HERRON TODD WHITE

Month in Review

August 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.

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

CEO's Address

Welcome to our August edition of Month in Review

The proposed Division 296 tax changes to superannuation funds represent one of the most significant discussion points in our industry at present. At the time of writing, the two bills that would create Division 296 aren't listed for introduction in the current parliament, as the government has paused to review key components of the tax. Recent comments by ministers suggest, however, that they will be implemented in some form, although uncertainty remains regarding the timing and final structure of the legislation.

As it stands today, the proposed legislation would introduce an additional 15 per cent levy on superannuation earnings where total balances exceed $3 million, effectively doubling the tax rate on the excess portion to 30 per cent. What makes these potential changes particularly complex right now is the inclusion of unrealised capital gains in the tax calculation. Under the present proposal, property investors using SMSFs would face tax bills on paper profits they haven't actually received. Given property's illiquid nature, trustees may encounter cash flow pressures that could force asset sales purely to meet tax obligations.

This legislation, in its currently proposed form, may also trigger a material shift in how funds approach real estate investment. If the $3 million threshold remains static and is not indexed to inflation, more funds will inevitably be captured over time as property values continue to appreciate. In addition, if the valuation of assets in a fund falls back below the $3 million cap, then it may be entitled to carry forward a transferable negative superannuation earning into the next financial year.

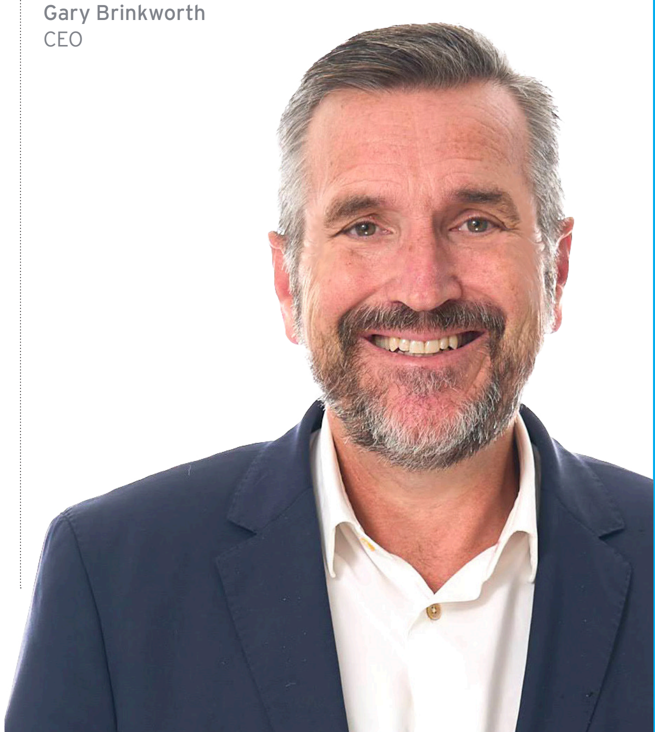
Changes like these demonstrate how vigilant, robust property valuations remain a crucial component of any investment portfolio. Superannuation fund trustees need to ensure their asset values accurately reflect current market conditions through professional valuation processes that adopt the rigorous disciplines and standards used by Australian Property Institute members. Obtaining up-to-date assessments from qualified professionals like Herron Todd White remains essential for effective management and tax compliance.

In other news, the RBA's recent decision to cut the cash rate by 25 basis points to 3.60 per cent has provided some relief for borrowers. Increased borrowing capacity from lower interest rates is improving market conditions, though affordability remains challenging due to limited housing supply. The fundamentals of supply and demand continue to be key talking points, with ongoing high construction costs and longer build times creating significant roadblocks to quickly boosting housing supply.

These construction cost pressures not only impact new housing supply but also affect the viability of completing renovations and extensions to existing homes. This month, our residential teams examine the renovation market dynamics across their service areas. Meanwhile, our commercial specialists focus on entry-level retail properties suitable for investors and owner-occupiers. Finally, our rural team delivers coverage about various industries, examining how seasonal conditions and commodity prices continue shaping property market performance.

Whether navigating new SMSF tax obligations, considering residential renovation opportunities, or evaluating commercial investments, the complexity of current market dynamics makes independent professional advice more valuable than ever. Our teams' insights demonstrate why thorough market knowledge and professional valuation services remain the cornerstone of successful property investment decisions.

Gary Brinkworth
CEO



EXECUTIVE ADDRESS

HERRON TODD WHITE

Commercial

August 2025

National Retail Overview

There is no doubt that higher order retail (neighbourhood centres and above) captures most national headlines, particularly in relation to transactions and market movements.

However, well below these high-profile assets, a wide range of lower-value retail properties can be found across various locations. These are generally priced below $10 million and form a significant portion of the total retail landscape across Australia. These include high street shops, strip shops, convenience centres, and smaller 'large format' retail properties. In many ways, these are reflective of the real economy and economic trends.

The lower end of the retail market has generally been resilient in recent years, both in capital cities and regional areas. This resilience has, like larger retail properties, been driven by steady population growth, which fuels demand for a variety of goods and services. Furthermore, rental growth has not kept pace with the rapidly rising construction costs. This has limited new developments and increased the ongoing demand for, as well as refurbishment of, older properties.

Alistair Weir
Commercial Director

In many ways, these are reflective of the real economy and economic trends.

At the very low end, small freestanding suburban retail properties have been in strong demand from both leasing markets and from owner-occupiers. Occupier demand has come from a range of sources, including professional services, allied health, specialist retail tenants and small businesses. Buyer demand has been driven by self-managed superannuation funds, owner-occupiers, and general investors (primarily due to the low entry-level pricing, which enables smaller investors to enter the commercial market). Yields for such properties are generally in the 5.0% to 6.0% range, but can be lower if there is potential for short- or medium-term redevelopment.

For convenience shopping centres, there has been constrained supply but strong demand over the past five years. Yields have held up well, generally ranging from 5.5% to 7.0%. Vacancies have generally been low in strong economic areas, and rentals are typically in the $400 to $800 per square metre range, which is lower than for higher-order retail.

For large-format centres, leasing demand has been strong in infill areas or those with good population growth, and investor demand is also robust, particularly where the tenants have a national profile. Yields in major urban centres for such properties are generally in the 5.0% to 6.0% range, but can be tighter for national tenants with good lease profiles. Conversely, yields can be softer for those assets with leases to weak local tenants.

Another popular investment form is fast food properties. These are their own asset class and are generally in high demand, with very tight yields for leases to major established chains. However, there is a significantly higher level of risk associated with newer brands that have unproven trading histories.

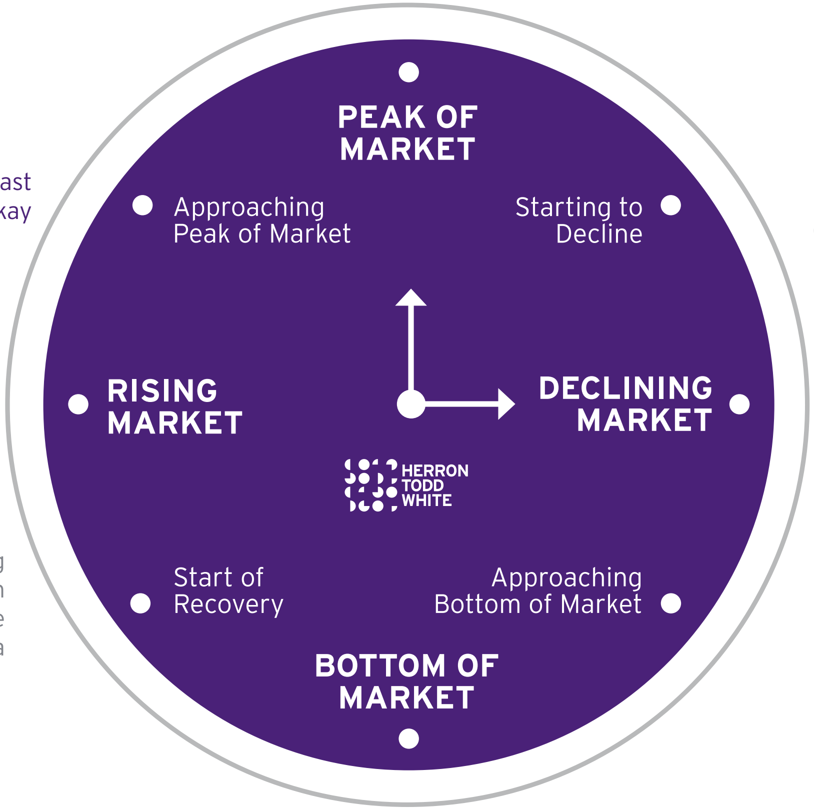
For an investor, entry-level retail can be either very rewarding or very average. The key things to consider if looking to purchase a retail property are rent levels (i.e. are they above or below market? Is there tenant stress?), levels of vacancy (both current and historic), accessibility, exposure, parking, population growth, extent of competition, lease covenants, upside potential, and redevelopment potential.

Considering the wide variety of factors driving population growth, entry-level retail is expected to keep drawing significant buyer interest and is likely to continue strengthening as an asset class.

National Property Clock: *Retail*

Entries coloured purple indicate positional change from last month.

Central Coast
Port Macquarie



Bundaberg
Fraser Coast
Gold Coast
Mackay

Ballina/Byron Bay
Burnie-Devonport
Gippsland
Hobart
Launceston
Mid North Coast
Townsville

Ballarat
Bendigo
Emerald
Gladstone
Rockhampton

Adelaide
Canberra
Coffs Harbour
Darwin
Echuca
Esperance
Geraldton
Illawarra
Sunshine Coast

Adelaide Hills
Barossa Valley
Brisbane
Cairns
Geelong
Ipswich
Lismore
Mildura

Melbourne
Sydney

Alice Springs
Newcastle
Perth
South West WA
Toowoomba

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New South Wales - Retail 2025

Sydney

The Sydney retail market continues to experience significant headwinds, with activity levels subdued and transaction volumes noticeably reduced. This downturn is primarily attributable to the prevailing economic environment, characterised by persistent inflationary pressures and a subsequent contraction in consumer spending. The cumulative effect has been a marked softening in market conditions – a trend we anticipate will persist in the short to medium term.

Investor sentiment remains cautious, with demand highly selective and concentrated almost exclusively on well-performing assets underpinned by strong lease covenants and demonstrable growth potential. Prime retail holdings, particularly those anchored by national tenants, have continued to display resilience and, in some cases, growth. Conversely, secondary assets – generally lacking either tenant strength or strategic positioning – have struggled to attract interest, with values under pressure and yields moving higher across the board.

Despite broader market caution, conditions have opened opportunities in the entry-level retail segment. Stock levels remain reasonable, particularly for assets below the $1 million price point. This segment is largely represented by strata retail units situated on the ground floors of mixed-use developments. These properties are often viewed unfavourably due to perceived leasing challenges, with many offered to the market as bare shells with vacant possession.

Despite broader market caution, conditions have opened opportunities in the entry-level retail segment.

Purchasers of such assets should factor in incentives and potentially protracted letting-up periods. However, where a property is well located and subsequently secured by a quality tenant, there is scope for uplift in capital value and an opportunity to generate reasonable returns.

A recent example is a 33-square-metre strata shop in Camperdown, sold with a café fit-out. The property benefits from a generous frontage and close proximity to RPA Hospital. The sale at $425,000 reflects a rate of close to $13,000 per square metre.

Another notable transaction was recorded in Waterloo. A 24-square-metre strata shop leased long-term until 2029 to a barber, sold subject to the existing lease. The passing net income of $28,120 per annum reflects a yield in the order of 5.0%.

Waterloo Source: RWC South Sydney

Looking forward, we anticipate continued challenges for the retail sector over the next 12 months. While some speculative opportunities may arise, prospective investors should exercise caution as the market faces the prospect of further softening.

Angeline Mann
Director NSW&ACT

Newcastle

Now that we have entered into the interest rate reduction part of the cycle, we anticipate that the entry-level retail sector around the greater Newcastle and Hunter Region will improve. Entry-level retail property typically refers to smaller strata-titled shops or standalone commercial buildings in less prominent but still accessible locations. In Newcastle, this generally means properties under 1 million, with a significant portion of entry-level opportunities sitting below the $700,000 mark.

Despite steadily increasing vacancy rates in strip retail precincts throughout the Hunter Region, this market has, surprisingly, remained somewhat resilient while rates rose significantly through 2022 and 2023. Selling activity did, however, decrease significantly, and I think now might be a good time to pick up an entry-level bargain for a

Investing in entry-level retail property in Newcastle can be a rewarding opportunity for the everyday investor seeking higher yields and diversification.

savvy investor. The Property Clock for retail in the Hunter has now struck six o'clock, or 'bottom of the market'.

We know that cost-of-living pressures have negatively influenced spending habits during the last few years, and there are relatively high numbers of entry-level properties listed for sale at present. Should interest rates continue to fall in 2025 and 2026, such pressure could be eased, providing impetus for higher levels of retail spending again. This is the headline opportunity, but we wouldn't be valuers if we didn't highlight some of the risks involved.

The ongoing shift to online retail continues to put pressure on traditional brick-and-mortar stores. Investors need to consider properties that offer unique experiences, essential services, or complementary online/offline models when searching for investment properties. Also, location and exposure are paramount for retail/ The location, access, and exposure of a shop are even more critical than for residential. High foot traffic, good visibility, accessibility, and proximity to complementary businesses are key drivers of value. A poor location can significantly increase vacancy risk.

Investing in entry-level retail property in Newcastle can be a rewarding opportunity for the everyday investor seeking higher yields and diversification, particularly given Newcastle's positive growth trajectory. However, it requires a thorough understanding of the unique risks associated with commercial property, especially market sensitivity and the potential for more extended vacancy periods. Due diligence, including detailed market research, professional valuations, and expert legal advice on lease agreements, is paramount. Focus on properties with strong fundamentals – good location, suitable size for diverse tenants, and a realistic expectation of market demand for the type of retail space offered.

Ed Thwaites
Director

Victoria - Retail 2025

Melbourne

Demand for prime retail properties with leased tenure to reputable tenants has remained relatively strong in recent times in Melbourne. Conversely, there has been a decline in demand for secondary or vacant properties. While the prime retail assets are highly sought after, their higher price points often create barriers to entry, limiting access for many entry-level investors.

While many entry-level investors tend to focus on residential property, there are retail investment opportunities available at more accessible price points, often offering higher yields—though typically accompanied by greater risk and complexity.

Entry-level retail investment opportunities in Melbourne's CBDs are increasingly scarce, with strong land values driven by limited supply which continues to support high pricing. For those seeking more accessible entry points, well-regarded suburban retail strips in established outer suburban areas may still offer viable options. However, investors must carefully assess local vacancy rates, achievable rents and factors influencing long-term tenant demand.

Within the mid to outer ring metropolitan Melbourne, sales of small-scale freehold and strata-titled retail assets continue to transact, predominantly of premises providing vacant possession or with lease renewals to long-term sitting tenants, often with passing rents at the lower end of the market range. One evident trend underlying these sales is divestment of assets from inherited portfolios due to factors such as increasing non-recoverable land tax obligations, short to medium term obsolescence issues requiring capital works expenditure and aging Owners Corporation common areas whereby high sinking fund requirements are foreseeable.

Entry-level retail investment opportunities in Melbourne's CBDs are increasingly scarce, with strong land values driven by limited supply which continues to support high pricing.

Retail properties in shopping strips serving local communities may also appeal to owner-occupiers, particularly where zoning permits mixed-use or home-based business operations. There has been a shift in the type of purchaser in recent years for local neighbourhood strip retail properties from intending developers seeking to benefit from flexible Commercial zoning, given the decline of feasibility of projects, to owner occupiers providing small scale allied health uses, financial and professional services and beauty treatment providers. Similarly, these mixed-use former retail/residential buildings are facing building obsolescence issues however, younger investors and small syndicates are taking on the risk of immediate capital expense requirements given the relatively strong underlying land values, established surrounding residential amenity and the pragmatic utilisation of combining new retail/commercial and residential space solutions in the same property.

While opportunities for entry-level retail investors do exist across Australia, they often lack the core investment features—such as long leases or high-profile tenants—that underpin many headline-grabbing transactions.

Prospective investors should carefully consider property fundamentals and align their decisions with long-term objectives. Despite the appeal of lower price points, retail property comes with elevated risk and complexity. Even though there have been interest rate cuts in 2025, the impact of a high interest rate environment continues to weigh on the sector and uncertainty remains around when stability will return to the market.

Helen Truelove
Valuer

Queensland - Retail 2025

Brisbane

Brisbane's retail sector continues to demonstrate resilience, underpinned by steady population growth and low unemployment. Investor appetite remains particularly strong for affordable, well-located assets, with strata and small-format retail properties proving especially popular among SMSFs and private buyers. Yields remain stable and are expected to tighten further as interest rate reductions come into play. Quality stock, however, remains tightly held, keeping competition high among buyers.

Entry-level retail in Brisbane typically consists of strata-titled retail in mixed-use developments or suburban centres, standalone suburban shops such as takeaway, convenience and medical tenancies in secondary high street locations, and strip retail in established suburbs. Service-based occupiers – including allied health, food operators and barbers – are generally viewed as lower-risk tenants, providing income stability.

484 Ipswich Rd, Annerley Source: realcommercial.com.au

The most promising opportunities lie in Brisbane's inner and middle-ring suburbs, as well as growth corridors such as Logan, the Ipswich fringe and Moreton Bay. Properties located in high-traffic areas or near public transport infrastructure tend to perform strongly. Investors are sourcing stock via commercial agencies through both auctions and off-market deals, with many turning to buyer's agents to access tightly held opportunities.

Entry-level retail assets typically range from 50 sqaure metres to 400 sqm in GLAR, with pricing between $500,000 and $2,000,000 – rarely dipping below the $500,000 mark. Net yields range from 4.5% to 7.0%, heavily influenced by lease strength, tenant covenant and location. Regional and outer-metro assets can deliver higher yields, though they carry elevated risk profiles.

Here are a few examples of recent entry-level sales:

Address	Sale Date	Sale Price	Land Area (m2)	Lettable Area (m2)	Passing Yield	Analysed Market Yield	$/m2 Lettable Area
484 Ipswich Rd, Annerley	05/10/2024	$1,700,000	552	890	VP	6.72%	$1,910
33 Handford Rd, Zillmere	07/08/2024	$1,340,000	792	258	VP	4.64%	$5,194

Source: Strata Titled Properties

Address	Sale Date	Sale Price	Lettable Area (m2)	Passing Yield	Analysed Market Yield	$/m2 Lettable Area
101/17 High St, Lutwyche Lot 101	08/05/2025	$450,000	65	9.13%	5.92%	$6,923
37-43 Ferry Rd, West End Lot 11	25/03/2025	$1,216,000	117	4.44%	6.40%	$10,393
1000A Ann St, Fortitude Valley Lot 7	03/03/2025	$800,000	54	VP	5.99%	$14,815

Source: Strata Titled Properties

The rewards for entry-level retail investing include steady rental income from long leases, capital growth potential in gentrifying or high-growth locations, and an attractive diversification play for investors traditionally focused on residential property.

However, they do come with some risks. These would include vacancy exposure in weaker locations or with less secure tenants, higher management requirements compared to residential assets, economic and consumer-driven fluctuations, zoning changes, and potential capital expenditure for upgrades or maintenance.

Over the past year, prices for well-located suburban retail assets have remained stable. Strata retail continues to draw investor demand, though capital growth has eased. Yields have softened on properties with weaker lease profiles, while occupancy remains robust for essential service tenants. In contrast,

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discretionary retail has been more vulnerable to market headwinds.

Looking ahead, moderate capital growth is forecast, buoyed by Brisbane's ongoing infrastructure pipeline and continued population gains. Medical and essential retail categories are expected to outperform, supported by resilient tenant demand. Mixed-use precincts and assets linked to transport infrastructure will remain highly sought after. Anticipated interest rate reductions should further bolster investor confidence, helping sustain momentum across the entry-level retail sector.

Demand for entry-level retail remains firm due to the sector's accessibility and income potential. While vendors may need to adjust price expectations in line with current buyer sentiment, retail assets under $2 million continue to provide a highly attractive entry point into the commercial property market. For investors seeking diversification without the scale and complexity of larger deals, this market segment offers both stability and upside.

Terry Munn
Director

Gold Coast

The central Gold Coast continues to present accessible entry-level retail investment opportunities, appealing to a wide range of investors from seasoned professionals to those just entering the market. These typically involve strata-titled retail units priced under $1 million, strategically located within either busy core precincts or well-connected suburban hubs.

While such assets generally provide higher yields than comparable entry-level industrial properties, this reflects the increased risk associated with potentially higher vacancy levels and more extended re-leasing periods.

During the 2021–2022 cycle, yield compression in this segment was less pronounced. Since then, rising borrowing costs have contributed to yield softening. Nonetheless, modest rental growth has offered support to capital values.

Recent transactions highlight the opportunities available:

- Lot 403, 18 Cypress Avenue, Surfers Paradise - 83 square metres strata retail unit, sold January 2025 for $950,000. Leased to a local tenant with 4.8 years remaining on the lease, reflecting a 6.32% yield.
- 1/19 Alicia Street, Southport - 129 square metres strata retail unit in a suburban complex, sold February 2025 for $525,000, achieving an analysed yield of 6.0%.

1/19 Alicia Street, Southport Source: realcommercial.com.au

Entry-level retail stock on the northern Gold Coast and surrounds is more limited. However, affordable strata retail units are available in Hope Island, Upper Coomera, Pacific Pines, Beenleigh (southern Logan City) and Tamborine Mountain (Scenic Rim). Typically priced under $1 million, these assets reflect yields of around 6% (5.5% to 6.5%).

Beyond headline rents, prospective purchasers are strongly advised to carefully examine outgoings – including rates, body corporate levies and management fees.

For example, Herron Todd White recently analysed the sale of a 70 square metre strata unit purchased for $750,000 ($10,714 per square metre). On initial review, the property appeared to reflect a market yield of 6.11%. However, once actual outgoings were factored in – including significant body corporate levies – the adjusted yield softened to 5.24%. This underlines the importance of fully investigating all associated costs.

For buyers seeking affordable freestanding options, areas such as Tamborine Mountain and Canungra offer opportunities. A property in this market is currently under contract for $1,500,000, reflecting an analysed yield of 7.37%. While relatively strong, the yield also reflects the property's location and the age of improvements. Other freestanding retail sales in these localities typically range between 6% and 7.5%.

Overall, demand from private local investors remains reasonably strong, underscoring the ongoing appeal of these assets in the current market.

Ryan Kohler
Director

Sunshine Coast

Despite a relatively stable market landscape since we last covered this topic in October 2024, the Sunshine Coast still presents an opportunity - particularly for entry-level investors and small business owners seeking to secure a space in one of Queensland's fastest-growing regions. While prime assets remain tightly held, more accessible retail investments continue to be found in secondary locations or hinterland townships, where pricing is more favourable and yields remain more attractive.

Entry-level assets come in various forms – from compact strata-titled shops in central areas to freestanding retail sites in regional townships. Prices still typically range from $400,000 to $1 million for strata stock, while standalone properties extend above this, depending on location, size, and exposure. Rental yields across the region can provide a broad range, generally between 5.5% and 8.5%, depending on location, quality & lease covenant.

Market activity has moderated in the past 12 months, reflecting broader economic headwinds, including cost-of-living pressures and the higher interest rate environment. However, with recent interest rate cuts, there is cautious optimism that borrowing conditions may begin to ease—potentially supporting renewed investor confidence and improved activity levels in the months ahead.

Jaydon McDowell
Associate Director

Townsville

Townsville's retail sector continues to serve as a foundation of the regional economy, supported by consistent demand for goods and services. Over the past year, this demand has spurred refurbishments and new investment, reinforcing the city's reputation as a dynamic retail hub.

Entry-level retail assets, priced between $300,000 and $1 million, have trended upward in line with broader market conditions.

Recent transactions illustrate the segment:

- 72-74 Denham Street, Townsville City – circa 200 square metre mixed-use building on a 102 square metre lot, sold for $385,000. Sold vacant, with excellent frontage but no on-site parking.

72-74 Denham Street, Townsville City Source: realcommercial.com.au

- Multi-tenanted CBD retail property – sold for $910,000 in March 2025. Includes a sizable vacancy on the lower level, reflecting an entry-level investment opportunity in the CBD.

While the CBD offers a range of smaller entry-level retail properties, many are dated and may require capital expenditure to meet current standards. Opportunities also exist along major corridors such as Charters Towers Road and Ross River Road, serving both owner-occupiers and investors. Suburban centres often provide small strata retail units, typically priced between $180,000 and $350,000, though usually in less desirable locations outside the CBD and major arterials.

Net yields for entry-level retail in Townsville generally range between 5.5% (for smaller assets with limited income) and 7.0% (for larger assets carrying higher risk).

When considering an acquisition, key factors include:

- Tenant quality and lease terms – covenant strength, passing rent, and WALE.
- Location – foot traffic, exposure, and parking availability.
- Surrounding development – whether nearby projects add to or detract from the property's appeal.
- Condition and capex requirements – the property's state and any immediate upgrade obligations.

Jamison Sayce
Associate Director

Net yields for entry-level retail in Townsville generally range between 5.5% (for smaller assets with limited income) and 7.0% (for larger assets carrying higher risk).

Mackay

The Mackay retail property market remains steady, attracting both local owner-occupiers and private investors. Entry-level commercial and retail assets typically range from $300,000 to $1 million, with owner-occupiers favouring the lower end and investors targeting higher-end opportunities.

Recent sales include:

- 315 Alfred Street – purchased by the sitting tenant for $480,000 in January.
- 36 Sydney Street – acquired by an interstate investor for $925,000 in March, reflecting a 7.0% market yield. Tenanted by Cash Converters at the time of sale.

36 Sydney Street Source: realcommercial.com.au

Most entry-level stock comprises freestanding strip or detached shop properties within or near the Mackay City Centre. Larger-format retail, such as big-box assets in Mount Pleasant and North Mackay, commands higher price points.

Gregory Williams
Director

Cairns

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

The inner-city retail sector, largely focused on international tourist trade, has struggled since the pandemic. During the height of the pandemic, there was very little activity in the market overall, with high vacancy rates and a number of businesses within the central business district closed. Some tenants opted 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 now somewhat dependent on the financial position of the owner.

Agents advise that lessees in the market remain hesitant to commit to anything of a considerable size. More often, they prefer to lease on short-term or month-to-month arrangements, allowing flexibility to vacate if trade is limited or the business venture proves unviable. Agents also note that some businesses continue to vacate prior to the end of their lease terms in certain parts of the central business district.

The Esplanade retail precinct, however, has limited vacancies, being primarily occupied by food and bar outlets.

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

Whilst vacancies within the central business district are moderate, properties generally remain tightly held by long-term owners.

Shane Quinn
Director

Toowoomba

Opportunities for the entry level investor are generally limited which is attributed to economic challenges stemming from rising living costs combined with a tendency for the smaller retail floorspace to be owner-occupied and/or located within a shopping centre. As a general observation, consumers appear to have generally reduced discretionary spending, which has a flow-on effect into the retail sector, with retail tenants tending to opt for shorter lease terms.

Entry-level retail investment sales of note in the Toowoomba Region during the first half of 2025 include 'Pets Domain' outlet in Roma, which sold in March for $1.475 million at a yield of 7.45% and a retail/office building at 18 Alford Street, Kingaroy, which sold for $1.5 million at a yield of 7.55%. 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 several projects in the planning or development approval stage, including the following:

- The new $32 million Officeworks complex of circa 3000 square metres has recently been completed. It includes a Provincial Home Living outlet of 758 square metres and two smaller drive-through tenancies of circa 220 square metres leased by KFC and Starbucks.

- Brisbane developer Capital Transactions has submitted plans for a new commercial precinct on Brisbane Street, Drayton, featuring a 1650 square metres supermarket and three specialty shops over 290 square metres.
- Construction of 'The Habitat', an 800-lot residential subdivision, has commenced with a survey plan lodged for Stage 1. The masterplan includes a supermarket, tavern and retail outlets with an expectation that these will not begin until the residential development is substantially advanced beyond current levels.
- 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 are also underway.
- The owners of Clifford Gardens Shopping Centre have proposed to construct two detached food outlets for KFC and Taco Bell.
- A food outlet with drive-through at 360a & 360b Bridge Street, Wilsonton (opposite Wilsonton Shopping Centre).
- A food outlet with a 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 oversupply, which may affect medium-term yields. As such, the development activity is likely to span an extended period.

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

Ian Douglas
Director

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

COMMERCIAL - RETAIL

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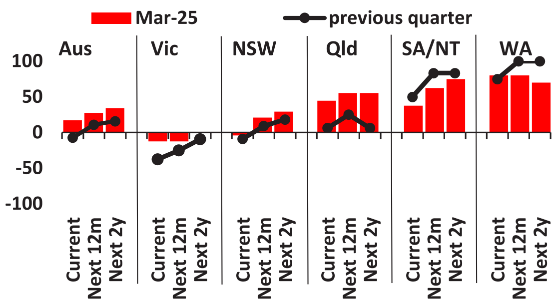
South Australia - Retail 2025

Adelaide

Sentiment in the commercial property market recently hit an eight-year high, recorded in the March quarter as NAB published its nationwide commercial property survey results. Retail property confidence currently outperforms the office market but lags behind industrial property and CBD hotels. In South Australia, expectations for rental growth in the retail sector are positive at 3.6 per cent, as February's rate cut improved the outlook for borrowers and investors looking at the retail market.

Chart 6: Retail Property Index by State



NAB Commercial Property Survey Source: Retail Property Index by State

Entry-level investment opportunities are very scarce at present throughout metropolitan Adelaide and regional South Australia. These opportunities primarily exist in the form of strip-shops and smaller stand-alone properties. 1/234 Tapleys Hill Road, Seaton, is an entry-level retail investment opportunity on the market with Harcourts Sheppard. The property features 107 square metres of lettable area, currently leased to a long-established takeaway pizza restaurant, featuring main road exposure.

1/234 Tapleys Hill Road, Seaton - External Source: realcommercial.com.au

1/234 Tapleys Hill Road, Seaton - Service Area Source: realcommercial.com.au

13 Daly Street, Adelaide, is listed through Collins Bateman as a leased investment that would suit entry-level investors. Seeking offers above $380,000, the property is tenanted until July 2027, with an option to extend the lease for a further three years and four per cent annual rental increases. Currently run as a hairdressing salon, the 31 square metre tenancy has a kitchen/staff room, a unisex disabled bathroom, and ducted air-conditioning.

