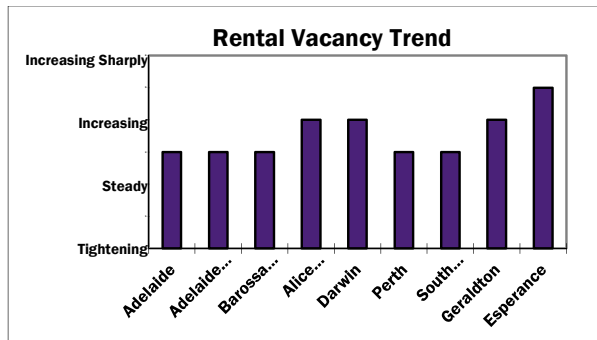


# SA, NT and WA Property Market Indicators – Retail

Factor	Adelaide	Adelaide Hills	Barossa Valley	Alice Springs	Darwin	Perth	South West WA	Geraldton	Esperance
Rental Vacancy Situation	Balanced market	Over-supply of available property relative to demand	Over-supply of available property relative to demand	Over-supply of available property relative to demand	Over-supply of available property relative to demand	Over-supply of available property relative to demand	Over-supply of available property relative to demand	Large over-supply of available property relative to demand	Large over-supply of available property relative to demand
Rental Vacancy Trend	Steady	Steady	Steady	Increasing	Increasing	Steady	Steady	Increasing	Increasing
Rental Rate Trend	Stable	Stable	Stable	Declining	Declining	Stable	Stable	Declining significantly	Declining significantly
Volume of Property Sales	Steady	Steady	Steady	Declining	Steady	Steady	Steady	Declining significantly	Declining significantly
Stage of Property Cycle	Declining market	Start of recovery	Start of recovery	Bottom of market	Declining market	Bottom of market	Bottom of market	Declining market	Declining market
Local Economic Situation	Contraction	Contraction	Contraction	Flat	Contraction	Steady growth	Steady growth	Contraction	Contraction
Value Difference between Quality Properties with National Tenants, and Comparable Properties with Local Tenants	Significant	Significant	Significant	Small	Significant	Large	Large	Large	Large

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## TALK TO YOUR LOCAL EXPERT

### Commercial

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

### Residential

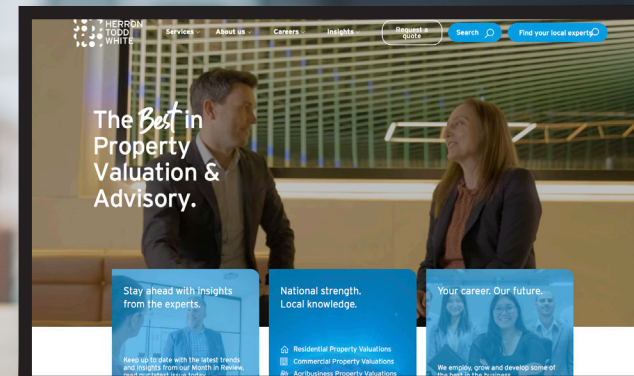
**NT** Will.Johnson@htw.com.au  
**SA** Jarrod.Harper@htw.com.au  
**QLD** David.Notley@htw.com.au  
**ACT** Angus.Howell@htw.com.au  
**VIC** Perron.King@htw.com.au  
**WA** Brendon.Ptolomey@htw.com.au  
**NSW** Matt.Halse@htw.com.au  
**TAS** Andrew.Peck@htw.com.au

### Rural

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

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