Month in Review

July 2024

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

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Disclaimer
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CEO's Address

Welcome to our July edition of Month in Review

For more than 55 years, our company has established itself as one of the nation's most respected property advisory brands. From a small office in Rockhampton started by founder Kerry Herron in 1969, we've grown to over 800 staff across 63 offices servicing all locations across the country.

Key to this longevity are the bonds of trust forged with clients and affiliate professionals. I just want to take a moment and say, on behalf of our entire Herron Todd White team, a sincere thank you to our loyal customers. Your continued faith in our ability to deliver exceptional independent property advice has enabled us to flourish, and for that we are enormously grateful. And we won't rest on our laurels either. Those who rely on our guidance will benefit from Herron Todd White's ongoing investment in people, processes and technology now and in the future.

In this, the July issue of Month in Review, our residential teams conduct retrospective analysis of their markets throughout the first half of 2024.

At the start of this year, there was a feeling of optimism among property stakeholders. Interest rates rises seemed to have reached their peak. There were expectations sales activity might accelerate as an increasing number of sellers released stock to a more stable market.

Since then the data shows values have grown across many locations – a function of high buyer demand meeting a low supply of listings – but the return to "normal" market conditions has been inconsistent. For example, many people are heading back to metropolitan centres after escaping to the regions during the pandemic. However, our largest cities are not seeing prices rise at the same rate as some of the smaller capitals such as Perth and Adelaide.

This multi-speed market performance is being observed across price points as well. Prestige residential has seen record high sale prices in some locations. In contrast, properties in the mid-upper bracket are recording slower price growth – a function of tougher borrowing conditions perhaps.

The crux is this… any stakeholder making important decisions without guidance from local, well-resourced and experienced professionals is at risk.

This month, our commercial teams discuss retail property activity, specifically new construction and refurbishment in the sector. While confidence in retail remains soft in the wake of delayed interest rate cuts (and a possible rise before year's end), some locations and property types are outperforming others. For example, development in retail strips appealing to tourism-driven businesses in many regional locations enjoy enviable rental demand, while other retail assets languish.

The rural team has delved into the livestock sector for July's report. This industry has enjoyed buoyant conditions for several years now, but there are signs activity is softening in some instances. Rural director Angus Ross provides an in-depth discussion of how changes in the market are driving prices and the degree of investment in operations.

As you can see, it's another comprehensive discussion on today's property markets sourced from experts across the country.

Please enjoy our July edition of *Month in Review.*

Gary Brinkworth
CEO

Since the start of the year, the data shows values have grown across many locations – a function of high buyer demand meeting a low supply of listings – but the return to "normal" market conditions has been inconsistent.

HERRON TODD WHITE

Commercial

July 2024

National Retail Overview

> *We are potentially on the way to a significant shortfall in retail accommodation in Australia.*

Australia is presently undergoing an extraordinary period of population growth. In 2023, the increase in population was over 650,000 people. Whilst this is now starting to make headlines in terms of the residential accommodation impact, what is less considered is the impact on commercial markets, and specifically retail.

The current per capita retail requirement is circa 0.9 square metres per person. On this metric, we should be building circa 585,000 square metres of new retail accommodation (or the equivalent of three to four major regional shopping centres) per year. Yet, our current build is trending towards record lows (circa 20 per cent of the long term average) and therefore a long way short of that target figure. We are therefore potentially on the way to a significant shortfall in retail accommodation in Australia.

There is no easy solution to this situation. It is increasingly difficult to develop new retail accommodation in infill brownfield locations due to planning difficulties, traffic considerations, rapid increases in construction costs and competing land uses for such sites. Accordingly new development in built up areas is increasingly being accomplished through expansion and increasing densification of existing sites. Such development is however complex and takes considerable time.

Development in the growing outer areas is far more easily accomplished and this is reflected in ongoing development of new neighbourhood centres.

The downstream impact of this undersupply is that there is now a developing potentially long-lasting undersupply of retail accommodation. Whilst not necessarily immediately apparent, this will be to the benefit of existing owners with the increased levels of trade feeding leasing demand, rentals and ultimately capital values.

So how does this square with the current experience?

During the disruptive impacts of the COVID crisis, retail property went through a significant market correction with reduced rentals, increased vacancies and a correction in capital values (for sub-regional and regional centres). This cycle has however now ended, and we are now in a stabilised situation but with increasing levels of market interest and more positive sentiment towards the retail sector.

Belying this situation, we are now entering more difficult economic times and the population increase is not sufficient to offset the deteriorating economic circumstances. Current retail trade is reasonably weak as the deterioration in general economic conditions starts to impact the retail world. The Shopping Centre Council of Australia reports that up to April 2024, year on year retail trade only increased by 1.2 per cent. This is well below inflation, let alone the combined population growth and inflation impact.

In summary, whilst there are still significant headwinds, the medium- and long-term prospects for retail property owners are strong. Two key lessons of the COVID experience were that shopping is a favoured leisure experience and that people want to be able to touch and feel their purchases. The simple fact is that there will be an increasing number of people competing for goods with an increasingly tight per capita supply of retail accommodation.

Alistair Weir
Commercial Director

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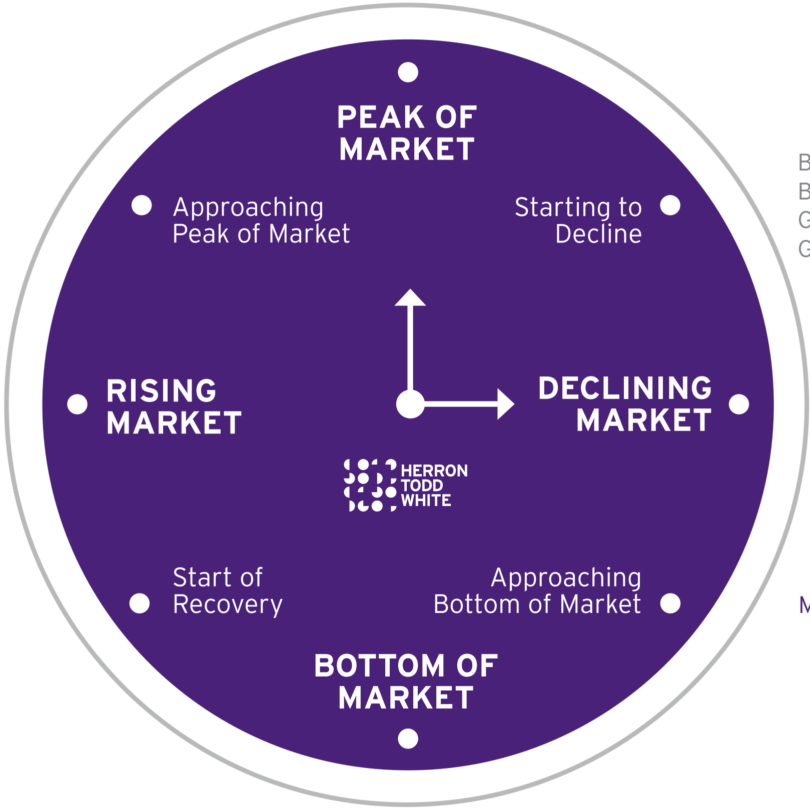
National Property Clock: *Retail*

Entries coloured purple indicate positional change from last month.

Central Coast
Port Macquarie



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

Adelaide
Canberra
Coffs Harbour
Darwin
Echuca
Esperance
Geraldton
Illawarra
Newcastle
Sunshine Coast
Sydney

Melbourne

Alice Springs
Perth
South West WA
Toowoomba

Adelaide Hills
Barossa Valley
Brisbane
Cairns
Geelong
Ipswich
Lismore
Mildura

Ballarat
Bendigo
Bundaberg
Emerald
Fraser Coast
Gladstone
Mackay
Rockhampton

New South Wales - Retail 2024

Sydney

The retail market in Sydney continues to be subdued as we get to the halfway mark of 2024. There are fewer transactions as a result of the current economic conditions. We anticipate weaker market conditions and the continued softening of the market. Retail has been heavily impacted by rising interest rates and inflation. Consumer spending has declined.

There has been limited new retail construction in Sydney over the past few years. The city is built-up, particularly in inner-city areas, which has resulted in fewer opportunities for expansion or development. New retail construction has focused on new housing estates in the outer western suburbs such as Box Hill and Marsden Park. Demand has been driven by the need to provide retail centres to serve the growing population. These newly developed estates have seen the successful uptake of shopping centres and retail hubs, with smaller tenancies predominantly occupied by local businesses. Retail development in the newly developed suburbs of outer western Sydney has additionally consisted of bulky goods retail and fast food outlets.

This development in St Leonards is typical of mixed use buildings with ground floor retail
Source: Herron Todd White

In contrast, in inner-city areas such as Waterloo, Zetland and Rockdale in the south and suburbs on the Lower North Shore, new retail supply is limited to ground floor suites within residential developments. The added supply that this has created has resulted in higher vacancy rates and longer selling periods, as these locations may face challenges related to parking availability and pedestrian traffic. Additionally, new developments often take time to generate foot traffic and trade due to the high vacancy rates in residential units during the settling, leasing and construction phases. Construction zones around these areas further impact pedestrian flow and road access. Typically occupiers of these retail suites are limited to local small business operators that service the residents within the apartments above.

There is an element of caution in the retail market at the moment. The market in Sydney remains subdued, with weaker demand and therefore limited new construction. Investors should remain cautious and strategic in their decision-making, considering the challenges posed by higher interest rates, reduced retail spending, economic uncertainty and inflation.

Angeline Mann
Commercial Director

COMMERCIAL - RETAIL

HERRON TODD WHITE

Victoria - Retail 2024

Melbourne

Despite widely reported struggles within the construction industry, there still appears to be an appetite for new developments and refurbishment projects within the wider Melbourne retail property sector. Successful projects appear to fill a void or look to reactivate existing retail precincts through complete overhauls and redesigns of how the space is utilised and engaged with. State and local governments also appear to be supporting a range of small to large projects within the Melbourne CBD and outer suburban locations.

At a government level, there has been a continued trend of incorporating new retail development in infrastructure projects. The Melbourne Metro Tunnel project, which is due to reach completion in 2025, will incorporate 37 new retail tenancies across the nine new stations, totalling 3900 square metres of new retail space. The tenancies are said to range from as small as 10 square metres up to 410 square metres, providing an opportunity for a range of different traders to operate in these spaces.

The encouragement from state and local government has led to an increase in mixed use developments which combine residential and retail, particularly on main roads where developers have more relaxed height restrictions and high levels of exposure to vehicular and foot traffic for ground floor retail. This trend has been observed across inner-city neighbourhoods and outer suburban areas alike.

Last year, the City of Melbourne announced a plan to redevelop the Queen Victoria Market precinct to be known as Gurrowa Place which is understood to be part of the largest urban renewal project undertaken by the City of Melbourne. The project will incorporate the construction of three new mixed use towers and the refurbishment of the currently unused market retail spaces on Franklin Street. This is part of the Queen Victoria Market precinct renewal project which aims to revitalise the area and increase business for market traders.

With over 550 stores, Vicinity Centres' Chadstone, dubbed the fashion capital, is one of Australia's leading retail hubs and holds the title of the largest shopping centre in the southern hemisphere. In 2023 the centre unveiled a brand new entertainment and dining precinct, The Social Quarter, which provides 17 new tenancies which are predominantly focused on food and beverage retail. Food and beverage remains a popular choice of retailer, particularly in key retail centres and strips, as licensed premises can operate for longer hours and maximise profits. Despite cost of living pressures, consumers still appear to be spending on these luxuries, particularly in more affluent neighbourhoods.

On the outskirts of Melbourne's metropolitan area, suburbs such as Berwick, an established semi-rural neighbourhood, have experienced an influx of higher density mixed use development. The recently completed Oak building at 9 Gloucester Avenue, Berwick comprises a four storey apartment building that incorporates retail tenancies at street level. With calls from the state infrastructure body for an increase in higher density development in established areas and limits to urban sprawl, mixed use buildings are likely to become even more prevalent.

High levels of incentives from landlords have been observed for new leasing transactions in parts of the CBD such as the Collins Street precinct in efforts to attract tenants and increase business which according to local operators is still below pre-pandemic levels. Significant landlord fit-out contributions appear to be less common in more recent times, possibly due to heightened construction costs. Landlords are generally instead negotiating rent-free periods, which can be generous in length when securing a strong tenant on a long-term lease.

It is possible that the Reserve Bank of Australia may implement further cash rate rises during the remainder of 2024, although this appears less likely as inflationary pressures are beginning to show signs of slowing. This follows the recent

Despite widely reported struggles within the construction industry, there still appears to be an appetite for new developments and refurbishment projects within the wider Melbourne retail property sector.

rate increases at 13 of their meetings since May 2022. The increased cost of borrowing is placing substantial pressure on many household budgets and is likely to continue to have a negative impact on retail spending. Growth in retail spending is expected to continue to remain low throughout the remainder of 2024.

Consumer confidence has been significantly dampened by higher inflation and the impact of the multiple interest rate rises and consumers are becoming more concerned about the near-term outlook of the economy. The Westpac-Melbourne Institute Consumer Sentiment Index fell by 0.3 per cent from 82.4 in April 2024 to 82.2 in May 2024. It was reported in the survey results that consumers remained deeply pessimistic with concerns about cost-of-living pressures, inflation and the fear that further interest rate rises may be necessary.

Reduced retail spending in addition to rising costs such as wages and energy put pressure on retailer affordability of rents and other outgoings. In many areas of Victoria, retail leasing conditions are challenging and downward pressure on rents for retail tenancies is evident. Tenants are seeking greater flexibility including shorter initial terms and are seeking to negotiate lower rents and higher levels of incentive such as discounted rent or rent free periods upon commencement of new leases or renewals. Although general leasing conditions in some areas are difficult, there is still good demand within prime locations, particularly from food based and retail service tenants.

Overall, the remainder of 2024 could see a number of changes occurring in the retail property market. New tax and stamp duty rules, interest rates and consumer sentiment will play key roles in shaping the market landscape this year, on the sides of both supply and demand. Whilst the market is showing signs of improvement, it is believed that further softening yields could be observed, particularly for secondary properties.

Nathanial Ramage
Associate Director

Queensland - Retail 2024

Brisbane

In Brisbane's retail sector, several key factors are currently influencing both new construction and refurbishment efforts.

Primary influencing factors include:

- **Tenant Demand and Market Trends:** There is a significant influence from changing consumer behaviours and preferences. As consumer habits evolve, there is a growing demand for more experiential retail spaces rather than traditional formats. This shift is prompting developers to create environments that cater to these preferences, such as mixed-use developments that integrate retail with residential or entertainment spaces.
- **Infrastructure Development:** Ongoing infrastructure projects, such as transportation improvements and urban redevelopment initiatives, are enhancing accessibility and creating new commercial opportunities in various parts of Brisbane. Areas benefitting from improved infrastructure are becoming attractive for retail development, driving new construction.
- **Legislative and Regulatory Changes:** Changes in zoning laws, planning regulations or incentives for sustainable development can impact retail construction and refurbishment decisions. For example, incentives for green building practices may encourage refurbishments that improve energy efficiency and sustainability.

Currently, major developments in Brisbane are often driven by a combination of factors which include:

- **Location Advantages:** Proximity to high-density residential areas or areas with growing populations are key drivers. Retail developers are targeting locations where there is already strong demand or where infrastructure improvements are expected to increase foot traffic.
- **Tenant Demand:** Certain types of tenants, such as flagship stores of international brands, boutique retailers, or trendy food and beverage outlets, often drive new construction. Developers are responding to specific market demands and preferences.
- Mixed-Use Developments: Projects that combine retail with residential or commercial spaces are increasingly common. These developments capitalize on synergies between different types of spaces and cater to the lifestyle needs of modern consumers.

In addition, refurbishments of retail buildings in Brisbane are driven by several factors:

- **Improving Appeal and Attractiveness:** Older retail properties may undergo refurbishment to modernize their appearance and amenities. This can attract higher-quality tenants and improve overall leasing rates and returns for property owners.
- **Adapting to Changing Retail Trends:** As consumer preferences shift towards more immersive and interactive retail experiences, refurbishments may aim to create spaces that align with these trends. This could involve redesigning layouts, integrating technology, or enhancing the overall customer experience.
- **Maintaining Competitive Advantage:** Refurbishments help retail properties remain competitive in a dynamic market. Upgrading facilities and services can differentiate a property from newer developments and retain or attract tenants seeking modern, well-maintained spaces.