13 Daly Street, Adelaide - External Source: realcommercial.com.au

13 Daly Street, Adelaide - Fitout Source: realcommercial.com.au

To revisit a property that was highlighted in a previous retail update, 100 Melbourne Street, North Adelaide, has now sold for $740,000. The small-scale café with indoor seating, service counter, rear kitchen and cool room is tenanted until 2027 with a passing rent of $36,070. The sale reflects a yield of

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4.87 per cent, with the property selling below the initial asking price of $850,000. The sale provides a broad indication of the return and price point that an entry-level retail investor would be shopping around for.

100 Melbourne Street, North Adelaide - External Source: realcommercial.com.au


100 Melbourne Street, North Adelaide - Internal Source: realcommercial.com.au

Entry-level retail investors should be wary of fluctuating market conditions and the competition for available tenants for their investments. In conjunction with the lack of retail investments on the market for purchase, there is a significantly larger number of small retail tenancies on the market for lease across metropolitan Adelaide. This highlights the potential downside for investors should they lose their tenant and need to market their property, competing with several similar properties to secure a suitable tenant.

Whilst larger-scale retail investments and prime retail assets can mitigate some risk through multi-tenanted buildings, anchor tenants and premium offerings, entry-level investments typically have less secure tenancies and are more susceptible to broader market fluctuations.

Although the sentiment for retail property appears to be trending more positively, we are frequently reminded of the cost-of-living crisis in the current environment, and retail/discretionary spending is typically where consumers will look to reduce their expenses.

Chris Winter
Commercial Director

Entry-level retail investors should be wary of fluctuating market conditions and the competition for available tenants for their investments.

Western Australia - Retail 2025

Perth

The Perth retail sector is currently performing relatively strongly, driven by robust population growth and increased investor confidence.

Entry-level retail opportunities in Perth typically involve smaller, more manageable assets with a lower price point. These generally include strata properties located on ground floors within new or established apartment buildings, offering convenient access to a built-in customer base. These assets appeal to private investors or owner-occupiers who are generally focused on generating a stable income stream, rather than immediate capital appreciation, though the current market is showing both. In addition, freestanding suburban strip retail or detached shops are highly sought after. These offer greater land content and potential for future redevelopment (subject to zoning), making them attractive to both investors and owner-occupiers. The income generated by a single, well-located tenant can be very attractive. Think of small shopfronts in suburbs like Victoria Park, South Perth, or Mount Lawley, which each feature high street retail strips.

Beyond strata and freestanding shops, other entry-level retail iterations might include small service stations, small childcare centres, medical/allied health suites and food & beverage tenancies. These assets are predominantly found in established suburban hubs, such as Joondalup, Cockburn, Morley, and the inner-city ring suburbs like Como, Victoria Park, and Subiaco. These locations are benefiting from Perth's strong population growth.

The income potential for these types of retail assets is seeing yields between five per cent and seven per cent, and robust capital growth. Driven by Perth's high population growth, longer lease terms, stable income, and tenant responsibility for outgoings are also key benefits.

On the contrary, these assets are also subject to economic shifts, tenant vacancy, and competition from online retail. Location specificity, higher initial investment, potential for capital expenditure, and complex lease agreements also require careful consideration. Thorough due diligence is crucial to navigate these dynamics in the Perth market.

The Perth retail market has performed well over the past 12 months. The market fundamentals are underpinned by WA's strong population growth and renewed investor confidence, including from Eastern States buyers seeking better yields with interest rates being lowered by the RBA in the first half of calendar year 2025.

Looking forward, the outlook remains positive. Continued population growth and anticipated interest rate cuts are expected to sustain demand and investment activity. Suburban and lifestyle precincts, along with large format retail, are likely to continue leading performance, driven by strategic mixed-use redevelopment and a focus on essential services.

Greg Mullins
Director

The income potential for these types of retail assets is seeing yields between five per cent and seven per cent, and robust capital growth.

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Northern Territory - Retail 2025

Darwin

There has been some improvement in market conditions for non-residential property in Darwin over the past six months, with the city attracting some attention from investors who are hungrier for better yields and are prepared to overlook the lack of capital gain in these sectors over the past 10 years.

Due to the small size of the retail property sector in Darwin, it is difficult to isolate any separate trend for retail from the general market of non-residential property. However, there are some constants which apply regardless.

What are the prospects for rental growth?

Darwin CBD in particular has been hard hit over recent years by weak retail trading conditions. However, it should be added that most properties of this type are outside the realm of the ‘mum and dad’ investor because most retail tenancies are part of larger properties with residential or office space above them, especially close to the core CBD area.

Nevertheless, there is an occasional nugget to be found, especially if an investor is prepared to work within the constraints imposed by a strata-titled property.

Opportunities also occasionally appear in suburban areas of Darwin and Palmerston, and they can attract good competition among locals who are comfortable with investing within their own areas. Most of these types of investments are snapped up by locals, although there is the occasional sale to an interstater.

Prospective buyers in the retail property sector should consider the trading conditions in the immediate area, and this can be problematic for smaller-scale investors. Tenants in larger centres can have more confidence to pay higher rates if they are protected by an exclusivity agreement, whereas the occupier of a smaller single-tenant property can be severely affected if a tenant with a competing offering opens up nearby.

Terry Roth
Director

There is an occasional nugget to be found, especially if an investor is prepared to work within the constraints imposed by a strata-titled property.

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Residential

August 2025

National Residential Overview

There are numerous reasons why you might consider renovating.

Whilst there has been an increase in the volume of properties coming onto the market, the entry and exit costs make buying and selling an expensive exercise. For example, in South Australia, these coasts are often a minimum of five per cent of the property's value. Even if you find a property in the right location, the house does not always have exactly what you need or may not be in the best condition, requiring a new kitchen or bathroom, for example.

Matthew Richardson
Residential Director

The good news is that trades, while still busy from the COVID bubble, are now more available, and materials are more readily accessible.

The good news is that trades, while still busy from the COVID bubble, are now more available, and materials are more readily accessible. That said, the cost to replace a kitchen or bathroom is significantly higher than it was five years ago.

Aside from the cost of moving, there are other reasons why you might choose to stay and renovate. These include living in a good location, having friendly neighbours, being close to services, and residing in a particular school catchment zone. This is why I chose to pursue the extension/renovation path. I can get the floor plan, kitchen, and bathroom features I want, rather than trying to find another house in a different location and then having to spend money on it.

There is a difference between extending and renovating. Extending involves expanding the footprint of the dwelling, whereas renovating involves improving components within the existing structure. Lenders have different requirements for this, and the process for securing renovation finance, such as renovating a kitchen or bathroom, can be far more straightforward than the process for obtaining a loan to extend your home.

If you are looking to sell, you can even undertake a minor renovation to maximise the sale price. This can involve replacing floor coverings, painting both the interior and exterior, or even changing a toilet cistern and tapware, among other smaller, less costly items, to assist in maximising the end figure.

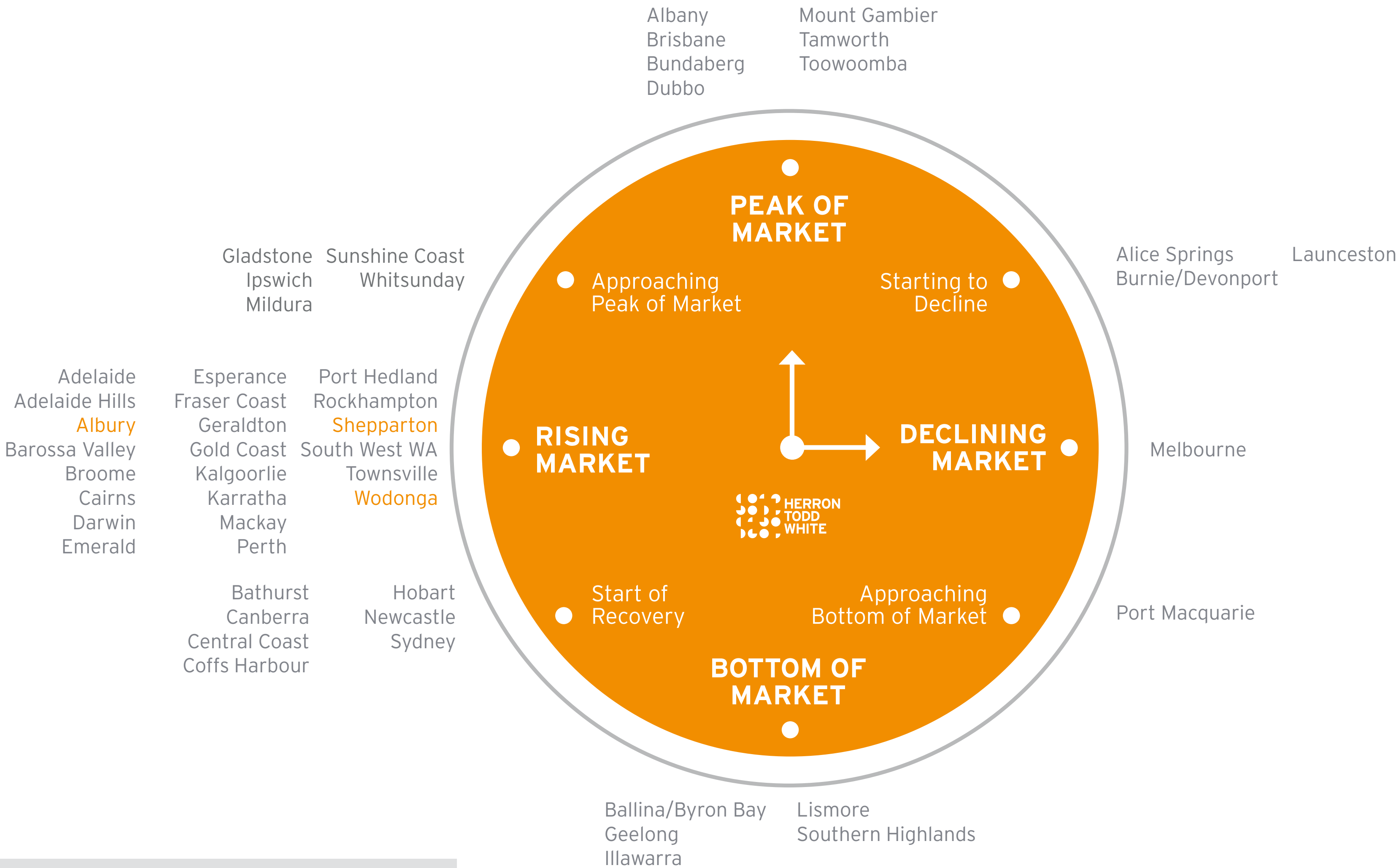
While the kitchen and bathroom are often among the costliest upgrades, renovating these spaces can greatly increase a property's value. This is because buyers can move in without the hassle, time, and expense of organising the work themselves.

It's also crucial to consider the likely buyer when updating a home. Although you'll be renovating to suit your personal needs, being too unique in your taste might turn some buyers away, reducing the potential buyer pool and lowering the sale price. It pays to stay informed about current trends and market expectations.

Most importantly, be mindful of your budget. If you are concerned about overcapitalising, you can always seek advice from a property valuer about the end value of the home once all works are completed.

National Property Clock: *Houses*

Entries coloured orange indicate positional change from last month.



RESIDENTIAL

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National Property Clock: *Units*

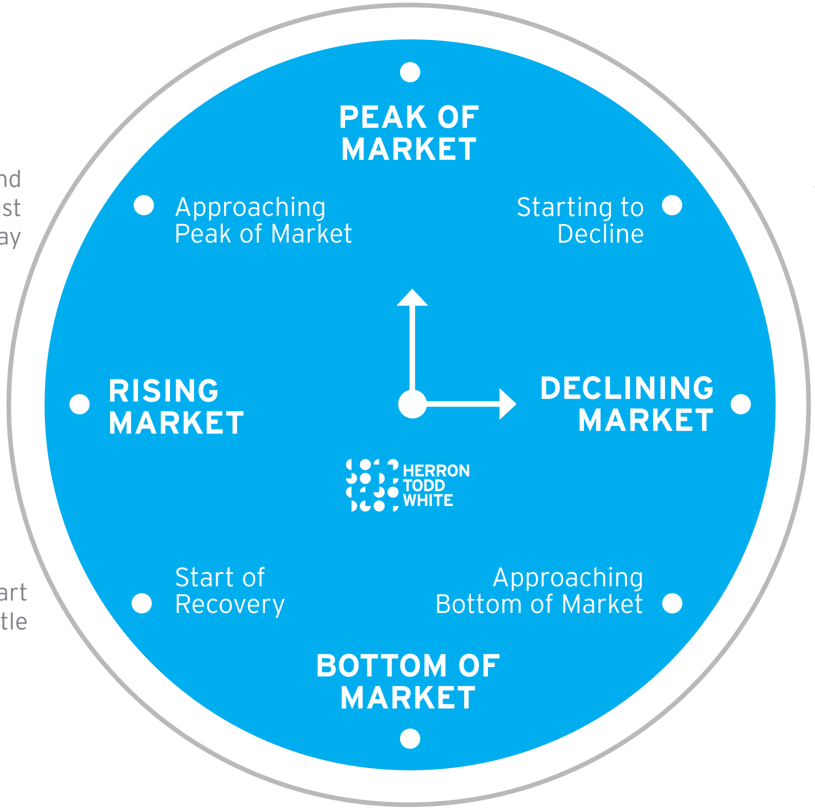
Entries coloured blue indicate positional change from last month.

Albany
Bundaberg
Burnie/Devonport
Mount Gambier
South West WA
Tamworth
Toowoomba

Brisbane
Gladstone
Ipswich
Mildura
Port Hedland
Sunshine Coast
Whitsunday

Alice Springs
Bathurst
Launceston

Adelaide
Adelaide Hills
Albury
Barossa Valley
Broome
Cairns
Darwin
Dubbo
Emerald
Esperance
Fraser Coast
Geraldton
Gold Coast
Kalgoorlie
Karratha
Mackay
Perth
Rockhampton
Shepparton
Townsville
Wodonga



Melbourne

Canberra
Central Coast
Coffs Harbour
Hobart
Newcastle

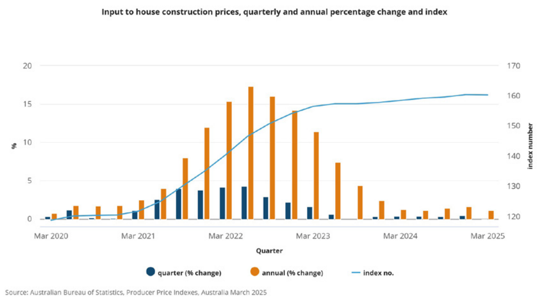
Port Macquarie

Ballina/Byron Bay
Geelong
Illawarra
Lismore
Southern Highlands
Sydney

New South Wales - Residential 2024

Sydney

It is that time of year again when we focus on renovations as we head into the Spring selling season. With building costs remaining steady over the past 18 months, with just a 1.1 per cent annual increase to March 2025, and interest rates beginning to fall, we are starting to see an increase in renovations/extensions across Sydney.



Construction cost price movemen Source: ABS

The latest ABS data on Building Approvals in Australia showed that the 'Value of alterations & additions including conversions to residential buildings' for the Greater Sydney area was $3.01 billion for FY25 until the end of May. With a month of data to go, this had already eclipsed the $2.83 billion for the whole of FY24.

So, while the overall spend on renovation works is increasing, what does it mean for the property market? Are there opportunities to profit, or should renovations be primarily for lifestyle choices? We take a look around some of the key areas of Sydney to see how renovated properties are performing in these markets.

Western Sydney

Over the past few years, we have seen sharp increases in construction costs and construction timeline blowouts. Whilst costs and supply issues have since stabilised, the wider impact on the renovation market remains.

The impact of these past increases has seen dwellings requiring significant renovation considered less desirable and achieving below average results, with renovated dwellings or near new dwellings being more sought after as buyers prefer the "ready-made" dwelling.

A recent example of renovation for profit is 32 Glenshee Place, Glenhaven. This property sold for $2.71 million in March, via local agents Louis Carr. Since then, the buyers completed a full internal and external renovation, with a new kitchen, flooring, adding an extra main bedroom, an extra ensuite bathroom and reconfiguring the former main bathroom. All without extending the dwelling. As a result, the property sold for $4.4 million some 11

32 Glenshee Place, Glenhaven before Source: realestate.com.au

32 Glenshee Place, Glenhaven after Source: realestate.com.au

months later, reflecting a $1.69 million or circa 62 per cent uplift.

As in the example above, one of the key elements in making a profit when renovating is adding extra bedrooms and bathrooms if the floor plan allows. This is particularly the case for renovating three-bedroom dwellings into four- or five-bedroom dwellings. The property will then be compared to the more expensive four- and five-bedroom dwellings and therefore attract a higher value.

The Glenhaven property was already a large dwelling, but with an outdated floor plan. The buyers have reconfigured a formal lounge and dining room, transforming it into a new main bedroom, as well as adding an extra ensuite bathroom to another bedroom.

By doing this and completing a high-quality renovation to the kitchen and the remainder of the house, the dwelling has gone from a five-bedroom, four-bathroom dwelling to a six-bedroom, six-

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bathroom luxury dwelling. The result is a $1.69 million uplift in 11 months.

The other trick is to know your market; a luxury six-bedroom, six-bathroom dwelling is well received in Glenhaven, a suburb with a track record of high sales for renovated homes. An ambitious renovation in a less-regarded suburb may be considered an overcapitalisation. The test is to identify recent sales that you wish to emulate. If the market evidence suggests large six-bedroom dwellings are well received, then go ahead. If not, you're at risk of overcapitalisation.

South West Sydney

The environment for renovation in the South West region has changed since the COVID-19 pandemic. The increased cost of renovating, increased cost of living, fluctuating market conditions and the availability of affordable new products have meant many have shied away from undertaking a renovation and sold and purchased a product that doesn't come with the headache of managing a renovation.

Additionally, unlike Inner Sydney areas, where older style dwellings that are renovated are well received in the market, the South West market is different; older dwellings are generally always seen as old and new is readily available and just as financially obtainable, rather than undertaking a full renovation, which can take considerable time.

The concept of undertaking a renovation in today's market is highly dependent on the outcome expected from the homeowner; it may be to:

- Make a profit from a sale.
- Increase the rental income.
- To live more comfortably in a current property.

What is very important is that whatever the scenario, proper planning, clear budgets are set, and an understanding of whether this is a short-term or long-term investment return that is being sought after.

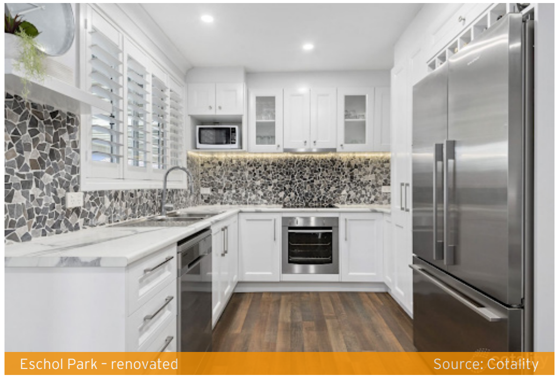
We can see it is getting harder to make a decent short-term profit when it comes to renovating. However, there are still gains to be made, but it is very location-specific. Let's take the first example in Campbelltown, which is traditionally a popular market for investors and first homebuyers. We have seen an increase in the bottom-end values of the market, which is narrowing the gap between unrenovated and renovated properties.

Let's look at the second example in Camden South, a popular owner-occupied area near Camden town centre. There does appear to be greater capital uplift for renovated properties.

We do see value in a quick renovation (cosmetic updates) to increase rental return or make a quick dollar on a sale. However, an extensive internal renovation is a longer-term project that would suit a family looking to commit to a dwelling for a longer term before offloading it to the market.

Below, we can see two three-bedroom properties in Eschol Park. The first one is a dated dwelling that sold in November 2024 for $816,500, versus the second renovated dwelling, which sold in February 2025 for $950,000. The difference of $133,500, less the actual cost and time of the renovation, can be discouraging to many.

Eschol Park - unrenovated Source: Cotality



Eschol Park - renovated Source: Cotality

Example 2: Below is an example of two properties in Camden South. The first was presented in an original condition and was sold in January 2025 for $845,000. The second dwelling is a fully renovated dwelling with the same three-bedroom, one-bathroom accommodation. This property sold in January 2025 for $ 1.23 million. The difference of $385,000 sees a larger capital increase than the Campbelltown scenario; however, the capital outlay for the renovations would have been considerably more.

We do see value in a quick renovation (cosmetic updates) to increase rental return or make a quick dollar on a sale.


Camden South - unrenovated Source: Cotality

Camden South - Renovated Source: Cotality

Lower North Shore
The Lower North Shore property market is undergoing a period of recalibration, with prices adjusting in both directions depending on the quality and characteristics of individual properties. Dwellings requiring significant renovation or those burdened with complications are increasingly struggling to achieve premium results. In contrast, newly constructed and well-presented homes continue to perform strongly. Notably, sites offering clear rebuild potential remain among the most in-demand, consistently attracting heightened buyer interest.

Buyer demand across the region is being driven by development potential and the property's highest and best use. At present, there is particularly strong interest in undercapitalised dwellings and sites suitable for dual occupancy or duplex construction. This segment is being actively pursued by developers and builders, who are paying significant premiums for development-ready opportunities. Values for such properties have recovered strongly following the market correction in 2022.

Despite this growth, traditional investment strategies involving renovation or rebuild have become more complex and less profitable due to elevated construction costs and interest rates. The current conditions favour experienced developers and builders, who are better positioned to manage the risks. Most builders remain hesitant to enter fixed-price contracts without incorporating substantial premiums to cover cost escalations and supply chain risks, making it increasingly difficult for individual investors to compete.

We have recently observed growing premiums being paid for both development sites and newly built duplexes of high quality. A recent example is the sale of 56 Warrane Road, North Willoughby. The original house was purchased for $4,388,000 in September 2022, demolished, and redeveloped into two high-end duplexes. One side recently sold for $5,751,000, offering five bedrooms, five bathrooms, a four-car basement garage, premium European appliances, an internal lift servicing all levels, and a plunge pool. Taking into account building costs and associated levies, the result reflects a strong return on investment for the developer.

Despite this growth, traditional investment strategies involving renovation or rebuild have become more complex and less profitable due to elevated construction costs and interest rates.


56 Warrane Road, North Willoughby, Before Source: Cotality


56 Warrane Road, North Willoughby, After Source: Cotality

This example also highlights a growing trend among buyers who prefer the certainty and convenience of turnkey homes. In the current climate of prolonged construction timeframes and escalating costs, many purchasers—particularly downsizers and established families—are opting for completed homes with premium inclusions. These buyers typically seek low-maintenance properties equipped with contemporary features such as home automation, gas fireplaces, and private pools. They are prepared to pay a premium for immediate occupancy and lifestyle appeal.

Upper North Shore

On the Upper North Shore, the appetite for renovation projects is slowly returning, after a long period of low demand in this sector. As with most areas in the general Sydney market, returning demand for this product type is driven by stabilising building costs and returning confidence in sourcing supplies. The other constant helping drive demand from potential renovators is the decreasing position in the cash rate cycle, reducing holding costs and consequently lowering project risk over the renovation period. These holding costs are magnified on the Upper North Shore due to the comparatively high median house price, meaning borrowing costs are even more pivotal when undertaking due diligence on a potential project.

In considering the above, there still appears to be a lack of confidence by the average buyer, still deterred by the risks involved in undertaking the works themselves. This trend continues to be quite obvious in the current market, with premiums being paid for renovated homes. This further increases the appetite for those willing to undertake renovation projects for profit, with a sector of the market willing to pay a premium price. The best results achieved are for major projects, where the entire residence has been renovated, including external/landscaping works, rather than properties which have just had a new kitchen or bathrooms installed.

As an example of potential profits that can be achieved in the renovation sector, a property on Hunter Avenue in St Ives has recently been resold after undergoing major works. The property previously sold in September 2023 for $1.93 million and was in poor condition, advertised by the selling agent at the time as 'brimming with potential'. These kind words were a polite way of saying the property was in very poor condition and in need of complete refurbishment or rebuilding. The single-level, brick and tile property comprised four-bedroom, two-bathroom accommodation, with neglected landscaping and a dated swimming pool at the rear.

Hunter Avenue, St Ives - before renovation Source: realestate.com.au

The property resold in April of this year after undergoing what was described by the selling agent as a 'bespoke renovation with high-end finishes'. It appears that no major extensions were undertaken, other than the addition of a single garage. Instead, a full internal renovation has been completed, including the addition of a 3rd bathroom, and the exterior of the home has been rendered with the covered car area also refurbished, dramatically increasing the street appeal of the property. Externally, the swimming pool has been fully refurbished, with previously neglected landscaping removed and replaced with new turf, and a new concrete driveway and paving installed. Slight market growth did occur over this period, but the profit achieved by the renovation in this case was significant.

Hunter Avenue, St Ives -post renovation Source: realestate.com.au

Northern Beaches

The Northern Beaches property market in 2025 remains competitive, with a strong preference for fully renovated homes due to their convenience, certainty, and lower stock levels. Although these homes require a higher initial investment, their move-in-ready appeal attracts a broader section of the market, including families needing more space, downsizers seeking luxury, and professionals valuing low-maintenance. While knock-down rebuilds still offer the highest profit margins, stabilising construction costs and easing of trade shortages have improved the feasibility and profit margins for such projects. Properties that are tired but structurally sound offer good profit potential, particularly in the entry to mid-price range for houses ($2 to $3 million). Transforming a dated home into a modern, family-friendly space can yield significant capital gains.

A recent example includes 9 Kapunda Place, Belrose. The property was sold in its original condition in April 2024 for $2.2 million. The property underwent a substantial internal and external renovation, along with internal reconfigurations to enhance the desirability of the floor plan. The property was recently sold in May 2025 for $3.16 million, marking a substantial uplift in value with minimal market growth in that period.

9 Kapunda Place, Belrose, Before Source: realestate.com.au

9 Kapunda Place, Belrose, After Source: realestate.com.au

Another example includes 41 Callistemon Way, Warriewood. The property sold in original condition for $1.91 million in April 2023 and subsequently underwent cosmetic renovation works, including new floors, shutters, kitchen, laundry, pergola and rear tiling. The property was recently resold for $2.35 million in July 2025, reflecting moderate capital uplift in that period.

41 Callistemon Way, Warriewood Source: realestate.com.au

Eastern Suburbs

Dwellings requiring renovation in the Eastern Suburbs are increasingly attractive in 2025, particularly as high property prices and limited stock push buyers to consider properties they can improve to add value. The scarcity of quality, move-in-ready homes in premium suburbs like Randwick, Coogee, Bellevue Hill, and Vaucluse has led to heightened interest in properties with renovation potential, as buyers and investors seek to capitalise on long-term capital growth by upgrading older homes.

Homes requiring renovations/modernisations are typically priced lower than livable properties, primarily due to the inherent risk of the cost to construct/renovate. In saying this, costs have more recently stabilised and inflation surrounding construction costs has plateaued, in comparison to 2020 to 2024 conditions.

The primary drivers of these markets, across both dwellings and units, include limited supply of quality-renovated homes, affordability pressures, interest rate movements, and lifestyle requirements. We are seeing strong price points for ready-renovated properties, which factor in the associated costs to construct/renovate being passed onto the buyer.

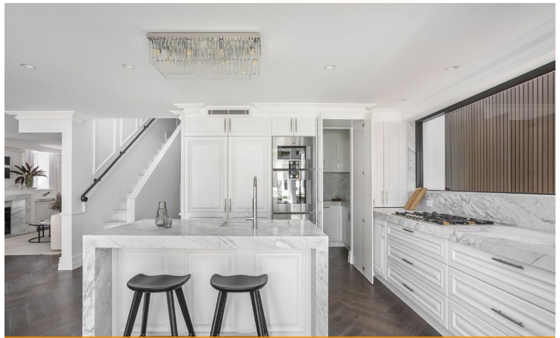
We are seeing strong price points for ready-renovated properties.

An example is 26 Knowles Avenue, North Bondi, which sold in April for 4.5 million. The four-bedroom, three-bathroom semi on 198 square metres of land had previously sold for $4 million in March 2023, showing decent growth of 12.5 per cent over those two years, and slightly above the 10.7 per cent growth the suburb median house price experienced over the past two years. Before the renovation, the property had been a dated single-level semi with two bedrooms and one bathroom, previously selling in March 2018 for $1.875 million million.

Another example is 20 Edgar Street, Maroubra, which sold in May 2024, for $2.43 million as a dated single-level, two-bedroom, one-bathroom home on 283 square metres of land. It then underwent an extension and renovation to become a two-storey, four-bedroom, three-bathroom home, and has since been resold in May 2025 for $3.8 million. The Maroubra median house price remained relatively flat between those two sale dates.

20 Edgar Street, Maroubra, Before Source: Cotality


20 Edgar Street, Maroubra, After   Source: Cotality


6 Nelson St, Woollahra, After   Source: realestate.com.au

A unit example is 1/17 Bennett Street, Bondi, a three-bedroom, two-bathroom, one-car, art deco unit that sold in April 2024 for $1.71 million in unrenovated but well-maintained condition, and then again in April 2025 after an internal renovation for $2.18 million. Cotality showed a 2.9 per cent growth rate for units in Bondi over that period.

In the prestige space, 6 Nelson St, Woollahra, sold in August 2023 for $11.2 million with an incomplete renovation. Once renovations and landscaping were completed, the three-level, six-bedroom, five-bathroom home, on 400 square metres of land, was resold in March 2025 for $15.6m through Sotheby's International Realty. According to realestate.com.au, the Woollahra median house price has decreased by 10.6 per cent over that same period.


6 Nelson St, Woollahra, Before   Source: realestate.com.au

There remains ample opportunity to make a profit off renovating primarily due to the costs (risk) being factored into the overall achieved result, compounded by a supply shortage of these property types. We recommend interested parties do their due diligence regarding construction. Properly analyse the feasibility of the proposed project, and "work back" from recent sales evidence of properties similar to your proposed project to ascertain the residual land value after factoring in all associated costs (acquisition cost, profit/risk, construction, legal costs, etc).

Primary purchasers of renovated properties are young families, professionals, and investors. Young families are drawn to suburbs like Randwick, Coogee, and Maroubra for their proximity to beaches, schools, and amenities, seeking modernised homes that suit their lifestyle. Professionals, often high-income earners, target renovated properties in premium areas like Bellevue Hill, Woollahra and Vaucluse for their convenience and prestige.

Inner West

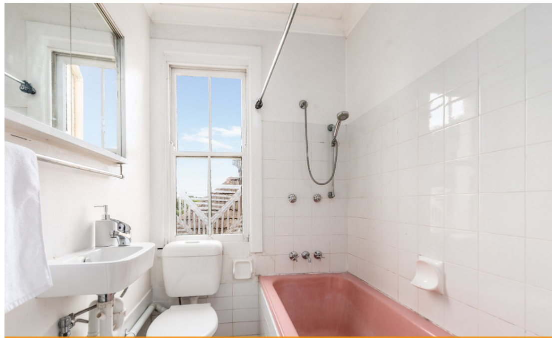
The residential property market in the inner west of Sydney is experiencing a general uplift in capital values across all residential property types throughout the first half of 2025. Properties with renovation potential are benefiting from their relatively low price point, attracting stronger levels of demand, and ultimately strengthening their value. These properties tend to attract a mixture of First Homebuyers, as well as young families seeking to renovate and live in the property over the longer term. Additionally, investor/builders are also in the market to on-sell the property after a renovation.

Given the historically low number of properties on the market for sale, and prices are generally strengthening, renovated homes (in the majority of cases) are selling at a substantial profit. Recent months have seen a stronger level of demand for completely renovated homes, which is fueled by buyers wanting to avoid historically high costs in the current construction industry.

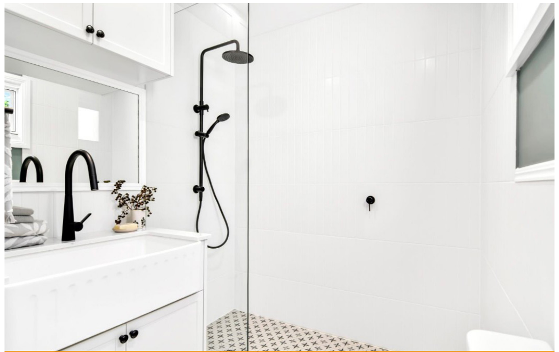
Rozelle is a suburb that has attracted younger professionals and families looking to renovate older period homes. An example of a recently renovated property that has sold includes the sale of a double-fronted cottage at 4 Easton Street, Rozelle, selling for $1,475,000 in October 2023. After a substantial internal renovation, the property was sold in July 2025 for $2.26 million.

The story is similar in Marrickville, where a Victorian-era terrace house at 92 Silver Street, Marrickville, sold in May 2025 for $2.35 million. The property was initially purchased in February 2023 for $1.57 million and underwent an internal renovation and rear extension.

Properties with renovation potential are benefiting from their relatively low price point, attracting stronger levels of demand.



92 Silver Street, Marrickville, before Source: realestate.com.au



92 Silver Street, Marrickville, after Source: realestate.com.au

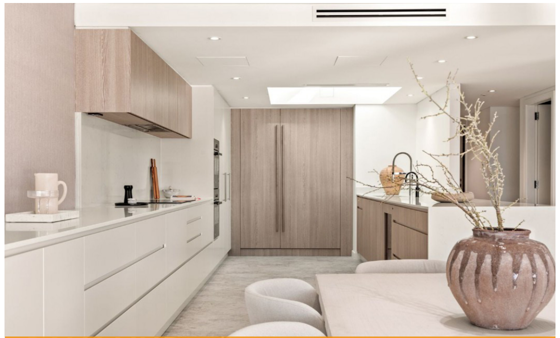
Haberfield is another inner west suburb that attracts renovators seeking a ‘forever home’. Given that the majority of the suburb is within a heritage conservation area, many home buyers are attracted to the intact period streetscapes from the Edwardian and interwar periods.

The sale of 40 Rawson Street, Haberfield, of a circa 1920s Bungalow cottage, sold for $3.09 million in July 2025. Comparable renovated properties in Haberfield are trading above the $5.5 million range, indicating scope for a substantial uplift in value on completion of a future renovation.

40 Rawson Street, Haberfield Source: realestate.com.au

In regard to the higher-end apartment market, a significant profit was noted at 7/3 Wulumay Close, Rozelle, which sold for $8.5 million in June 2025. The property had renovations completed to its kitchen after it sold initially in March 2024 for $7.8 million.

7/3 Wulumay Close, Rozelle, before Source: realestate.com.au



7/3 Wulumay Close, Rozelle, before Source: realestate.com.au

Although significant profits have been made in the sales mentioned above, much of this uplift in value is attributable to current general market conditions. Many headwinds are moving forward into the Spring and Summer periods, including significant increases to the cost of living, as well as a slowing economy, these factors as well as an uptick in the amount of properties listed on the market for sale, may present as significant risks for renovators seeking to complete and sell their projects in the course of the next six to twelve months.

Inner Sydney

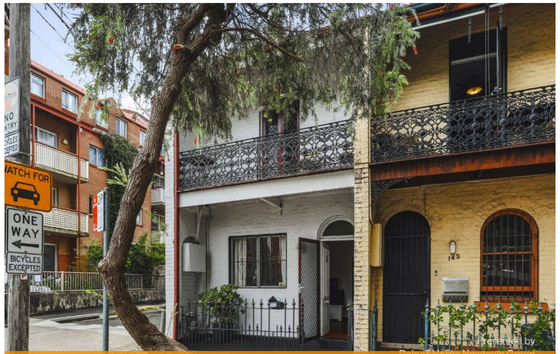
Within Sydney’s inner suburbs, “renovator’s delight” style properties come to market occasionally, but are by no means common. Building costs within city fringe suburbs are typically higher as a result of tricky access within dense suburban areas with narrower streets, attached dwellings and tree preservation concerns; as a result, renovating for a profit is not

Haberfield is another inner west suburb that attracts renovators seeking a ‘forever home’. Given that the majority of the suburb is within a heritage conservation area, many home buyers are attracted to the intact period streetscapes from the Edwardian and interwar periods.

always feasible. Throw into the mix high median prices and the impact of interest rates on holding costs, and it means that your market knowledge has to be sharp to identify the areas where a premium is paid for a renovated product and properties which could be renovated to add value without over-capitalising.

Given these barriers to entry, renovations to houses are often undertaken by owner-occupiers looking to build a dream home for their family. As a result, good-quality renovations seldom hit the market. Renovations to units are more common as they are not as costly, are more cosmetic and are therefore more achievable for investors and owner occupiers alike. However, with more subdued market growth and uncertainty around interest rates, properties being 'flipped' are uncommon. Most renovated properties listed for sale in the current market have been owner-occupied and renovated over an extended period.

Currently, the demand for homes needing renovation is comparatively soft compared to previous years, primarily due to recent increases in the cost of labour and materials since the pandemic. This has been compounded by the higher interest rate environment over recent years, which has increased holding costs associated with 'blank canvas' properties, which are often unable to be occupied throughout the construction period. However, there are some still available, such as 141 George Street, Redfern. This property was sold in May for $1.38 million and is a basic two-bedroom, one-bathroom terrace in need of some TLC, sitting on a 106 square metre corner block in an evolving part of the Inner City with proximity to a future Metro Rail station. Cotality indicates that the property was previously sold in 1996 for $160,000.



141 George Street, Redfern Source: realestate.com.au

Most renovated properties coming to market have been owner-occupied and renovated over an extended period, such as 155 Paddington Street, a semi-detached property set on a premium street in Paddington on a 138 square metre block. The home was initially purchased in 2019 for $2.58 million as a three-bedroom, one-bathroom property, before undergoing additions and renovations in 2023 into a four-bedroom, three-bathroom home and then being sold for $4,785,000 in May 2025. On paper this is a good gain, however Cotality notes that the suburb's median price increased by around 53 per cent in that timeframe, leaving little change after renovation and holding costs.

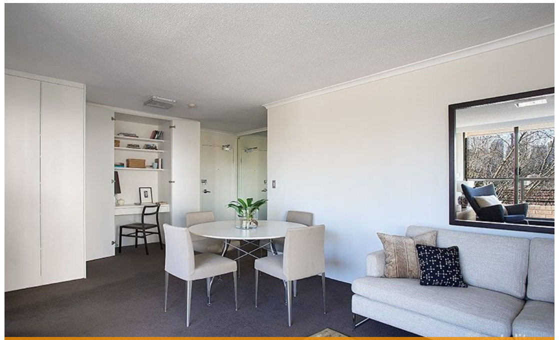
> *Currently, the demand for homes needing renovation is comparatively soft compared to previous years, primarily due to recent increases in the cost of labour and materials since the pandemic.*

155 Paddington Street, Paddington, before Source: Cotality

155 Paddington Street, Paddington, after Source: Cotality

In Potts Point, 1/204-212 Victoria Street, a 1980s-built two-bedroom, two-bathroom unit sold for $2.35 million after undergoing a complete internal renovation. The property was initially purchased for $1.7 million in 2020 as a two-bedroom, one-bathroom unit, and has since been renovated throughout, with the laundry and WC being combined and converted into a second full bathroom. Cotality indicates a 16 per cent increase in the median unit price in the area over that time, resulting in a more feasible profit after renovation costs.

HERRON TODD WHITE



1/204-212 Victoria Street, Potts Point, before Source: Cotality

1/204-212 Victoria Street, Potts Point, after Source: Cotality

The common theme between these examples is that they are in prime inner city locations, areas that are evolving to suit a modern professional demographic. To capitalise on this, both properties have been brought into line with the current expectations of that demographic, elevating them into a new market segment and allowing them to achieve a strong sale result.

Southern Sydney

There continues to be strong buyer demand for renovated properties in the current market, particularly within the Sutherland Shire. This is primarily driven by the high costs associated with undertaking renovations, including rising materials prices, elevated trade rates, and limited skilled labour. These factors make the renovation process both time-consuming and financially challenging.

Renovating can stack up when the property has been held for an extended period,

In many cases, the feasibility of a profitable renovation project depends heavily on the owner's circumstances. Renovating can stack up when the property has been held for an extended period, allowing for value growth, or where the purchaser can carry out works themselves, saving on labour costs.

Despite the diminishing profit margins, renovated homes remain highly desirable. Buyers are increasingly willing to pay a premium for renovated properties to avoid upfront costs and uncertainty associated with renovating. A comparison of recent sales on the same street highlights this trend.

The sale of 31 Kitchener Street, Caringbah, in May for $2,441,000, comprised a circa 1960s four-bedroom home with two living areas on 585 square metres that underwent a full renovation in 2010.

31 Kitchener Street, Caringbah Source: Cotality

Further down the street, 5 Kitchener Street, Caringbah, sold in December 2024 for $1.95 million, also comprising a circa 1960s home on 585 square metres, but in mostly original condition with three bedrooms and three living rooms.

5 Kitchener Street, Caringbah Source: Cotality

Despite some minor market growth between December and May, the difference in sale price – nearly $500,000 – suggests that renovated dwellings are still attracting a significant premium. However, given the current cost of renovating, that premium may broadly reflect the renovation spend itself, with limited or no additional return for the renovator. In some cases, the increased value is being absorbed by construction costs, making the prospect less attractive for investors or those looking to flip for profit.

Shaun Thomas
Director

Illawarra/Wollongong

As spring approaches, bringing warmer weather and colour in the gardens, the opportunity to showcase homes at their best is just around the corner. This seasonal boost, combined with the pre-Christmas rush of buyers, positions spring as a prime time for new property listings.

For homeowners considering selling, a common dilemma arises: should they renovate before listing? Do recently renovated homes truly fetch a premium? While a robust market exists for older, unrenovated homes—often favoured by DIY enthusiasts and budget-conscious buyers who appreciate adding their personal touch as time and funds allow—the appeal of renovated properties is strong.

Renovated homes offer a clean, move-in-ready solution, making them highly attractive to families, those looking to upsize, and investors. The minimal immediate work required means these properties can be quickly occupied as a residence or put to use generating income. In the Illawarra's established residential suburbs, we are seeing this trend play out in recent sales. For instance, a fully renovated four-bedroom, two-bathroom house on Robertson Street, Coniston, recently sold for $1.34 million, and a fully renovated four-bedroom, two-bathroom home in Kapooka Avenue, Dapto, achieved $1.075 million.

However, the landscape for property renovation has shifted. The cost of renovating has significantly impacted the "flipping" market, where buyers purchase, renovate, and then resell. Flippers are finding it increasingly difficult to accurately estimate expenses, often incurring higher costs than anticipated, which erodes profit margins. Consequently, fewer speculative flipping purchasers have been active in the past couple

Flippers are finding it increasingly difficult to accurately estimate expenses, often incurring higher costs than anticipated, which erodes profit margins.

of years, although we have a current example to watch.

A significantly damaged, somewhat dilapidated three-bedroom home was purchased on 60 First Avenue North, Warrawong, in October 2024 for $500,000. The property underwent a complete renovation, inside and out, and was then resold for $875,000. We do not know how much the owner spent on the work, but we hope they secured a decent profit for their efforts.

60 First Avenue North, Warrawong before Source: realestate.com.au

60 First Avenue North, Warrawong after Source: realestate.com.au

Unpredictable construction costs are also deterring individual "mum and dad" buyers from undertaking their own renovation or extension projects, leading many to opt for already completed homes when upsizing. So, is there an answer to the question: Should you renovate your property before selling it? The factors that come into play include your time, budget, skills, and risk appetite. For the majority of owners, a simple tidy-up of the presentation of a property is sufficient. However, if you have renovation experience and are willing to take a risk, there is still profit to be made from having your home present as move-in ready to a new purchaser.

Chris McKenna
Region Director

Newcastle

The local market has generally been stable over the past few years, but with interest rates starting to fall, this could mark the start of the next upward spiral in the property cycle. So, what happens next?

One option is buying an older, rundown house. Purchase at a competitive price, renovate over the course of a year, and hope that interest rates fall further and that increased property demand results in higher property prices over the renovation period. It all sounds idealistic and perfect, but the property market does not always work that way.

Having considered the idea, where are the better places to look for this type of property where renovation can be worthwhile? Older suburbs with a strong track record of property growth are a good place to start, such as Mayfield, Islington, and Adamstown. In these locations, property prices have risen consistently over the past 10 years as neighbouring suburbs have become too expensive.

On the other hand, where do renovation costs fit into the equation? That is the downside. Costs have been rising over the past five years, making some renovations a good idea for the owner-occupier, but not for renovators seeking profit. The market for renovated property has generally been on pause for several years due to rising build costs and short-term shortages of trades. However, when the work does commence, impressive results can be achieved.

Pre- and post-renovation results   Source: Herron Todd White

Pre- and post-renovation results   Source: Herron Todd White

Pre- and post-renovation results   Source: Herron Todd White

Pre- and post-renovation results   Source: Herron Todd White

The above example shows that, with creative use of space and sound design, renovations can be a worthwhile undertaking. They can make a property more appealing for those looking to sell in a potentially rising market where demand is starting to increase.

Darren Sims
Property Valuer

Lismore

Signed on the dotted line with a hope and care,
Then felt a chill crawl up the stair,
These whitewashed walls we praised with glee?
Now scream "surprise!" – you're stuck with me.
We close our eyes and pretend to cope,
While joy evades along with all our hope

With tools laid out open on the floor,
Those dreary eyes now gone sore,
We greet this unfinished house, I don't know anymore.
We thought we'd build, reshape, renew
But now it's cutting my wallet in two.

Now that interest rates have dipped slightly, one would think opportunities would arise to acquire property for the purposes of renovation either as an investment or owner occupation. Hmmm... maybe.

The alternative to buying land and then doing a new build is still more expensive, under the current market conditions, as construction costs continue to soar. Therefore, the renovation option could potentially still feature in the minds of investors, developers, first home buyers and even "upgraders". Borrow a few dollars to put some new life back into the tired and dated home or unit.

Cost is naturally going to be the key ingredient in the decision-making process and the final product's value.

Following the devastating flood event of late February/early March 2022 there are still some properties available (albeit much fewer than two years ago thanks largely in part to the Northern Rivers Reconstruction Authority who have acquired most of the flood impacted properties in the general Lismore City area under the "buy back" scheme) that have sold for approximately 50 per cent their pre-flood event market value. To be sure, they are a shell with a gutted interior and no functioning bathroom or kitchen. However, for the "suitably qualified tradesperson" or those "handy with the tools", they present the opportunity to renovate/repair at a budget to return the dwelling to a habitable standard and then lease out at a rental level comparable, if not more, to "pre-flood" event conditions. For example, a flood-impacted property is purchased for anywhere between $250,000 to $300,000 (depending on condition and location) plus stamp duty and then spends around $100,000 to repair and renovate. Not a bad investment when a total outlay of around $350,000 to $400,000 achieves an annual gross yield of between 6.50% and 8.70% at a rental of $500 per week. The demand for rental accommodation is relatively steady as the supply of rental stock remains calm.

There are still the "hidden gems" requiring TLC or refurbishment within the council areas of Lismore City, Casino and Kyogle. Renovating an established dwelling or unit rather than a new build can achieve a lot... if done properly. With a budget of less than $100,000, much of that could provide for an updated kitchen, bathroom, ensuite, general interior & exterior painting and floor coverings. Provided the renovation work emphasises the more positive features that are already there, OR introduces new features that the marketplace desires (do your homework for the areas you wish to invest/live in, as each locality is different).

That way, a carefully prescribed "budgeted cost to added value" analysis could score you some decent cash... and a way better place to crash! (translation – capital gain).

Within the Lismore region, it is best to find an established, three-bedroom, two-bathroom dwelling within the $400,000 to $600,000 price bracket. For Casino and Kyogle, a similar real estate product would be in the region of $275,000 to $375,000.

There is no real particular area of Lismore/Casino/Kyogle which have the upper hand on renovation activity... "diamonds in the rough" can be found anywhere if you look hard enough.

An alternative option is to seek out those large homes with only two bedrooms and a large living space. Cut the living room to provide a third bedroom, and the rental would naturally improve to reflect that of a three-bedroom home.

Turn-of-the-century homes, with their classic timber charm and vintage appeal, remain a favourite among enthusiasts. However, the expenses involved in renovating and maintaining these treasured weatherboard houses must be carefully managed – it's easy to let costs spiral out of control.

All things considered, taking a more conservative approach, buying an established home with room to renovate offers a more practical and strategic path forward—a solid stepping stone toward something newer down the track, without the heavy burden of substantial debt weighing you down like a millstone.

Vaughan Bell
Property Valuer

In the Clarence Valley, residential property renovation is constant due to the abundance of older-style construction, particularly around the Grafton area.

Clarence Valley

In the Clarence Valley, residential property renovation is constant due to the abundance of older-style construction, particularly around the Grafton area. Many homes were constructed in the late 1800s or early 1900s. These homes benefit from character and federation style, which certainly have a unique appeal and are sought after. When renovated well, these homes can really stand out.

At the lower end of the market in South Grafton, there is an example of a recent renovation "flip" sale at 11 Thomas Street. This property sold in July 2025 for $430,000 after a tidy up, new painting throughout from the roof to the floors, and new front fencing. Blinds and a garden tidy-up were added, and some tasteful furniture was provided for marketing purposes. Previously, in February 2025, this property was purchased for $310,000. There appears to have been some upside from the purchase price in this case. The selling agents noted that the purchasers did the work themselves to maximise profit. Of course, tradesperson costs can be expensive, so if the owner can do some of the work themselves, this would no doubt help reduce the cost of the changeover.

11 Thomas Street, South Grafton before renovation Source: realestate.com.au

RESIDENTIAL


11 Thomas Street, South Grafton before renovation Source: realestate.com.au


11 Thomas Street, South Grafton after renovation Source: realestate.com.au


11 Thomas Street, South Grafton after renovation Source: realestate.com.au

At the top end of the market in Yamba, on a canal, is a renovated house with a pool and pontoon that sold for $2,000,000 in February 2025. This property at 37 Melaleuca Drive was fully renovated after previously being purchased in December 2020 for $940,000. Supplied information indicates that the renovation works cost around $540,000. General market values strengthened during the COVID period after the initial purchase, up to the peak of the market in March 2022. This shows there was likely some profit in this purchase and renovation with the sale.

These two examples show that renovation can be supported by the market while also providing a profit. Houses that present as new to the market attract strong interest and reward renovators who act on their vision.

Simon Evans
Property Valuer

Shoalhaven

As we move into the second half of the year, local real estate agents are advising of a recent uptick in buyer enquiries and demand. Prospective purchasers have been encouraged by recent inflation levels and forecasts suggesting that there are more cash rate reductions to come.

It is interesting to note that properties at the entry level of the market in the Shoalhaven region are performing the strongest, along with those that are renovated and well presented. Let us take a quick look at some of the reasons why a renovated dwelling and well-presented property will perform well as we head towards the warmer weather of spring.

Local agents are advising that a renovated and well-presented property is likely to achieve a very good sale result in the current market conditions in the Shoalhaven region. Renovating a property can be expensive, time-consuming, and stressful. This is largely due to the challenges of sourcing labour, hiring tradespeople, and purchasing materials, all of which remain costly and time-consuming in the current climate, with an ongoing shortage of tradespeople. The construction industry is still experiencing delays, and local builders and construction professionals report that some materials continue to increase in price.

These challenges are recognised by prospective purchasers, who are willing to pay a strong price for a renovated dwelling in order to secure the property, appreciating the benefit of moving in with nothing left to do. As a result, renovated and well-presented properties are performing very well in the current market. They are likely to spend fewer days on the market and achieve the highest possible sale price, particularly within the entry-level and middle-level price points in the Shoalhaven region.

Joshua Devitt
Associate Director

It is interesting to note that properties at the entry level of the market in the Shoalhaven region are performing the strongest, along with those that are renovated and well presented.

HERRON TODD WHITE

Victoria - Residential 2024

Melbourne

Home renovations are becoming more than just a trend, as they are a way for homeowners to reimagine their living space and breathe new life into their existing home. Whether that is through updating a tired kitchen or adding a new room, renovations allow people to tailor their homes to fit evolving lifestyles and personal tastes.

For many, the primary motivation for renovating is to enhance comfort and functionality, while others strategically view it as a direct boost to property value before selling. A fully renovated home holds significant appeal for buyers eager to avoid the hassle and potential unknown costs of a renovation, allowing them to move straight into their new property.

As we approach the spring selling season, property industry experts are forecasting that renovated homes will outperform other properties in the market. This month, we will explore a selection of renovated properties in Melbourne and Geelong, analysing their current market performance.

As we approach the spring selling season, property industry experts are forecasting that renovated homes will outperform other properties in the market.

Melbourne CBD and Fringe

As Melbourne emerges from its winter slumber, the property market sees owners looking to enhance their properties, while sellers strategically list their homes to capitalise on the visually appealing spring and summer months.

The market for properties requiring renovation in Melbourne's CBD is highly distinct from the broader suburban market. Typically, renovations add value to a property, but this is not always the case for CBD apartments. The most common apartment renovation involves a cosmetic uplift, usually a change in flooring, bathrooms, and kitchens. However, the caveat is that we do not always see capital growth realised, unlike homes that appreciate in land value. Apartments rely solely on their improvements for value, and therefore overcapitalisation can occur due to higher construction costs in the CBD.

In the Melbourne CBD, it is common to see buildings being converted into apartments. Recent research by the Property Council of Australia identified 90 predominantly office buildings as ripe for adaptive reuse. This initiative could create up to 12,000 new apartments. However, a significant factor that must be considered is the exorbitant cost to retrofit an existing building, with construction costs forecast to rise by an average of four to six per cent per annum in 2025, and materials alone rising over 30 per cent in three years, making these large-scale projects potentially unviable (Source: Slattery National Update March 2025).

In the fringe suburbs, there is a mix of heritage homes and terraces. Demand for unrenovated properties here is primarily driven by the unparalleled location premium, which means even unrenovated properties hold significant underlying land value. There is also a limited supply of character properties, particularly well-located, unrenovated Victorian or Edwardian style dwellings in premium suburbs such as Collingwood and South Yarra.

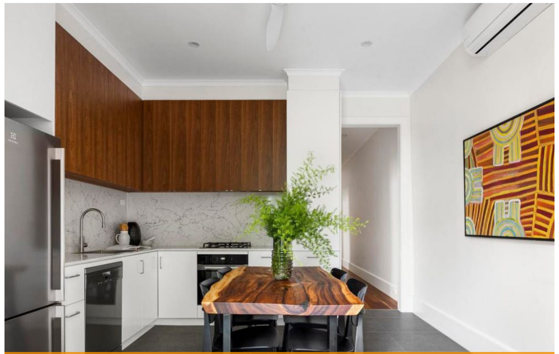
These homes are tightly held and offer unique charm and potential for significant value uplift. Furthermore, for buyers with the financial capacity, an unrenovated property in a prime location offers the chance to create a bespoke home.

However, renovating older buildings presents challenges, including heritage overlays, structural issues, asbestos removal, and the logistics of working in high-density areas.

Whether a renovation makes economic sense in the CBD and inner fringe critically depends on the project's scale, property type, and the buyer's long-term goals. In many instances, particularly for apartments, it can be economically cheaper to buy an already established and well-maintained or fully renovated property, as the premium often reflects the significant investment of time, money, and stress avoided by the buyer.

Renovations are generally a good idea under specific circumstances: for strategic apartment upgrades in prime CBD or inner-fringe locations such as South Yarra, offering immense potential


11 Bendigo Street, Collingwood Source: realestate.com.au


11 Bendigo Street, Collingwood Source: realestate.com.au

for value uplift when thoughtfully extended or reconfigured.

We see this best at 11 Bendigo Street, Collingwood, acquired for $875,000 in 2019, renovated and sold in February 2025 for $1,310,000, exemplifying the growth a renovation can achieve in inner-fringe suburbs.

Northern Suburbs

The northern suburbs have consistently attracted interest in both fully renovated homes and those


11 Bendigo Street, Collingwood Source: realestate.com.au


11 Bendigo Street, Collingwood Source: realestate.com.au

ripe for a "doer-upper" project. While affordability in the northern suburbs often presents a more accessible entry point, particularly for first-home buyers, young families, and investors, rising construction costs can be a deterrent. The ongoing desire for more space and a community feel continues to draw buyers to these areas, and the anticipation of further interest rate reductions fuels confidence for those considering a renovation.

Properties with "good bones" in desirable northern suburbs such as Coburg, Preston, or Reservoir offer a strong foundation for profitable renovations. Focusing on high-impact improvements like kitchen and bathroom upgrades, adding bedrooms, or creating open-plan living areas will add the most value.

The market for fully renovated homes in Melbourne's northern suburbs is robust, driven by a desire for convenience and a willingness to pay a premium for quality finishes. Time-poor buyers, busy professionals, and families are often willing to pay more to avoid the lengthy and stressful renovation process.

Buying a renovated home also offers certainty on the final product, bypassing potential budget blowouts and unforeseen issues. Buyers of renovated homes often seek contemporary designs, high-end appliances, and modern amenities that would be costly to achieve through a personal renovation. Investors also target renovated properties for immediate rental income and to attract higher-paying tenants.

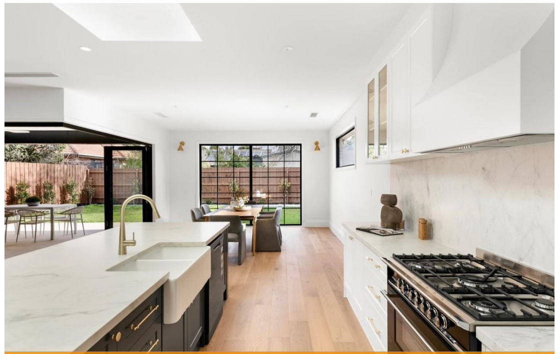
There is a noticeable rise in owners opting to buy fully renovated homes due to challenges with building costs and trade availability.

While a significant price disparity between unrenovated and fully renovated properties has historically offered good profit margins for renovators, the increase in construction costs means this difference may have narrowed, making it harder to flip a property for a substantial profit purely on the renovation itself. However, demand for polished, move-in-ready homes in desirable, gentrifying areas still supports a healthy price difference.

Properties with "good bones" in desirable northern suburbs such as Coburg, Preston, or Reservoir offer a strong foundation for profitable renovations.

A prime example is 3 Armstrong Street, Reservoir. Purchased in 2024 for $880,000, this property was recently sold in July 2025 for $1.52 million. It underwent a complete internal renovation, and while the façade was altered, its original characteristics remain evident.

3 Armstrong Street, Reservoir Source: realestate.com.au



3 Armstrong Street, Reservoir Source: realestate.com.au

Profit from renovation in Melbourne's northern suburbs is still possible but requires strategic planning. The "sweet spot" often lies in the middle price ranges. Acquiring a property off-market, potentially for below-market prices, generally offers the best potential for profit, especially those with good land size for extensions (subject to council approval) or significant internal reconfiguration.

Profit from renovation in Melbourne's northern suburbs is still possible but requires strategic planning. The "sweet spot" often lies in the middle price ranges.

Cosmetic renovations in units or apartments can be profitable, particularly in high-demand areas. Townhouses offer a middle ground, with older ones benefiting from more extensive renovations. Gentrifying suburbs such as Reservoir, Preston, Coburg, and Brunswick continue to see demand.

South East & Mornington Peninsula

Renovations are notably more prevalent in Melbourne's inner south-eastern suburbs than in their outer counterparts, primarily driven by location desirability and specific planning overlays.

In areas such as Port Melbourne and Albert Park, renovations and extensions are particularly common due to heritage overlays that restrict owners from demolishing existing dwellings and rebuilding. Similarly, renovations are popular in suburbs such as Brighton, where residents often choose to preserve and enhance attractive existing façades that contribute to desirable streetscapes.

A prime example of a high-end renovation's transformative impact is a property in a prestigious pocket of Wheelers Hill. This residence, purchased for $1.29 million in 2019, later sold for $2,218,888 in 2024 following its renovation. Ideal for families, the property features four bedrooms, three bathrooms, and an alfresco area.

This case exemplifies how an older property in a desirable location can be revitalised into an attractive home. Such a renovation strategy can benefit homeowners, who avoid the need to permanently vacate, as well as investors, given the strong return on investment demonstrated.

This renovation proved to be a sound decision, as properties in sought-after locations that undergo quality renovations typically sell at the higher end of market parameters, with buyers willing to pay a premium for a desirable address.

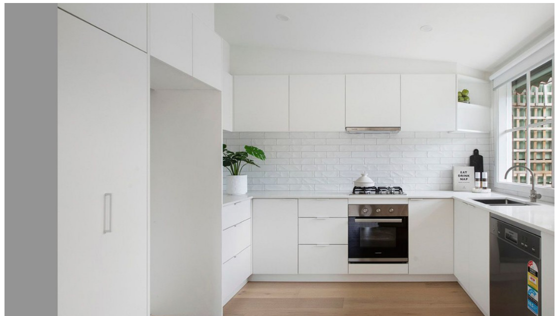
The Wheelers Hill property's performance, selling significantly above its $2.09 million listing price, underscores this market dynamic.