In summary, Brisbane's retail sector is experiencing growth in both new construction and refurbishment projects driven by evolving consumer preferences, strategic infrastructure investments, and adaptive responses to market demands. Developers and

Brisbane's retail sector is experiencing growth in both new construction and refurbishment projects driven by evolving consumer preferences, strategic infrastructure investments, and adaptive responses to market demands.

property owners are leveraging these trends to capitalise on opportunities and enhance the attractiveness and functionality of retail spaces in the city.

Terry Munn
Director

Gold Coast

Retail property construction and refurbishment on the Gold Coast has been a steady driver of building activity across the region over the past 12 months. Rapid population growth, consumer behavioural shifts and new infrastructure projects are continuing to drive tenant demand in key catchments which is enabling property owners and developers alike to capture opportunities in an evolving market.

Australia Fair, one of the Gold Coast's oldest retail centres, has recently undergone a major $50 million refurbishment. Renovations of this regional shopping centre include an upgrade of the main façade on Marine Parade and the creation of a new food and beverage laneway precinct at the northern end of the centre.

The development of the Oxley 1823 retail and dining precinct in Nobby Beach represents another significant addition to the dining and hospitality scene on the Gold Coast. Positioned within the already popular beachside commercial precinct, Stage 1 of the development has quickly risen to prominence and includes The Oxley Village Grocer and Bouy Café. Stage 2 of the development is nearing completion and will see the operators behind Burleigh's Rick Shores launch a large two level Latin American restaurant with rooftop bar.

On the northern Gold Coast in the growth corridor suburbs of Ormeau, Pimpama, Coomera and Upper Coomera, a substantial amount of convenience retail and fast food buildings have been developed over recent years, including new McDonald's, Hungry Jack's, KFC, Guzman y Gomez and Taco Bell restaurants to name a few, along with various service stations and car wash premises.

A significant amount of large format retail (LFR) has also been developed, particularly at Pimpama and Upper Coomera. One example is the partly completed Home Focus Pimpama which currently includes Bunnings, Officeworks, Petbarn, The Reject Shop and others. Further to this, a large strip of LFR tenancies has been completed within the Pimpama City Shopping Centre Complex, including a Sydney Tools, Supercheap Auto, BCF and others. This is located close to the new Pimpama Train Station, due for completion by late 2024. As can be seen from the comprehensive list above, this region of the Gold Coast now features a national tenant line-up that would rival that of many regional towns around the country.

Large format retail developments at Pimpama Source: Herron Todd White

Large format retail developments at Pimpama Source: Herron Todd White

There is still more land at Coomera which is suited to further LFR development; it will be interesting to see when this land is activated and the level of tenant demand.

Conversely, the southern Gold Coast region has experienced no new dedicated retail accommodation in the past few years apart from some small showroom developments. Retail development in this area tends to be as a small part of residential apartment developments, of which there have been numerous completed in the past couple of years and continue to be planned for the near future. Most of these developments include a ground floor retail component, with at least a single café, if not several shops that are able to be supported in part by the occupants within the complex together with the local neighbourhood and beyond.

One of the more notable recent developments is Awaken, atop Point Danger in Coolangatta. This recently completed development has capitalised on

Retail property construction and refurbishment on the Gold Coast has been a steady driver of building activity across the region over the past 12 months.

HERRON TODD WHITE

the location's enclave characteristics, overlooking the coastline with expansive views from Fingal in the south to Surfers Paradise in the north, situated in a prominent, elevated position at the end of a headland. The building comprises single floor luxury residential units with a ground floor café and first floor restaurant. Although the location, being of primarily residential use, is yet to be proven for retail food operators, the boutique location and views could prove to be an attractive destination for patrons in search of significant vistas. Kirra Beach Hotel is another prime example of this. It was completed early this year and has proven popular with locals keen to enjoy an up market pub style accommodation on the ground floor with a large restaurant above. The retail component is also supported by a large residential tower above. A similar building is planned by the developer to commence shortly on the adjoining site, which will include retail accommodation of a smaller floor plan high street nature with a central laneway.

Ryan Kohler
Director

Sunshine Coast

In our previous overview of new construction and refurbishments in the retail sector (June 2023), we highlighted several major developments on the Sunshine Coast. These included the expansion of Sunshine Plaza, the redevelopment of the Wharf Mooloolaba and the ongoing establishment of retail precincts in emerging residential areas.

As one of the fastest-growing regions in Australia, the Sunshine Coast is expected to see substantial population growth over the next decade. Current estimates predict an increase of approximately 8000 new residents each year, bringing the population to over 500,000 by 2041. This growth will naturally lead to the development of new retail spaces such as street-level shops in new unit complexes and small local centres in master-planned communities. Notable locations for these developments include Aura, Pelican Waters, Sippy Downs and Bokarina Beach. Additionally, there is potential for new supermarkets in the hinterland suburbs of Palmwoods and Eumundi.

As some retail precincts in established areas become outdated, we anticipate a trend towards refurbishing existing spaces. However, refurbishment activity is currently limited due to several challenges, including scepticism about the retail sector, reduced discretionary spending, rental affordability issues, high overhead costs for tenants, the availability and cost of land, high construction and refit costs and a general softening of commercial markets. While significant refurbishment is not imminent, it may become more common in the medium term as economic and market conditions improve.

Areas such as Caloundra and Nambour are likely to be prioritized for these efforts. These areas are the most likely due to a range of factors including the significant level of increased residential population in surrounding areas and the overall scale of some of the existing commercial and retail holdings in these locations. Areas of these locations have already begun to see new primarily local tenants that have improved shop fronts with some landlords also incentivising tenants by providing capital maintenance programs. Council has also improved the streetscape in both locations to improve overall pedestrian flow.

Jaydon McDowell
Associate Director

Wide Bay

Supply of large format retail has expanded in the Wide Bay with the construction of new retail centres on Boat Harbour Drive and Johanna Boulevard. These developments are supported by demand from a handful of national retail brands and create some vacancies within the developments and from existing tenancies that are now vacant. Construction costs are now very high relative to the achievable net rent from new developments that is constraining supply and in some cases retail projects are simply not happening because the rental income isn't high enough to support a project's cost. A trend to keep an eye on is the expansion of retail development into fringe or suburban areas such as Eli Waters and Kepnock and the impact this may have on the surrounding residential markets and ancillary land uses. A good indicator for the retail market could be the successful lease up for specialty retail tenancies in these fringe areas over the next few years.

Grant Collins
Associate Director

Mackay

BCF has outgrown its longstanding, 2093 square metre tenancy at Northpoint Retail, Mount Pleasant. It will relocate to larger new premises on Mackay Bucasia Road, Richmond in the same complex as its main competitor, Anaconda. Pet Stock will also take up a new tenancy beside BCF. We understand that leasing demand for the former BCF tenancy has been strong, however it will be broken up into smaller tenancy areas.

A Guzman y Gomez store is near completion on a site within the Mount Pleasant Shopping Centre car park. It will have a building area of 282 square metres, a two-lane driveway for up to 14 vehicles and operate 24 hours per day, seven days per week.

Aside from demonstrating that Mackay people love fishing, pets and fast food, the development mentioned above indicates that the local economy is doing pretty well and the population is growing as more people move here from metropolitan areas.

The Sydney Street Markets aggregation was sold late last year at a reported price of over $40 million. This is a small city shopping centre anchored by Coles and ANZ Bank. It included adjacent and adjoining vacant lots and redevelopment sites.

Gregory Williams
Director

Townsville

The Townsville retail market continues to be a significant sector within the Townsville property market with an increased number of new fast food and mixed-use retail builds and applications taking place across the region.

Recent new construction within the region would indicate a leaning towards service stations with national operators or multi tenanted complexes that include drive-through national fast food retailers, childcare centres, car washes and cafes. Stage 5 of the Fairfield & Co development is underway which provides a brand new drive-through KFC and childcare centre. The continued uplift in construction costs questions the ultimate viability of such capital investment on paper. It is likely that the continued escalation in construction costs, supply chain issues and potential for extended delivery horizons may delay or inhibit new construction over the short term.

In terms of up and coming development, master planned communities such as North Shore and Elliot Springs are reaching such points of critical mass that there are now national supermarket chains and fast food retailers showing commitments in these areas, however it is unclear when construction on these complexes will commence.

Whilst the general regions are seeing improvements and development, it is quite evident that the Townsville CBD is still struggling as urban sprawl impedes retail opportunities within the inner ring locale.

Jamison Sayce
Associate Director

Cairns

Retail in Cairns at present caters to two different markets, locals and tourists. Retail catering to the local market remains reasonably strong with relatively low vacancies and reasonable demand with very limited stock to either rent or buy. Smaller suburban retail rents tend to be in the range of $350 to $450 per square metre. Whilst yields were in the order of 6% to 7% depending on quality of tenant, building and lease tenure, agents report investors now require a yield in the 7% to 7.5% range, though smaller affordable stratas will show lower yields.

Retail catering to the tourist market which is primarily located in the central business district and the Esplanade is very different, with high vacancies in non-Esplanade locations and limited demand for retail accommodation.

Much of the retail in this precinct is supported by international tourists which were non-existent during COVID, though numbers of international tourists are steadily increasing which will eventually lead to more demand for CBD retail space.

Tourism has been buoyant since early 2022 and food outlets and restaurants have been trading very well within the prime areas mainly along the Esplanade retail precinct.

Whilst vacancies within the non-Esplanade CBD are high, properties remain generally tightly held by long term owners with this type of property rarely coming onto the market.

Shane Quinn
Director

Darling Downs

Retail leasing demand in Toowoomba has been moderate to date in 2024 as a result of higher interest rates, high inflation and increasing levels of economic uncertainty.

Investor demand continues to be strong with the number of transactions limited by supply. Investment yields in Toowoomba have continued to be strong despite the recent increases in interest rates. Yields may soften in the second half of 2024 following the trend observed in most major retail

Tourism has been buoyant in Cairns since early 2022 and food outlets and restaurants have been trading very well within the prime areas mainly along the Esplanade retail precinct.

markets in Australia over the past twelve months.

Development activity continues to be high with a number of projects in various stages of development, including:

- A new Officeworks and two fast food tenancies are under construction on the corner of James and West Streets in Harristown.
- 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 and 360B Bridge Street, Wilsonton (opposite Wilsonton Shopping Centre) is to be leased to Carl's Jnr.
- A café with drive-through facility is being constructed for Zarraffa's Coffee next to Freedom Fuels on the corner of Anzac Avenue and Alderley Street in Harristown.
- A new bulky goods and showroom complex has been approved in Carrel Drive next to Bunnings Warehouse.

The major transaction of note in the region is the sale of Warwick Home & Life in Albion Street, Warwick. The retail centre was fully leased to BCF, Petbarn, Anytime Fitness, Doctors & Co. and Café 63 and sold for $11.8 million in March with a net yield of 6.54%.

Ian Douglas
Director

South Australia - Retail 2024

Adelaide

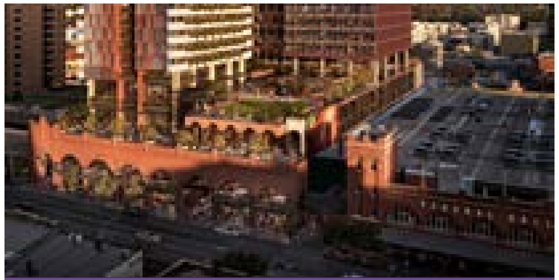
The Adelaide retail market has shown signs that yield softening has already been priced, with some yields broadly stabilising across the sector. The Westpac Melbourne-Institute Consumer Sentiment Index dropped a further 0.3 per cent in May to 82.2, remaining in deeply pessimistic territory, which is unsurprising given the current economic environment. Inflation concerns are still prevalent, with the target rate of two to three per cent being more resistant than expected which means a possible further rate hike. Expectations have been improving gradually, although they have been hindered by renewed pressures on finances in today's higher interest-rate environment.

South Australia's migration levels haven't been rising as quickly as some other state and territory numbers however they're still historically strong which is one element continuing to support the retail sector. A further bolster is these immigration numbers being coupled with the lowest unemployment rate in the nation as at February 2024. Regardless of the commentary surrounding increasing vacancy due to decreases in consumer spending, the Adelaide retail market has shown record low vacancy across the board. We will have to wait and see whether this will continue over the remainder of the year with the cost-of-living pressures mounting and the thought of a further rate hike on the cards.


Burnside Village Shopping Centre Construction Source: RCP, 2024

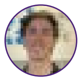
Expectations have been improving gradually, although they have been hindered by renewed pressures on finances in today's higher interest-rate environment.

We are seeing new retail construction servicing residential infill suburbs with a prominent development being the recently completed of Lofty Building Group's $30 million development of Lightsview Village. The property introduced approximately 2800 square metres comprising anchor tenant Drakes Supermarket, eight speciality retailers spanning lettable areas from 76 to 248 square metres, and a childcare centre. Large format retail developments are increasing in prevalence within the Adelaide market and are set to be the largest contributor to retail supply. These have also been generating solid investor interest when brought to market, typically comprising strong lease covenants with large WALEs and nationally recognised brands. The supply within 2024 and over 2025 is expected to exceed the five-year average buoyed by sub regional supply and large format retail categories including the Burnside Village Shopping Centre extension.


Market Square and Central Market Expansion Source: City of Adelaide, 2024

Another prominent development underway in the Adelaide CBD is the $400 million Market Square Development incorporating an expansion of the well-known Adelaide Central Markets. Excavation and piling works commenced in April 2024 with the construction estimated to be completed early 2026.

The development will expand the central market as well as provide a supermarket and everyday retail services and offerings. In addition to the retail development, it will also introduce 3000 square metres of public rooftop green space, 20,000 square metres of commercial office space a premium hotel with 248 rooms, 231 residential apartments and a childcare facility. The development will aid with rejuvenating the south-western corner of the city frame, an area known for older, dated buildings that have not experienced the same levels of development as other parts.



Matt Slack
Assistant Commercial Valuer

Western Australia - Retail 2024

Perth

New construction activity in the retail sector of Western Australia has been hampered to an extent by doubts surrounding consumer spending habits. There is a mounting risk that savings accumulated during the pandemic lock-down periods are or have been eroded on the back of higher mortgage repayments, stubbornly high inflation and other cost of living pressures.

Whilst the performance of the state's residential property market has created wealth, at least on paper, for homeowners, it unfortunately has continued to place considerable pressure on the local construction industry. Labour shortages and construction material supply chain disruptions have contributed to a pronounced escalation in build costs across all real estate sectors, while also delaying project timelines.

Nonetheless construction of new retail space has been prevalent in designated activity centres in Perth's establishing, peripheral suburbs and regional centres characterised by a burgeoning population catchment. Typically, these projects consist of neighbourhood-size shopping centres anchored by a major supermarket chain with accompanying fast food outlets and service stations.

Artist impression of Westfield Booragoon Shopping Centre expansion
Source: Government of Western Australia

Led by eastern states-based buyers, demand for modern, leased investment property even on the back of a wavering interest rate outlook has led to firm yields and often premium sale prices that are over and above replacement cost. Market yields for such assets, if appropriately leased, have softened over the past 18 months but nonetheless tend to range between 6% and 7%.

In terms of major refurbishment projects, the Western Australian Planning Commission (WAPC) approved a proposed $720 million expansion of Scentre Group's Westfield Booragoon during 2023 however construction is yet to commence.

This centre is located in the inner south-western corridor and is characterised by a catchment area with an above average socio-economic demographic. The relative resilience of this cohort to higher interest rates and inflationary pressures provides a degree of confidence for shopping centre owners in these locations to pursue such significant construction programs.

The restaurant precinct (or Laneway) at Claremont Quarter in Perth's western suburbs, comprising a 30,000 square metre development anchored by David Jones together with Coles and Farmer Jack's supermarkets, is currently being refurbished with elevated food and beverage offerings whilst intending to better align with the Town of Claremont's broader vision for the Claremont Town Centre.

Further south and stage two of Kardinya Park Shopping Centre's redevelopment is set to begin. The centre, located some 13 kilometres from the Perth CBD, will see an expansion of Coles' tenancy from 2,400 square metres to 3,800 square metres, creation of a new wellness precinct, fresh food market and additional parking.

Common to these and other refurbishment projects around Perth is the movement towards creation of village centres as opposed to traditional shopping

Common to these and other refurbishment projects around Perth is the movement towards creation of village centres as opposed to traditional shopping centres, where locals can shop, dine, be entertained and socialise all in one place.