8 Buxton Court, Wheelers Hill Source: Corelogic

8 Buxton Court, Wheelers Hill Source: Corelogic

Another example of a renovated property is 6 Grey Lane, Albert Park, a three-bedroom, two-bathroom residence built in 1900 on a 186 square metre lot. This property recently underwent an internal renovation, revitalising its living spaces. It sold for $2.15 million in May 2025, having been acquired for $1.8 million in 2020.

6 Grey Lane, Albert Park Source: CoreLogic



6 Grey Lane, Albert Park Source: CoreLogic

Having undergone a significant renovation and extension, this five-bedroom, four-bathroom McCrae home sold for $2,015,000 in June 2025, a substantial increase from its 2019 sale price of $800,000. Located near the renowned Arthur's Seat, the property successfully blends original features with modern updates, making it highly appealing for families.

13 Matthew Street, McCrae Source: CoreLogic

13 Matthew Street, McCrae Source: CoreLogic

Eastern Suburbs

With property prices stabilising and renovation costs remaining high, many buyers in Melbourne's eastern suburbs are asking: is it smarter to renovate, or just buy something already done? The answer depends heavily on what you buy, where, and why.

Right now, demand for homes needing renovation has softened. Rising costs of labour and materials, longer construction timelines, and trade shortages have made many buyers think twice. For example, a three-bedroom 1960s brick veneer in Mitcham needing cosmetic updates might have sparked a bidding war three years ago – now, it is more likely to sit on the market for longer as buyers factor in the effort and expense required.

That said, renovating can still make sense if you buy right and budget wisely. In entry-level suburbs such as Bayswater or Ringwood, older weatherboard homes purchased under $800,000 may only need $80,000 to $120,000 in updates.

This could include a new kitchen, fresh paint, a bathroom upgrade, and some new landscaping, allowing them to compete with similar renovated homes now selling for over $1 million. Owner-occupiers with long-term plans, rather than quick flippers, stand to benefit most from this approach.

A 1970s weatherboard home serves as a great example of how a fresh coat of paint and some new landscaping can bring an old property back to life. Purchased for $613,000 in its original condition, it recently sold for $850,000.

Meanwhile, fully renovated homes and new dwellings are in hot demand across the east, especially in areas with top school zones such as Glen Waverley, Vermont South, and Doncaster East. Buyers, particularly families and professionals, are willing to pay a premium for turnkey properties that require no extra work. The convenience factor is driving this trend in today's market; certainty often outweighs potential.

This new build in the sought-after Glen Waverley school zone reflects the high demand and price for

Rising costs of labour and materials, longer construction timelines, and trade shortages have made many buyers think twice.

turnkey products in these types of locations. The property has just sold for $4.1 million.


18 Olinda Street, Glen Waverley Source: CoreLogic

There is still room for profit in renovating, but the margin is as thin as it has ever been. Land tax and capital gains tax continue to put downward pressure on margins, and this is particularly evident in the eastern suburbs where land values are high. The most realistic opportunities exist in suburbs such as Heathmont, Ringwood East, or Ferntree Gully, where prices are more affordable and cosmetic upgrades can go a long way.

A 1950s house on 600 square metres in Nunawading, for instance, could yield a $100,000 to $150,000 uplift post-renovation, but only if costs are well managed and the purchase price is sharp.

For renovations to become more viable at scale again, a few market conditions would need to shift, including a drop in construction costs, better access to skilled trades, revisiting state taxes, and stronger price growth for finished homes. Until then, buyers looking to profit from renovations will need to be strategic, patient, and financially prepared.

Particularly in the eastern seaboard of Melbourne, where land values are high, investors are fleeing the market, and most agents are reporting that the bulk of stock on market is investor stock being offloaded due to steep rises in land tax obligations. This is contributing to the very tight rental market in this region.

There is still room for profit in renovating, but the margin is as thin as it has ever been.

Western & North Western Suburbs

As Melbourne's western suburbs shake off winter, renovation interest is picking up, though it varies significantly by location. In inner-west suburbs such as Albion, Kingsville, and Seddon, homes needing renovation remain highly sought after.

Buyers are drawn to the character homes, established communities, and close proximity to the city.

Demand is largely driven by those looking to add value through cosmetic upgrades or transform an older property into a modern, desirable home. While construction costs have risen, renovating in these areas can still make financial sense if the property is structurally sound and improvements are carefully planned.

By contrast, in the outer west, including Tarneit, Truganina, Melton, and Werribee, appetite for renovation is much lower. Buyers here tend to prefer new homes, which come with modern designs, builder warranties, and low maintenance. With government incentives favouring new builds and the increasing costs and delays involved in renovations, many find it easier and more economical to purchase established or brand-new properties.

Fully renovated homes, especially in the inner west, continue to sell quickly and at a premium. Many buyers opt for move-in-ready homes to avoid the hassle and unpredictability of renovation projects.

Although the price gap between renovated and unrenovated properties has narrowed somewhat recently, renovated homes still command a premium and tend to sell faster.

The property at 33 Adelaide Street, Albion, was originally purchased in 2018 for $710,000. It underwent a full interior and exterior transformation, including a significant extension to the rear. By 2025, the property had been completely reimagined as a spacious four-bedroom,


33 Adelaide Street, Albion before Source: realestate.com.au


33 Adelaide Street, Albion after Source: realestate.com.au


33 Adelaide Street, Albion before Source: realestate.com.au


33 Adelaide Street, Albion after Source: realestate.com.au

two-bathroom home featuring open-plan living, skylights, a butler's pantry, and an outdoor alfresco area.

The renovation also included landscaped gardens and the addition of a brand-new two-car garage, resulting in a standout family home that sold for $1,402,000, nearly doubling its original purchase price.

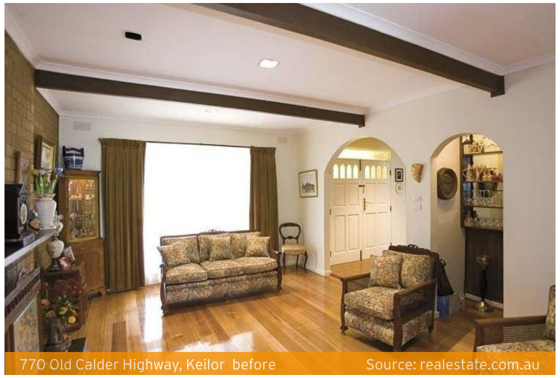
The property at 770 Old Calder Highway, Keilor, was originally purchased in 2008 for $535,000. The renovation included a striking new façade, roof restoration, and a full interior upgrade with high-end appliances, polished hardwood floors, ornate fireplaces, and premium finishes throughout.

The home now offers five bedrooms, a study, formal lounge and dining, an open-plan kitchen/meals/family area, plus a large rear rumpus room overlooking landscaped gardens. Outdoor living is elevated with a modern alfresco area and pool. It recently sold for $1.52 million in 2025, making this a standout example of how well-executed renovations can significantly boost value.


770 Old Calder Highway, Keilor before Source: realestate.com.au


770 Old Calder Highway, Keilor after Source: realestate.com.au

Profit opportunities from completing a renovation remain, but they are more selective. Cosmetic upgrades such as kitchens, bathrooms, and landscaping typically deliver the best returns, particularly in sought-after inner suburbs.


770 Old Calder Highway, Keilor before Source: realestate.com.au


770 Old Calder Highway, Keilor after Source: realestate.com.au

Larger structural renovations or projects in the outer western and north-western suburbs are likely to carry more risk and do not generally generate strong profits unless the property is purchased well below market value.

In summary, renovation in Melbourne's west remains a strong option but is highly location dependent. The inner west continues to be the prime area for smart renovation projects, while in the outer west, buying new or near new is often the safer and more practical choice.

Geelong & Bellarine Peninsula
Recent PropTrack modelling across Geelong suburbs highlighted Manifold Heights as having the

greatest potential for growth, projected at 76 per cent by 2030.

The current median house price for the suburb is $1.26 million, and it could potentially reach $2.2 million by 2030.

Although the suburb experienced a decline of 2.86 per cent in the last quarter, it has shown 10.96 per cent growth over the past 12 months. Analysis revealed that greater value was derived from renovations, extensions, and rebuilds on typically larger lot sizes.

Manifold Heights benefits from its close proximity to Manifold Heights Primary School, Geelong College, Shannon Avenue shopping, and various sport and recreation reserves, making it a desirable location for families. Consequently, households are primarily couples with children, drawn by the location and larger land sizes, which are protected by a single dwelling covenant, further enhancing the area's desirability and liveability.

Residents of Manifold Heights generally work in professional occupations, with the predominant age group being 40–49 years.

Understanding the demographics of typical buyers in the area is crucial for guiding renovations that will add the most value for that specific market.

Busy professionals and families are unlikely to undertake renovation work themselves and are attracted to homes offering convenience and immediate liveability.

The property at 7 Bostock Avenue, Manifold Heights, on 890 square metres, was purchased unrenovated for $965,000 in February 2023 and sold in April 2025 for $2.25 million following a renovation and extension.

7 Bostock Avenue, Manifold Heights before Source: realestate.com.au

7 Bostock Avenue, Manifold Heights after Source: realestate.com.au

12 Narmbool Street, Manifold Heights before Source: realestate.com.au

12 Narmbool Street, Manifold Heights after Source: realestate.com.au

The property at 12 Narmbool Street, Manifold Heights, spanning 697 square metres, was purchased unrenovated for $792,000 in December 2020. After undergoing a quality renovation, it is currently for sale with a price guide of $2 million to $2.2 million.

Open layouts, energy-efficient appliances, smart home technology, work-from-home space, and outdoor living are sought-after features that enhance functionality and appeal.

Renovated properties that incorporate these elements in a contemporary living environment that meets evolving needs and preferences are highly desirable. The market is willing to pay a premium for these features, recognising the value they add to the living experience.

Kitchen and bathroom upgrades are known to add value with high visual impact and provide the highest return on investment. However, overcapitalisation is a risk, and while well-executed renovations generally recoup costs, rising construction expenses mean resale gains are not guaranteed.

Perron King
Director

Mildura

Demand for renovation projects in Mildura is steady. However, with a recent influx of out-of-town investors, the price point of these renovation projects has increased significantly in the last 12 months.

Renovating can be cost-effective if buying a property at a competitive price, but major renovations may not always provide a financial advantage due to currently high labour and material costs. Renova-tions are worth considering for buyers who, themselves or through friends or family, have some ex-pertise in renovating.

There is strong demand for fully renovated homes, especially from those who prefer turn-key proper-ties with no major changes needed to the property.

Profits are still possible, particularly in sought-after areas or with smaller homes. Success depends on purchasing at the right price, controlling renovation costs, and making cosmetic changes as opposed to structural improvements.

Jake Garraway
Valuer

Warrnambool

Within the renovation sphere there remains a clear-cut divide between the dreams of grand returns by the renovator and the willingness of the market to pay a premium for these properties, which are typically located in secondary areas. Properties requiring renovation, or that would be improved by renovations in these areas and more broadly across Warrnambool, have a solid level of demand at present, being some of the most affordable options available.

> *Renovating for a higher rental return and claiming the associated depreciation benefits, however, has a great deal of supporting evidence to suggest this is a much better use of money.*

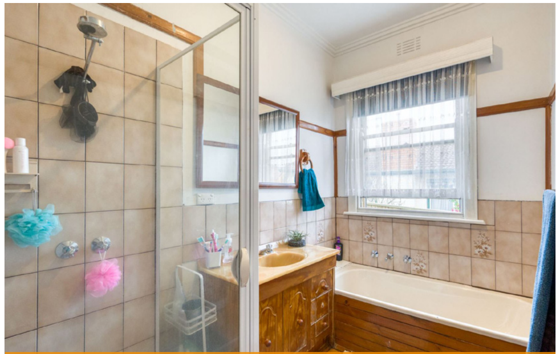
Renovating for a resale profit at present is not a great idea. Renovating for a higher rental return and claiming the associated depreciation benefits, however, has a great deal of supporting evidence to suggest this is a much better use of money.

Two examples below show the before and after of recently renovated and resold properties, both situated within secondary locations.

The first is 12 Nicholson Street, Warrnambool, selling at $450,000 in July 2022 and again in August 2024 at $510,000.

The second is the extensively renovated 9 Wickham Court, Warrnambool, with full internal, garage, and external/landscaping works completed. Wickham Court recently sold for $607,000 in June 2025, with a previous sale of $500,000 in May 2022.

12 Nicholson Street Warrnambool - pre-renovation Source: rpdata.com



12 Nicholson Street Warrnambool - bathroom-before Source: rpdata.com

12 Nicholson Street, Warrnambool - post-renovation Source: rpdata.com

12 Nicholson Street Warrnambool - bathroom-after Source: rpdata.com

9 Wickham Court Warrnambool - before Source: rpdata.com

9 Wickham Court Warrnambool - after Source: rpdata.com

The Wickham Court resale showing $107,000 "profit" is of course not the whole story, and as far as the impact of the renovation works on that number, it is worth noting some other sales in the same area such as 10 Carramar Crescent, Warrnambool (sold April 2025 for $610,000). These show the market is much more in favour of the overall scale and maturity of a property than its passing cosmetics.

Adrian Castle
Director

Queensland - Residential 2024

Brisbane

As spring arrives in Brisbane and property owners emerge from the quieter winter months, the renovation market presents a nuanced landscape that reflects both opportunity and caution. With Brisbane's median house price now exceeding $1 million, the idea of undertaking a springtime renovation project requires careful analysis of the numbers.

Brisbane's renovation market in 2025 is characterised by a push-pull between demand for fully completed properties and enthusiasm for major renovation projects. High construction costs, builder availability issues, and project management complexities continue to influence buyer behaviour across all market segments. However, opportunities remain for astute purchasers who understand the fundamentals of location, property type, and realistic renovation scope. In a market like ours, where there is limited available stock, sometimes a renovation project is the only option for buyers looking to get their foot in the door.

That said, there's a clear preference for turn-key properties among most buyers, with significant price disparities between renovated and unrenovated stock. This gap has not materially closed in recent months, creating both challenges for those requiring extensive work and opportunities for experienced renovators with some DIY skills to hand who are willing to take on a project.

The central Brisbane renovation market reflects the broader challenges facing premium inner-city locations. While there remains strong demand for unrenovated properties in sought-after areas such as New Farm, Ascot, and Bulimba, buyer behaviour has shifted markedly toward risk aversion.

Properties requiring renovation in these premium locations continue to attract interest due to severe stock shortages, with any available property typically being snapped up quickly regardless of condition. However, there's noticeably less appetite for extensive renovation projects compared to previous years, as purchasers show reluctance to undertake large-scale works due to cost concerns and difficulty in securing reliable builders.

Make no mistake, there are premiums to be made at the upper end of the price range, but they require an almost forensic approach to keeping costs low and maximising the value of every dollar spent. Get the formula right and you can have deep-pocketed buyers fighting over the end product. Mess it up and there's the very real risk of making an expensive loss.

For those who buy at the lower end of the inner-city price range, there is less risk in a project. Be smart about your choices. Cosmetic upgrades to lower-priced homes and units can deliver great results. Buyer demand in these lower price points is robust at present. While it can mean paying a premium for an unrenovated home, there is an upside. Get the finished product right in terms of aesthetics and functionality, and there will be plenty of buyers eager to purchase it.

36 Lindon Street, Dutton Park - before Source: Cotality

36 Lindon Street, Dutton Park - after Source: Cotality

One great example of what can be achieved is this home at 36 Lindon Street, Dutton Park. The property was purchased in May 2019 for $885,000. An extensive renovation of the house was completed, and it sold in May this year for $4.5 million. It must be recognised that the market strengthened significantly throughout those seven years; however, there's also no doubt that a premium price was paid for this home.

RESIDENTIAL

HERRON TODD WHITE

The inner south renovation market also has some sobering lessons about the realities of current construction costs and market dynamics. A recent example at 36 Abbott Street, Camp Hill, illustrates both the potential and the risks facing renovators this spring.

This large 1970s lowset property with a 1990s two-storey addition was purchased for $1.48 million in June 2024. The new owners undertook extensive renovation, including room reconfiguration, complete internal renovation, exterior and interior painting ($80,000 alone), new bathrooms and kitchens, and landscaping. The total renovation investment likely reached $300,000 to $400,000.

36 Abbott Street, Camp Hill - before Source: Cotality

36 Abbott Street, Camp Hill - after Source: Cotality

Purchasers in mid-ring suburbs are often demolishing post-war dwellings to build new, bypassing renovation complexities altogether while capitalising on land values.

However, the project moved the property from the competitive low-to-mid $1 million price bracket into the much more challenging low-to-mid $2 million market segment. Recently selling for $2.32 million with a subject-to-sale clause, the property achieved less than expected.

The inner south market probably favours smaller-scale projects, with the unit market showing more promise for renovation returns. The rapid movement in Brisbane's unit market means that renovating an older two-bedroom, one-bathroom unit can yield positive results for savvy buyers.

Our experts in the inner north say their suburbs present a more optimistic landscape for renovations than others, with increased activity and stronger fundamentals supporting renovation projects. The market for unrenovated homes is quite strong, with many first-home buyers looking to purchase and renovate over time, spreading costs across multiple years.

Encouragingly, there have been more properties undergoing major internal renovations in the past six months compared to the previous period. While minor renovations show limited profit margins, major renovations resulting in practically new dwellings demonstrate better potential returns.

Inner mid-ring pre-war dwellings offer excellent opportunities for experienced renovators, particularly Queensland cottages in suburbs such as Wooloowin and Hendra. Popular value-add projects include converting enclosed balconies into en-suites, which can deliver solid returns when executed properly.

Additionally, purchasers in mid-ring suburbs are often demolishing post-war dwellings to build new, bypassing renovation complexities altogether while capitalising on land values.

The market for fully renovated homes remains strong in the inner north, mainly due to limited stock availability. While construction risks may have diminished somewhat with fewer reported builder financial problems, a significant disparity still exists between renovated and original properties.

Market conditions in the inner north are stronger than they've been for some time, with opportunities for profit dependent on minimising expenses. Owner-occupier renovators can reduce costs by undertaking landscaping and painting works themselves while engaging professionals for structural elements.

The primary buyers of renovated properties in this region are trade-up purchasers – individuals purchasing a second or third home – as well as young professionals. There's good market activity across a broad mix of renovated properties, spanning both pre-war and post-war dwellings throughout mid-ring areas from Bald Hills to Albion.

The Ipswich renovation market presents some of the strongest fundamentals for unrenovated properties, driven primarily by affordability constraints pushing buyers westward from Brisbane's higher-priced markets.

Demand for unrenovated homes is robust in Ipswich, with DIY-oriented buyers prepared to live in properties while renovating simultaneously. This approach allows buyers to enter the detached housing market at lower price points while building some sweat equity through tackling their own improvements.

The continual rise in Brisbane property prices and competitive buying conditions mean some owner-occupiers are prepared to undertake renovations and extensions in Ipswich, even though the cost often doesn't immediately equate to added value upon completion. However, the rising market means owners are likely to recoup their costs over time.


1 Turner Street, Ipswich - before Source: Cotality


1 Turner Street, Ipswich - after Source: Cotality

Ipswich also contains a plethora of traditional workers' cottages, many of which are ripe for renovation. The recent sale of 1 Turner Street, Ipswich, for $1.35 million in July reflects strong demand for what these cottages can become. Now a five-bedroom, three-bathroom home of excellent finish, the property had been purchased some years earlier as a rundown cottage in dire need of attention.

All in all, renovation prospects are a mixed bag across Brisbane's various property markets. The key takeaway is that there's probably more opportunity now than in recent years to complete a renovation without overcapitalising. The key is being careful with property selection and upgrade cost analysis – something that your independent property advisor can assist with.


Shannan Chandler
Director

Gold Coast

Spring is often celebrated as the season of fresh starts, particularly in real estate, where warmer weather traditionally prompts a flurry of buying, selling, and renovation activity. But lately, it appears high costs and tighter budgets are testing the long-standing appeal of renovating for profit.

Despite a wide selection of older homes and units on the Gold Coast crying out for a makeover, enthusiasm to purchase and renovate a 'doer-upper' has noticeably cooled for the properties that come with the higher price tags.

The challenges are many. Whilst sourcing a tradesperson has become somewhat easier compared to the frenzied post-COVID period, the cost of materials and labour remains high.

For those hoping to take on a modest renovation project, many are finding that trades are unwilling to discount to complete the smaller tasks.

It seems buyers are increasingly reluctant to take on renovations unless they have the appropriate skills or have the right connections to manage the project themselves. Therefore, we are seeing this space being largely dominated by builders and tradespeople. These individuals do not have to contend with high builder margins, can source materials more competitively, and can navigate the renovation process more efficiently. For them, renovating still makes sense. For the average homeowner, it has become a lot harder to justify.

That being said, good opportunities to renovate and flip for reasonable profit still exist, most notably at the more affordable end of the market. Seek entry-level opportunities where possible. The market for homes priced under $1.5 million, and for units under $1 million, remains highly competitive, driven largely by a shortage of available stock in these price brackets. However, for buyers who can secure a property within this range and in a reasonably well-located area, the investment outlook appears promising.


6 Lind Avenue, Southport Source: realestate.com.au

HERRON TODD WHITE

Chirn Park, Southport Source: realestate.com.au

A great example of an older-style home ripe for renovation is the property at 6 Lind Avenue, Southport, which sold in April this year for $945,000. Nestled in the sought-after Chirn Park precinct, the home is a classic 1970s low-set brick dwelling with a metal roof, generous carport accommodation and a separate shed/garage constructed on a 574 square metre block. While the property currently presents in dated condition, with minimal investment, it holds excellent potential to be transformed into a more liveable residence which could also offer good rental returns.

Gentrification is quietly reshaping several once-overlooked Gold Coast suburbs. Areas like Tugun, Miami, Southport and Labrador are now very popular with young families and are renovation hot spots, drawn by their central locations and easy access to established infrastructure. We are seeing an increasing number of renovations to the older-style homes within these suburbs that are not necessarily aimed at flipping for a profit, but instead, the homeowners are looking to improve their living conditions.

From our perspective, completing straightforward and low-risk cosmetic upgrades appears to be the most practical approach to 'renovating and flipping' at the moment. Improvements such as a new kitchen or bathroom, fresh paint and updated floor coverings can add real value without the time, cost, or complexity involved in a full-scale renovation.

One recent case example that highlights the value of a well-executed and budget-conscious renovation involves two adjoining duplex units in Southport on the central Gold Coast.

Earlier this year, we noted that 2/23 Mason Street, Southport, a semi-attached, circa 1999 built, part two-storey duplex unit sold for $870,000. This property offers three-bedroom and two-bathroom accommodation with a single lock-up garage and largely retains its original exterior and interior with average quality finishes throughout.

What makes this case example particularly interesting is the recent sale of the adjoining unit, 1/23 Mason Street, which shares the same layout and size but has undergone a series of cosmetic upgrades. This renovated duplex recently sold for $1.15 million. Recent renovation improvements included a partially updated kitchen, fully renovated bathrooms, fresh internal and external paintwork, new flooring in selected areas, and the addition of new front fencing and an outdoor bar beneath the existing patio roof. According to RPData property records, Unit 1 previously changed hands in March 2024 for $821,000 prior to the renovation, clearly demonstrating the uplift in value that can be achieved through targeted cosmetic improvements.

From our perspective, completing straightforward and low-risk cosmetic upgrades appears to be the most practical approach to 'renovating and flipping' at the moment.


Units 1 & 2/23 Mason Street, Southport Source: Cotality

Another example of a property achieving a standout sale result following a cosmetic renovation is 10 Camphor Wood Court, Robina. This home reportedly sold in June for $1.745 million after approximately two weeks on the market. The property comprises a circa 2002-built, single-storey brick veneer dwelling with a tile roof, offering four bedrooms, two bathrooms, a double lock-up garage and a swimming pool, all situated on an 813 square metre block.


10 Camphor Wood Court, Robina Source: realestate.com.au

HERRON TODD WHITE

10 Camphor Wood Court, Robina Source: realestate.com.au

Recent renovation works included updated kitchen, bathroom, and laundry fitouts, new flooring throughout, and fresh internal paintwork. While the interior now presents a contemporary and refreshed aesthetic, the exterior remains largely in its original, but neat and well-maintained condition.

For comparison, 14 Camphor Wood Court, Robina, which is a similarly sized dwelling in original condition on an 806 square metre lot, sold just a month earlier for $1.36 million. Although it lacked a pool, the significant price gap suggests that substantial value was placed on the updated interior at number 10, again demonstrating how specific cosmetic updates can significantly enhance a property's market appeal and value, and reflects the market's willingness to pay more for properties with refreshed interiors.

14 Camphor Wood Court, Robina Source: realestate.com.au

14 Camphor Wood Court, Robina Source: realestate.com.au

While recent observations from our valuer team indicate that demand for homes requiring immediate renovation has eased, with listed properties that need significant updating typically spending more time on the market, the market for fully renovated homes or new homes continues to perform well across the Gold Coast. For renovation flippers aiming for a quick turnaround and profit, purchasing a 'doer-upper' can make sense if they can do the majority of the renovation work themselves and have access to trade materials at reasonable prices. The project can become even more viable if the property can be lived in or rented out in its un-renovated state while the work is being completed.

The Gold Coast is also home to a diverse mix of apartment buildings, many of which date back to the 1970s. While some of these residences still feature original, dated interiors, many offer solid foundations, and with the right updates, they can deliver strong returns for both investors and owner-occupiers.

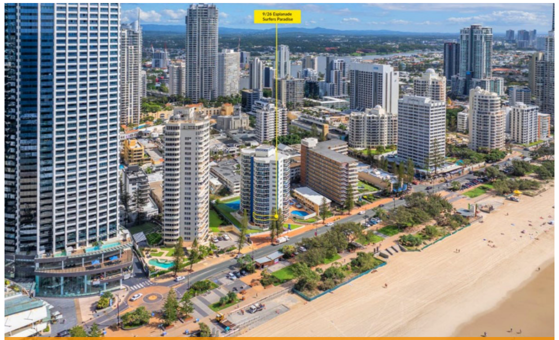
Affordability remains one of the appealing aspects when it comes to apartment renovations. A typical two-bedroom unit, with its more compact footprint compared to a standard house, generally requires less material and labour, making it a more cost-effective option for those looking to modernise on a budget.

With rental demand levels remaining high, particularly in high-traffic suburbs like Burleigh Heads, Broadbeach, and Surfers Paradise, renovated apartments are increasingly sought after. A fresh, modern interior can help secure long-term tenants and command a premium rental price.

But renovating an apartment brings its own nuances, especially compared to freestanding homes. Having good pedestrian and vehicle accessibility to the unit is important. Also, Body Corporate regulations often require approval for structural changes, plumbing, flooring upgrades, and any major works. This can slow down your timeline and limit what can be done within the space. As a result, most apartment renovations are cosmetic rather than structural.

An example of a great beachside unit renovation project is 9/26 The Esplanade, Surfers Paradise. This one sold in June this year for $890,000 and comprises a largely original, single-level, two-bedroom, two-bathroom strata unit situated on the second floor of a circa 1980-built high-rise positioned opposite the beachfront and a stone's throw away from Cavill Avenue mall. The apartment features a south-easterly outlook towards the ocean and one basement car park. Body Corporate costs are approximately $158 per week.

A fresh, modern interior can help secure long-term tenants and command a premium rental price.



9/26 The Esplanade, Surfers Paradise Source: realestate.com.au

9/26 The Esplanade, Surfers Paradise Source: realestate.com.au

Unlike houses, apartments often have a resale ceiling influenced by the age of the building, location, and ongoing strata fees. Overcapitalising is a real risk, especially in older complexes. No matter how stunning your renovation, dated common areas and exteriors can still impact the property's overall appeal and market value.

For flippers looking to take on a bigger challenge and tackle a full renovation with building additions, which can be viewed as a high-risk, high-reward style project, it is crucial to do the necessary homework. Make sure you have a clear idea of the potential costs involved and what parts of the work you can realistically take on yourself. With older homes, especially, it is a good idea to obtain advice from a builder early on to get a sense of any cost blowouts or supply issues that could arise.

In the more affluent suburbs of the Gold Coast, we have noticed many purchasers opting to demolish existing homes regardless of size or condition in favour of building brand-new, custom-designed residences. Rather than navigating the time-consuming and often costly challenges of renovation, these buyers are prioritising a clean slate that allows for contemporary architectural styles, optimised floor plans, improved energy efficiency, and fewer unforeseen complications. A knockdown and rebuild approach can be seen as a more streamlined, predictable path to creating the ideal home without the compromise and risk associated with major renovations.

Many builders on the Gold Coast remain very active in the luxury home market, which has demonstrated strong performance over the past few years. Those with experience and the advantage to operate on a larger scale continue to find opportunities for solid returns, whether through full-scale renovations or knockdown and rebuild projects in the more desirable localities such as Burleigh, Palm Beach, and Mermaid Waters.

Heading towards Logan/Brisbane and in the northern Gold Coast corridor, the landscape is largely defined by modern residential estates, which naturally limit the demand or need for renovation. However, our valuers are noting a rise in renovation activity within the older, more established suburbs like Beenleigh and Eagleby. In these areas, well-maintained renovated homes, whether houses, townhouses, or units, are attracting strong interest from owner-occupier buyers, drawn to their presentation and relative affordability. Many of the homes in this area date back to the 1980s and are now showing their age, making them well-suited for a refurb. With land prices significantly lower than in the central Gold Coast, this pocket represents a key entry point into the local property market. Even modest improvements can make a big difference. Updated kitchens and bathrooms, in particular, have been shown to significantly lift the sale price of homes. Properties without these updates often struggle to reach anywhere near their full potential, both in buyer interest and final sale price.

Overall, the appetite among average buyers to purchase and renovate properties currently hinges on several factors, most notably, the cost of completing renovation work and the availability of qualified trades and labour within reasonable timeframes. Unless construction costs ease and price relativities stabilise, buying a 'doer-upper' is likely to remain a challenging prospect in the current market.

Sam Gray
Director

Sunshine Coast

There is no doubt we have seen an increase in the gentrification of established suburbs, particularly in the sought-after coastal and beachside areas. With the strength of the market over the past five years, the option of 'trading up' was difficult, so owners have had to reassess their choices. If you like where you live, the alternative is to renovate and extend the current home – perhaps even add a pool. This helps future-proof the property.