HERRON TODD WHITE

centres, where locals can shop, dine, be entertained and socialise all in one place.

On a smaller scale, traditional high streets are retaining their appeal to customers, despite their much-publicised trading difficulties, for their convenience-based shopping appeal. It could be argued that such destinations have benefited from the work from home movement, especially those located in middle and outer-ring residential suburbs, plus the growth in volume of higher density housing. Rather than being repositioned by landlords however, refurbishment tends to be more frequent and often in the form of landlord works included as an incentive in new lease agreements. Non-traditional retailers such as health-care services (e.g. physiotherapists, yoga studios, etc.) are becoming more common whilst conventional retailers diversify their product and service offering.

Perth City's rich architectural heritage is also being preserved through the adaptive re-use of historical buildings. Several places of heritage significance have been repurposed and reborn as unique retail spaces that combine period features with modern retail concepts. Whilst preserving Perth's cultural heritage, such projects also serve to meet sustainability initiatives.

Above all, the retail sector is one that is constantly changing. Innovation and reinvention are critical to meeting the evolving needs of customers and the keys to the Western Australian retail sector in the future.

Greg Lamborn
Director

Northern Territory - Retail 2024

Darwin

Retail trading statistics from the Northern Territory government indicate that retail turnover in the Territory decreased by 0.1 per cent (in real terms) year on year to $3.6 billion to the March quarter 2024. This is consistent with general economic conditions currently being experienced in Darwin.

At this time of year, being the dry season in the Top End and the cooler months in the Centre, there is a focus on the NT's tourism market. Unfortunately this year (as at early July) most operators are reporting that the season start has been six weeks behind its usual commencement. This points to a much shorter than usual peak season, depending on weather conditions at the end of the dry season. For an industry that has faced a range of difficulties over the past few years, this is not good news.

In property terms, difficult trading conditions mean that some operators are under stress and there is very limited opportunity for rental growth for property owners and investors. Capital values are also expected to be steady at best.

Traditionally, all forms of real estate markets have adopted a conservative wait and see approach in periods leading up to an election. The Territory election is scheduled for August, and it is difficult to see any significant change in market conditions until after that, regardless of who forms government.

16 Dashwood Crescent Darwin City is under offer — Source: commercialrealestate.com.au

Terry Roth
Director

This points to a much shorter than usual peak tourist season, depending on weather conditions at the end of the dry season. For an industry that has faced a range of difficulties over the past few years, this is not good news.

HERRON TODD WHITE

Residential

July 2024

National Residential Overview

As we kick off the second half of the year, it's time to take stock of how the various residential markets around the country have been performing throughout the first six months of 2024.

There is little doubt that interest rates are the main driver in most markets at the moment. At the start of the year, many economists were forecasting that the cash rate would see a cut as early as June, with possibly three cuts by the end of the year. This saw some optimism and increased activity across most capitals with median prices increasing throughout the first quarter of the year.

However stubborn inflation numbers over the past few months continue to push estimates for a rate cut back. Many economists are now forecasting the cut won't come until 2025, and there's even

Shaun Thomas,
Director

The mid-sized capitals of Brisbane, Adelaide and Perth continue to power through, all on track for double digit annual growth – in fact, Perth has already achieving that in the first half of the year.

a chance of a cash rate increase in the next few months. This has resulted in the major capital markets in Sydney and Melbourne, along with the smaller capital markets in Hobart, Darwin and Canberra, starting to flatline, and in some cases decline, as buyers and sellers enter the winter season in somewhat of a holding pattern.

The mid-sized capitals of Brisbane, Adelaide and Perth continue to power through, all on track for double digit annual growth – in fact, Perth already achieved that in the first half of the year. According to CoreLogic, Brisbane now has a higher median dwelling value than both Melbourne and Canberra, showing the continued strength in that market post the pandemic.

Median values in regional areas seem to generally be tracking in line with their state capitals so far in 2024, with the exceptions of regional Tasmania performing slightly better than Hobart, while regional Western Australia, although still performing very strongly, is tracking slightly behind Perth.

Another factor that continues to underpin many residential markets is the lack of supply of new dwellings, which have not kept pace with demand. Increasing demand has mainly been driven by significant increases to immigration numbers over the past couple of years but also from a decline in the average number of people per household, as buyers and renters seek more room to be able to work from home post-Covid.

Whilst the federal and state governments continue to introduce policy ideas to help boost supply of new housing, these are likely to be medium- to long-term solutions, with new building approvals continuing to lag and an increasing number of projects becoming unfeasible due to the cost of materials, shortage of skilled labour, increasing developer levies, and the cost and time involved in getting projects approved.

As a result, we are not only seeing property values hold up or increase during a period of relatively high interest rates and cost of living pressures, we are also seeing rental vacancy rates remain at historic lows, leading to continued strong growth in asking rents across nearly all capital cities for both houses and units.

Of course, different local markets and price segments perform independently, and so for the latest insights into these, our local experts around the country provide their take on how their markets have performed so far in 2024.

HERRON TODD WHITE

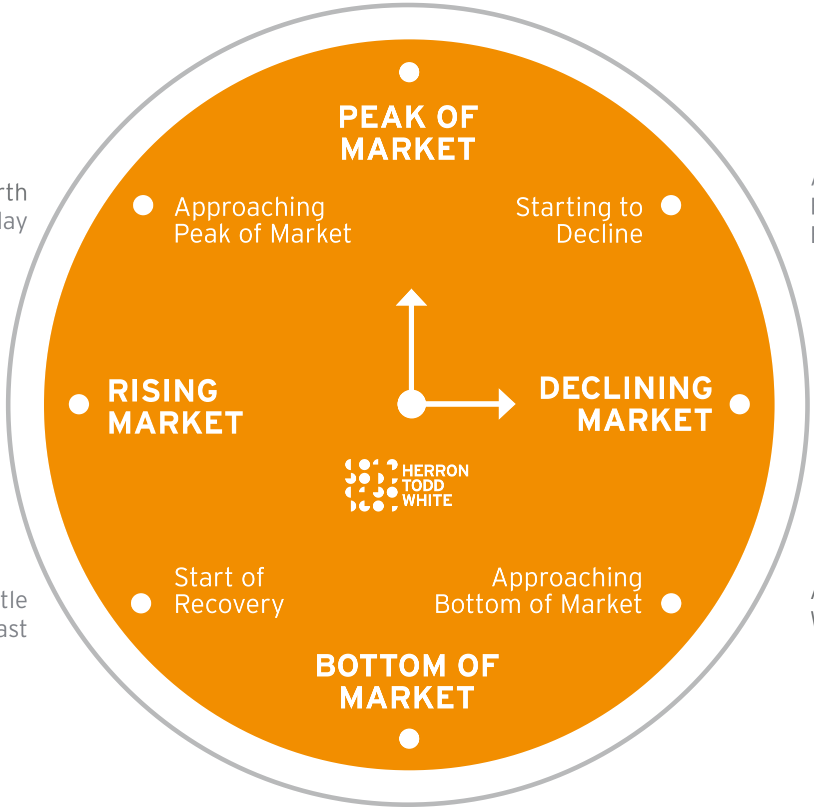
National Property Clock: *Houses*

Entries coloured orange indicate positional change from last month.

Albany
Bundaberg
Canberra
Dubbo
Fraser Coast
Mildura
Mount Gambier
South West WA
Tamworth
Toowoomba

Perth
Whitsunday

Alice Springs
Bathurst
Burnie/Devonport
Darwin
Launceston
Shepparton



Adelaide
Adelaide Hills
Barossa Valley
Brisbane
Broome
Cairns
Emerald
Esperance
Geraldton
Gladstone
Gold Coast
Ipswich
Kalgoorlie
Karratha
Mackay
Port Hedland
Rockhampton
Sydney
Townsville

Port Macquarie

Central Coast
Illawarra
Melbourne
Newcastle
Sunshine Coast

Albury
Wodonga

Ballina/Byron Bay
Coffs Harbour
Geelong
Hobart
Lismore
Southern Highlands

RESIDENTIAL

National Property Clock: *Units*

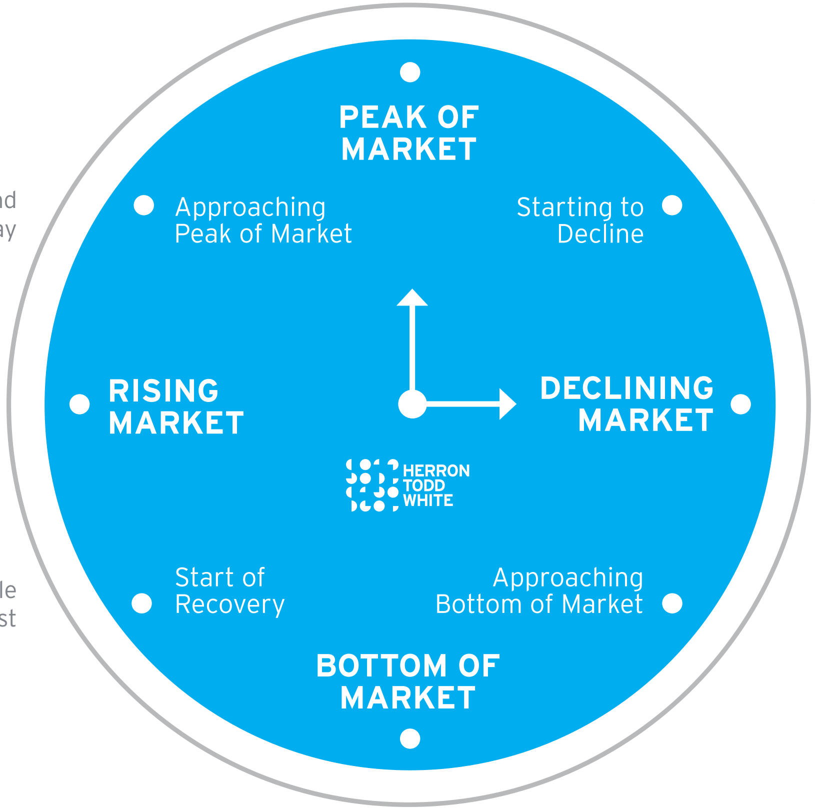
Entries coloured blue indicate positional change from last month.

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

Port Hedland
Whitsunday

Alice Springs
Bathurst
Launceston

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



Canberra
Port Macquarie

Central Coast
Illawarra
Melbourne
Newcastle
Sunshine Coast

Albury
Wodonga

Ballina/Byron Bay
Coffs Harbour
Geelong
Hobart
Lismore
Southern Highlands

RESIDENTIAL

New South Wales - Residential 2024

Sydney

As we pass the halfway mark of 2024, the Sydney residential property market has seen one of its flattest periods in many a year. Despite some early hope for interest rate cuts by the middle of the year fueling some predictions of strengthening prices, stubborn inflation numbers appear to have killed off any chance of a rate cut until November, and more likely until 2025.

This has resulted in a fairly flat increase in the Sydney median house value to $1,441,957 as at the end of May, according to CoreLogic, up 2.1 per cent over the year to date. The median unit value was up a slightly lower 1.7 per cent to $848,961.

As always, there are different localities and price points performing better than others, but the general feel right across the Sydney market appears to be that of treading water until there is more certainty around interest rate cuts.

Western Sydney

As the hooter sounds, that brings us to the end of the first half, and where has the time gone? It feels like only yesterday we were discussing the year ahead.

For dwellings in the north-west, the past six months have been mostly positive with most suburbs recording positive growth since January. Some suburbs are faring better than others. The wider market is slowing from previous booms but shile less people are vying for property there are still solid results occurring for the right property.

Parramatta

The median price for a dwelling in Parramatta has not moved in six months from January to now. Whilst this data is based on only 33 sales, the data can be less reliable but flat growth does correlate with parts of the wider western Sydney region.

Castle Hill

The median price for a dwelling in Castle Hill has risen $67,500 in six months from $2.25 million to $2,317,500. This reflects a rise of approximately three per cent.

A recent example is 84 Excelsior Avenue, Castle Hill selling for $2,320,001 in May which is right on the current median value for the area. For this price you get a renovated circa 1970s five-bedroom three-bathroom dwelling on 939 square metres of land, however this property does front a roundabout on a busy local road.

84 Excelsior Avenue, Castle Hill Source: realestate.com.au

Blacktown

The median price for a dwelling in Blacktown has risen $40,000 in six months from $945,000 to $985,000. This reflects a rise of approximately four per cent.

Penrith

The median price for a dwelling in Penrith has risen $20,000 in six months from $880,000 to $900,000. This reflects a rise of approximately two per cent.

Rouse Hill

The median price for a dwelling in Rouse Hill has risen $47,750 in six months from $1.41 million to $1,457,750. This reflects a rise of approximately three per cent.

For units, the past six months have been generally stable with little to no price growth in most areas. This is on the back of a large volume of supply in many areas. In some cases stressed investors are needing to sell their investment unit to free up cash given the multiple interest rate rises throughout 2023 and into 2024. Some areas have seen a larger drop in median value on the back of a large supply of units hitting the market.

Blacktown

The median price for a unit in Blacktown has increased $5,655 in six months from $517,345 to $523,000. This reflects a rise of approximately one per cent.

Penrith

The median price for a unit in Penrith has increased $10,000 in six months from $530,000 to $540,000. This reflects a rise of approximately 1.8 per cent.

Parramatta

The median price for a unit in Parramatta has increased $8,000 in six months from $622,000 to $630,000. This reflects a rise of approximately 1.2 per cent.

Castle Hill

The median price for a unit in Castle Hill has dropped $120,000 in six months from $1.1 million to $980,000. This reflects a drop of approximately 12 per cent. Don't be too worried as the median unit price is still up 4.7 per cent annually; it just spiked around December 2023 and January 2024.

The recent sale of 38/8-14 Mercer Street, Castle Hill by Response Walsh & Sullivan for $980,000 in May 2024 highlights what you can get for the current median unit price in Castle Hill. This circa 2004 built two-bedroom two-bathroom unit with a double basement garage is positioned in one of the more sought after pockets in Castle Hill a close walk to the Metro and shopping precinct.

38/8-14 Mercer Street, Castle Hill   Source: realestate.com.au

South Western Sydney

For the south-west Sydney half-yearly state-of-the-market review, we have broken the markets down into three distinct groups.

The sub $1 million market

This is mainly made up of investors and first home buyers. Across this market we have seen consistent growth in the first six months of 2024 which is being driven by low supply and high demand due to affordability, immigration and strong rents. We consider it would take multiple interest rate rises to really see an impact on this market.

As reported by realestate.com.au, this is a snapshot of median price movements in the sub $1 million dwelling market:

- Airds - the median price has risen five per cent in six months from $666,100 to $700,000.
- Ruse - the median price has risen four percent in six months from $815,000 to $848,600.

Whilst the housing market has broadly been performing well, the same cannot be said for the unit market. The unit market has struggled due to oversupply, lack of infrastructure around unit hubs and decreased confidence due to well-known building issues.

As reported by realestate.com.au this is a snapshot of median price movements in larger unit hubs of the south-west:

- Liverpool - the median price has dropped one per cent in six months from $480,000 to $475,000.
- Edmondson Park - the median price has remained level at $600,000.

The $1 million to $2 million market

This market is mainly made up of upsizers and first home buyers (families). This market has seen a steady performance in the first six months as it is this market that has been the most impacted by interest rate movements, reduced borrowing capacity and cost of living pressures. This market is seen as the most interest rate price sensitive market; a single cut or an increase will generally see an instant response in the market.

As reported by realestate.com.au this is snapshot of median price movements:

- Edmondson Park - the median price has risen one per cent in six months from $1.19 million to $1,202,500.
- Oran Park - the median price has risen one per cent in six months from $1.06 million to $1.07 million.

The $2 million plus market

2024 has seen the emergence of an established high end market in modern estates which in years gone by was a rarity. We believe this is a result of the south-west forging its own identity as a place people want to live. The growth of community and employment has seen a boom in this market with local agents finding it easier to sell a property over $2 million than under. Interest rates and borrowing capacity do not seem to impact this market as heavily compared to the sub $2 million market.

A perfect example is a recent suburb record in Denham Court in June 2024 at $2.675 million. This modern residence comprises five bedrooms, three bathrooms and a three-car garage on 642 square metres of land.

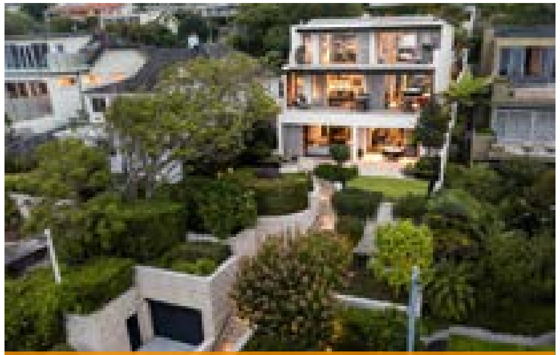
62 Wiregrass Avenue, Denham Court   Source: CoreLogic

North Shore

As we hit the halfway mark for 2024, it appears the North Shore has been relatively steady overall, with particular price points and property types performing at different levels. Through conversations with local selling agents, it seems it's a bit of a mixed bag in terms of perceived market confidence, again depending on the particular property type and location.

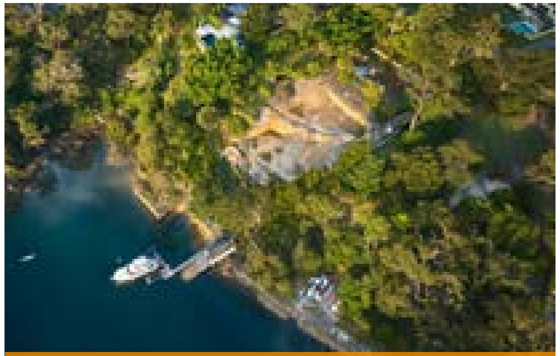
We have seen listings of high quality and high value homes remain low, helping keep the prestige market relatively buoyant, although not at the frantic levels seen throughout 2021 and 2022. With this sector of the market generally being less impacted by interest rates, buyer demand has remained strong, with some very strong sale prices recorded.

On the Lower North Shore, the blue chip suburb of Mosman always gives us a great indication of prestige market conditions north of the Harbour Bridge. In March this year we saw the very strong sale result of 46 The Grove, Mosman for $30 million (as per CoreLogic records). This property sits high on Mosman's coveted Balmoral Slopes appreciating expansive 180 degrees over Middle Harbour towards North Head and the distant ocean. The architecturally designed dwelling was fully renovated in 2021, completed to the highest of standards, and comprises six-bedroom and seven-bathroom accommodation, with an oversized five-car garage. The residence also features a glass elevator servicing each of the four levels and is advertised as having gold Italian silk velvet accents in the dining room. This is a classic example of a very high quality property, positioned in a prime location, resulting in an extremely strong result.



46 The Grove, Mosman Source: realestate.com.au

As strong as the abovementioned result was to start 2024 in the prestige sector, it is still slightly short of the $33 million Mosman record, however it appears that 2024 may produce a new Mosman sale price record with the current listing of 10 Bay Street, Mosman, having an advertised price guide of $35 million to $38 million. This property is reported to be Mosman's largest waterfront block of land, with a land area of 5,488 square metres and frontage to Quakers Hat Bay of over 50 metres. There are currently no improvements on the site although it has been excavated in preparation for the construction of a fully approved grand residence. The site also benefits from a private beach, boat house and a deep water jetty at the foreshore. This will be a true test for the prestige market sector in Mosman and we look forward to reporting any results, possibly record breaking, in a future edition.



10 Bay Street, Mosman Source: realestate.com.au

With the North Shore prestige market generally being less impacted by interest rates, buyer demand has remained strong, with some very strong sale prices recorded.

When looking at the market more at the median house price level, the Upper North Shore has continued to perform relatively well. These suburbs are traditionally strong performers although rising interest rates and global uncertainties tend to have more of an impact than they do on prestige level properties in the same areas.

We have continued to see strong results throughout 2024 in the suburbs of Warrawee and Wahroonga, driven by continued demand for property within quality school zones and those with accessibility to the Northern Line on Sydney's rail network. As per realestate.com.au, the median house price in Wahroonga at the start of 2024 was $2.75 million, which rose to $2,867,500 as at the end of May, showing a price increase of just over 4.2 per cent to start the year. Although not anywhere near the growth experienced in previous years, it shows stabilisation and healthy growth in the market.

The high-density unit market on the Upper North Shore has not performed quite as well as expected, although has still managed to make very slight gains to start 2024. Rapidly rising rental prices, continued historically low vacancy rates and strong migration levels were all predicted to result in some strong growth in this market sector. Unfortunately, it appears that rising interest rates have counteracted otherwise strong fundamentals for capital growth of these unit markets.

Looking at Waitara, which has a significant number of high-density unit developments, the median unit price according to realestate.com.au at the start of 2024 was $718,000, and this has risen to $728,889, indicating a slight gain of around 1.5 per cent.

Similarly in Hornsby, also with a high amount of large-scale unit developments, the median unit price according to realestate.com.au was $695,000 at the start of 2024. This has risen to $707,000 as at the end of May, again showing only a slight increase of around 1.7 per cent. From a glass half full perspective, at least prices are trending in the right direction and expectations are still high in the medium term, especially once we see any easing in interest rates.

Northern Beaches

The first half of 2024 has brought a sense of normality back to the Northern Beaches residential market. Overall, local markets have begun to stabilise as buyers navigate fluctuating interest rates and rising living costs. Despite these challenges, stock levels have maintained strong

Northern Beaches property listings Source: SQM Research

Overall, local markets have begun to stabilise as buyers navigate fluctuating interest rates and rising living costs.

competition for properties that are marketed effectively and priced appropriately.

This viewpoint is further substantiated by recent median sales data, which indicates stability compared to the volatility observed in previous years. Notably, median sale prices for both houses and units remain below the peak levels achieved in 2021.

	NORTHERN BEACHES COUNCIL(LGA) (House)		NORTHERN BEACHES COUNCIL(LGA) (Unit)	
Period	#	$	#	$
2/2019	1,344	$1.83m	1,211	$935k
1/2020	1,077	$1.91m	974	$950k
2/2020	1,546	$2.02m	1,355	$975k
1/2021	1,493	$2.54m	1,393	$1.15m
2/2021	1,556	$2.85m	1,505	$1.29m
1/2022	1,066	$2.75m	1,001	$1.19m
2/2022	1,074	$2.33m	981	$1.08m
1/2023	992	$2.33m	950	$1.14m
2/2023	1,160	$2.6m	1,098	$1.15m
1/2024	494	$2.6m	631	$1.15m

Northern Beaches median prices Source: PriceFinder

As winter begins, we expect the market to remain stable until an uptick in activity during spring, which may align with anticipated monetary policy changes later this year. Additionally, we are keenly awaiting further details on the New South Wales state government's housing reforms expected soon, and their potential impact on the local market. These reforms aim to unlock supply of low-rise housing, such as terraces and dual occupancies, and mid-rise housing up to six storeys in well-located areas. It will be interesting to see how these reforms compare to the initial announcement and their impact on local markets.

Inner Sydney

With recent CoreLogic data indicating that Sydney has a current metropolitan median house price of $1,156,020 (as at May 2024), it is apparent that the market has made a nominal recovery from the largely interest rate rise induced declines in 2022. The current metropolitan median price breaks down into $1,441,957 for houses and $848,961 for units, with Sydney's inner suburbs typically reflecting much higher than this. As a result, interest rate speculation has been at the forefront for many throughout the first half of 2024, however as it stands at the moment, cuts to the cash rate do not look immediately likely.

The unit market is more commonly driven by investors, particularly at the lower end, and has therefore had a fairly subdued first half of the year with the high cash rate biting for some. SQM Research recently reported a 21.7 per cent increase in property listings in Sydney compared to this time last year, showing that many existing homeowners are selling and therefore providing plenty of choice for those in the market to buy.

Haymarket is situated at the southern end of the Sydney CBD and is home to the University of Technology, Ultimo TAFE and China Town. It's a high density area that is popular with investors due to its consistent tenant demand and proximity to the CBD. However with CoreLogic reporting units spending an average of 51.5 days on market (well above the Open Agent reported metropolitan median of 32 days) and CoreLogic showing price growth of -0.7 per cent over the past twelve months, the market appears to be comparatively stagnant.

The sale in May of 1510/178 Thomas Street, a modern two-bedroom, two-bathroom unit with one car space for $1.22 million highlights this, with the property previously transacting off the plan in February 2015 for $128 million.

1510/178 Thomas Street, Ultimo Source: realestate.com.au

Conversely, the owner-occupier dwelling market is faring well given its higher price point, with suburbs such as Woollahra, a well-regarded inner eastern suburb with proximity to prominent schools and a village high street feel, reporting dwellings spending an average of 36 days on market (CoreLogic) and growth of 11.5 per cent over the past twelve months.

15 View Street, a three-bedroom, two-bathroom character property which has been recently renovated, sold for $3.98 million in only 18 days (as per CoreLogic), highlighting the demand for quality family homes in the area, a statement underscored by the consistent auction clearance rates in eastern Sydney which frequent in the mid-seventies.

15 View Street, Woollahra Source: realestate.com.au

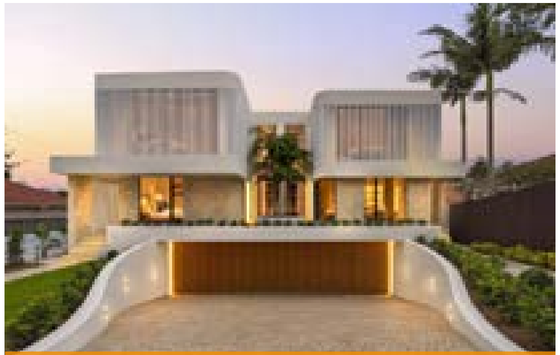
Eastern Suburbs

Sydney's eastern suburbs' property market started the year reasonably strongly, although price growth has been slower than in 2023. The apparent end to interest rate hikes saw optimism from buyers and sellers, however tighter lending policies as well as cost of living pressures have put a strain on borrowing capacity. It would seem that these factors would strain the market however buyer demand has still been quite strong and a lack of quality stock in some sub-markets has contributed to good market conditions for the first half of 2024.

The suburbs in the southern end of the eastern suburbs such as Little Bay, Chifley, Matraville, Maroubra, Kingsford, Kensington, Coogee and Randwick are highly desirable due to comparatively lower prices than the suburbs to the north, but still offer a similar lifestyle with access to beaches and close proximity to the CBD. The market here has been dominated by developers building luxury duplexes in suburbs such as Little Bay, Chifley and Matraville, selling in the $2.7 million to $3 million range.

8A Oxley Street, Matraville sold in May for $2.875 million Source: CoreLogic

The duplex market also extends up to middle range suburbs in the south-east such as Maroubra and Kingsford. In May, 412A Avoca Street, Kingsford sold for $4.3 million, and a new prestige duplex at 14 Tyrwhitt Street, Maroubra sold for $6.225 million in March.



14 Tyrwhitt Street, Maroubra Source: realestate.com.au

The trend and popularity of these homes is due to purchasers wanting a low maintenance property with all that modern living can offer. These duplexes have been fairly resilient to declining market conditions due to high construction costs, lack of stock and high demand.

Buyer demand has still been quite strong and a lack of quality stock in some sub-markets has contributed to good market conditions for the first half of 2024.

In May, the Australian government detailed the planning levels for the 2024-2025 Permanent Migration Program, which will be set at 185,000 places. This is a slight reduction from the previous year of 190,000 places. Interestingly, the places allocated for the Skilled Independent Visa category have been slashed by more than 40 per cent. Will this have an effect on single-living style accommodation as less skilled independents enter the market? Only time will tell.

The eastern suburbs of Sydney remain in high demand with world class beaches, lifestyle appeal, food and dining, schooling options and transportation. Bondi Beach has a median price for houses of $4.07 million (realestate.com.au), an eight per cent increase year on year, and a median unit price of $1.45 million (realestate.com.au), a 10.9 per cent increase year on year.

Dwellings in this area typically comprise 1920s Californian Bungalows to modern newly built homes and units in the area varying from 1930s Art Deco to modern contemporary designs. The suburb remains popular for both owner-occupiers and tenants given its proximity to a world class beach, restaurants, cafes, schools and Westfield Bondi Junction.

In the prestige house space, whilst we have still seen some strong results in 2024, there is no doubt the prestige market has eased off in line with the wider market.

Looking at the six larger prestige suburbs with a median house price above $5 million, but noting that some suburbs don't have sufficient sales to show a reliable median price, we can see a general range of growth in the first five months of the year of between -2 per cent to five per cent.

Suburb	Dec 2023	May 2024	Change
Vaucluse	$9,227,426	$7,462,227	-19%
Rose Bay	$6,227,726	$6,532,734	5%
Dover Heights	$6,193,140	$6,338,077	2%
Double Bay	$6,687,428	$6,548,811	-2%
Bronte	$5,429,563	$5,380,467	-1%
Tamarama	$5,883,346	$6,004,526	2%

Median House Prices Source: CoreLogic

Vaucluse shows a significant decline however this appears to be an out of line May number as the median price as at April was $9,123,193, a one per cent decline since the beginning of the year.

Activity in the trophy home market has mainly been restricted to the $15 to $25 million space so far in 2024, however we are still keeping an eye on John Symond's Wingadal in Point Piper which is on the market for $200 million plus, which will smash the national current house price record should it sell.

Wingadal, Point Piper Source: AFR

In the Eastern Suburbs, whilst we have still seen some strong results in 2024, there is no doubt the prestige market has eased off in line with the wider market.

Southern Sydney

The Sutherland Shire and St George regions of Sydney have remained relatively steady across the first half of 2024, although median house prices have started to decline in many Sutherland Shire suburbs in the past three months according to CoreLogic's Mapping the Market. Across the south, median unit prices have generally seen steady to minor price growth over the first half of the year.

New or recently renovated properties continue to perform best in regard to buyer demand and selling periods, with properties requiring works tending to longer selling periods. Conversations with local agents indicate that buyers are still wary of high building and material costs, and this along with a lack of quality builders and tradespersons continue to shift the market towards already renovated properties.

An increase in supply of semi-detached duplex style properties in some suburbs has seen prices begin to decline, however properties with higher end finishes and ancillary improvements are still achieving strong prices.

A brand-new duplex in Miranda sold in June for $2.35 million. It had slightly above

156A Kareena Road, Miranda Source: realestate.com.au

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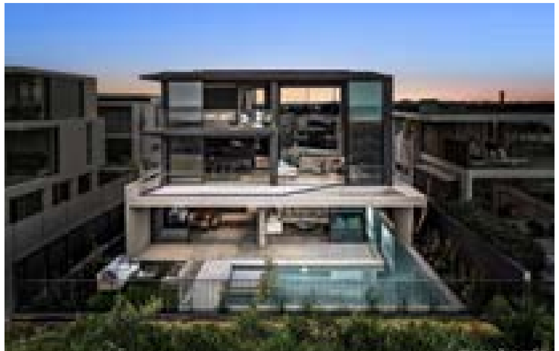
average finishes and above average ancillary improvements with a swimming pool, built in BBQ, cabana and outdoor bathroom. This is above the suburb median of $1.744 million according to CoreLogic.

The prestige housing market in the south has tracked similarly to the general housing market with overall limited growth over the course of the first half of 2024, and modern and renovated homes outperforming their unrenovated counterparts.

After a hiatus in properties selling above $10 million, the past six months has seen more activity in this space. There have been two advertised sales above $10 million in Burraneer in 2024, including a large 3,664 square metre waterfront landholding with dated single level dwelling for $19.05 million in March, and a high-end modern built home on a smaller waterfront allotment for $12.5 million in May.



66 Shorebird Parade, Greenhills Beach Source: CoreLogic

The highly regarded Shorebird Parade, Greenhills Beach saw a $10.3 million sale in March, only to be outdone by the adjacent home two days later at $15.7 million. The latter, at 66 Shorebird Parade, comprised a large, modern, three-storey plus basement home with five bedrooms, six bathrooms, basement garaging for up to seven cars and a pool on a 787 square metre allotment with beach reserve frontage and good ocean views.