The main driver of gentrification in these older areas is their proximity to amenities and/or the beach, creating strong demand for these locations. Coastal suburbs south of Caloundra through to Maroochydore have become renovation hot spots. Further north, Mount Coolum, Yaroomba and Coolum Beach are seeing solid activity. In the Noosa region, Sunrise Beach, Sunshine Beach, 'Old Tewantin' near the river and town centre, and Noosa Junction are all experiencing significant numbers of renovations and rebuilds. Once again, proximity to shops, cafés, and the beach is driving desirability.

The majority of renovations are being undertaken by owner-occupiers who wish to remain in their current location, often close to schools or the beach, while creating their dream home. When the market was more buoyant, some house-flipping occurred with strong results, but this appears to have slowed.

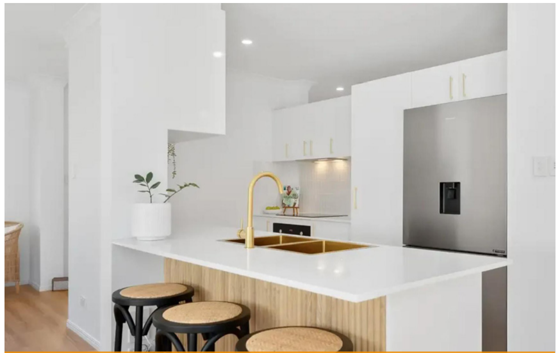
Like most regions in Australia, the construction industry continues to face challenges. While material cost increases have started to stabilise, labour costs remain elevated. Anyone looking to renovate struggles to have confidence when estimating costs. Against this backdrop, it is little surprise that well-presented properties with high-quality renovations continue to attract a premium, as most purchasers are reluctant to undertake the renovation or rebuild process themselves.

While renovations typically focus on houses, we are also seeing older walk-up style unit complexes and townhouses being refurbished. However, a risk with these projects is that if the body corporate is unable to undertake exterior works, the appeal of the internal renovation may be undermined.

The typical entry price point for these properties along the coast ranges from $900,000 to $1,200,000. However, in the northern suburbs of Sunshine Beach and Noosa Heads, entry prices are well above this range.

A recent example of a renovation can be seen at 78 Lake Entrance Boulevard, Noosaville, which was purchased in November 2024 for $1.06 million and resold in June 2025 for $1.33 million.

78 Lake Entrance Boulevard, Noosaville - before   Source: Herron Todd White



78 Lake Entrance Boulevard, Noosaville - after   Source: Herron Todd White

The Sunshine Coast continues to attract new residents and lifestyle buyers. With the 2032 Brisbane Olympics on the horizon, positive energy in the market appears set to continue.

Stuart Greensill
Director

Rockhampton

The Rockhampton region offers excellent opportunities for those who are looking to buy and renovate, otherwise known as "flipping." The Rockhampton region offers very attractive price points, has a strong local economic status and extremely low vacancy rates, which provide a favourable combination of factors that is attracting flippers from all parts of the country.

For those who are hands-on and capable of completing a large proportion of the work themselves, it proves a little more appealing; however, for those who require reliable tradesmen to complete the work, that can be one of the biggest challenges to overcome.

Finding the right property is a key starting point. Most notably, it requires a dwelling with "good bones" where the majority of renovations can be done of a cosmetic nature, such as painting, floor coverings, fencing, and landscaping. It is a step up; however, once we look at new kitchens, bathrooms, reconfiguration, and/or extensions, which will drive up the cost and complexity.

Completing a project of this nature requires sufficient funds to obviously purchase the property initially, but also requires an allowance for the renovation budget plus a reasonable contingency factor, as the renovations can often be higher than expected.

Here are a few examples:

- **7 Kirkellen Street, Berserker** – Purchased off-market in late October 2024 for $320,000. Renovation - $90,000 (fresh paint, part new fencing, landscaped, updated kitchen and new floor coverings). Resold in early May 2025 for $527,000 - a $117,000 gross profit in 6 months.

- **4 Farrel Street, Park Avenue** – Purchased off-market in late October 2024 for $390,000. Renovation – $40,000 (fresh paint, new floor coverings, professional staging and marketing). Resold in early March 2025 for $510,000 – an $80,000 gross profit in 5 months.

Alistair Gunthorpe
Valuer

Gladstone

Renovation projects have been thin on the ground over the last 12 months. This is in part due to building costs that are now at record high levels for the region. The market is also now at a point where the initial purchase of a dwelling or unit is also at record high levels. There are still bargains to be had; however, entry-level basic original homes are now at a much higher price point. There is very little stock under the price point of $400,000 for an established dwelling. At this price point, you would typically get a circa 1950s dwelling in a central Gladstone suburb that would need a renovation. Assuming a full renovation, that same circa 1950s dwelling in a central Gladstone suburb would fetch north of $500,000, obviously dependent on the quality and scale of the renovation.

Due to increased building costs and the difficulty in getting tradesmen to complete the work, many owner-occupiers and investors will go straight for a fully renovated property so they do not have to spend any money once they've moved in. Of course, buyer preference comes into play here; however, premiums are being paid for well-renovated homes with no maintenance required.

Regan Aprile
Director

Bundaberg

Renovations can increase the value of your home, whether you're looking to sell straight away or down the track, if done right. Buying the unrenovated property at the lowest price point in a good location, completing a good quality renovation, then selling in a stable to rising market could see good profits. However, the renovation market is currently impacted by a lack of stock, high costs, and a lack of labour and materials. So, entry-point unrenovated properties aren't so cheap anymore to justify the increased profit expected from renovating. Overcapitalisation is also an issue where the price point gets so high that it may be more economical to purchase modern or brand new instead of renovating.

However, if you want to add a bright touch to your home for spring that may increase its value, try painting (do a good job at it or get a professional), freshen up your kerb appeal and update kitchen and bathroom fixtures and fittings. But always keep in mind that what you love, someone else might not.

Catherine Kersnovske
Senior Valuer

Mackay and Whitsundays

This month, we look at renovations and how accepting the market is for these products in Mackay. The short answer is very accepting! Well-renovated dwellings (and I'm not talking about a quick trip to Bunnings to buy a paintbrush) are selling extremely well. A recent example is 193 Kippen Street, which sold earlier this year for $816,000. The dwelling was fully rebuilt to a high standard and represented a new high for this type of product.

The biggest challenge in the current market is finding an unrenovated dwelling. Entry-level prices have risen significantly over the last couple of years. Secondly, unless you are a tradie or can do the majority of the work yourself or with "mates' rates," obtaining contractors at a reasonable price is a significant challenge to renovating dwellings in Mackay. Most trade companies have a large backlog of work at present, so timing becomes the key.

If you can get everything aligned, there is definitely a good value-add for full renovations. A good recent example is 8 Ready Street, South Mackay, which sold in May 2024 for $390,000, underwent a complete renovation, and then was re-sold in April 2025 for $620,000.

Kym Cook
Valuer

Emerald

The prospect of renovating a house in Emerald is starting to make more sense than it has in years. With high demand and low supply driving up prices, it is becoming more feasible to take on renovation projects. However, this is tempered by ongoing high construction costs and limited available trades in Emerald, which will likely stop some projects in their tracks.

The market is very responsive to renovated homes and will pay a premium to avoid having to take on the renovation projects individually. Investors

The biggest challenge in the current market is finding an unrenovated dwelling.

prefer an updated dwelling. Whether or not there is profit to be made from renovations depends a lot on the dwelling's age, style, condition, etc.

The most common projects occurring in Emerald are part renovations – new kitchens, bathrooms, and laundries. For houses that need extensive renovations, it is clear from sales that discounts are applied in the sale prices, acknowledging the difficulty and risk of renovations.

The most likely purchaser of a renovator presently would be a tradesperson who can carry out a lot of work for themselves and who has networks in the industry. To make renovations more viable for the average buyer, the Emerald market will need more tradespeople taking on the work and a decent price disparity between the unrenovated and the renovated.

Kellie Blomfield
Valuer

Fraser Coast

Hervey Bay currently has a very tight market, low vacancy rates, tight rental yields and rising median property prices. Renovators have limited options for bargains, with most new stock being apartments or house-and-land estates (not standalone houses). Appropriately priced renovation properties are receiving strong competition from prospective buyers. Listings move quickly, often at or above asking price, making it harder to find undervalued or bargain buys. Major projects (new roads, apartment complexes, community hubs) are boosting confidence and making the broader area more attractive than just central or beachside locations.

With competition eating into any price discount and high demand for move-in-ready homes, buying something already renovated often makes better economic sense unless you can secure a significant discount upfront.

Renovations work best when you have cost certainty or in-house skills (e.g. DIY trades) to control budgets; you're adding value via enhancements (e.g. adding a bedroom, bathroom, open plan living) that significantly boost resale appeal and typically for the Fraser Coast, the bigger the shed, the better!

Margin depends on price point and location – profits look best in mid-range segments (e.g. $500,000 to $600,000) where added improvements yield a more substantial return. However, nowadays there is limited stock in this price range. Generally, the older beachside suburbs of Pialba, Scarness, Torquay and Urangan comprise a scattering of older style 'beachy' homes ripe for renovation. Unfortunately, the underlying land value has significantly improved over the past three years, making that bargain buy harder to find. Big, top-end renovations are riskier due to higher expectations.

Bottom line is to beware of overcapitalisation to ensure that upon completion, you haven't priced yourself out of the market.

Doug Chandler
Director

Townsville

In the current market in the Townsville Region, purchasing a property to renovate and sell for profit is a tough proposition for the average person. Numerous obstacles stand in the way, ranging from access to the right properties, through to high renovation costs and availability of trades.

There are a handful of what you would call professional flippers operating within the region. These flippers tend to have better access to the more affordable properties that are more suited to flipping, with most of these transactions occurring off-market. They also have tradespeople available at hand and manage costs by using similar, if not the same, materials on the renovations, which are potentially bought in bulk, also helping mitigate costs.

Properties that have undergone renovation appear to be quite popular in the market and present a good alternative to either purchasing new, as well as or avoiding the cost and effort of renovating.

General renovations, such as renovating a bathroom or kitchen, can be beneficial, however purchasing with the intent for major renovations or extensions is usually not cost effective due to the high cost of carrying out these works, with cost in a lot of cases not equating to added value, with very few if any of these projects going ahead.

If a seller has owned the property for a substantial amount of time, renovating prior to selling is likely to reap rewards, particularly if the property is showing signs of age, wear and tear. It would also mean

Properties that have undergone renovation appear to be quite popular in the market and present a good alternative to either purchasing new, as well as or avoiding the cost and effort of renovating.

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that the property was purchased in a much weaker market and the cost associated with renovating would not be as significant a factor.

Hayden Lynam
Valuer

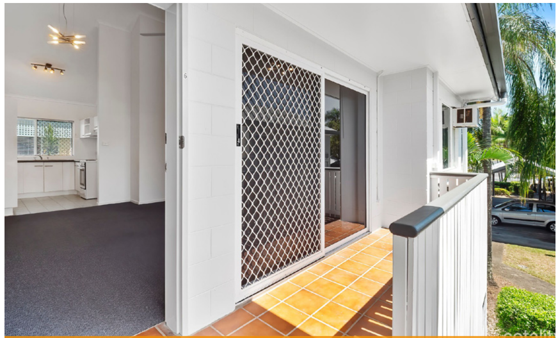
Cairns

Rising property values are driving demand for affordable 'renovator' opportunities in the Cairns market.

Units rather than detached houses now dominate cheaper stock. Many buyers who have been priced out of the traditional housing market are opting for duplex units, villas, townhouses and standard units.

The lower-priced unit market in Cairns has outperformed the detached housing market in recent months and has been the standout performer over the past four years following COVID. A notable example is the recent sale of a two-bedroom, one-bathroom unit at 25 Balaclava Road, Earlville. This property sold for $250,000 on 3 July 2025, having previously transacted in March 2021 for $148,000. No major renovations were undertaken between sales. This equates to a 69 per cent increase in capital value in just four years. Affordability makes this segment attractive to investors, owner-occupiers and property flippers.

25 Balaclava Road, Earlville Source: RP Data/Cotality

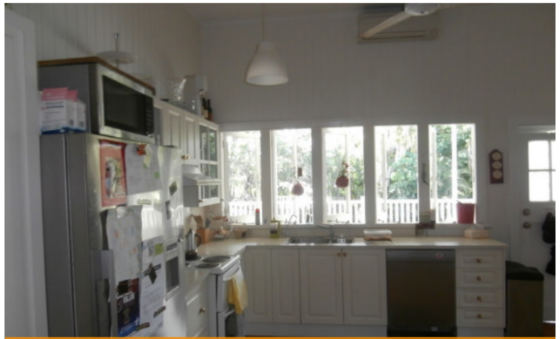


25 Balaclava Road, Earlville Source: RP Data/Cotality

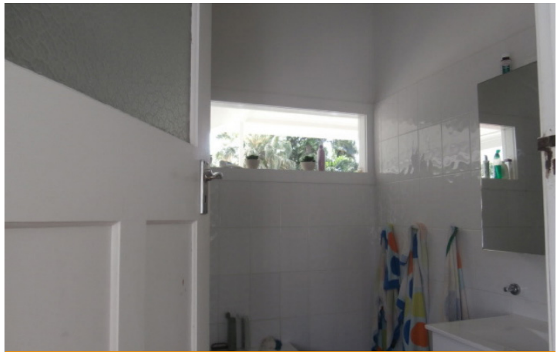
At the other end of the market, the severe shortage of good-quality renovated stock in desirable locations is benefiting professional flippers. A recent example is a property in Pyne Street, Edge Hill, which went under contract at $1.9 million. The purchaser was from Tasmania.

Pre-renovation at Pyne Street, Edge Hill Source: RP Data/Cotality

Pre-renovation at Pyne Street, Edge Hill Source: RP Data/Cotality



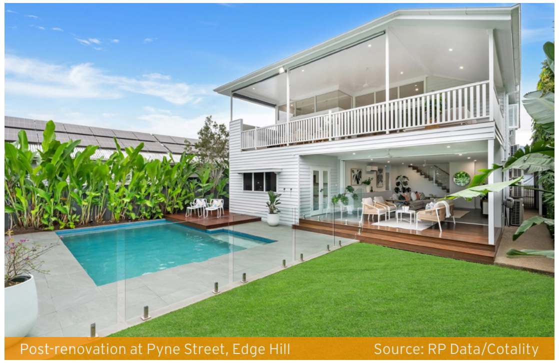
Pre-renovation at Pyne Street, Edge Hill Source: RP Data/Cotality



Pre-renovation at Pyne Street, Edge Hill Source: RP Data/Cotality

Post-renovation at Pyne Street, Edge Hill Source: RP Data/Cotality

HERRON TODD WHITE


Post-renovation at Pyne Street, Edge Hill Source: RP Data/Cotality


Post-renovation at Pyne Street, Edge Hill Source: RP Data/Cotality


Post-renovation at Pyne Street, Edge Hill Source: RP Data/Cotality

Back in 2014, the property comprised a circa 1950 high-set Queenslander-style residence with two bedrooms, one bathroom and a semi-modern fit-out. In recent years, the residence has been fully renovated, extended and enclosed underneath to now comprise a high-quality five-bedroom, two-bathroom home with patio, verandah, double carport and inground pool. Fully renovated timber homes are rare and command a premium, particularly in blue-chip suburbs such as Edge Hill.


Danny Glasson
Director

Toowoomba / Darling Downs

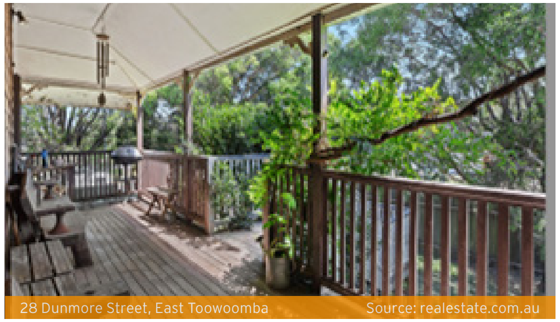
Toowoomba and the broader Darling Downs region hold a significant place in Queensland's history, being among the earliest areas of the state to be settled and developed. This rich history is reflected in its architectural landscape, which features a wide array of dwelling types and styles spanning various eras. Notably, the region boasts a unique concentration of homes from the Federation and Inter-War periods.

Within Toowoomba, these character timber dwellings dominate an approximate three to five-kilometre radius around the CBD. East Toowoomba remains highly sought after, with strong demand for both pre-renovated homes that offer scope for customisation and recently renovated properties that often achieve premium prices. Its enduring appeal stems from leafy streets, proximity to the CBD, access to parklands, prestigious schools, and convenient transport links – all of which combine to create a highly desirable lifestyle.

This popularity has fuelled a consistent increase in the number of owners renovating older character homes. The motivation is not just modernisation but also preserving the unique charm and heritage while incorporating contemporary comforts and efficiencies.

The market is dominated by owner-occupiers rather than flippers or speculative builders. Many buyers seek a long-term residence and are willing to invest heavily. Tradespeople and buyers with prior renovation experience are particularly active, as their expertise and networks give them an advantage in restoring these dwellings. This ensures renovations are often of high quality, further enhancing value.

A recent example is 28 Dunmore Street, East Toowoomba – marketed as 'ripe for a creative transformation' and sold in March 2025 for $685,000. This circa-1910 Queenslander, comprising three bedrooms and two bathrooms on a 508 square metre allotment, presented in dated condition but with strong renovation potential.


28 Dunmore Street, East Toowoomba Source: realestate.com.au


28 Dunmore Street, East Toowoomba Source: realestate.com.au

28 Dunmore Street, East Toowoomba Source: realestate.com.au


28 Dunmore Street, East Toowoomba Source: realestate.com.au

Other recent examples of quality renovations that have attracted premium prices due to their location and demand for this area are the ones listed below.

10 Fogarty Street, East Toowoomba

- Purchased December 2021 for $820,000
- Sold February 2025 for $1.85 million

This 948 square metre property was extensively renovated. The 1930s timber dwelling retained its cottage charm and street appeal while featuring modern fixtures and fittings. It comprised four bedrooms and three bathrooms at the time of resale.


10 Fogarty Street, East Toowoomba - before Source: Cotality


10 Fogarty Street, East Toowoomba - before Source: Cotality


10 Fogarty Street, East Toowoomba - after Source: Cotality


10 Fogarty Street, East Toowoomba - after Source: Cotality

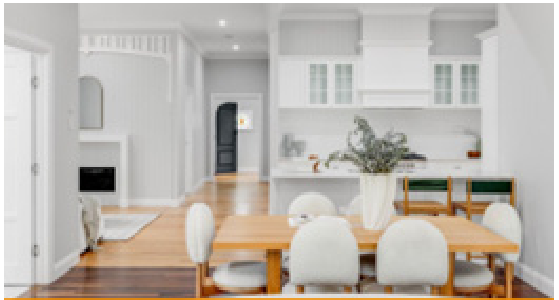
14 Dunmore Street, East Toowoomba

- Purchased March 2022 for $896,000
- Sold March 2025 for $1.9 million

This 1012 square metre property, a 1920s Queenslander, was also extensively renovated. The home comprised five bedrooms and two bathrooms at resale, blending heritage character with contemporary finishes.


14 Dunmore Street, East Toowoomba - before Source: Cotality

14 Dunmore Street, East Toowoomba - before Source: Cotality



14 Dunmore Street, East Toowoomba - after Source: Cotality

14 Dunmore Street, East Toowoomba - after Source: Cotality

Renovations of this standard in East Toowoomba have proven highly attractive to buyers and continue to achieve premium results.

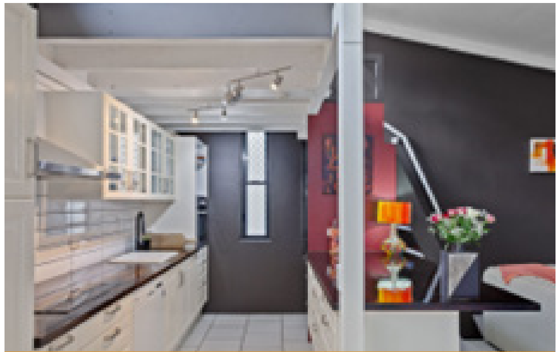
It is worth noting that many significant renovations in the $2.5 million-plus market have been completed by owners of custom building companies as personal residences, later on-sold. This complicates assessments of profitability, as these projects often involve unique motivations and in-house expertise.

The renovation trend is also spreading to Mount Lofty, Rangeville and North Toowoomba, where older dwellings are being modernised.

3 Olsen Street, Rangeville

- Purchased August 2023 for $620,000
- Sold 2025 for $1.3 million

Originally a ‘studio-style dwelling’ with an adjoining indoor swimming pool and squash court, this 1985 property was transformed into a five-bedroom, four-bathroom home after extensive renovation.



3 Olsen Street, Rangeville - before Source: Cotality

The renovation trend is also spreading to Mount Lofty, Rangeville and North Toowoomba.

3 Olsen Street, Rangeville - before Source: Cotality

3 Olsen Street, Rangeville - after Source: Cotality

3 Olsen Street, Rangeville - after Source: Cotality

Elsewhere, Harristown and Newtown are seeing renovations to houses built in the 1940s through

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to the 1970s. Works here often involve extensions, open-plan conversions, and modernised kitchens and bathrooms.

Across Toowoomba, rising property values have helped offset the significant outlays of renovating, but in lower-priced suburbs, overcapitalisation risk is high. Owners are cautious, often limiting works to essential repairs or minor upgrades.

In surrounding regional towns such as Warwick, Stanthorpe, Gatton, Kingaroy, Goondiwindi, Roma and Dalby, extensive renovations rarely deliver dollar-for-dollar returns. For example, a $50,000 kitchen renovation might only add $25,000 in value. As a result, works here tend to be strategic and restrained.

For those renovating with resale in mind, local knowledge is crucial. Understanding buyer preferences, avoiding overcapitalisation, and focusing on improvements that add genuine value are key. Engaging with local professionals can assist with budgeting and strategy. For those creating a 'forever home,' the emphasis should be on long-term functionality for the household.

Challenges remain. Construction costs are still elevated and trades remain in high demand. Nonetheless, Toowoomba's property market continues to perform steadily, with prices rising consistently over the past three to five years.

The decision between building new or renovating remains complex, driven by affordability, land availability, and buyer preference. Market conditions – including construction costs, interest rates, and buyer sentiment – will continue to shape this balance in the years ahead.

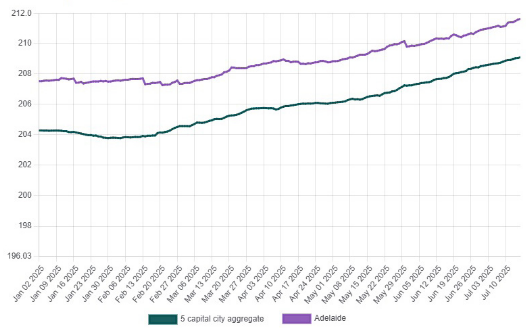
Marissa Griffin
Director

South Australia - Residential 2024

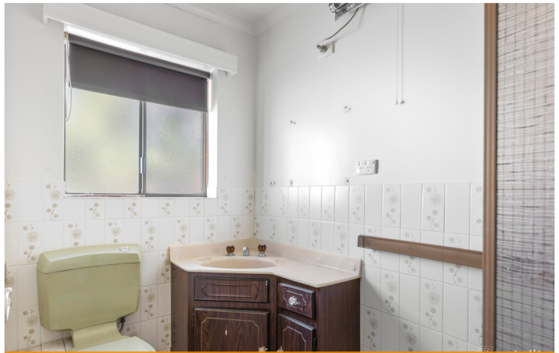
Adelaide

As we pass halfway through 2025 and winter has well and truly set in, property owners will look to carry out some works on their homes if they are thinking of hitting the market in the spring and summer months. Whether this is a pre-sale "face-lift" encompassing a fresh coat of paint, a floor polish, and some lighting upgrades, or more substantial renovations of wet areas, sellers will be hoping this draws a bigger crowd and garners a larger price tag for their asset.

Median prices keep edging upwards in South Australia, with the Cotality daily back series showing Adelaide continuing to trend broadly in line with the five-capital city aggregate. Despite the "shock" decision by the Reserve Bank of Australia to keep the cash rate on hold in July, mortgage holders and those looking to borrow may not have to wait long for the next rate cut. Recent jobs data released by the Australian Bureau of Statistics has the national



Daily back series Source: Cotality



174 First Avenue, Royston Park - bathroom before Source: realestate.com.au

174 First Avenue, Royston Park - bathroom after Source: realestate.com.au

unemployment rate creeping upwards from 4.1 per cent to 4.3 per cent, the first increase in unemployment figures since November 2021. With this additional data for the Reserve Bank to consider at their next meeting, you would be hard pressed to find an economist not tipping another rate cut this year.

Much of the talk in 2025 has been focused on the cost of living, as well as construction costs

174 First Avenue, Royston Park - outdoor before Source: realestate.com.au

174 First Avenue, Royston Park - outdoor after Source: realestate.com.au

in property markets. With rising construction costs, home renovations have also become more expensive. This may have buyers turning away from the properties advertised as a "renovator's delight" with "good bones," and instead searching for something where the work is already done.

One prime example of this is 174 First Avenue, Royston Park. The property sold in January 2024 for $1.65 million and has since undergone some significant bathroom upgrades, polished floorboards, a fully renovated and refurbished studio that now includes a kitchen, and the addition of an outdoor entertaining area. The property is set for auction, and we will keep a keen eye on the result to see how much value the market attributes to the upgrades.

For a full-scale restoration in a tightly held city fringe pocket, 5 Toronto Street, Ovingham, a circa 1880s symmetrical cottage, has been extensively renovated and extended. It is on the market through Turner Prestige with expressions of interest closing in early August. The bull-nosed verandah and restored stone façade maintain the original shape, with the owners making good use of the 770 square metre allotment to extend the rear of the property. The residence now features four bedrooms, two bathrooms, an ensuite and walk-in robe to the master, open-plan living/kitchen/dining, an office or fifth bedroom, laundry, and two-car garage. Purchased for $900,000 in 2021, the vendor will not only cash in on a high-quality renovation but also some significant uplift in the underlying land value.

Those with the vision, attitude, and most importantly, budget, could be tempted by 5 Park Street, Hyde Park. Situated within one of Adelaide's most tightly held and sought-after neighbourhoods just south of the CBD, the character villa is in need of some attention. Set on a 604 square metre allotment, the circa 1910 dwelling is filled with stained glass windows, some original fixtures and features, three to four bedrooms in the current floor plan, and boasts plenty of backyard to extend towards. The property is heading to auction in early August through Williams Real Estate.

Whilst these inner-southern and inner-eastern metropolitan areas are home to character dwellings that are highly sought after in the renovator's market, particularly suburbs such as Unley, Parkside, and Norwood, buyers can look to up-and-coming areas for their next project at a lower

5 Toronto Street, Ovingham - façade before Source: realestate.com.au

5 Toronto Street, Ovingham - façade after Source: realestate.com.au

5 Toronto Street, Ovingham - kitchen before Source: realestate.com.au

5 Toronto Street, Ovingham - kitchen after Source: realestate.com.au

5 Park Street, Hyde Park - façade Source: realestate.com.au

5 Park Street, Hyde Park - internal Source: realestate.com.au

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19 O'Halloran Road, Christies Beach - frontage Source: realestate.com.au

19 O'Halloran Road, Christies Beach - kitchen (2022) Source: realestate.com.au

entry price. 19 O'Halloran Road, Christies Beach is currently listed for $690,000 to $750,000, featuring a three-bedroom, one-bathroom dwelling on 760 square metres. The classic 1960s build has ample site area to extend towards the rear, a combined kitchen and dining space, and a separate lounge. Median prices in Christies Beach have risen from approximately $370,000 in 2020/2021 to $760,000 at present.

Renovated dwellings are continuing to attract premium prices in the current market. Purchasers and renovators alike are facing difficulties given rising dwelling values and construction costs. It is expected that premiums will continue in the short term for these dwellings. For those readers thinking about their own home renovation, it is important to be mindful of your budget and prepared for delays in sourcing materials and labour.

Nick Smerdon
Valuer

Renovated dwellings are continuing to attract premium prices in the current market.

Western Australia - Residential 2024

Perth and regionals

This month, we turn our attention to the renovation market and explore how these properties are performing amid Perth's ongoing conditions of strong growth and limited housing supply. With demand high and prices continuing to rise at a steady pace, the dream of securing land to build a new home or even purchasing an established property has become increasingly difficult and costly for many buyers. In response, renovation projects have emerged as an appealing and more accessible alternative, particularly where homes needing some TLC can be purchased at more affordable entry points.

Interest in homes that are ready for renovation has begun to grow, with many buyers adopting a strategic mindset. Instead of competing in a highly competitive market of ready-to-go homes, they are opting to renovate as a cost-effective way to meet their property goals while leveraging long-term capital growth potential. As new builds still face high costs and lengthy timelines, renovation offers a more practical path, especially for those wanting to stay in well-established suburbs without overextending their budget.

In the $600,000 to $800,000 price bracket, buyers are also finding value in older homes on larger allotments, often in original condition. These properties not only provide scope for immediate improvement but also hold strong potential for capital growth due to their generous land size, development potential, and location.

Interest in homes that are ready for renovation has begun to grow, with many buyers adopting a strategic mindset.

23 Haslemere Way, Morley before — Source: RP Data

23 Haslemere Way, Morley before — Source: RP Data

23 Haslemere Way, Morley after — Source: RP Data

23 Haslemere Way, Morley after — Source: RP Data

Starting off in the suburb of Morley, this three-bedroom, one-bathroom property situated on a 705 square metre allotment sold in January last year for $665,000 in original 1960s condition. The buyer has since partially renovated the home, including installing a modern kitchen, a fresh coat of paint, and a landscaping makeover. The renovated home sold in April this year for $913,000, reflecting a circa 37 per cent increase since the renovation works.


7 Nields Street, Ferndale before Source: RP Data


7 Nields Street, Ferndale before Source: RP Data


7 Nields Street, Ferndale after Source: RP Data


7 Nields Street, Ferndale after Source: RP Data


28 Tarrawan Road, Armadale before Source: RP Data


28 Tarrawan Road, Armadale after Source: RP Data

Taking a look at suburbs situated south of the river, this property at 7 Nields Street was built in the late 1970s and features three bedrooms, one bathroom, and just 97 square metres of living. The property was purchased in original condition for $545,000 in June of last year and has since undergone significant internal and external renovation works. The façade brickwork has been rendered, and there has been a complete internal makeover, including new flooring, kitchen, bathroom, and laundry. The renovated home sold in May this year for $815,000, reflecting a circa 50 per cent increase in less than a year!