Shaun Thomas
Director

Lismore / Casino / Kyogle

Residential property performance continues to be a focused demand around Lismore, Casino, Kyogle and surrounding localities. Earlier in 2024, rural residential properties were highly sought after by prospective purchasers, however in recent months the tables have turned and buyers are surging towards more affordable residential homes in light of continued stable interest rates as per our February 2024 indication. The suburb of Goonellabah in particular has been receiving rising levels of interest of late - evident in the higher number of recently transacted properties within the area. Local agents are reporting bidding wars emerging from these listings and are indicating that purchasers are being feature-driven, in particular to dwellings with side access and storage opportunities suitable for the emergent demand of caravan and boating enthusiasts. This recent surge for Goonellabah may be attributed to the affordability for owner-occupiers in comparison to nearby suburbs. Now for a price point update...

Properties situated below the $1 million price point appear to be transacting swiftly once listed on the market, and as discussed in our February 2024 prediction, these properties continue to hold their own. If you are hesitant to jump onto a listed property, in the words of the pop sensation Taylor Swift, take the advice and..."shake it off"! The market is active now and those who wait might just miss out.

An example is the below detached dwelling which listed at $895,000 and achieved almost $100,000 over the asking price due to buyer demand, exchanging for $990,000!

Those prestigious properties beyond the $1 million mark are experiencing a slight decrease in activity compared to prior months, facing slightly extended selling periods.

Whilst residential dwellings and units are still thriving in the property market, vacant land remains stagnant with decreased interest and overall value as a result of ongoing construction cost hikes. It also prudent to consider the rising interest for residential duplex and flats buildings which has recently developed – in particular, two separate residential triplexes have transacted in Goonellabah, settling for $949,000 and $1.15 million within 33 days of listing.

This sudden shift in the property market is one to watch, with current indications revealing upward pressure on property values in affordable locations such as Goonellabah where buyers still see value for money in the sub-$1 million price range. The recent media reporting regarding inflation and speculation around the next move in interest rates has however heightened expectations of a change

Whilst residential dwellings and units are still thriving in the property market, vacant land remains stagnant with decreased interest and overall value as a result of ongoing construction cost hikes.

in market forces in the coming months; whether for better or worse, we will have to wait for the hard data to emerge.

Naomi Hancock
Property Valuer

Byron

At the midpoint of the calendar and fresh from the June Reserve Bank cash rate decision, it would be fair to reflect on what I thought the Byron Shire residential market had in store for us back in February and to consider where we are now.

The key phrases made back in February were that "2024 should be a year of relative stability compared to those that preceded it" and "some economic commentators predicting an interest rate cut in the second half of 2024". I even managed to use the words "cautious optimism" in reference to the sub-$2 million section of the market.

Well, the market certainly has remained in a stable condition, however the recent reports of sticky inflation seem to have put the kybosh on any hope of a reprieve on interest rates in the second half of 2024. What may have been an attitude of cautious optimism a few months ago could now be described as merely cautious. Property values across most sectors of the market in the Byron Shire and Byron Bay itself are relatively spotty. Well located and desirable properties are achieving modest improvements in value while those in less sought after locations are showing flat to modest declines in value.

An example of the former is the sale of a prestige detached villa in Tennyson Street, Byron Bay that is an easy walk to the CBD and the north facing main (Clarkes) beach. This property was sold in May 2023 for $4.4 million and resold in February 2024 for $4.8 million, a nine per cent rise in value.

Meanwhile, a property in the lesser location of Beachcomber Drive situated further from the CBD and east to the less favoured Tallow Beach returned $3.8 million in March 2024 having sold in May 2022 for $4.15 million, reflecting a loss of 8.4 per cent.

A townhouse in West Byron (address withheld) is currently under contract for $1.48 million after selling in May 2022 for $1.45 million reflecting a modest gain of two per cent, not enough for the vendor to break even after ins and outs.

As a final example, a one-bedroom ground floor unit in Easy Street, West Byron is currently under contract for $875,000 (real first home buyer territory, here) while in August 2023 a near identical unit in the same development sold for $870,000 reflecting virtually no change in value in nine months.

Clearly, the market is a little two-paced at the moment so more than ever, it will pay for both buyers and sellers to research their own particular market of interest and not be swayed by broad statistics. Meanwhile on the economic ship of state, let us hope that there is a steady hand on the wheel and it's steady as she goes and for the lookouts on the forecastle to keep their eyes peeled for icebergs!

Mark Lackey
Property Valuer

Coffs Harbour

We have now all become accustomed to the higher interest rates and thankfully at this point no more increases have been thrust upon us, although there may still be some more hurt to come. How has this played out in the market? Well as expected, the market has slowed significantly. Although transactions are occurring, they tend to be a bit all over the shop, that is to say not confined to one sector of the market. Property located in sought after positions which do not require extensive building works tend to sell quickly and at reasonable prices, such as Sawtell, the Jetty precinct and northern beachside suburbs of Korora, Sapphire Beach, Moonee Beach, Emerald Beach, Sandy Beach and Woolgoolga. Property in secondary locations or that require extensive building works tend to sit on the market and require price reductions to attract buyer attention.

The borrowing capacity of the first home buyer has dropped significantly which has seen this market decline and expectations of the type of property they wish to purchase has to reduce as well. Instead of the freestanding home, they now have to look at the unit market, in which there are still good buys close to the beach in the sub $500,000 price bracket.

We have definitely seen a reduction in out-of-town purchasers since the end of the pandemic which has resulted in less prestige sales above $2 million, although surprisingly there are still sales ticking over in the $2 million to $4 million bracket in the more popular beachside and rural residential locations which are sustaining the value levels in this price range, albeit with longer selling periods and more negotiation.

The market which has slowed the most is vacant land. We have seen very little sales activity in this market sector which now can be categorised as oversupplied in some locations, which is a turnaround from two to three years ago when there was no available land. This is due to several factors, including the completion of several estates bringing more land to the market, increased interest rates reducing affordability and the decline of building approvals. To this point, the Australian Bureau of Statistics shows the total dwelling units approved in New South Wales were approximately 12,500 as at April 2024 which is the lowest since April 2012 and peaked in March 2021 at around 20,000.

This is a telling statistic which is mirrored in the local market; basically, the cost to buy a block of land and to build a project home in Coffs Harbour will set you back circa $1 million. This means you have to go further afield to the smaller townships to find land at a more reasonable value level to reduce the overall land and build cost.

The cheapest land currently available (sub $300,000) within the region is within the Nambucca Heads and Macksville areas south of Coffs Harbour, being more coastal locations, plus the hinterland township of Dorrigo west of Coffs Harbour where you can still build a house for under $700,000.

In short, it is a buyer's market and one where there is no urgency from the buyer's perspective with longer selling periods and increasing product coming to the market.

Grant Oxenford
Director

Central Coast

The Central Coast property market in the first half of 2024 has shown signs of resilience and stabilisation overall. Following a period of market adjustments and economic fluctuations, this picturesque region, known for its stunning coastal views and relaxed lifestyle, is continuing to capture the interest of both investors and owner-occupiers. Recent discussions with local real estate agents suggest good levels of demand and buyer activity,

Recent data released by CoreLogic shows a 2.2 per cent rise in median house prices so far this year across the region and 0.8 per cent increase in units.

particularly in the lower to mid-range price sectors, with properties priced between $600,000 and $1.5 million across the Central Coast region.

Recent data released by CoreLogic shows a 2.2 per cent rise in median house prices so far this year across the region and 0.8 per cent increase in units.

Notable demand is being seen in family homes and townhouses located in suburbs such as Terrigal, Ettalong Beach and Bateau Bay. These areas offer a desirable mix of lifestyle amenities, good schools and proximity to beaches, making them attractive to both local buyers and those relocating from Sydney. Figures released by CoreLogic show the median price for units in Terrigal has increased 6.1 per cent so far this year, well ahead of the median price growth in the region.

Ettalong Beach is performing exceptionally well so far this year with a median house price increase of 11.9 per cent, however the suburb's performance over a 12 month period is down 4.6 per cent.

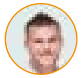
Bateau Bay has been and still is a popular suburb for locals looking at buying their first home or for upgraders. Latest figures released by CoreLogicshow the median house price is up 6.9 per cent so far in 2024. Bateau Bay offers a diverse selection of property with many micro markets at play, however for everyone familiar with the area, a distinct geographical divide between markets is defined by which side of The Entrance Road properties are located. Typically, the lower end markets are found on the western side of The Entrance Road, whilst the upper market segments for the suburb are found on the eastern side within closer proximity to the local beaches.

The market for apartments and units in Gosford and surrounding areas is also seeing a steady rise with median unit prices for the year up 3.8 per cent. This sector benefits from affordability and the appeal of a more urban lifestyle with easy access to public transport infrastructure and retail hubs.

Properties that show potential for further growth include those in the northern suburbs including Gwandalan and Crangan Bay. Residential land releases are beginning to contract in these areas, allowing for increases in demand levels to outweigh supply. Additionally, properties that offer room for renovation and expansion are sought after, as buyers are increasingly looking for homes that provide long-term value and adaptability. CoreLogic data has the increase in median house price figures for Crangan Bay at 3.1 per cent and Gwandalan at 5.3 per cent so far this year.

Although many suburbs and markets have begun the year in positive growth territory, some suburbs are yet to recover from the weakening market conditions that prevailed after the market peaks in late 2021 and into early 2022. The Wyong unit market is down 7.1 per cent, units in Hamlyn Terrace are down 5.3 per cent and houses in Warnervale are down 14.6 per cent. A trend in these struggling markets seems to be an element of over-supply of available product.

Overall, the Central Coast New South Wales property market in 2024 is characterized by a fluctuating mix of stable growth and declines in some market segments. In essence, the region is in for similar market performances throughout the remainder of the year.



Todd Beckman
Director

Newcastle

As we reach the mid year point, it's a good time to reflect on the property market, the impact of interest rates becoming more stable, inflation falling and the cost of living issues just not going away.

Interest rates have now been stable for the past six to nine months and generally speaking the threat of increases seems to have disappeared for now. This gives potential buyers some comfort that they can budget ahead and gauge what they can afford when buying a property.

The downside to this more stable economy is that the property market will generally start to react with positivity and more buyers will feel confident to re-enter the market. From this, the past six months has seen a steady return to a more normal property market with gentle growth in property prices and shorter marketing times for vendors.

The local market generally has seen a stable range between $700,000 and $1.2 million with a good number of buyers regularly looking for property in most suburbs, however the prestige market remains slow over $3 million due to a lack of supply as vendors find it difficult to buy above the $5 million price point and therefore choose not to market their property.

As we move towards the second half of the year, the property market looks well placed to recover from the slower end to 2023 and the effects of high interest rates and inflation.

As confidence returns to the market, so do the record sales. A couple of sales to catch the eye recently include:

- 47 Carrington Street, Mayfield selling for $1.8 million, a very deceptive four-bedroom dwelling.

47 Carrington Street, Mayfield Source: realestate.com.au

- 2 Wakun Street, Fletcher selling for $3 million as a recently constructed but not completed dwelling. At a reported 496 square metres of living, this is truly a one-off property for the area.

These types of sales in locations not used to achieving such high sale prices indicate 2024 is going in the right direction for some, and unfortunately for buyers, in the direction of unaffordability.

As we move towards the second half of the year, the property market looks well placed to recover from the slower end to 2023 and the effects of high interest rates and inflation.

Darren Sims
Property Valuer

Illawarra

When we check in halfway through the year, we can reflect that the residential property market in the Illawarra has broadly strengthened. Demand for property has increased and prices have been trending upwards. But is this the case everywhere, and for all property types? The quick answer is no; there have been fluctuations amongst different property types and locations.

For instance, in the CloverHill land release in Calderwood, three vacant lots ranging in size from 375 to 405 square metres sold in February at prices ranging from $484,000 to $498,000, while in June, there has been an additional sale in the estate of a 375 square metre lot for $480,000, showing little price movement in the six month period. However in an established Fairy Meadow street, two properties across the road from each other with a similar block size and similar improvements have shown a strong increase in price over a short time period with one selling at the start of March for $1.1 million and the other at the end of May for $1.265 million. It's coming down to supply and demand. We're seeing areas with decent supply, such as new land release areas or CBD units, having stable prices or slim increases, whereas the established residential locations, both in the north and south of our region, have stronger increases.

At the prestige level, things are a little harder to grasp as this is a limited market with fewer listings and transactions. While the year has seen some significant results, such as an $8.1 million sale in

Thirroul and a $6.2 million sale in Wombarra, there are other cases of listings either having to reduce asking price or being removed from the market. Buyers of prestige property can be very discerning and hence, not all properties receive similar levels of demand or achieve similar sale prices. Consequently, sale prices (and selling periods) in this market segment can be heavily influenced by individual buyer preferences and specific property attributes that will appeal differently to individual buyers.

We expect the market will continue in much the same way over the final months of 2024 although we will be looking out for any market changes as we hit spring selling season.

Chris McKenna
Region Director

Southern Highlands

The residential property market in the Southern Highlands has experienced a dynamic year at the halfway mark of 2024, marked by several distinct trends and challenges.

One notable trend has been the challenging environment for older style properties requiring renovations. These properties have struggled to attract buyers due to a significant rise in construction costs throughout the year. Prospective buyers, often deterred by the additional financial burden of renovating older homes, have shown a preference for newer, move-in-ready alternatives. This shift has contributed to a slower turnover rate for older properties in the market.

At the onset of the year, the market appeared to be on an upward trajectory, with increased buyer interest and moderate price growth observed across various segments. However, market

The residential property market in the Southern Highlands has experienced a dynamic year at the halfway mark of 2024, marked by several distinct trends and challenges.

sentiment took a downturn following discussions of another potential interest rate rise. The prospect of higher borrowing costs has led to cautious buyer behavior and a slowdown in transaction volumes. This hesitancy has particularly impacted high-end properties and investments, where affordability concerns have become more pronounced.

Conversely, the entry-level market segment has remained the most active throughout 2024. This heightened activity can be attributed to government incentives aimed at first home buyers, including grants and stamp duty exemptions. These incentives have effectively stimulated demand among young families and individuals looking to enter the property market for the first time. The availability of affordable options and financial support measures has sustained robust competition among buyers in this segment.

In conclusion, the residential property market in the Southern Highlands of New South Wales in 2024 has been characterized by mixed dynamics. While challenges persist for older properties requiring renovations and concerns loom over potential interest rate increases, the entry-level market has thrived due to targeted government incentives. As the year progresses, stakeholders will continue to monitor economic indicators and policy developments closely to gauge the market's resilience and adaptability in the face of ongoing challenges.

Kurt Bismire
Associate Director

Nowra / Shoalhaven

Well, the first half of 2024 has absolutely flown by. Various sectors and areas of the Shoalhaven residential property market have performed somewhat differently during the first half of the year. It is evident that many of the coastal and holiday suburbs such as Vincentia, Huskisson and Hyams Beach have stabilised at best. These suburbs are still experiencing longer days on the market and less buyer activity and interest than suburbs located closer to the Nowra CBD. It is evident that suburbs such as Nowra, Bomaderry, South Nowra and Worrigee have continued to improve slightly as the year has progressed. This is mainly due to continued strong interest from first home buyers and those looking to upgrade. Let's take a look at how the Shoalhaven residential property market has performed to date and deliver the halftime report card.

Towards the end of 2023, the Shoalhaven region began to show signs of stabilisation from weakened market conditions experienced in the previous 12 months. Although much of the region is still experiencing the effects of heightened cost of living pressures, the first half of 2024 saw some renewed confidence from prospective purchasers that interest rates had peaked and inflation was under control. This allowed prospective purchasers to adequately budget their finances when making their decision to buy and has resulted in an overall increase in median house prices.

Vacant land sales in new subdivisions in the region are still experiencing softened and slowed

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market activity conditions. This is largely due to the uncertainty around the building industry in relation to construction costs, building supplies and timeframes. We expect vacant land sales to remain slow as we head into the second half of 2024.

Overall, as we head into the second half of the year there seems to be more uncertainty surrounding market conditions as a whole in all sectors and areas of the Shoalhaven residential market. Leading economists and local agents are noting that inflation is remaining stubbornly high leading to the prospect of future interest rate cuts to be more and more unlikely in the latter part of 2024. This uncertainty seems to have resulted in the market stalling at the halfway point of the year.

Joshua Devitt
Associate Director

Tamworth

As pass the midpoint of the 2024 calendar year, Tamworth residential markets have generally experienced stabilising conditions within the past six months. Steady market activity has been welcomed by first homeowner and investor buyer profiles. Buyers are now privileged with the time to conduct appropriate pre-purchase diligence. Whilst the region has not experienced a decline in property values, there has been a noticeable shift in selling periods in property prices above $850,000. In some instances, potential vendors have to reduce advertised asking prices in order to generate increased buyer demand. Furthermore, new home construction and vacant land sales have slowed, with larger local builders and developers indicating new enquiry levels have slowed in recent months.

As mentioned earlier, the entry and mid-level residential market segments are considered to be the most active price points in the 2024 calendar year. First timers are utilising the NSW Home Equity Scheme to enter into property priced under the regional threshold of $600,000. Investors remain active in residential property priced from $350,000 up to $600,000 also. A positive sign in this particular market segment is slight increases in entry level and medium house and unit pricing in the past 12 months. Primarily, suburbs such as South Tamworth, Oxley Vale, Westdale, East Tamworth and North Tamworth have been the most active areas in Tamworth under $600,000.

Also evident within the Tamworth market is the return of market volatility for residential property priced over $1.2 million. Whilst this buyer threshold has increased in the past few years, it is still apparent that the upper market segments within regional residential markets can experience above average volatility. This is largely due to the limited available properties on the market at any one given time and the lack of diversity in the potential buyer pool. That being said, demand has remained for property located within the traditional highly regarded locations of East Tamworth, Daruka, Moore Creek, Nemingha, Loomberah, Calala, Kingswood and Warral (for small rural/residential property).

Following a period of strong construction activity over the past two years, rental property vacancy rates have eased slightly in Tamworth city. Rental values are stabilising after benchmark rental values increased approximately 18 per cent since 2022 according to local agencies. We expect that these rental value levels will be sustained in the medium term due largely to the current cash rate, increasingly stringent lending protocols for investors and stable market conditions (i.e. low short term capital gain forecasts).

Following a consolidation of stabilising market conditions towards the later months of 2023, the remainder of the 2024 calendar year is largely dependent on potential cash rate movement. Mortgage serviceability is at its highest priority in a number of years, with minimal residential market value movement anticipated in the short term. Our local experts predict that markets will remain relatively stable for the remainder of 2024, with the middle and upper middle market segments reflecting slight improvements in market sentiment should the RBA refrain from increasing the cash rate this year.

Nick Humphries
Property Valuer

As we pass the midpoint of the 2024 calendar year, Tamworth residential markets have generally experienced stabilising conditions within the past six months.

Victoria - Residential 2024

Melbourne

Across the board Melbourne home values are down 0.3 per cent from where they started at the beginning of the year according to Domain and The Age.

Higher interest rates and increased property taxes are taking their toll on some suburbs, yet some of the more desirable and prestigious areas continue to plough on ahead.

Many borrowers and investors were hoping for one or two cuts to the cash rate in the first half of 2024 in order to reduce their repayments. Alas, this hasn't eventuated and there are signs some owners struggling to service their debts have put their homes on the market.

This month we drill down into Melbourne's regions to discover what's happened in the market in the first six months of the year and how the market is tracking.

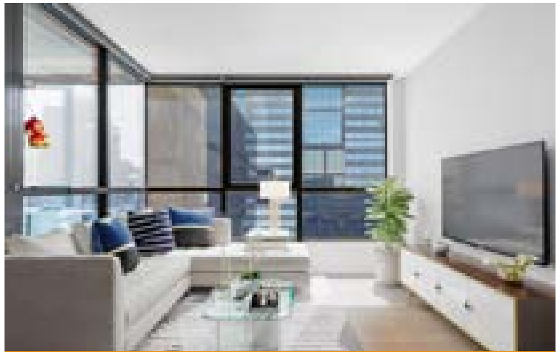
Melbourne CBD

In Melbourne's CBD, the property market has been quite slow and has even declined in 2024. The best indicator for the property market in Melbourne's CBD is to look at the performance of units. From the first quarter relative to the end of 2023, we can ascertain that performance has been far from ideal (second quarter results were not yet published at the time of writing).

We have seen there has been a decrease in median price from $520,000 in Quarter 4 of 2023 to $490,000 in Quarter 1 of 2024, a 5.8 per cent drop (REIV). This fall may suggest an oversupply of apartments, but it's more likely due to the increase and impact in interest rates and taxes.

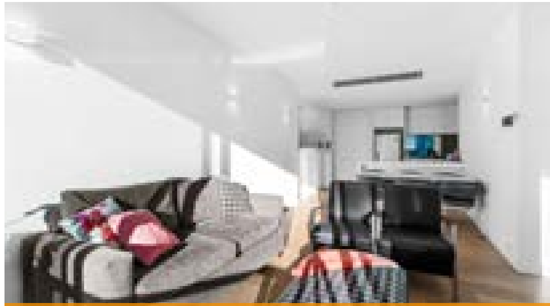
Vacancy rates were also considered in this evaluation, however this is not applicable considering it currently sits at 2.1 per cent (REIV). To put it simply it seems that interest rates have had the biggest impact on property prices in the CBD due to the very high number of investors looking to make the most profit possible.

Fitting to the median price of properties in the CBD, we saw a two-bedroom, one-bathroom apartment with one car space sell for $485,000.



1101/108 Flinders Street, Melbourne Source: CoreLogic

A property in the same building is a two-bedroom, two-bathroom apartment with one car space. This property sold for $815,000 after being on the market for 153 days which equates to approximately five months. Prices do not vary as much for these types of properties and this can be determined as it sold in 2013 for $780,000 showing an increase of only $35,000 in approximately 11 years.



1103/108 Flinders Street, Melbourne Source: CoreLogic

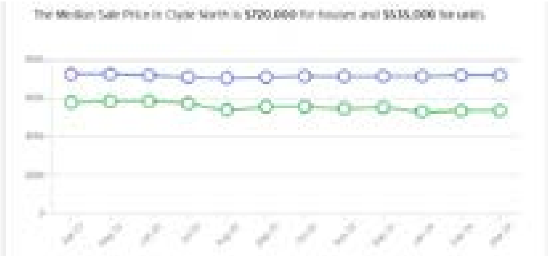
South East & Peninsula

Melbourne's south-east suburbs have demonstrated a stable market for the most part in the first six months of 2024.

Clyde North is dominated by first home buyers; over 50 per cent are young couples with children who continue the trend of moving away from the CBD and inner suburbs for more affordable properties. A staggering 691 houses were sold in the last 12 months compared to 14 units which both have steadily inclined this year.

We have seen there has been a decrease in median price from $520,000 in Quarter 4 of 2023 to $490,000 in Quarter 1 of 2024, a 5.8 per cent drop (REIV).

The median value for houses in Clyde North has been consistently sitting at $720,000. Following a similar trend, the reduced demand for units has seen these properties sit comfortably at $535,000.



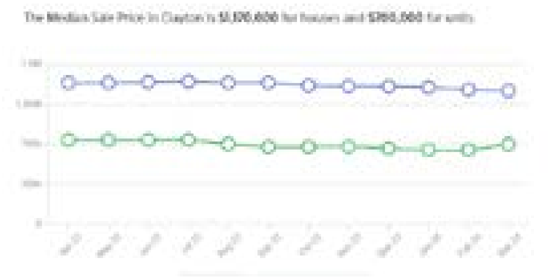
Clyde North Market Report Source: realestate.com.au

Although Clyde North is limited in variety in terms of types and styles of houses, this property pictured in Cropping Street sits just above the median price. With four bedrooms and two bathrooms, it's typical of what a first home buyer can expect in this stable market.

Cropping Street, Clyde North Source: realestate.com.au

The inner suburbs in the south-east region are more suitable for those looking to rent units with just over 50 per cent of the population choosing to rent. 222 units were sold compared to 73 houses in the past 12 months. The average price to buy units is $700,000 and rent per week is $550.

This details the demand for units as the median rent for houses is now at $570, on a slow incline this year, while the median house value which has been on a steady decline to start 2024; starting at $1.21 million, the median house value is now $1.17 million.



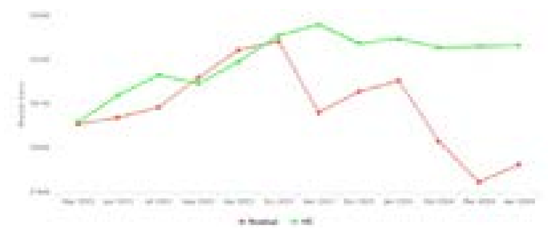
Clayton Market Report Source: yourinvestmentpropertymag.com.au

418/2 Conam Avenue, Clayton presents the typical in demand housing in Clayton for the average three-person household, with easy access to the main road leading directly into the city and Monash University.

418/2 Conam Avenue, Clayton Source: realestate.com.au

Mornington Peninsula has had a rough start to 2024 as demonstrated by the Rosebud clearance rates, the lowest in the Melbourne sub-regions at 37.5 per cent.

Coupled with a decrease in buyer demand, this has forced the median house sale price to decrease by 7.8 per cent over the past 12 months with the trend continuing throughout 2024 (CoreLogic). After starting in January at $815,000, a sharp decrease followed through to March at $792,000 with a slight recovery heading into April.



Rosebud Market trend Source: corelogic.com.au

With low stock levels and decreased demand, the surprise is the resilience of the market and its relative stability. Perhaps an increase in investor activity releasing their properties will present more options for a broader section of buyers to enter the market.

Eastern Suburbs

While growth across the Melbourne market has been subdued after 13 interest rate rises and uncertainty over their next move, the east has seen a mixed bag of results across its inner, middle and outer suburbs.

Suburbs such as Balwyn and Glen Waverley continue to generate demand and appear almost unaffected by the rising interest rates. Australian and Chinese purchasers in particular continue their love affair with both these areas as Balwyn houses saw another 5.2 per cent jump in the past 12 months and Glen Waverley increased 7.8 per cent in the same period.

Interestingly however, the growth in both suburbs waned a little over the past six months with Balwyn growing 1.7 per cent and Glen Waverley up 1.5 per cent.

Units also remained in high demand in Glen Waverley and Balwyn over the past 12 months in spite of increased property taxes, up 9.2 per cent and 5.1 per cent respectively.

However, it's also interesting to note that over the past six months, Balwyn unit prices have dropped 1.3 per cent, perhaps an indication of investors selling off to avoid hiked property taxes although Glen Waverley has continued its climb in unit prices, up five per cent.

The popular middle class suburb of Camberwell has inched up 3.8 per cent in the past 12 months, although it's worth noting that it was in the past six months that it increased 3.1 per cent.

Some level of confidence in stabilising interest rates could be having an impact in the more affordable outer eastern suburbs. Growth of 7.6 per cent in Lilydale over the past 12 months would support that, although as speculation has swirled over their next move, that growth has slowed to just 1.8 per cent in the past six months.

It's a similar story in Rowville where prices have gone up 4.7 per cent in 12 months and 1.9 per cent in six months, however this slower growth could be the result of new and rare eastern suburb estates coming onto the market in that suburb.

According to The Age and CoreLogic, auction clearance rates also support this with the inner east (68 per cent) and the outer east (72.9 per cent) higher than all other Melbourne regions.

Melbourne's auction clearance rate by region

Four-week moving average to June 2, 2024

SA4 region	Auction clearance rate
Inner	63.3%
Inner east	68.0%
Inner south	66.9%
North east	66.9%
North west	60.9%
Outer east	72.9%
South east	67.9%
West	56.2%
Mornington Peninsula	59.3%

Source: CoreLogic

Eastern suburbs house and unit prices remain resilient and with the market still absorbing high population growth in recent years and interest rate rises likely peaking, growth is likely to remain.

Northern Suburbs

The northern suburbs of Melbourne have also delivered mixed performance results with the desirable inner suburbs including Northcote enjoying some steady growth, while outer suburbs such as Mickleham have remained relatively steady as more supply comes onto the market.

In Northcote, for the first quarter of the year, we saw a jump in median house price from $1.685 million to $1.755 million, an increase of six per cent. As Northcote is more of an owner-occupied market, factors such as population growth, vacancy rates and tastes have more of an influence compared to areas with more of an investor focus.

In 2024, we have seen vacancy rates sit between 0.3 and 0.8 per cent in Northcote, below the city average of one to 1.3 per cent (SQM Research). A lower vacancy rate suggests there is potentially lower supply and higher demand for properties in Northcote compared to the rest of the city.

Some recent sales suggest there is strong demand for properties even if they are in almost original condition such as the pictured three-bedroom, one-bathroom and two-car garage property built in the 1970s which sold for $2.155 million.

These types of properties which are reasonably maintained and in prime locations in the northern suburbs will generally sell well above the median price.

3 Derby Street, Northcote Source: CoreLogic

Eastern suburbs house and unit prices remain resilient and with the market still absorbing high population growth in recent years and interest rate rises likely peaking, growth is likely to remain.

When compared to the outer suburbs, the median price in Mickleham increased slightly from $681,000 to $691,000 by the end of the first quarter. Vacancy rates ranged from 1.1 per cent to 1.5 per cent in Mickleham (SQM Research) in the first five months of 2024.

Property prices in Mickleham and other outer suburbs are impacted differently to the inner suburbs largely due to factors such as supply and availability of vacant land. The amount of new supply coming to market in developing areas and many more comparable properties relative to inner suburbs gives buyers more options.

An example of this is the Merrifield Estate in Mickleham which has 8,500 lots of land alone compared to Northcote, which has approximately 11,600 dwellings in total. Overall, although there will continue to be growth in developing areas over time, it may not be as strong at the moment due to interest rates and very high amounts of supply.

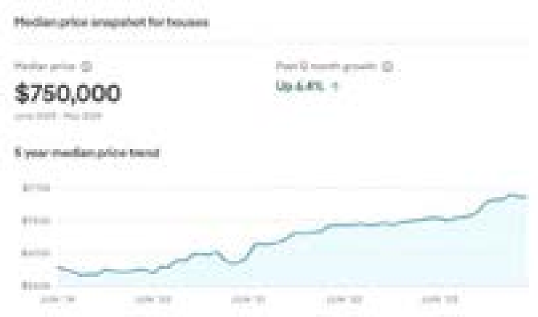
The Mickleham property at 13 Salvia Street is a good example of what a purchaser can expect for the median house price of the area. It features four bedrooms, two bathrooms and a two-car built in garage and sold for $685,500 in June 2024.

13 Salvia Street, Mickleham Source: CoreLogic

Western Suburbs

As we approach the halfway mark of the year, property values across Melbourne's western suburbs have largely stagnated. This trend is evident in various regions, with some notable exceptions.

In the inner suburb of Footscray, property values have increased by 3.5 per cent from January to May, indicating a healthy upward trajectory. Conversely, the mid-ring suburb of Maidstone has seen a decline of 2.3 percent, while the outer ring suburb of Werribee has experienced a slight decrease of 0.6 per cent.



Sydenham median price Source: realestate.com.au

One suburb that has consistently outperformed expectations is Sydenham, located in Melbourne's north-west. Over the past five years, Sydenham has exhibited steady growth, even in the face of recent interest rate hikes.

A prime example of this trend is the sale of 42 Delbridge Drive, Sydenham VIC 3037, which sold for $1.05 million in May. This property, a newly built home on a generous 643 square metre block, attracted significant buyer interest. Its success is particularly noteworthy given that much of the area's housing stock comprises smaller sub-400 square metre blocks.

Properties like this are currently thriving in the market, benefiting from the limited availability of larger blocks in such areas.

42 Delbridge Drive, Sydenham Source: CoreLogic

The demand for housing in Melbourne continues to be driven by relentless international and internal migration. This influx of new residents has intensified the need for both purchase and rental properties.

Many buyers and renters are turning to more affordable options, such as Wyndham Vale in Melbourne's south-west outer ring. Despite the high supply in Wyndham Vale, detached houses have been appreciating in value. This trend is somewhat surprising, considering the area's extensive continuing housing supply.

The amount of new supply coming to market in developing areas and many more comparable properties relative to inner suburbs gives buyers more options.

RESIDENTIAL

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However, several factors are contributing to this growth. Construction costs are decreasing, and the building industry is gradually recovering from the disruptions caused by COVID-19. As a result, property values in Wyndham Vale are expected to continue upward.

Geelong

The residential property market in Highton, Geelong, has experienced some fluctuations over the past six months. The median house price currently stands at approximately $922,000, reflecting a minor growth from $915,000 at the beginning of the calendar year according to realestate.com.au data. This is 0.75 per cent growth indicating some recent stability from the median price decline in 2022.

Buyer demand has increased, with properties spending an average of 32 days on the market. Overall, the Highton market has experienced minor increases in property values over the past year, showing signs of steady demand and a relatively quick turnover for listings.