Heading further down into the suburb of Armadale, this property at 28 Tarrawan Road features three bedrooms, one bathroom, and 84 square metres of living situated on a large 724 square metre allotment. The property was purchased in March last year for $420,000 in original and very poor condition and has since undergone an entire renovation, including landscaping and a patio installation. The property sold in May this year for $625,000, reflecting a circa 49 per cent increase after renovating.

North of the river in the suburb of Doubleview, this humble circa 1940s cottage was purchased in April 2023 for $610,000 in partially original condition. The home features two bedrooms, one bathroom, and 91 square metres of internal living space. The property was then nicely renovated following its purchase, including a new kitchen, laundry, bathroom, and some cosmetic works. In May this year, the renovated cottage sold for $1,115,000, reflecting a circa 83 per cent lift in value in just over two years.


199 Ravenscar Street, Doubleview before Source: RP Data


199 Ravenscar Street, Doubleview after Source: RP Data

Taking a look at regional locations around the state, starting in Broome, with a sustained shortage of new housing supply, property owners tend to be more in favour of purchasing older houses in need of renovation rather than building new ones, primarily due to the high construction costs coupled with the skilled labour shortage in regional Western Australia.

For example, this 2000s-built, three-bedroom, two-bathroom home at 3 Wallaby Way in Djugun features 107 square metres of internal living space. It was previously sold in 2022 for $470,000. Since then, the home has been partially renovated with works including new flooring and a minor kitchen update. The home sold in February this year for $630,000, reflecting a circa 34 per cent increase.


3 Wallaby Way, Djugun before Source: RP Data


3 Wallaby Way, Djugun after Source: RP Data

Moving down the coast to Port and South Hedland, the suburbs continue to experience a volatile housing market with limited available stock, largely influenced by the local mining industry. The cyclical nature of the market, coupled with a significant shortage of skilled labour and materials and rising construction costs, makes renovating a more practical and cost-effective option for homeowners seeking to improve their properties in this area compared to building or buying a new home.

For example, this property at 3 Logue Court in South Hedland comprised a circa 1970s-built, three-bedroom, one-bathroom home on a large 1176 square metre allotment. It sold in July 2023 for $130,000, mostly demolished and in need of an entire restoration. The buyer has since completely restored the home, including replacing the original walls containing asbestos materials as well as an entire internal modern fit-out. The renovated, now four-bedroom, one-bathroom property sold in February this year for $450,000, reflecting a massive circa 246 per cent increase in value.


3 Logue Court, South Hedland before Source: RP Data


3 Logue Court, South Hedland after Source: RP Data

In Karratha, the resource-rich town faces high construction costs and limited availability of trades like other Pilbara towns. These factors make

HERRON TODD WHITE

building new homes more challenging, leading many homeowners to tackle renovation projects as it poses a more practical and cost-effective alternative. The renovation trend in the Karratha area has a buyer profile of primarily owner-occupiers, as these buyers are able to secure a home at a more affordable price and renovate it to improve their long-term living conditions and suit their needs.

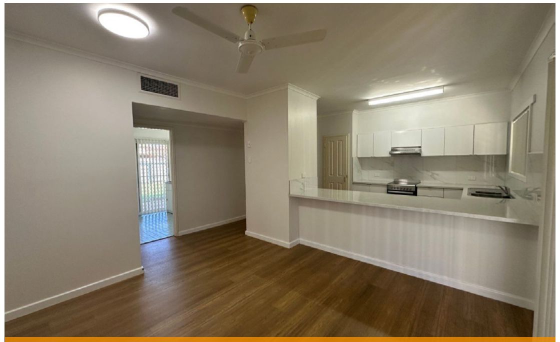
This 1980s home in the suburb of Nickol was purchased in 2022 for a discounted $340,000 in original and very poor condition, requiring a complete internal and external makeover. Following the transaction, the buyers have since entirely gutted the property and given it a second life. The property features four bedrooms, two bathrooms, 167 square metres of internal living space, and is situated on a large 780 square metre allotment. The property recently sold in March for $790,000, reflecting a circa 132 per cent increase since renovation.

4 Lathwell Close, Nickol before Source: RP Data

4 Lathwell Close, Nickol after Source: RP Data

Additionally, this property at 6 Forrest Close in Millars Well comprises a circa 1980s-built home featuring four bedrooms and two bathrooms on a large 768 square metre allotment. The property sold back in late 2021 in near original condition for $495,000 and has since undergone new works, including updated flooring, paint, and a renovated kitchen. The property then sold this year for $645,000, reflecting a circa 30 per cent increase.

6 Forrest Close, Millars Well before Source: RP Data



6 Forrest Close, Millars Well after Source: RP Data

Moving down to the Mid-West coast, Geraldton benefits from fewer logistical challenges when it comes to transporting construction materials and experiences a more reliable supply of skilled labour due to its closer proximity to Perth compared to other regional centres. Geraldton's property market remains tight, particularly for recently renovated homes, driving strong demand in this segment. Increasingly, investors from the eastern states are purchasing properties sight unseen, attracted by Geraldton's affordability, coastal lifestyle, and long-term growth potential. However, this trend does come with drawbacks, as some properties may require significant renovations that are not always evident without a physical inspection.

6 Abalone Place in Sunset Beach is a 1980s-built dwelling offering three bedrooms and one bathroom situated on an 820 square metre allotment. The 152-square-metre dwelling has been recently fully renovated with new flooring, fresh paint, and updated kitchen and bathroom areas. This property also features a large, newly renovated shed and an outdoor spa area. It sold for $582,000 in April this year and previously sold in 2020 for $270,000, indicating a circa 116 per cent growth in sale price.

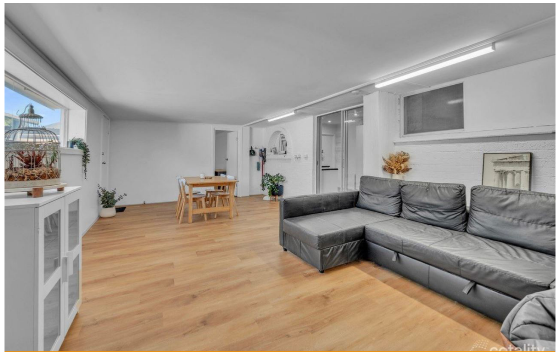
Investors from the eastern states are purchasing properties sight unseen, attracted by Geraldton's affordability, coastal lifestyle, and long-term growth potential.


6 Abalone Place, Sunset Beach before Source: RP Data


6 Abalone Place, Sunset Beach after Source: RP Data

Another example is this 1960s-built, four-bedroom, one-bathroom property at 264 Seventh Street in Wonthella. This property features 169 square metres of living area on a 1012 square metre allotment. The property has been recently upgraded with new hybrid floorboards, fresh internal paintwork, and a newly installed reverse-cycle ducted air conditioning system. It sold for $521,000 in April this year and was previously sold for $265,000 in October 2023, demonstrating expansive growth of circa 97 per cent. The property was then listed for rent in June this year and spent 19 days on the market. It is now rented for $600 per week, indicating a gross rental yield of circa 6 per cent.


264 Seventh Street, Wonthella before Source: RP Data


264 Seventh Street, Wonthella after Source: RP Data

Heading inland, the Wheatbelt region has continued to show steady growth into 2025. Limited availability of quality housing stock remains a key factor driving interest in property renovations, with both investors and homebuyers actively seeking opportunities in this rural market. The appeal of affordable entry points, combined with the lifestyle benefits of regional living and potential for long-term capital growth, is sustaining strong demand across the region.

6 Lock Street in Narrogin is a great example. This 1920s-built dwelling offers three bedrooms and one bathroom situated on a large 1872 square metre allotment with a total floor area of 131 square metres. This character home has been well restored and maintained with a long list of renovations. It was purchased in May 2023 for $347,500 and after undergoing renovations was more recently sold in May this year for $445,000, indicating a circa 29 per cent increase.


6 Lock Street, Narrogin before Source: RP Data


6 Lock Street, Narrogin after Source: RP Data

Another example is 5 Hillman Street. This 1950s-built property offers three bedrooms and one bathroom, situated on an 873 square metre allotment with a total floor area of 94 square metres. This property has been fully renovated and was last sold in April for $290,000. Previously, it was sold less than a year prior in October 2024 for

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$160,000, generating a circa 81 per cent increase in sale price.


5 Hillman Street, Narrogin before Source: RP Data


5 Hillman Street, Narrogin after Source: RP Data

In the Goldfields region, Kalgoorlie continues to experience a strong and active residential market, with demand remaining high. Renovated homes are primarily being purchased by owner-occupiers, as the high cost of building and ongoing shortages in trades make new construction a less practical option. Investors tend to focus on the more affordable end of the market, showing less interest in renovated properties due to their higher price points.

275 Piccadilly Street in West Lamington is a four-bedroom, two-bathroom dwelling covering 115 square metres, situated on a 506 square metre allotment. This property is in close proximity to the city centre and has recently undergone a complete renovation. It was originally purchased in October 2022 for $175,000. Following the renovations, it was sold in April this year for $395,000, representing a circa 126 per cent increase in sale price.

Kalgoorlie continues to experience a strong and active residential market, with demand remaining high.


275 Piccadilly Street, West Lamington before Source: RP Data


275 Piccadilly Street, West Lamington after Source: RP Data

Turning to the South West region, property prices have remained on an upward trajectory, driven by strong demand across the area. The greater Bunbury area continues to attract both homebuyers and investors seeking better value compared to metropolitan Perth, especially amid ongoing affordability challenges. With median house prices climbing, well-priced older homes are becoming increasingly appealing as renovation opportunities, offering potential for both capital growth and lifestyle improvement.

47 Parry Street in South Bunbury is a prime example. Originally built in 1982, this property offers four bedrooms and two bathrooms, with timber flooring throughout. Set on a generous 810 square metre allotment and located in close proximity to the beach, the property features 219 square metres of internal living space. Recently updated, the home features a formal lounge and dining area, a large family room, and a modern kitchen. Additional upgrades include fresh interior paint, a new solar power system, and a powered double workshop. This property was sold in May this year for $845,000, having previously sold in 2022 for $590,000 prior to the renovations. This indicated an overall increase in sale price of circa 43 per cent.


47 Parry Street, South Bunbury before Source: RP Data


47 Parry Street, South Bunbury after — Source: RP Data

Heading further inland, the Margaret River township has a range of property, including modern builds, older solid brick homes, and character cottages. Such is the case for 81 Tunbridge Street. This three-bedroom, two-bathroom character home features 104 square metres of internal living area and is situated on a large 2567 square metre allotment. Being recently renovated, this property sold in May 2025 for $1.18 million, a circa 48 per cent increase from its previous sale in February 2022 for $800,000.


81 Tunbridge Street, Margaret River before — Source: RP Data


81 Tunbridge Street, Margaret River after — Source: RP Data

Continuing along the coast to the Great Southern region, Albany offers a wide selection of affordable, original condition homes that present strong potential for renovation-focused investors. The local market has shown that even dated properties can achieve a competitive edge once updated with modern finishes, making renovation a viable and increasingly popular strategy in the area.

13/21 Adelaide Crescent was last sold in April 2025 fully furnished for $575,000. This unit presents two storeys, two bedrooms, and one bathroom covering 109 square metres. It offers a great short-term rental investment or can be used as an easy lock-and-leave holiday home. The property was recently completely renovated and generated a circa 28 per cent increase from the previous sale in June 2023 for $450,000.

Moving to the Goldfields-Esperance region, this location continues to present strong potential for investors looking to capitalise on future growth, as the market still features a number of older, retro-style homes in original condition that


13/21 Adelaide Crescent, Middleton Beach before — Source: RP Data

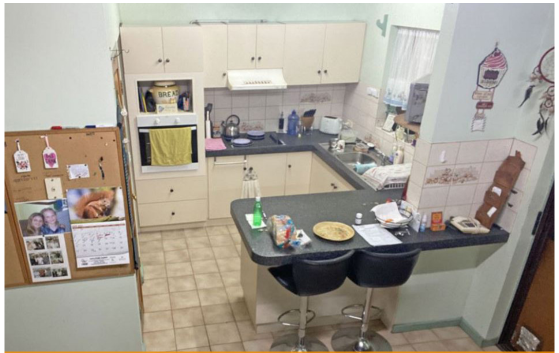

13/21 Adelaide Crescent, Middleton Beach after — Source: RP Data

offer solid renovation upside. However, tackling a project in this region comes with challenges. The town's remoteness contributes to limited trade availability and longer lead times for sourcing building materials. For those prepared to navigate these hurdles, the rewards can be significant.

21 Burton Road, Castletown, is a 1980s-built dwelling featuring three bedrooms and one bathroom. This property has had improvements over the years, including fresh paintwork, a remodelled bathroom and kitchen including new appliances, and a walk-in pantry. Additionally, a fully renovated separate games room adjoins a powered workshop and garage. This property

The local market has shown that even dated properties can achieve a competitive edge once updated with modern finishes, making renovation a viable and increasingly popular strategy in the area.

was originally purchased in August 2021 for $327,000 and was more recently sold in April for $530,000, representing a circa 62 per cent increase.


21 Burton Road, Castletown before Source: RP data


21 Burton Road, Castletown after Source: RP data

Buyers are motivated by the potential to increase property value through strategic renovations, particularly in the current market where affordability and limited housing remain a concern and continue to drive demand. With interest rates stabilising and construction costs easing slightly after previous highs, mid-range properties that require some TLC present a smart entry point for investors and homebuyers alike. As demonstrated, the renovation market offers strong potential for returns where run-down properties can be seen as golden opportunities. However, due diligence must be front of mind before embarking on any renovation project. If you have any queries or would like to discuss before making any decisions, our team is always available.

Chris Hinchliffe
Director

Northern Territory - Residential 2024

Darwin

Like a Darwin dry season, the local property market is currently hot and full of activity. 2025 has been particularly strong for Darwin, with some of the largest gains in median values across all capital cities. This robust performance is driven by a number of factors, not least of which is continued interstate investor activity. A significant number of property deals are happening off-market, with these investors snapping up anything affordable once under $600,000, now pushing $650,000-plus for the right place that promises strong rental yields.

These investors typically prefer turnkey properties that are ready to rent with minimal fuss. However, as demand far outweighs supply, investors are settling for dwellings that require only minor cosmetic touch-ups, such as a fresh coat of paint or some basic landscaping. These small changes are enough to get the property to market and start generating income.

Within the Darwin market, there is a clear preference and a noticeable premium for ready-to-go turnkey properties. There has been a shift away from the traditional strategy of buying "the worst house on the best street" to renovate, with many buyers now willing to pay extra for a home that's ready to move in the moment they receive the keys.

This is even more prevalent among the interstate investors who are purchasing turnkey properties in less desirable streets and suburbs, without ever setting foot in the NT and walking the streets of their new investment.

There are a few key reasons for this trend towards turnkey in Darwin. Firstly, the remote location means that building materials are slightly more expensive than in other capital cities. Secondly, Darwin's smaller population and a shortage of skilled tradespeople result in higher labor costs and longer project timelines. This power dynamic shifts the balance to the tradies, who have the option to pick and choose their jobs, making a renovation project a more complex and expensive undertaking for the average homeowner or investor. Finally, the wet and windy conditions of the monsoon/wet season limit the periods to be able to renovate and build outdoors to nine months of the year. For these reasons and the convenience factor, preference is given to move in turnkey properties.

Despite these challenges, for those who possess the right skills or are willing to manage a project, there remains strong potential for both capital gains and to expand/maximise a high rental income through a renovation. *Darwin has the highest rental yields in the country with recent SQM Research figures showing a rental vacancy of 0.3 per cent.

The market for homes needing renovation, or "doer-uppers," is driven by a combination of factors. Buyer confidence is on the rise, and with less supply coming to market, some buyers are now seeking out properties that require work. This is particularly true for units and more affordable houses, which are seen as a less risky, more viable and a more accessible entry point into the market. This demand is also fueled by a chronic undersupply of new housing, making properties that can be modernised and improved a compelling alternative.

For houses, a renovation makes the most sense when the property is in a desirable location with good land value. The land component has historically driven stronger capital growth, making an investment in a renovation a way to significantly increase the property's overall value. For units, while they offer less in terms of land-based growth, a cosmetic renovation can attract a better class of tenant and increase rental yield, making it a solid strategy for investors. Renovated houses/units in highly sought after suburbs such as Fannie Bay, Larrakeyah, Nightcliff, Parap, Stuart Park and Rapid Creek are always going to seek a premium.

The demand for fully renovated homes is also strong and driven by a different kind of buyer

This is even more prevalent among the interstate investors who are purchasing turnkey properties in less desirable streets and suburbs, without ever setting foot in the NT and walking the streets of their new investment.

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If an owner is prepared to take on the stress and risk of a renovation it can be a great income provider or experience strong capital growth in our rising market.

– those who lack the time or inclination for a renovation project themselves. They are willing to pay a premium for a home that is move-in ready, including professional couples, families, and those seeking a low-maintenance lifestyle such as the early nesters. This segment is fuelling a trend where owners of renovated homes are seeing significant returns, and while the price disparity between renovated and unrenovated properties remains substantial, the gap has closed as the market for both segments heats up. This segment of fully renovated homes is more popular among owner-occupiers or Darwin locals.

So if you are going to renovate in Darwin, what type of property are you doing up? In Darwin, the most popular properties for renovation fall into two main categories: elevated homes and ex-government dwellings built during the 1980-1980's post Cyclone Tracy.

Elevated Homes: These houses were typically built around the 1980s and often feature a classic three-bedroom, one-bathroom layout with timber floors and a metal-clad, metal-frame structure. They are prime candidates for a specific and highly profitable type of renovation adding a granny flat under. This strategy involves building out the space beneath the house to create new living areas, such as a fourth bedroom or a self-contained granny flat with its own entrance. These additions not only add significant value and versatility to the property but also command strong rental prices (In vicinity of $300p/w + depending on location, features and living area).

Ex-Government Dwellings: Built post-Cyclone Tracy from core-filled masonry blocks, these homes are generally very structurally sound. They often have a functional three- or four-bedroom layout with a wrap-around kitchen and 1 or 2 bathrooms. A renovation on these properties typically focuses on cosmetic upgrades to increase value. A modern kitchen and updated bathrooms can make these durable, well-built homes much more attractive to buyers and renters.

Ultimately, the key to a profitable renovation in Darwin is to target these property types, as they offer the most potential for capital gains and increased rental income. If an owner is prepared to take on the stress and risk of a renovation it can be a great income provider or experience strong capital growth in our rising market.

Tom Jordan
Graduate Valuer

Australian Capital Territory - Residential 2024

Canberra

Canberra's distinct seasons play a role in the way the residential market performs. Heading out of winter, spring is considered an excellent time for the market to come out of hibernation. Renovating and preparing property for sale in spring is something all sellers should consider. Renovation types can vary widely, from simple, cost-effective presentation improvements, upgrades, landscaping, painting, general tidying up, through to more major, large-scale extensions and internal and external upgrades. If spring is the planned time for completion of the works, planning and time management are critical. Benefits of timing renovation works with spring include convenience with longer daylight hours, warmer weather to assist with projects such as painting, and presentation improvements, with gardens generally looking their best. Historically, Canberra experiences some market uplift in the spring selling season.

Renovated dwellings suited to families, with all the work done, attract second and third-home purchasers upsizing. Generally, busy families with both parents working in professional employment will pay a premium for these property types.

Construction costs, time, and a shortage of trades can make the fixer-upper property less attractive to large sections of the market. Original property in average or poor condition requiring work will often need price adjustments to factor in the cost of necessary upgrades. There is a trend of builders and tradespeople identifying opportunities for these property types. Profit and risk factors that the market considers need to be accounted for in pricing.

While renovating can have a positive impact, consideration of the property's price point ($700,000 entry-level first-home buyer; $700,000 to $1 million mid-market; $1 million to $3 million, second- and third-home buyer; and $3 million-plus prestige) should assist with the type of work to complete and the cost. Overcapitalization and overspending are risks at the lower price points, while well-located property in prestige locations, in many cases, requires investment to maximise value. Advice from builders, agents, cost professionals, and valuers is critical in assisting with decision-making, renovation options, and assessing the potential benefits.

Angus Howell
Associate Director

Benefits of timing renovation works with spring include convenience with longer daylight hours, warmer weather to assist with projects such as painting, and presentation improvements, with gardens generally looking their best.

Tasmania - Residential 2024

Hobart

Hobart's property market is a dynamic landscape. For prospective buyers and sellers, understanding the nuances between homes that need renovation and those that are already transformed is essential. With a unique blend of heritage charm and modern aspirations, the city presents distinct opportunities and challenges in each segment.

At present, the market for "fixer-upper" homes in Hobart is mixed. While some fundamental drivers of demand remain, rising costs and changing buyer preferences are influencing activity.

Unrenovated homes often present a lower entry point into the Hobart market, particularly for first-home buyers or those on tighter budgets. In inner suburbs such as Sandy Bay, North Hobart and Battery Point, a renovation project may be the only way to secure a prime location.

For those with the vision and means, renovation allows a home to be tailored precisely to their tastes and needs. This is particularly appealing in a city with diverse architectural styles, from historic cottages to mid-century dwellings.

Although less prominent than during the boom years, some investors continue to target undervalued properties with renovation potential, especially those with strong rental yields.

The main challenge lies in escalating construction costs. Since the pandemic, both materials and labour have risen sharply, making accurate budgeting difficult and raising the risk of overcapitalisation. As a result, many buyers prefer to purchase already renovated homes, which provide cost certainty and immediate livability. Cosmetic upgrades, however, remain less risky.

Profit opportunities still exist, particularly in the lower-to-mid price range, where well-executed cosmetic or minor structural renovations can uplift value considerably.

Renovation can be worthwhile where works significantly improve a home's functionality or appeal, especially in locations where ceiling prices for quality property are high. Examples include adding an extra bathroom, creating open-plan living, or enhancing street appeal. For homeowners planning to remain for at least five years, renovations can enhance lifestyle and build long-term equity, even if immediate profit is not the goal.

Smaller, cosmetic works such as painting, new flooring, and updating kitchens and bathrooms can still provide good returns with lower risk, particularly in areas where demand for move-in-ready homes is high. Properties with good structural integrity but outdated interiors, or homes that can be reconfigured without major structural work, also offer strong potential.

The market for fully renovated homes in Hobart remains robust. Time-poor buyers favour properties that require no additional work, preferring the cost certainty and convenience they provide. Renovated homes with cohesive design, contemporary finishes and functional layouts consistently appeal to a broad buyer base.

There remains a noticeable gap in values between renovated and unrenovated homes. While precise data is limited, the ongoing rise in construction costs suggests this gap could widen further unless buyers secure unrenovated homes at a significant discount.

Profit opportunities still exist, particularly in the lower-to-mid price range, where well-executed cosmetic or minor structural renovations can uplift value considerably. Heritage properties may also deliver strong results if works enhance original character while introducing modern comforts.

That said, renovation projects are increasingly costly and short-term profit is less likely. For example, 85 Augusta Road, Lenah Valley, sold in March 2022 for $920,000 in unrenovated but habitable condition. After undergoing a full renovation, including ducted air conditioning, it resold in July 2024 for $945,000 – a minimal uplift despite significant works.

85 Augusta Road before renovation Source: RP Data

85 Augusta Road before renovation Source: RP Data

Desirable inner and middle-ring suburbs with strong amenities, good schools, and consistent demand – such as Sandy Bay, North Hobart, Battery Point, Lenah Valley, Moonah and parts of Glenorchy – typically offer the best potential for renovation profitability. Outer suburbs, such as Brighton, Sorell, and New Norfolk, provide value but carry higher risks regarding long-term growth and renovation returns.

The main buyers of renovated properties in Hobart fall into several groups:

- Owner-Occupiers (Families and Professionals): Seeking modern, move-in-ready homes in quality school catchments or near employment hubs.
- Upsizers and Downsizers: Families seeking larger homes and retirees seeking low-maintenance living.
- Interstate Buyers: Although demand has cooled slightly, lifestyle-driven buyers and investors still seek well-presented homes, particularly if interest rates fall.
- First-Home Buyers (with strong incomes or family support): While often budget-constrained, some opt for renovated properties to avoid the complexities of managing works themselves.

In summary, while the appeal of the "renovator's delight" endures, the balance has shifted toward fully renovated homes due to cost certainty, convenience, and immediate liveability. For those considering renovation, careful budgeting, strategic improvements, and desirable locations are more crucial than ever.

As always, timing matters: renovating a property purchased before the boom may prove worthwhile, but attempting the same on a peak-market purchase risks financial loss.

Mark Davies
Valuer

HERRON TODD WHITE

Australian Rural

August 2025

The Southern Queensland and Northern New South Wales regions have experienced a busy period on the cropping front, with most producers in the major cultivation regions benefitting from a good summer harvest and a full profile of soil moisture for winter plantings. This has allowed volume plantings, particularly of winter cereals. The Moree Plains, during recent inspections, has been noted to be particularly wet with most croppers opting for a wheat or barley option to avoid potential high moisture issues with chickpeas; while the Darling Downs has seen a mixed plant, though some dryland paddocks have had the option to double crop this season.

Wild pigs are a topic of conversation, particularly throughout the Darling Downs, where recent seasons appear to have supported a significant uplift in numbers. For those brave enough to plant chickpeas, this is an added management issue of particular concern this season.

Prices at the time of writing appear to have taken a hit, with a relatively large volume of winter cereal already in storage, a good season in Western Australia, and a large plant in the Moree Plains and Darling Downs all contributing to lower prices.

Over the last 12 months we have continued to see market growth in the prime cultivation land classifications, particularly recently in the Bongeen Plains (Toowoomba – Cecil Plains), with rates of $20,000 per hectare dryland not uncommon for plains country, and some recent signals of growth in the Moree Plains district pushing $10,000 to $14,000 per hectare for prime dryland. Market growth drivers are particularly reflected by neighbour or nearby landholder expansion, resulting in this market movement.

Alternatively, some regions, for example northern areas of the Jimbour Plain where some corporate

Over the last 12 months we have continued to see market growth in the prime cultivation land classifications.

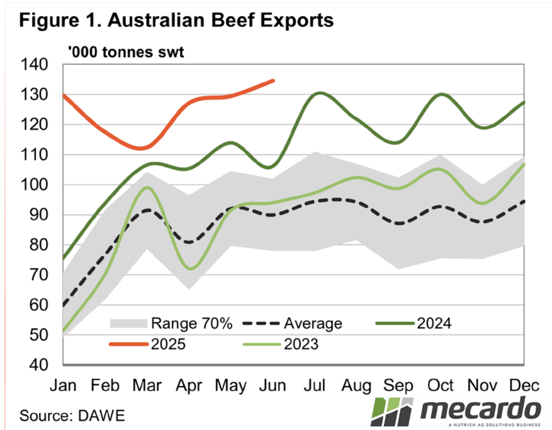
holdings have become available, have seen limited market growth due to a temporary oversupply. We are aware that many of these corporate sales in Queensland are advised to reflect land tax pressures and a view of greater opportunity to reinvest in southern states where seasonal conditions have caused a softening of the market.

The Southern Downs region (Warwick) and into the Toowoomba district – which has been lifestyle dominated for some time – has started to see some movement in irrigation and dryland cultivation property, with market growth evident particularly in permanently irrigated areas. Rates of $40,000 to $60,000 per hectare for permanent irrigation supported by reliable water allocations are becoming more frequent.

Speculation and conversation regarding the impact of government water buybacks underpinning and likely causing water value increases are rife throughout the Condamine, Balonne, and Border Rivers regions. Such discussions would appear well-founded, considering the Government represents a motivated purchaser with the capacity to buy, seeking volume from throughout the basin.

Areas of relative weakness or good value appear to reflect where supply of property to the market is highest. That said, my personal opinion currently sees value in mixed farming country, where demand appears less than that for straight grazing or cropping operations. Locations of interest, in my opinion, include Millmerran and Coolatai for mixed farms. Though traprock grazing country around Inglewood and Stanthorpe also has some appeal, given windfarm income opportunities/speculation, and more importantly, recent lifts in lamb/sheep meat prices. Lamb particularly is noteworthy, rising above the 1000 cents per kilogram mark for the first time ever.

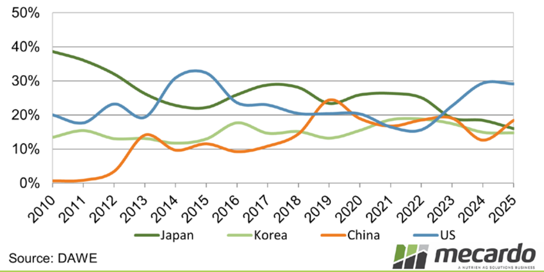
While cattle prices are no longer at those record levels seen a couple of years ago, a growing sense (at least in the north of the country) of potential and optimism is apparent. Many producers are noting the strength of the market through winter to date and are hopeful of a further lift following an eventual seasonal break in the south, due to less stock likely to be presented to the market at that time and increased restocker demand. Record beef exports also support a potential floor in the cattle market moving forward and further highlight the potential upside.



Australian Beef Exports Source: DAWE

While exposure to the United States market (our biggest beef export destination) highlights some tariff-related risks, global beef supply sees opportunities in alternate markets such as China, where exports have been increasing in recent months, likely reflecting the fallout between United States/China tariff positioning.

Figure 2. Australian beef exports - market share



Beef export market share — Source: DPI)

Market risks continue to be a constant factor post-COVID-19 pandemic, and the evolving war situation in the Middle East has been, unfortunately, no different. While tensions at the time of writing appear to have slightly subsided, the reaction at certain stages following strikes on Iran show just how volatile the situation is, and the potential for significant increases in oil and therefore fuel prices has been demonstrated. While inflation is slowing, such events continue to pressure already tight margins under the new baseline for many input costs. These circumstances continue to encourage cautious decision-making and selective purchasing. This is reflected by a general increase in marketing periods and movement away from seller's market conditions. We are also witnessing an increased proportion of near-neighbour purchases in the market recently, reflecting the motivation to realise production efficiencies through scale.

Looking ahead, the opportunity is for rain in the southern part of the country to create increased demand from restockers and further support a relatively strong sheep and cattle market.

Weekly Commodity Report

Report prepared 11 July 2025.

Wheat — $345/t (H2)

Steady

Static local demand continues. Looking forward the lowest US spring wheat area in recent history should help stabilise prices for higher-protein wheat.

Source: Profarmer, Mecardo

Barley — $300/t (feed)

Down -2.9%

While domestic stock feed demand has eased slightly, global weakness in Chinese and US corn futures on improving conditions is weighing on prices.