Armstrong Creek's residential property market in Geelong has also had mixed performance over the past six months. The median house price is approximately $673,500, showing a slight annual decrease of about 2.4 per cent according to realestate.com.au data. Despite this, the area continues to attract interest due to ongoing development and infrastructure improvements.

Buyer demand has dipped slightly, but Armstrong Creek remains popular among first-time homebuyers and young families for its affordability and coastal access. However, again rising interest rates may have impacted borrowing power for many people, affecting overall demand in this growing suburb.

Over the past six months, the residential property market in Lara, Geelong, has shown stability with some positive indicators. The median house price is around $700,000, reflecting a minor annual decline of about 1.8 per cent.

However, the market remains attractive for buyers and investors due to its relative affordability compared to other Geelong suburbs and its proximity to Melbourne CBD and to the V-Line train. Similar to Armstrong Creek, new estates have increased the supply of land in the area which is a direct factor to the declining median price over the past six months.

Throughout 2024, Highton, Armstrong Creek and Lara have offered a range of housing options, from more affordable choices to upscale properties. These examples include 24 Hewat Drive, Highton, Vic 3216 reflecting an affordable option in the suburb. With four bedrooms, two bathrooms and two car parks, this property sold for $687,000.

24 Hewat Drive, Highton Source: CoreLogic

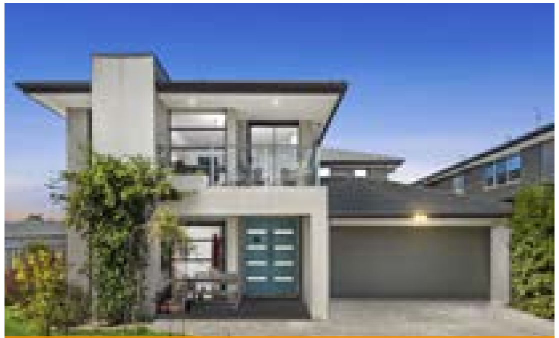
The property at 13 Willowfield Court, Highton reflects a prestige sale in the suburb, selling above $3 million. Enjoying a large block of land and six bedrooms, this sale is at the top end of the Highton property market.

13 Willowfield Court, Highton Source: CoreLogic

Armstrong Creek offers a variety of affordable options within the mid-$500,000 to $600,000 range. An example is 31 Robinson Street, Armstrong Creek, Vic 3217, offering three bedrooms, two bathrooms and one car park on a 253 square metre block. This property sold for $550,000.

31 Robinson Street, Armstrong Creek Source: CoreLogic

The high end of the property market in Armstrong Creek is reflected in the sale of 48 Creekward Drive for $1,042,500. The property has a larger block of land, four bedrooms, two bathrooms and two car parks.


48 Creekward Drive, Armstrong Creek Source: CoreLogic

Lara's affordable options typically fall around the $600,000 mark. Properties that reflect this range include 3 Anita Court, Lara, Vic 3212 offering four bedrooms, two bathrooms and one car park on a 648 square metre block. This property sold for $617,500.


3 Anita Court, Lara Source: CoreLogic

240 Patullos Road, Lara Source: CoreLogic

Also of interest in this area was a development opportunity with 2.02 hectares of land, including a four bedroom house at 240 Patullos Road, Lara. This sold for $1.85 million in April this year.

The larger land size reflects the difference between houses selling around the median price and the prestige properties in Lara.


Perron King
Director

Warrnambool

Six months in and the vacant land market continues to be sluggish on the back of elevated construction costs and timelines.

Meanwhile activity for low-end, entry level detached dwellings has been, dare we say, heated. First time purchasers and investors are driving this segment with investment activity also flowing into the two bedder space. The market for two-bedroom units and townhouses regardless of attached continues to firm.


1/1 Derby Street, Warrnambool Source: realestate.com.au


Front elevation, 396 Raglan Parade, Warrnambool Source: realestate.com.au


Kitchen, 396 Raglan Parade, Warrnambool Source: realestate.com.au

The sales of 1/1 Derby Street (sold at $770,000) and 396 Raglan Parade ($415,000) to separate metro-based buyers demonstrate these two very different but equally active market segments. We note the 396 Raglan sale price as being extremely strong given the state of repair of the dwelling along with its unfavourable location along Warrnambool's busiest arterial road.


Adrian Castle
Director

Mildura

The statistics around the residential property market in Mildura have surprised in recent times, with data indicating a rise in median house prices, particularly since November 2023. While rising interest rates over the past two years contributed to a sentiment that the market had reached its peak, a combination of limited supply and an active local economy has meant that there are still confident buyers in the market, resulting in a slight increase in the median house price.

Our observation is that this trend of rising prices is not being experienced across the whole market, with some sectors performing well while others are weaker.

Part of the explanation is reduced supply, with the market characterised by a reduced volume of sales from the highs throughout late 2021 through to mid-2022.

Data compiled by CoreLogic and summarised in the following table indicates that the median house price has increased approximately $40,000 in the six months from October 2023 to April 2024, while the number of houses sold has been gradually declining over the same period.

As shown in the above charts, the volume of sales, when expressed over a 12 month rolling average, has steadily decreased since early 2022.

Our observation is that houses and units at the lower end of the market are continuing to sell well, and also with relatively short marketing periods.

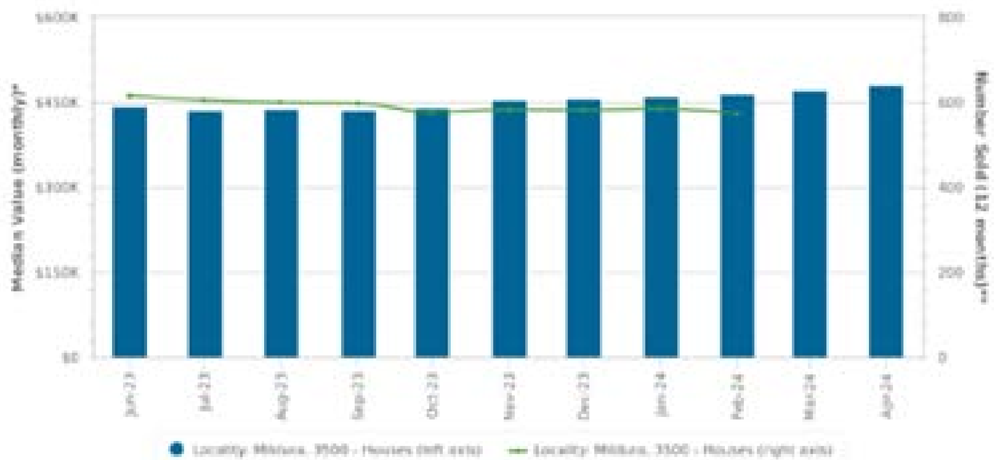
The strength at the lower end of the market, at a price point below say $400,000, appears to be mostly due to a large pool of investors and first home buyers still active in the market. First home buyers still have to compete with investors chasing

House: Median Value vs Number Sold

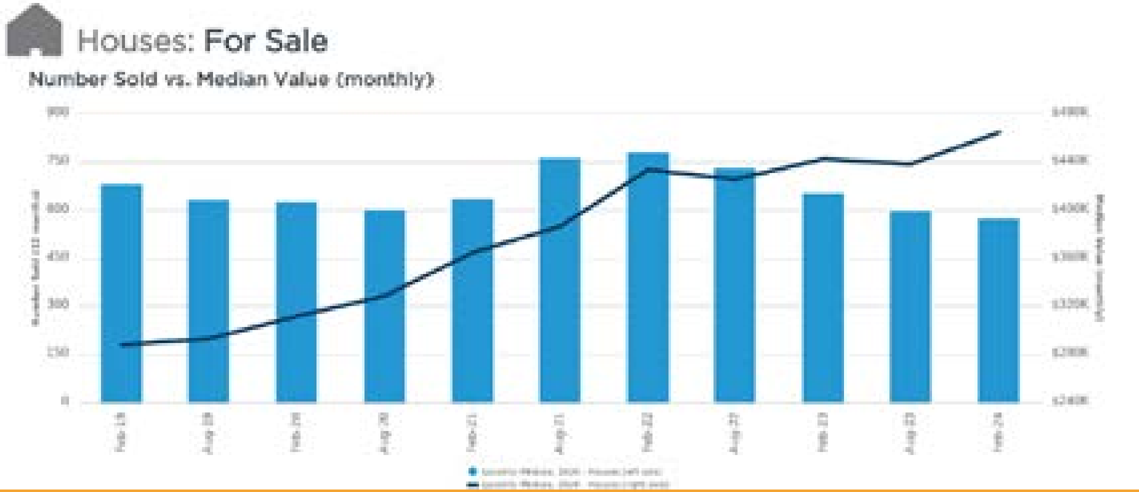
574
Feb 2024

	Median Value	Number Of Sold
Jun 2023	$443,586	616
Jul 2023	$436,864	605
Aug 2023	$438,048	599
Sep 2023	$435,667	597
Oct 2023	$440,187	577
Nov 2023	$454,109	583
Dec 2023	$456,557	582
Jan 2024	$460,405	585
Feb 2024	$464,365	574
Mar 2024	$472,746	-
Apr 2024	$479,643	-
May 2024	-	-

Statistics are calculated over a rolling 12 month period



Mildura housing data Source: CoreLogic



Mildura housing data Source: CoreLogic

the strong rental returns available in the local market. At this price point buyers are looking at older detached dwellings and units.

Meanwhile dwellings in the range of $550,000 to $900,000 that are primarily suited to owner-occupiers are experiencing longer marketing periods, with many purchasers in this price segment now taking their time and lacking the urgency that was present throughout the peak of the market. Values at this price point appear to have been stable over the past six months. This segment is likely to be most affected by the impact of higher interest rates and reduced buying power.

However more recently, the upper end of the market, which comprises properties exceeding $1 million, is selling quite well with several properties in this market achieving sales towards the top end of the expected range with only short marketing periods required. This buyer segment is generally less reliant on debt and therefore not affected by rising interest rates. There are also a limited number of properties in this upper range available at any given time, meaning that buyers often feel greater urgency to complete a purchase.

Jake Garraway
Valuer

Our observation is that houses and units at the lower end of the market are continuing to sell well, and also with relatively short marketing periods.

HERRON TODD WHITE

Queensland - Residential 2024

Brisbane

As an overall observation, most Brisbane and south-east Queensland property owners would be very pleased with how their real estate has performed so far in 2024.

The latest numbers from CoreLogic show property price growth in Brisbane has been amongst the nation's strongest over the past 12 months at 15.8 per cent.

The most recent quarter to 30 June saw a 3.7 per cent gain, positioning our city third out of all eight capitals. Sydney's fourth placed 1.1 per cent means Brisbane property during the most recent quarter outperformed the harbour city by more than triple.

While interest rates, cost of living, financing challenges and a host of other national-level impacts do affect Brisbane buyers, we also have a host of positives driving demand for our property. Brisbane's median house price recently surpassed Melbourne's to see it become the second-most expensive capital in the country. Victoria also recently introduced a range of legislation and taxation that isn't kind to property investors, so no doubt that's playing its part in improving our city's prospects.

In some suburbs the percentage of capital gain in attached housing has exceeded detached housing, which is a rare event around our parts.

We are also enjoying a big run on infrastructure, helping drive employment and positioning ourselves well for the next decade or so which will (hopefully) include the 2032 Olympic Games.

But, of course, "Brisbane property" describes a rich tapestry of sub-markets that all perform at varying speeds. With that in mind, let's dig in and see how our city's real estate has tracked thus far this year.

Index results as at 30 June, 2024

	Change in dwelling values				
	Month	Quarter	Annual	Total return	Median value
Sydney	0.5%	1.1%	6.3%	9.6%	$1,170,152
Melbourne	-0.2%	-0.6%	1.3%	4.9%	$783,205
Brisbane	1.2%	3.7%	15.8%	20.5%	$859,240
Adelaide	1.7%	4.7%	15.4%	20.0%	$767,974
Perth	2.0%	6.4%	23.6%	29.5%	$757,399
Hobart	0.1%	-0.3%	-0.1%	4.0%	$645,850
Darwin	0.0%	1.0%	2.4%	5.0%	$504,687
Canberra	0.3%	0.8%	2.2%	6.4%	$870,071
Combined capitals	**0.7%**	**1.8%**	**8.3%**	**12.3%**	**$878,414**
Combined regional	**0.6%**	**1.9%**	**7.0%**	**11.8%**	**$627,872**
National	**0.7%**	**1.8%**	**8.0%**	**12.2%**	**$793,883**

Home Value Index — Source: CoreLogic

Inner-city

Traditionally Brisbane's strongest performing subsector has been detached housing in its inner- and near-city suburbs. The logic makes sense. Land in these locations is valuable and scarce, and this helps drive ongoing price gains and appeal.

While I would still consider this to be the case, there's little doubt that as median prices have climbed higher, affordability has become a major issue.

As a result, attached housing is seeing extraordinary capital gains at present. In some suburbs the percentage of capital gain in attached housing has exceeded detached housing, which is a rare event around our parts.

There's little doubt a percentage of these active unit and townhouse buyers were previously renting but have now found that market exhausting. With vacancy rates in Brisbane tracking at or below one per cent and rents increasing come each lease renewal, it's easy to see why those who can afford to spend $500,000 to $750,00 on a unit are clamouring for their piece of the market.

Example inner-city areas include Bowen Hills and Fortitude Valley. These spots are loved by the younger generation. Singles, couples and even young families will buy here... and many will be first homebuyers of course.

Even one-bedroom units with no car spaces are performing well. For example, 1209/128 Charlotte Street in the heart of the city sold in June for $475,000. A January sale of unit 3120 (which is 20 floors higher in this building) achieved $431,000. That's circa 10 per cent lower than the inferior unit which traded just this month.

1209/128 Charlotte Street, Brisbane City Source: realestate.com.au

1209/128 Charlotte Street, Brisbane City Source: realestate.com.au

Demand from owner-occupiers is seeing them well represented among the buyer pool. These sorts of markets were traditionally awash with investors, however many have taken a back seat – pushed out by purchasers looking for somewhere to live.

Of course, detached housing remains popular with those who can afford it. The "affordable" price point for anything within three kilometres of the CBD (e.g. Milton, Red Hill, Kelvin Grove, Highgate Hill, West End, Woolloongabba) is property which has transacted below $1.25 million. They are extremely rare and often come with major secondary impacts such as being on a main road location, flood affected, in need of very serious repair, on a tiny block of land, etc.

An example is this property at 499 Vulture Street, East Brisbane which sold for $1.24 million in June. This is a three-bedroom, two-bathroom, two-car home on a 481 square metre site. The property sits on a corner block fronting both Vulture Street and Longlands Street meaning it's exposed to noise from multiple lanes of traffic using one of the area's busiest carriageways. The home itself is in fair condition and of original fitout too, so some money will be needed to do an upgrade.

499 Vulture Street, East Brisbane is the blue house Source: realestate.com.au

Our outlook for inner-city markets remains positive. We continue to see population flocking to Brisbane from other state capitals. Meanwhile investors are watching with interest as we progress towards 2032 and beyond. For buyers who can secure a home close to the CBD, the outlook is one of ongoing value gains and robust rental growth and demand.

Middle ring

Middle ring Brisbane encompasses a wide range of suburbs and submarkets, so we'll take a look at this band from nearest to furthest from the city's centre.

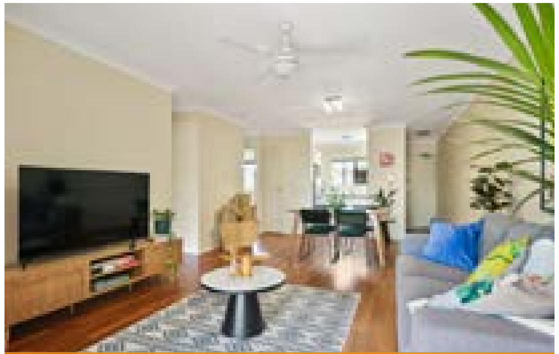
Middle ring suburbs closest to the CBD include areas such as Clayfield, Newmarket, Indooroopilly and Morningside. These are all great addresses with plenty of services and facilities – particularly those related to lifestyle. They are also within a short commute of town, as well as being accessible to other employment hubs.

Properties priced between $2.5 million and $4 million are in demand. This price bracket has enjoyed capital gains of between five and 10 per cent so far in 2024. Properties below $2.5 million – particularly those regarded as entry level – have consistently seen 10 per cent value gain this year.