Source: Profarmer

Sorghum — $355/t

Down -1.4%

Traders await stronger Chinese interest for additional feed grain supply. Longer term, changes to alcohol rules and taxes impacting Baiju consumption.

Source: Profarmer

Cotton — $599.5/bale (Cotlook 'A' Index)

Down -0.2%

Futures markets remain in a trading range with tariff uncertainty and good supply outlook. Australian harvest is >95% complete, ginning at 55% of crop.

Source: Australian Cotton Shippers Assoc.

Oilseeds (Canola) — $784/t

Up 0.5%

Northern hemisphere prices eased on crop improvement and supply outlook, European harvest reporting good yields, and rain over parts of Western Canada.

Source: Elders

Pulses (Chickpeas) — $737/t

Down -2.6%

Recent Canadian estimates for area planted to pulses for 2025-26 indicate year-on-year increases for peas +9%, lentils +4% and chickpeas +13%.

Source: Alberta Pulse Growers

Sugar — $560/t

Up 7.8%

Global sugar benchmark price recovered from bearish July 2025 contract expiry. Brazil harvest has been delayed by rain with quality now closely watched.

Source: QSL

Cattle — 727c/kg (EYCI)

Down -0.1%

Exports to US eased in June by 8% on May but still 80% up on 5-yr June average. Exports higher to China +14%, Japan +10% and Sth Korea +11% on the month.

Source: Episode3

Cows — 315c/kg (lwt)

Up 2.4%

Leaner cows were prioritised by processors over other types of cattle, prices jumped by 20–30¢/kg lwt in Victoria, while Dubbo cows were 8-12¢ dearer.

Source: MLA, Beef Central

Lamb — 1151c/kg (NTLI cwt)

Up 7.5%

Trade lamb indicator jumped on low supply and is 39% above this time last year. Lamb exports in June eased 12% on the month but still 23% up on 5yr ave.

Source: Mercado, Episode3

Wool — 1,212c/kg (EMI)

Up 0.3%

Currency movements helped support Australian wool auction prices for the week. In 2024-25 wool volumes (number of farm bales tested) were down 11.8% yoy.

Source: AWI, Mercado

Weather

The Bureau is forecasting for likely (60-80% chance) above average rainfall for much of the eastern two thirds of Australia for August to October.

Source: Bureau of Meteorology

Commodity report — Source: DPI

The introduction of the "Super Tax" may represent a trigger point for restructuring where property has previously been held in superannuation. Obviously, the risk associated with taxing unrealised gains in relation to property is substantial, and accurate, independent advice will be critical in navigating this change. Given the stage of the rural property market – which could be referred to as a balancing point, currently tipped in either direction by seasonal conditions - a significant change in market supply (listings) could alter the scales.

Unfortunately, no one has a crystal ball, and the economy and the local market remain difficult to predict. However, property value increases experienced over the last five to 10 years do present an opportunity to reinvest, utilise that equity, and potentially create diversified growth, which would hedge some of the risks outlined above.

Bart Bowen
Director

HERRON TODD WHITE

Property Market Indicators

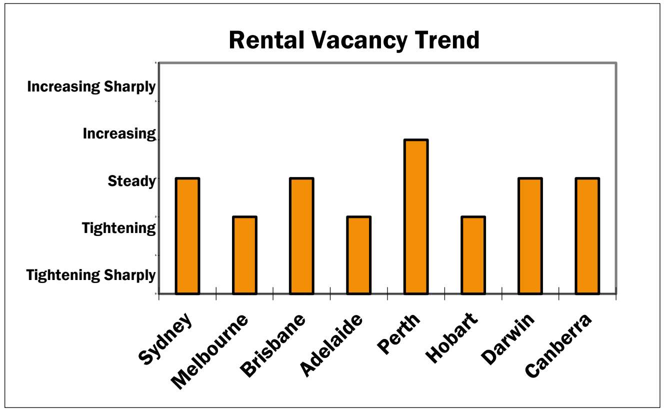
August 2025

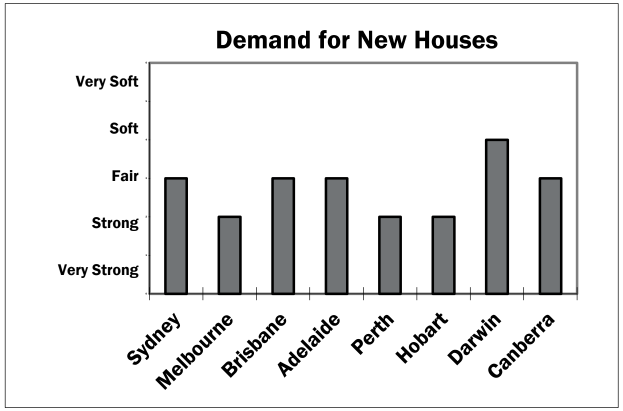
Capital City Property Market Indicators – Houses

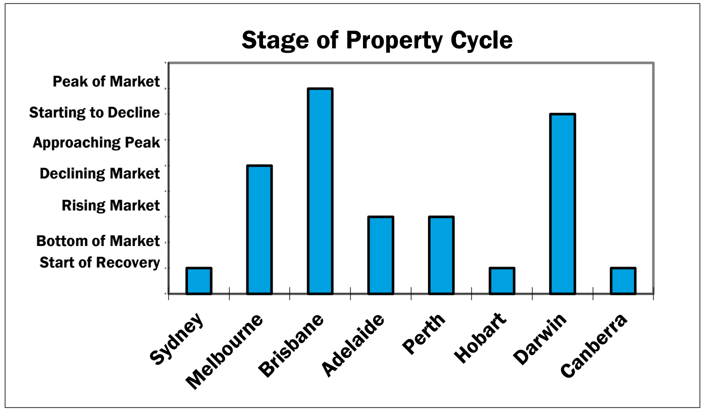
Factor	Sydney	Melbourne	Brisbane	Adelaide	Perth	Hobart	Darwin	Canberra
Rental Vacancy Situation	Shortage of available property relative to demand	Shortage of available property relative to demand	Shortage of available property relative to demand	Severe shortage of available property relative to demand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

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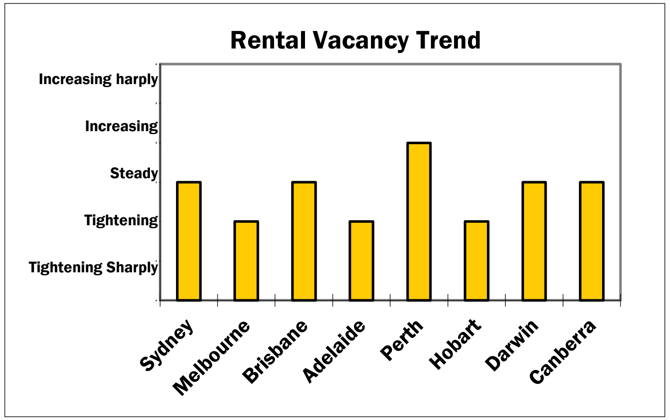

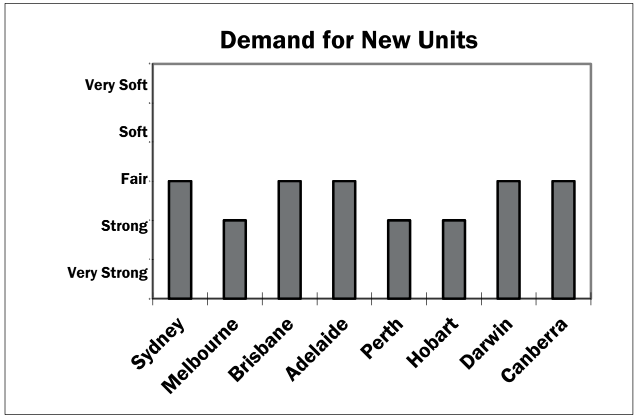

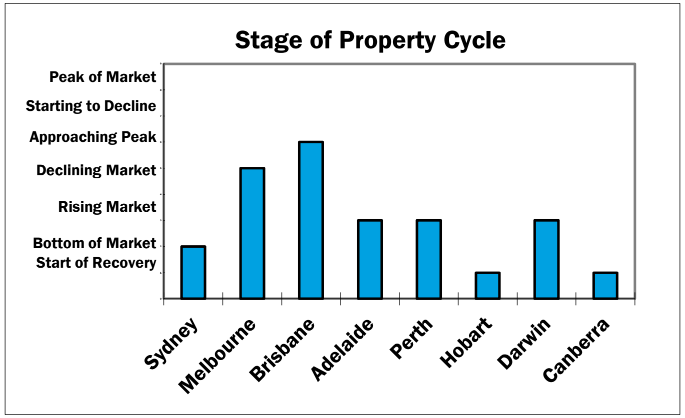

Capital City Property Market Retail

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	Over-supply of available property relative to demand	Over-supply of available property relative to demand	Shortage of available property relative to demand	Over-supply of available property relative to demand	Over-supply of available property relative to demand
Rental Vacancy Trend	Increasing	Steady	Increasing	Increasing	Steady	Steady	Increasing	Increasing
Rental Rate Trend	Stable	Declining	Stable	Stable	Stable	Stable	Declining	Declining
Volume of Property Sales	Declining	Steady	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	Contraction	Flat	Contraction	Flat	Steady growth	Contraction	Contraction	Contraction
Value Difference between Quality Properties with National Tenants, and Comparable Properties with Local Tenants	Large	Large	Large	Significant	Large	Significant	Significant	Significant

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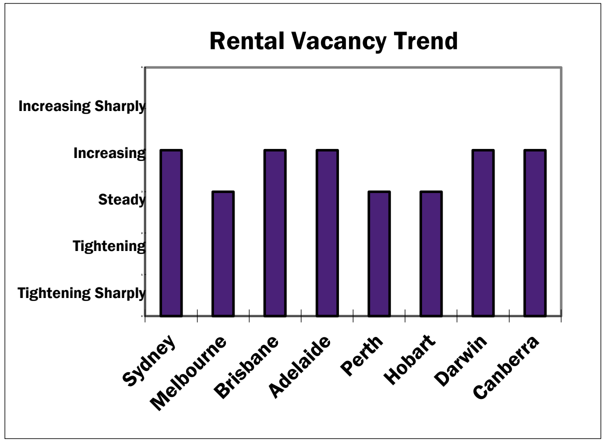

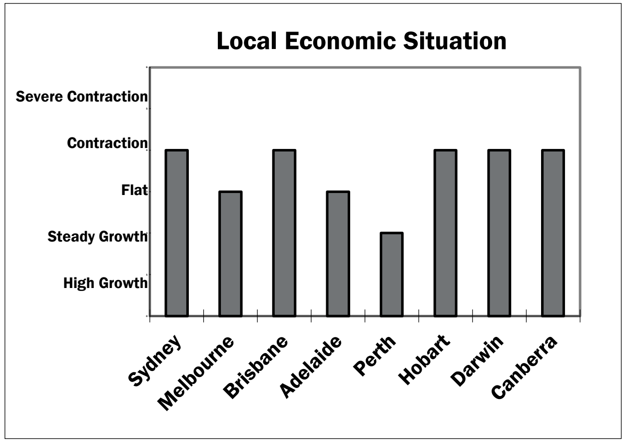

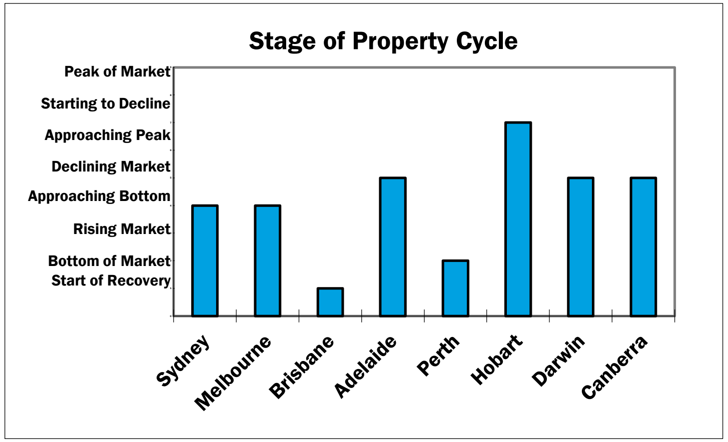

East Coast New South Wales Property Market Indicators – Houses

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

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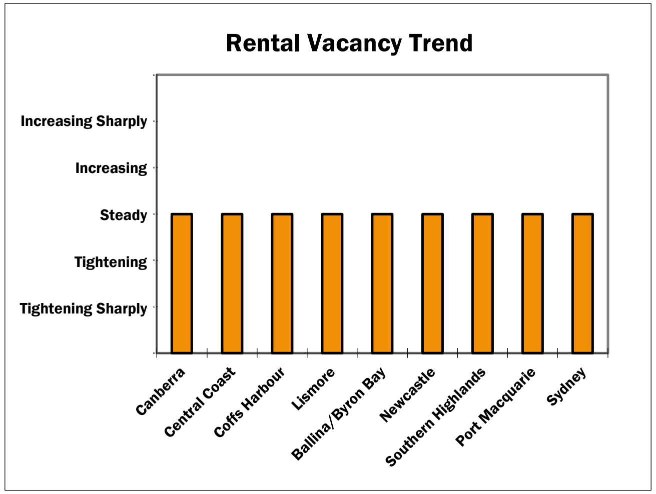
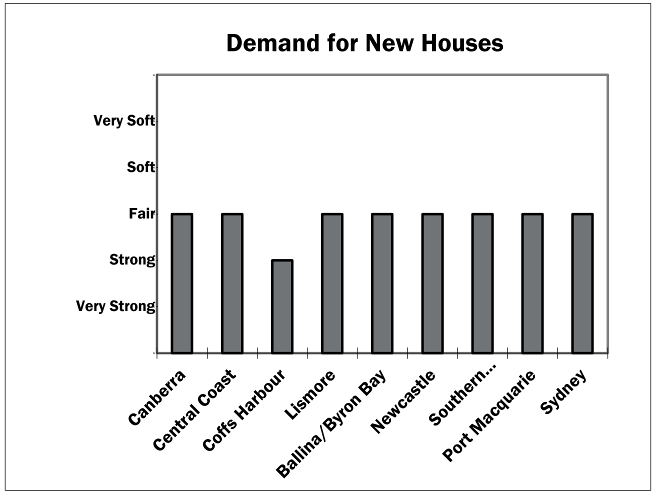
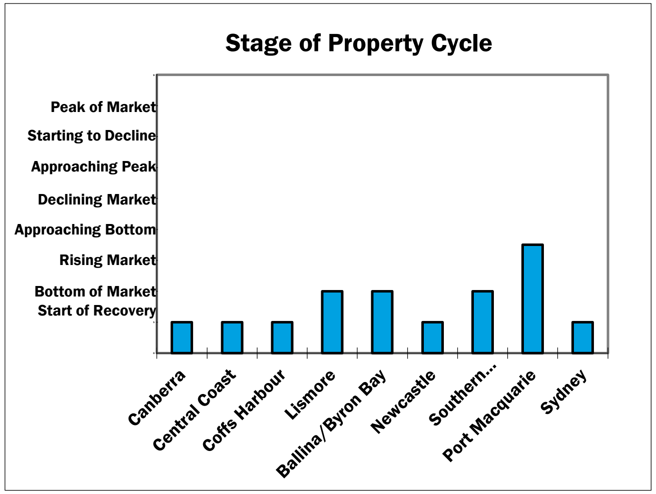
Blue entries indicate change from previous month to a lower risk-rating





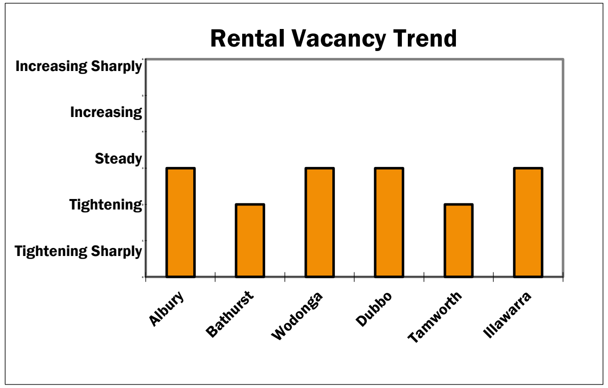


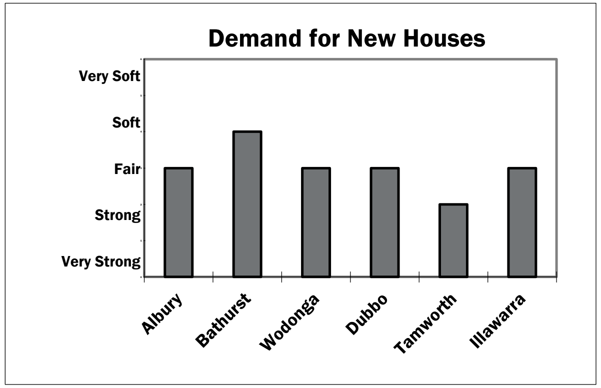
Country New South Wales Property Market Indicators – Houses

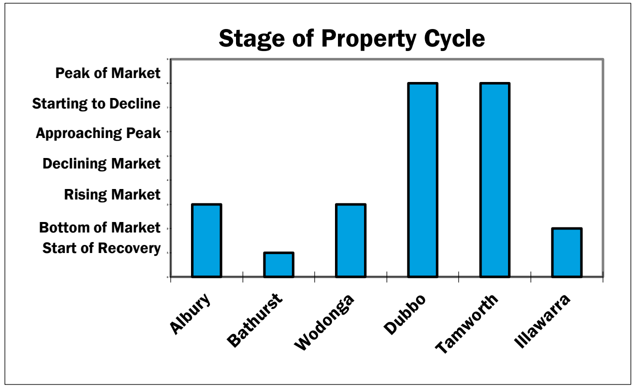
Factor	Albury	Bathurst	Wodonga	Dubbo	Tamworth	Illawarra
Rental Vacancy Situation	Balanced market	Shortage of available property relative to demand	Balanced market	Balanced market	Shortage of available property relative to demand	Balanced market
Rental Vacancy Trend	Steady	Tightening	Steady	Steady	Tightening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

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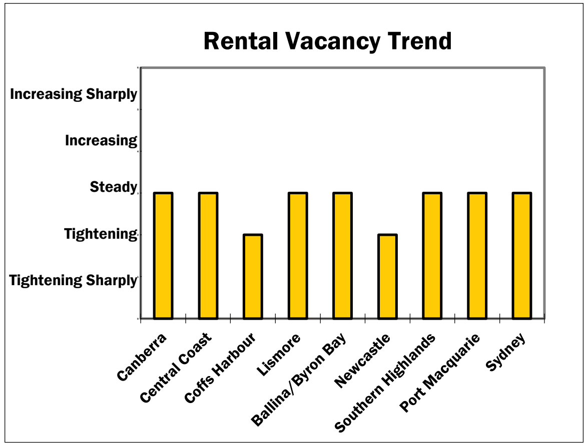

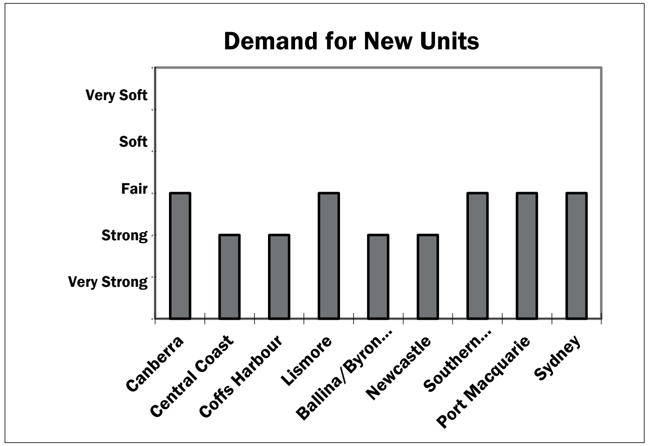

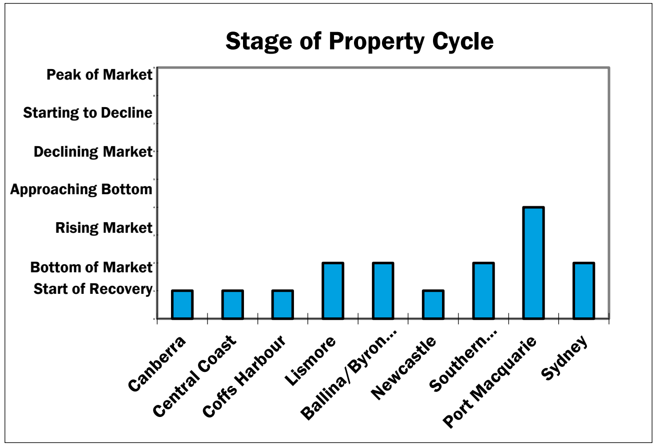

Country New South Wales Property Market Indicators - Units

Factor	Albury	Wodonga	Bathurst	Dubbo	Tamworth	Illawarra
Rental Vacancy Situation	Balanced market	Balanced market	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	Increasing	Increasing	Increasing	Steady	Steady	Declining
Stage of Property Cycle	Rising market	Rising market	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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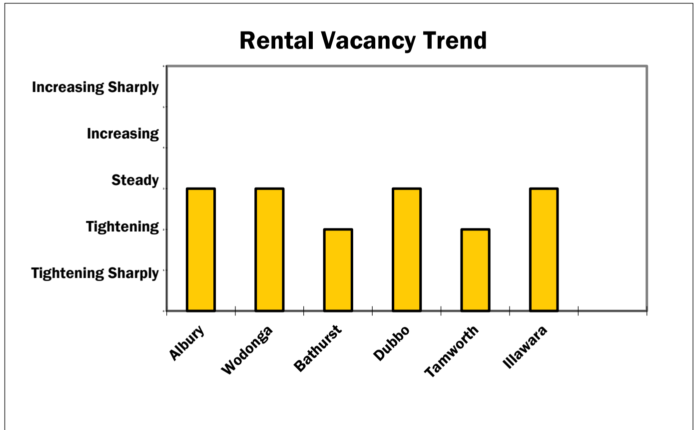

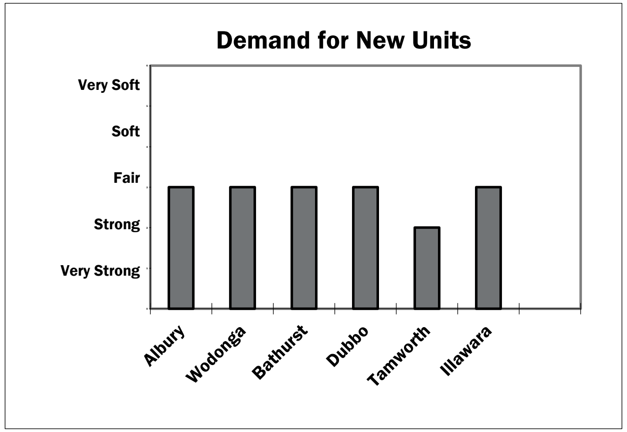

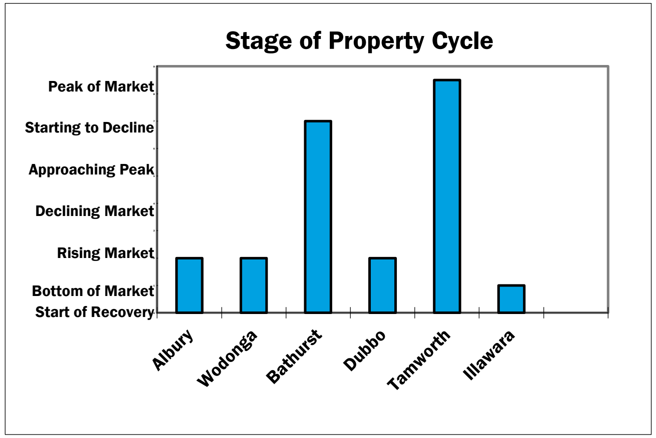

East Coast & Country New South Wales Property Market Indicators – Retail

Factor	Canberra	Central Coast	Coffs Harbour	Ballina/Byron Bay	Lismore	Mid North Coast	Illawara	Newcastle	Port Macquarie	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	Steady	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	Contraction	Flat	Flat	Flat	Flat	Flat	Steady growth	Steady growth	Steady growth	Contraction
Value Difference between Quality Properties with National Tenants, and Comparable Properties with Local Tenants	Significant	Significant	Significant	Small	Significant	Significant	Large	Significant	Significant - Large	Large

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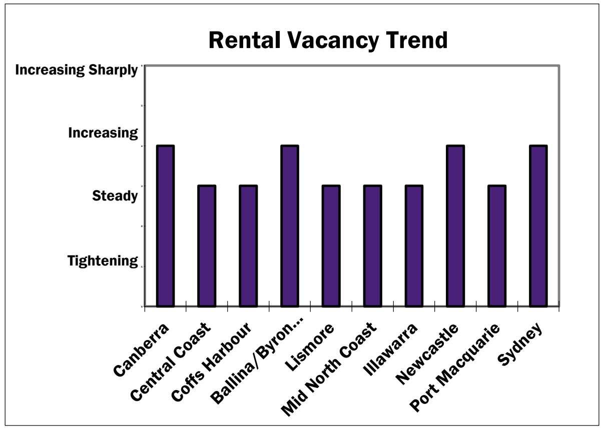

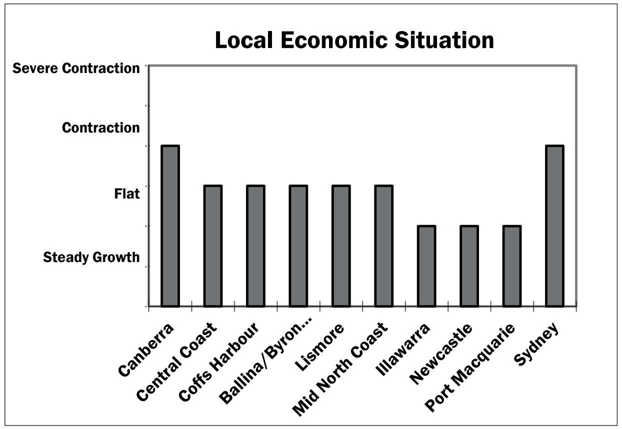

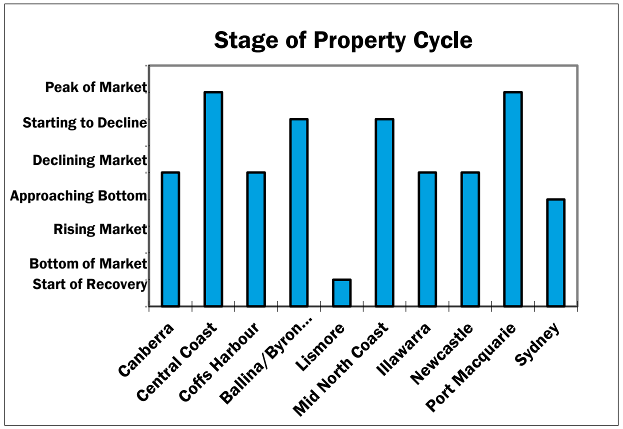

Victorian and Tasmanian Property Market Indicators – Houses

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	Shortage of available property relative to demand	Shortage of available property relative to demand	Shortage of available property relative to demand
Rental Vacancy Trend	Tightening	Tightening	Steady	Steady	Tightening	Tightening	Steady	Steady
Demand for New Houses	Fair	Strong	Fair	Fair	Fair	Strong	Fair	Fair
Trend in New House Construction	Increasing	Increasing	Declining	Steady	Increasing	Declining	Increasing	Increasing
Volume of House Sales	Steady	Steady	Steady	Steady	Declining	Increasing	Steady	Steady
Stage of Property Cycle	Bottom of market	Declining market	Rising market	Approaching peak of market	Peak of market	Start of recovery	Starting to decline	Starting to decline
Are New Properties Sold at Prices Exceeding Their Potential Resale Value	Occasionally	Occasionally	Occasionally	Occasionally	Occasionally	Occasionally	Occasionally	Occasionally

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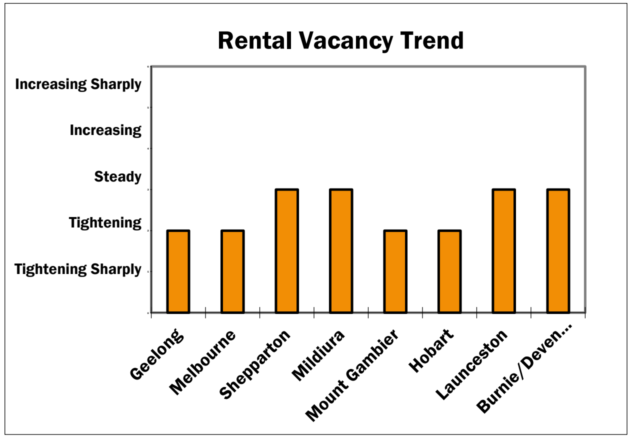

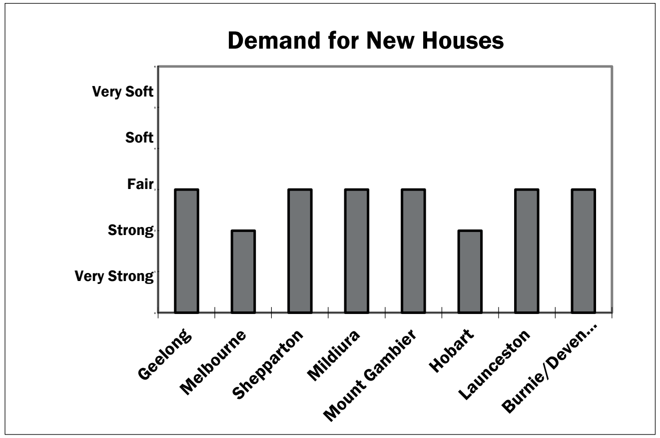

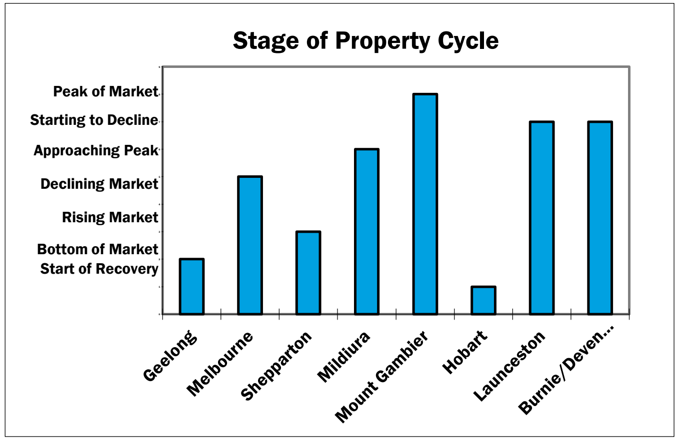

Victorian and Tasmanian Property Market Indicators – Units

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	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	Tightening	Steady	Steady
Demand for New Units	Fair	Strong	Fair	Fair	Fair	Strong	Fair	Fair
Trend in New Unit Construction	Increasing	Steady	Steady	Steady	Steady	Declining	Increasing	Increasing
Volume of Unit Sales	Steady	Steady	Steady	Steady	Steady	Increasing	Steady	Steady
Stage of Property Cycle	Bottom of market	Declining market	Rising market	Peak of market	Approaching peak of market	Start of recovery	Starting to decline	Peak of market
Are New Properties Sold at Prices Exceeding Their Potential Resale Value	Occasionally	Occasionally	Occasionally	Occasionally	Occasionally	Occasionally	Occasionally	Occasionally

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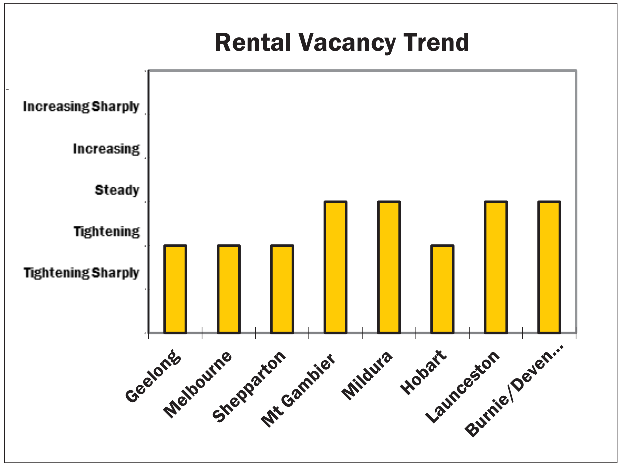

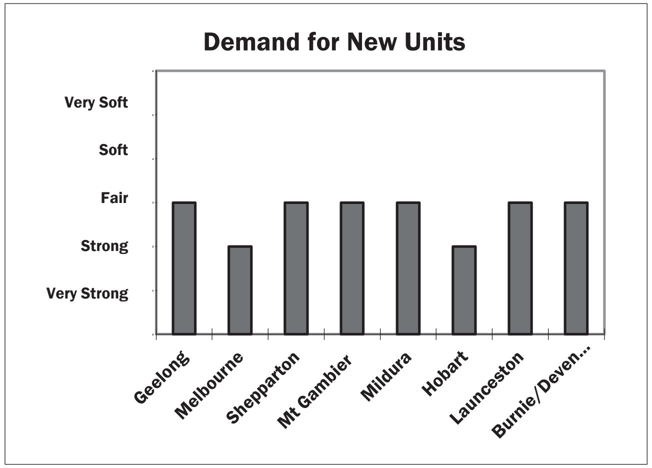

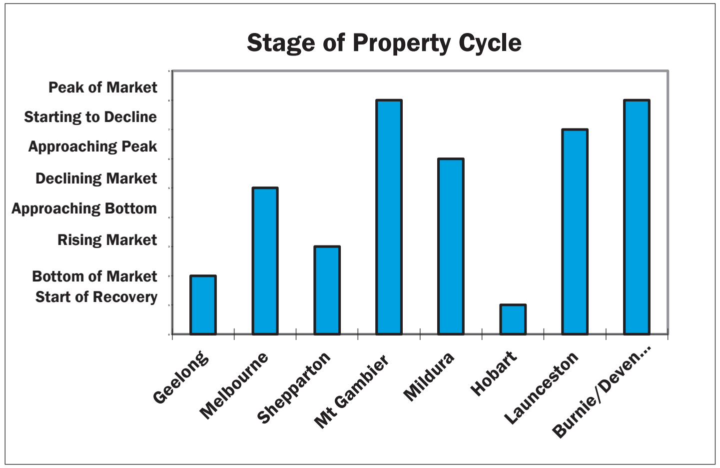

Victorian and Tasmanian Property Market Indicators – Retail

Factor	Ballarat	Bendigo	Echuca	Geelong	Gippsland	Melbourne	Mildura	Burnie/Develport	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	Steady growth	Flat	Flat	Flat	Flat	Flat	Steady growth	Flat	Contraction	Flat
Value Difference between Quality Properties with National Tenants, and Comparable Properties with Local Tenants	Significant	Significant	Small	Large	Significant	Large	Small	Significant	Significant	Significant

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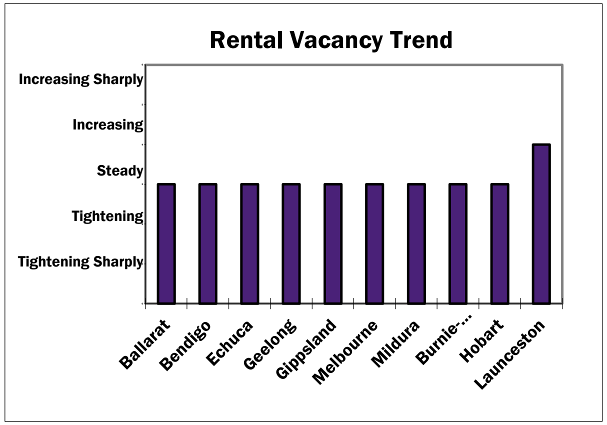

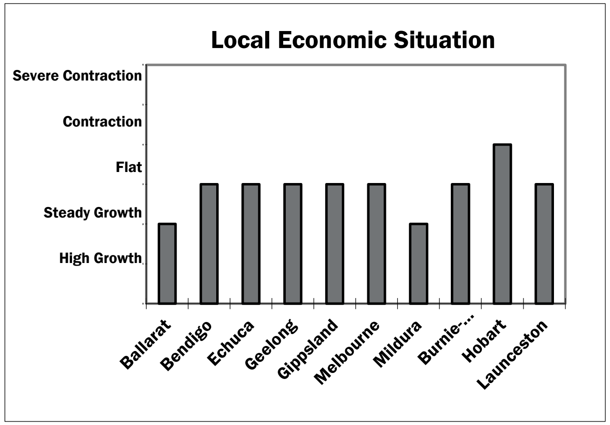

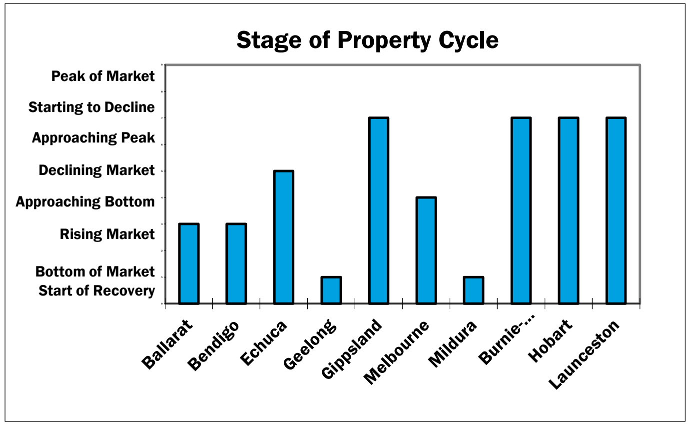

Queensland Property Market Indicators – Houses

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	Increasing	Steady	Steady	Steady	Steady	Steady	Steady	Tightening
Demand for New Houses	Fair	Fair	Fair	Strong	Very strong	Strong	Strong	Fair	Fair	Fair	Fair	Fair	Fair	Strong
Trend in New House Construction	Increasing	Steady	Steady	Declining	Declining significantly	Steady	Declining	Steady	Steady	Steady	Steady	Declining	Steady	Declining
Volume of House Sales	Declining	Steady	Steady	Increasing	Increasing strongly	Increasing	Steady	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	Approaching peak of market	Peak of market	Rising market	Approaching peak of market	Peak of market	Approaching peak of market	Rising market	Peak of market
Are New Properties Sold at Prices Exceeding Their Potential Resale Value	Frequently	Occasion-ally	Occasionally	Occasionally	Frequently	Occasionally	Occasionally	Occasionally	Occasionally	Occasionally	Occasion-ally	Occasionally	Occasio nally	Occasionally

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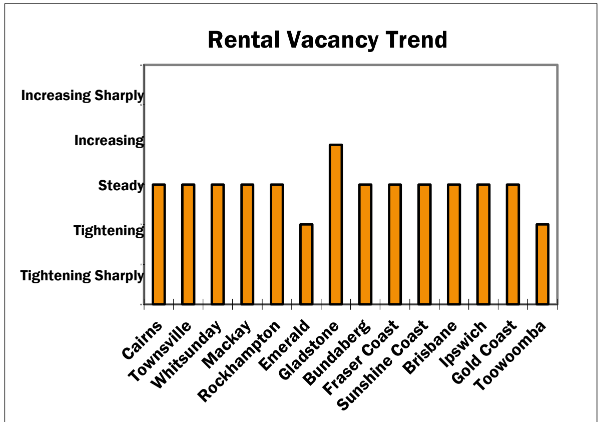
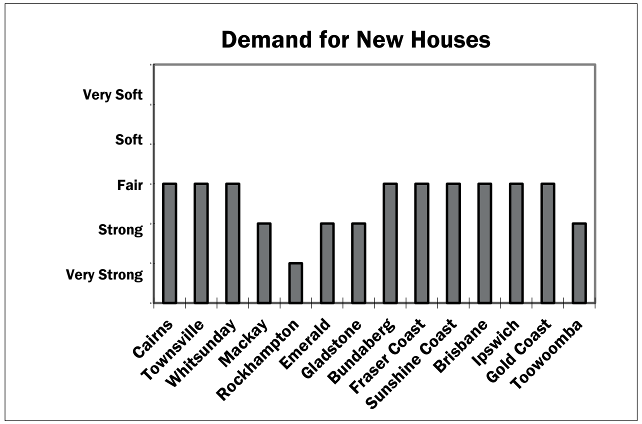
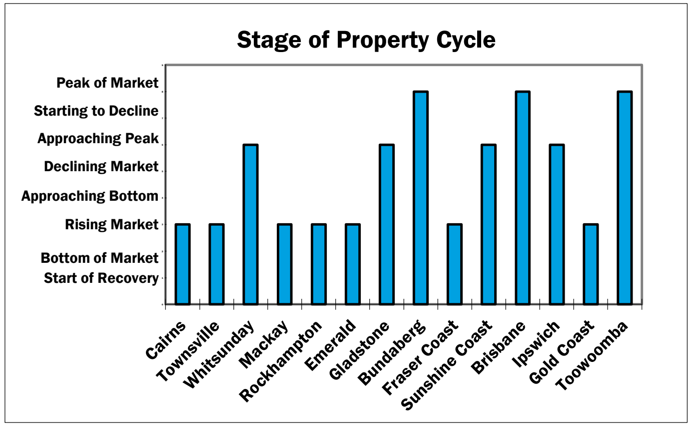




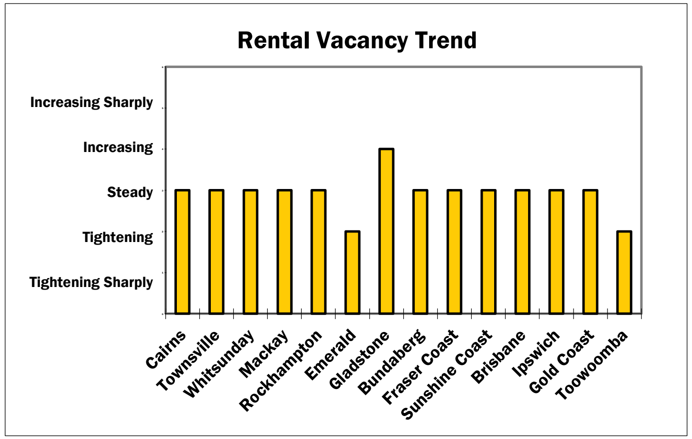


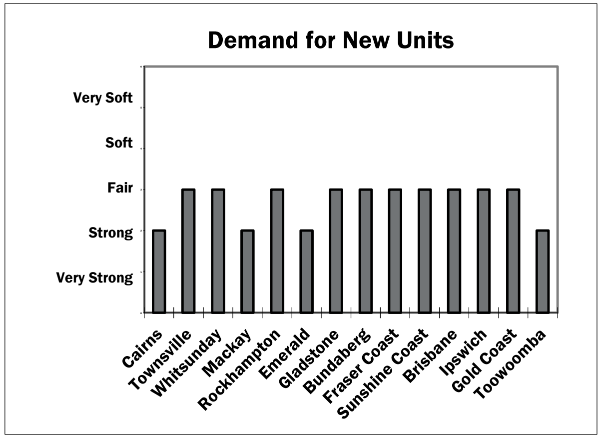
Queensland Property Market Indicators – Units

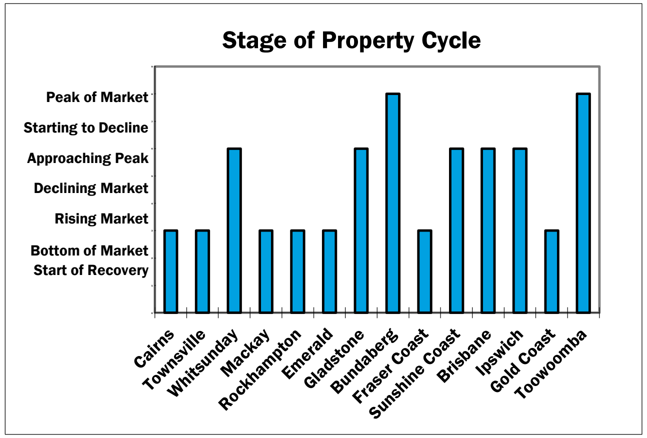
Factor	Cairns	Townsville	Whitsunday	Mackay	Rock-hampton	Emerald	Gladstone	Bundaberg	Fraser Coast	Sunshine Coast	Brisbane	Ipswich	Gold Coast	Toowoomba
Rental Vacancy Situation	Severe shortage of available property relative to demand	Severe shortage of available property relative to demand	Severe shortage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

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

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





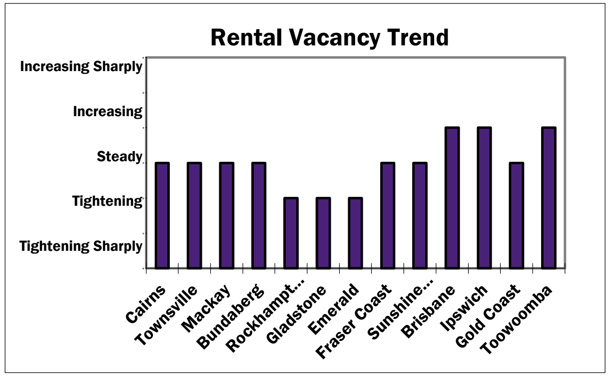


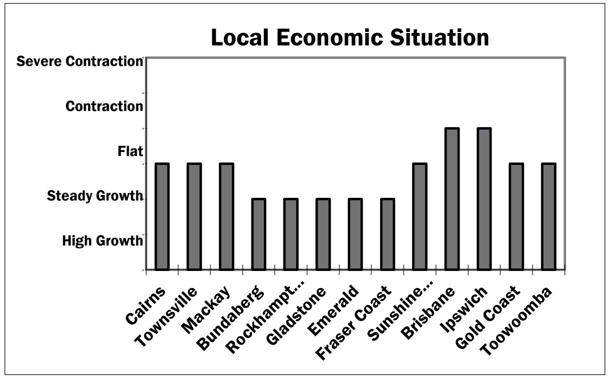
Queensland Property Market Indicators – Retail

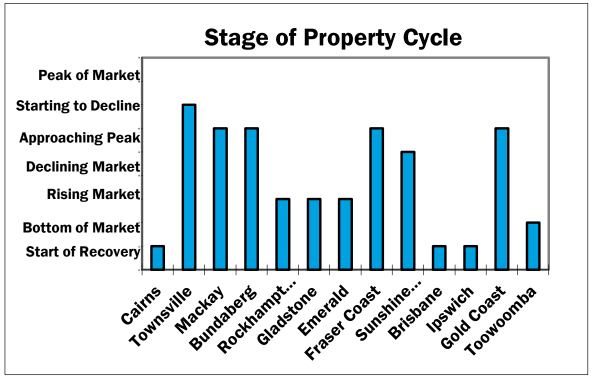
Factor	Cairns	Townsville	Mackay	Bundaberg	Rockhampton	Gladstone	Emerald	Fraser Coast	Sunshine Coast	Brisbane	Ipswich	Gold Coast	Toowoomba
Rental Vacancy Situation	Over-supply of available property relative to demand	Over-supply of available property relative to demand	Balanced market	Balanced market	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	Declining	Declining	Steady	Steady
Stage of Property Cycle	Start of recovery	Starting to decline	Approaching peak of market	Approaching peak of market	Rising market	Rising market	Rising market	Approaching peak of market	Declining market	Start of recovery	Start of recovery	Approaching peak of market	Bottom of market
Local Economic Situation	Flat	Flat	Flat	Steady growth	Steady growth	Steady growth	Steady growth	Steady growth	Flat	Contraction	Contraction	Flat	Flat
Value Difference between Quality Properties with National Tenants, and Comparable Properties with Local Tenants	Small	Significant	Significant	Small	Significant	Significant	Significant	Small	Significant	Large	Large	Significant	Large

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

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





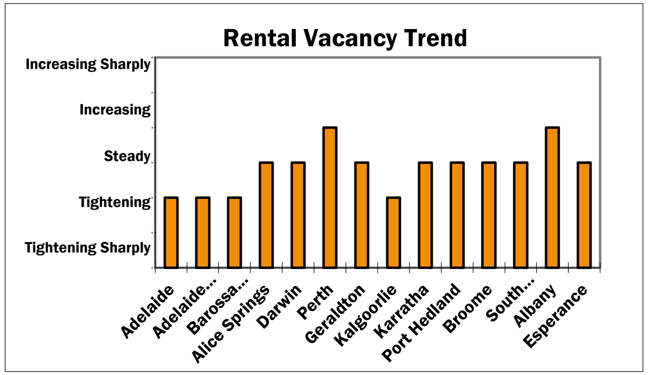


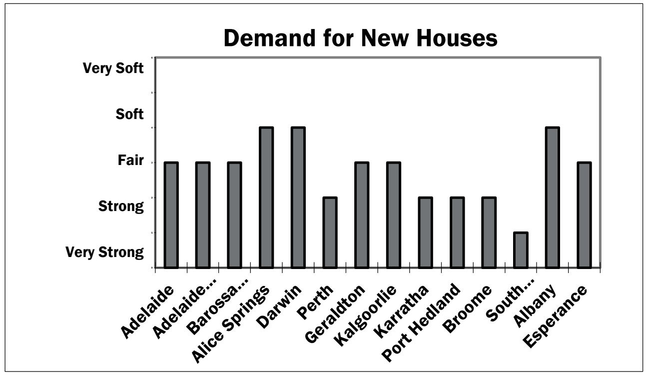
SA, NT and WA Property Market Indicators - Houses

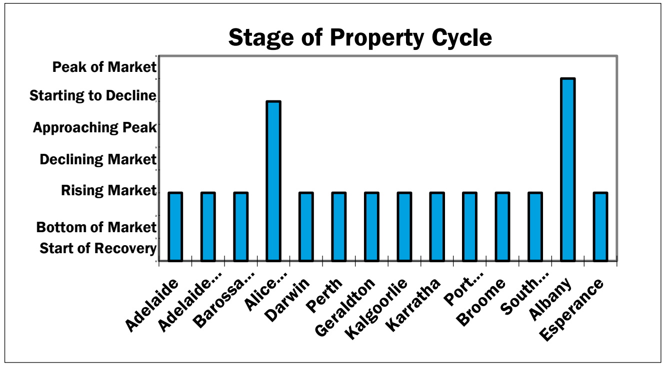
Factor	Adelaide	Adelaide Hills	Barossa Valley	Alice Springs	Darwin	Perth	Geraldton	Kalgoorlie	Karratha	Port Hedland	Broome	South West WA	Albany	Esperance
Rental Vacancy Situation	Severe shortage of available property relative to demand	Severe shortage of available property relative to demand	Severe shortage 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	Rising market	Rising market	Rising market	Rising market	Rising market	Rising market	Rising market	Rising market	Peak of market	Rising market
Are New Properties Sold at Prices Exceeding Their Potential Resale Value	Frequently	Frequently	Frequently	Almost never	Almost never	Frequently	Occasion-ally	Occasion-ally	Occasion-ally	Almost never	Almost never	Frequently	Occasionally	Almost never

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

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





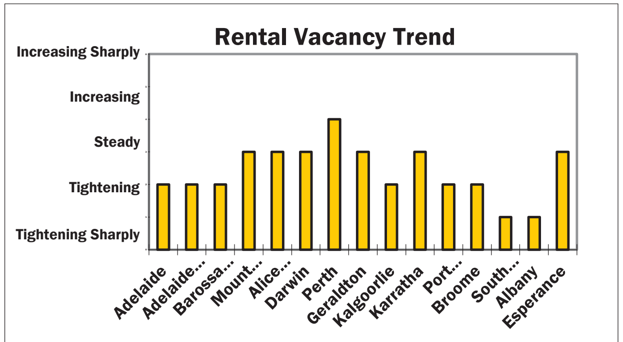


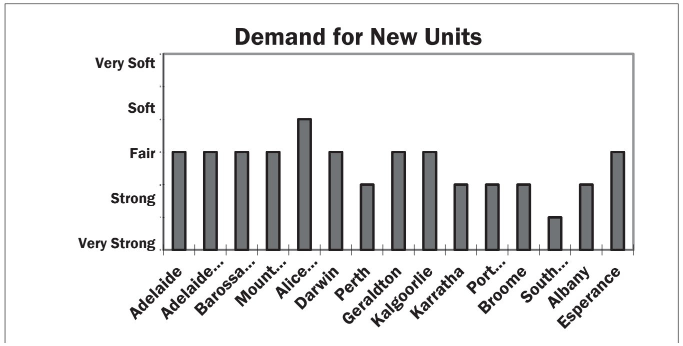
SA, NT and WA Property Market Indicators – Units

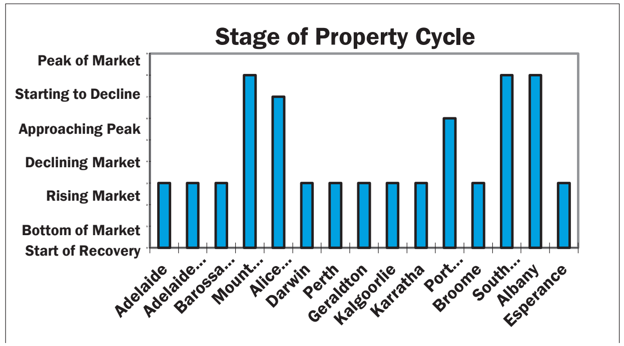
Factor	Adelaide	Adelaide Hills	Barossa Valley	Mount Gambier	Alice Springs	Darwin	Perth	Geraldton	Kalgoorlie	Karratha	Port Hedland	Broome	South West WA	Albany	Esperance
Rental Vacancy Situation	Severe shortage of available property relative to demand	Severe shortage of available property relative to demand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

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

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





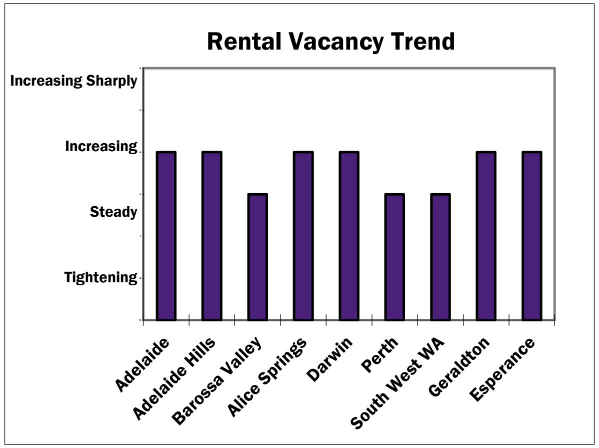


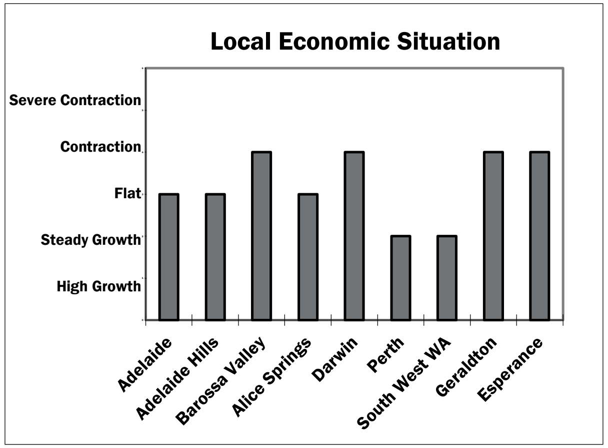
SA, NT and WA Property Market Indicators – Retail

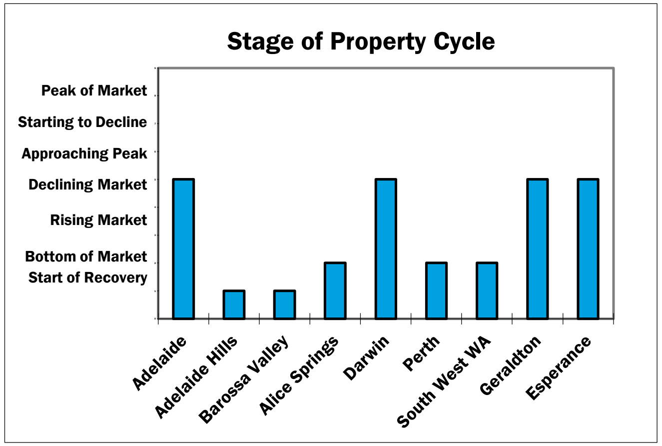
Factor	Adelaide	Adelaide Hills	Barossa Valley	Alice Springs	Darwin	Perth	South West WA	Geraldton	Esperance
Rental Vacancy Situation	Over-supply of available property relative to demand	Over-supply of available property relative to demand	Over-supply of available property relative to demand	Over-supply 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	Increasing	Increasing	Steady	Increasing	Increasing	Steady	Steady	Increasing	Increasing
Rental Rate Trend	Stable	Stable	Stable	Declining	Declining	Stable	Stable	Declining significant-ly	Declining significant-ly
Volume of Property Sales	Steady	Steady	Steady	Declining	Steady	Steady	Steady	Declining significant-ly	Declining significant-ly
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	Flat	Flat	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

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







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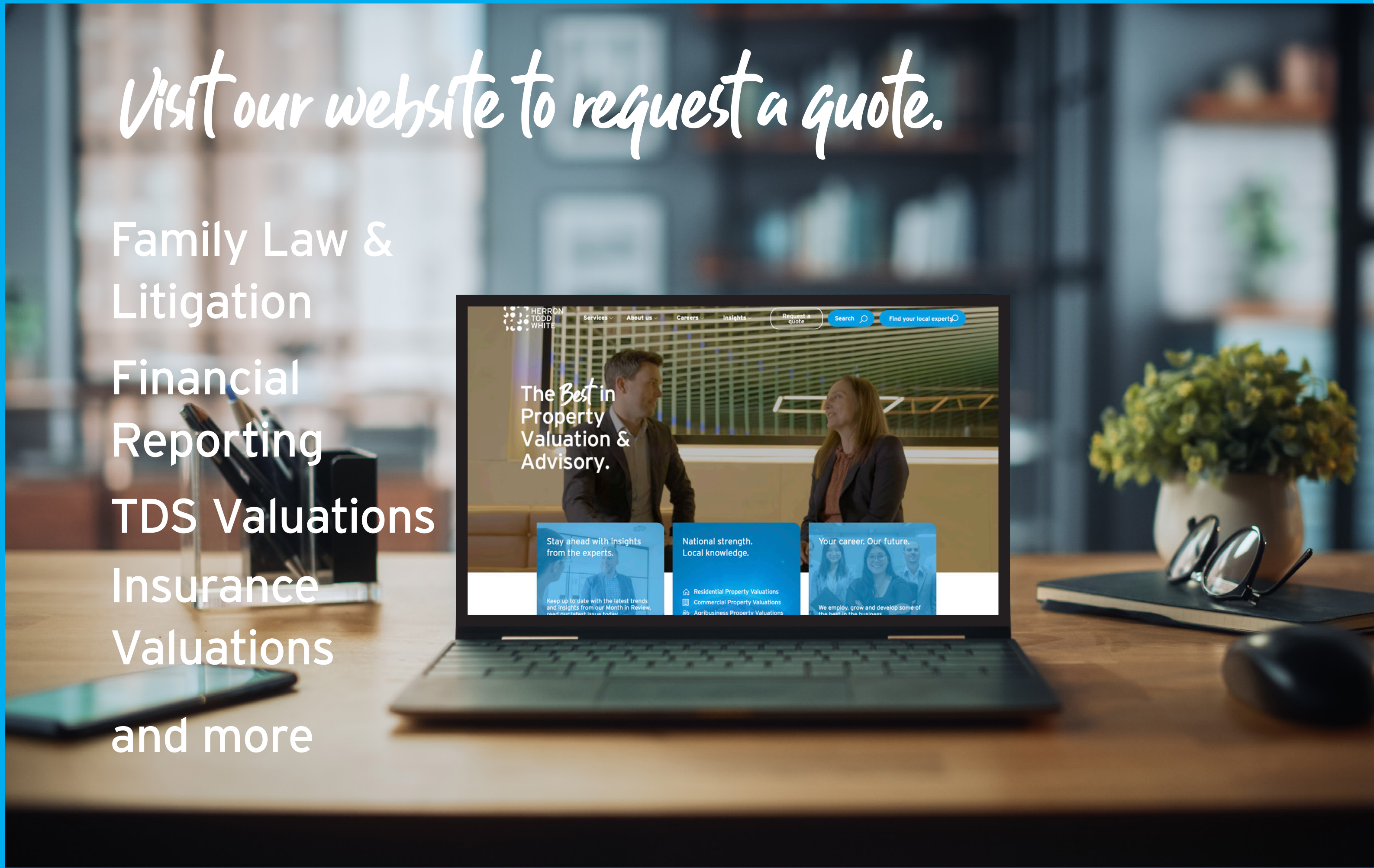

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