The primary purchaser group is owner-occupiers – and among the strongest are family buyers. Those with young kids looking to establish themselves in great school districts will be among the most competitive for housing. Undoubtedly there will be many who are moving here from interstate among this cohort.

Looking at buy-in options and attached housing has also been doing well. For example, circa 1970s units offering two-bed, one-bath accommodation in Clayfield can be secured for between $475,000 and $625,000. Step that up to a two-bed, two-bath configuration and the price bracket is $550,000 to $750,000.

An example is this property at 7/22 Noble Street, Clayfield which sold for $620,000.



7/22 Noble Street, Clayfield Source: realestate.com.au

Three-bedroom, two-bath options are available too but expect them to fetch over $1 million. An example is 7/49 Collings Street, Clayfield which sold for $1.05 million in March. It is a well presented three-bed, two-bath unit within easy stroll of shops, cafes and the train station.

Townhouses is another sector that's enjoying strong demand. Buyers are spending around $900,000 on a townhouse, although higher-end property is available for $1.2 million to $1.4 million. An example is 4/23 Waratah Street, Clayfield which sold for $1.405 million in March. It's a beautifully

4/23 Waratah Street, Clayfield Source: realestate.com.au

4/23 Waratah Street, Clayfield Source: realestate.com.au

presented contemporary townhouse with high end finishes. The property has easy access to services and facilities too.

For investors there are plenty of options, but for those with serious dough, flats buildings will be on their radar in the inner-middle ring. Flats structures allow for a strong cashflow option with vacancy risks mitigated by the multiple tenancies. Vacancies are, of course, less of an issue at present given how strong the rental market is right now, but when things settle down, flats will prove to be a very savvy choice.

Stepping a bit further out in the mid ring and we're looking at suburbs such as Nundah, Geebung, Keperra, Kenmore, Mount Gravatt and Coopers Plains. These locations, positioned 10 to 12 kilometres from the CBD, are heartland territory for owner-occupier family buyers. Detached housing markets here have performed really well as buyers find themselves priced out of the near city. A three-bedroom home on a traditional size allotment will be priced from $900,000 to $1.2 million. A modern two-storey on a 450 square metre site will fetch between $1.3 million and $1.7 million. While you won't buy the best possible home for the Brisbane median price of $860,000, there are options to get in at this level – although in some cases, it will take a bit of renovation work to bring these homes up to scratch.

Attached housing is also a great option. Again, the affordability of units and townhouses compared to detached houses drives this market. In Nundah, for example, three-bedroom townhouses are priced from around $700,000 to $900,000. Meanwhile, two-bedroom, two-bathroom units will fetch $500,000 to $650,000, and three-bed, two-bath units achieve $700,000 to $1 million. One-bedders are available between $400,000 and $500,000 for newer stock.

An example of what can be bought is 505/47 Nundah Street, Nundah which sold for $550,000 in May. This contemporary two-bed, two-bath, one-car unit in a fairly new block is pretty much on top of Nundah Village facilities and is within five minutes' walk of Nundah Train Station.

505/47 Nundah Street, Nundah Source: realestate.com.au

For investors there are plenty of options, but for those with serious dough, flats buildings will be on their radar in the inner-middle ring.

HERRON TODD WHITE

505/47 Nundah Street, Nundah Source: realestate.com.au

Moving further afield and there are suburbs such as Bracken Ridge, Bald Hills, Taigum, Eatons Hill, Runcorn and Calamvale. As you'd expect, property here is generally more affordable compared to housing closer to the city centre. The market in this sector has been strong as well. Family buyers are again very active. While not as close to the city, these suburbs generally have comprehensive services and amenities, and decent transport options. Many are close to non-CBD employment hubs as well.

This strong performance in the outer-mid ring reflects the lack of stock currently on the market which is pushing price growth. These locations also appeal to first homeowners and investors.

Dwellings generally range in price from $700,000 to $900,000 for an average quality, three -bedroom home, such 141 Hoyland Street, Bracken Ridge which sold for $795,000 in April.

For more substantial two-storey homes built in the 1980s and 1990s of good quality, you can expect to pay $1 million to $1.2 million in a suburb like Bracken Ridge. 6 Peggotty Street, Bracken Ridge is an excellent example, as it fetched $1.099 million.


141 Hoyland Street, Bracken Ridge Source: realestate.com.au

Townhouses and units have been performing well in this locational band as well. Those looking to escape the hot rental market and put their foot on some property ownership will discover affordable options in attached housing, but prices have certainly been on the up in 2024.

Bracken Ridge townhouses increased in value circa 10 per cent over the first six months of the year with three-bed, two-bath townhouses now priced at $550,000 to $650,000. Four-bed townhouses now fetch $700,000 to $800,000. A project at 153 Denham Street, Bracken Ridge was selling townhouses off-the-plan in 2022 in the mid-$550,000s. These properties are now achieving approximately $750,000 on the local market.

For those who bought vacant land prior to the start of the year, you are also seeing upside at this mid-year point with premiums being paid for allotments in master planned estates compared to infill type developments.

153 Denham Street, Bracken Ridge Source: realestate.com.au

Outer suburbs

We're now looking at locations sitting at and beyond 20 kilometres from the CBD - places like Strathpine, Warner and Petrie to the north, Springwood, Logan, Drewvale and Browns Plains to the south, and suburbs along the western corridor through to Ipswich.

Again, affordability has been the driving force behind what has been a strong year for these sorts of addresses. As an example, in the far outer reaches to the north, the median price in Caboolture has risen around five to seven per cent this year. The result was similar in the south in Springwood. Of course, being selective about your asset would have seen you outperform the market in many outer locations.

What's perhaps surprising to some is that that the value of attached housing throughout these suburbs rose rapidly during the first half of this year. That said, our valuers confirm these markets

This strong performance in the outer-mid ring reflects the lack of stock currently on the market which is pushing price growth. These locations also appeal to first homeowners and investors.

HERRON TODD WHITE

are still relatively affordable in comparison to traditional housing, and rentals remain very tight, thus fuelling some investor interest for attached product.

One recent sale is 62/14 Everest Street, Warner. Located in the Huntington Estate, this two-bed, one-bath, one-car villa sold for $520,000 after being listed for offers over $450,000. The agent reported huge interest with ten offers received at the first open home. In comparison, at the end of 2023 you could still buy a three-bed villa here for under $500,000.

62/14 Everest Street, Warner Source: realestate.com.au

One market where prices appear to have slowed is the rural residential sector, particularly in the far northern suburbs. These areas performed strongly after COVID, however there now seems to be softening demand. While good prices are being achieved, a general return to more traditional property types since the pandemic is probably behind this moderation in demand.

Brisbane property has certainly had a stellar 2024 to date, and while the gains look set to continue, we'll be closely watching triggers around interest rates and the broader economic landscape as the year progresses.

David Notley
Director

Gold Coast

The Gold Coast residential market showed great buoyancy and resilience last year and these signs of strength have carried on through the first half of 2024. More recently the market has gained some momentum and as a result we have witnessed growth in property values. The robustness within the market can be primarily attributed to a critical shortage of supply, strengthening buyer numbers, and strong population growth in our region.

Property priced under $1 million has been red hot lately with agents reporting that buyers have returned to open home inspections in very good numbers right across the broader Gold Coast area. The limited supply of both units and detached houses available in this price range has created a competitive market with a lack of choice available for buyers at present. Sellers definitely still hold the upper hand in terms of negotiating power, and keen buyers generally need to make a few compromises in order to get a foot in the door. Such is the lack of available quality stock, it is not uncommon now for buyers to consider a property they would normally have quickly dismissed. Even the properties with rather undesirable attributes (ie. poorly presented, occupy a busy road position, or are within close proximity to high voltage power lines etc) are receiving reasonably good attention due to the limited supply issue.

As we continue to face persistent cost of living pressures it appears that affordability remains the key consideration for buyers. Subsequently, the relative affordability of units as opposed to houses has seen a strong lift in unit demand levels. However, recent agent feedback suggests that buyers are not just opting for apartments for affordability reasons, but also for lifestyle reasons too. As a result the local unit market in general is showing great impetus, and this appears to be following the similar trend occurring nationally.

In the coastal areas, the lack of apartment supply and pent-up levels of demand have resulted in units experiencing noteworthy price growth over the past twelve months, and this has been most evident within the Surfers Paradise and Broadbeach areas.

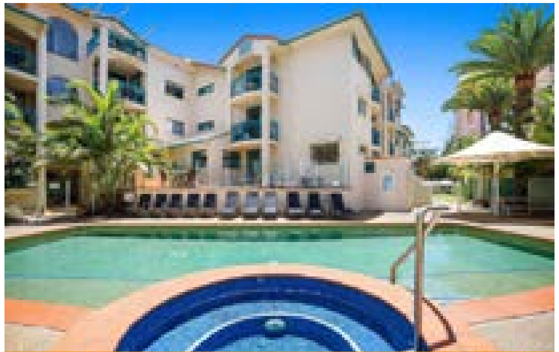
According to Proptrack data, the median unit price in Surfers Paradise has jumped 13.2 per cent to $701,750 since June 2023, whereas the median price for a house in the same locality has only increased by 2.1 per cent over the same period.

One-bedroom units have been receiving the strongest attention, being the most affordable type of property available to buyers. This entry level market has become ultra-competitive due to a surge of younger buyers and buyers looking to escape the rental crisis. Over the course of the year, agents have reported that there is an element of FOMO returning within this segment. Buyers will likely now struggle to find any standard one-bedroom apartments in central Surfers Paradise listed under $400,000.

Brisbane property has certainly had a stellar 2024 to date, and while the gains look set to continue, we'll be closely watching triggers around interest rates and the broader economic landscape as the year progresses.

In the past the unit market in these central localities has been known to suffer from oversupply issues at times, but since the Covid pandemic developers have been struggling to build new apartments.

In Broadbeach, we are aware of a one-bedroom unit in the Aruba Beach Resort complex on Surf Parade that was purchased in September 2023 for $440,000 in largely original condition. Prior to this sale, the property had transacted in February 2023 for $430,000. Having completed some very minor cosmetic refurbishment works, the new owner recently put the unit back on the market and was able to achieve a strong sale result of $580,000.

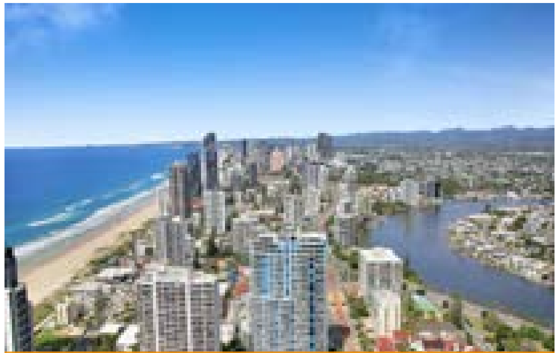


3/112-116 Surf Parade, Broadbeach recently sold for $580,000 Source: CoreLogic

3/112-116 Surf Parade, Broadbeach recently sold for $580,000 Source: CoreLogic

Two-bedroom and three-bedroom units are also reportedly attracting strong interest across a number of suburbs from both owner-occupier and investor buyer groups. However, the caveat here is that units with relatively higher body corporate fees are tending to linger longer on the market. The appeal of the coastal lifestyle mixed with apartment living remains a major drawcard for out-of-town buyers from larger cities. The more affluent buyers continue to covet the beachside areas of Broadbeach, Mermaid Beach and Main Beach which consist of a good variety of luxury apartments, with limited off the plan opportunities available. Agents have further commented that the swell of cash buyers within the prestige end of the market has become a well-established trend. Many of these are downsizers or purchasers from interstate. On a side note, dual key units have become very tightly held and sought after in recent times, with high rents and low vacancies making them more popular investments.

In the past the unit market in these central localities has been known to suffer from oversupply issues at times, but since the Covid pandemic developers have been struggling to build new apartments. New affordable apartment stock has all but dried up which has exacerbated the supply issue.



Surfers Paradise/Broadbeach area Source: CoreLogic

Whilst the challenges within the construction industry have been well documented in the media, the limited availability of redevelopment sites across the Gold Coast remains one of the main problems today, and it not easy for developers to move forward with viable larger scale residential projects. High land acquisition costs are generally the first major sticking point. Due to the prevailing circumstances we have seen developers scaling back their projects with many focusing on building a smaller quantity of units but targeted towards the higher end luxury market.

The uptick in unit values in 2024 has not just been limited to highrise apartments within the central coastal areas. We have observed strong levels of demand and reasonable price growth for all unit types, including walk-ups, lowrise units, townhouses, villas and duplexes right across the coast, from the affordable end and reaching into the prestige end of the market.

At the more budget-friendly end of the market, if you look at what's happening out in the outer suburban areas near the M1 northern corridor where families dominate the buying pool, property prices keep pushing upward due to the persistent supply issue. For example, in Pacific Pines, an established suburb situated just west of the M1 (south of Oxenford), three-bedroom townhouse units within a gated residential complex on Norris Street were typically selling for between $620,000 and $640,000 about twelve months ago, but so far this year the last couple of sale transactions recorded within the development have ranged between $725,000 and $747,000.

A typical townhouse within Norris Street, Pacific Pines Source: CoreLogic

At the prestige end we are seeing values for luxury apartments holding firm but sales activity and demand can be a little unpredictable and very property segment specific. Buyers priced out of prestige housing continue to drive the demand in this sector, targeting larger residential apartments as a suitable alternative. The demand from this market is particularly focused on smaller, exclusive boutique buildings (rather than large yield highrise towers).

6/1 Nineteenth Avenue, Palm Beach Source: CoreLogic

We note that at the time of writing, 6/1 Nineteenth Avenue, Palm Beach, a three-bedroom beachfront apartment, is currently on the market with an asking price of offers over $3.5 million. The property is currently tenanted at $1800 per week (until March 2025) and previously sold by the developer in August 2022 for $1.96 million.

The same market factors are at play within the detached housing market, with demand very much outstripping current supply. Again, this has been particularly evident in the M1 northern corridor suburbs.

The median house price reached the circa $1 million mark on the Gold Coast earlier this year. The data further paints a picture that buying options at this price level near the beachside suburbs are very few and far between for a freestanding home. House hunters with this kind of budget would therefore be expected to explore further out where there are better opportunities to secure a property and where there is the greater prospect of value formoney.

Interestingly, we recently noticed that Coomera and Pimpama currently rank in the top five most in demand coastal suburbs in Queensland, based on average enquiries per listing data, according to realestate.com.au. Both situated towards the mid-point between Brisbane and the Gold Coast, these suburbs are known for offering urban convenience and budget friendly modern style housing options. The current median house price for these suburbs sits at $860,000 and $745,000 respectively. That represents a 15.4 per cent spike in the median for Coomera and a 9.2 per cent rise for Pimpama in the past twelve months.

16 Pamphlet Lane, Coomera sold in May 2024 for $860,000. The property was reportedly listed on the market for approximately one month.

16 Pamphlet Lne, Coomera Source: CoreLogic

29 Tiffany Way, Pimpama reportedly sold in June 2024 for $800,000. The property had been on the market for approximately five days before going under contract.

29 Tiffany Way, Pimpama Source: CoreLogic

The tight rental market in these localities is an influence that we cannot overlook, as increasingly high rental levels along with a dire shortage of available rental properties push more people towards a preference of home ownership.

The spike in activity at the affordable end of the market and strong sales results is having a knock-on effect up the property ladder. That said, there is anecdotal evidence to suggest that demand for houses priced between $1.3 million and $2 million in most suburbs has been quite erratic at times. For those who have the budget, there appears to be a great selection of property available in this price range based on current online listings. It has been suggested that it's the mid-tier housing market where current interest rates are having the biggest impact and where buyers are having to re-evaluate their budgets. The rural residential market also remains a little erratic with local agents reporting a moderating in demand for property priced above $1.75 million in some of the outer suburbs of the Gold Coast hinterland. Whilst buyers are still active in the market, the urgency to purchase is not as prevalent. Several rural residential properties have recently been marketed under an auction campaign with mixed results and agents report that this is predominantly attributed to unrealistic vendor expectations, or purchasers not having pre-approvals for finance in place prior to the auction.

Moving further north into areas beyond Ormeau where buyers continue to chase affordability, the firming in the established housing market has also had the effect of bridging the gap in price levels between new and near new dwellings. New house and land packages are therefore proving a more attractive option to some sections of the market, particularly first home buyers who want to benefit from the increased incentive programs.

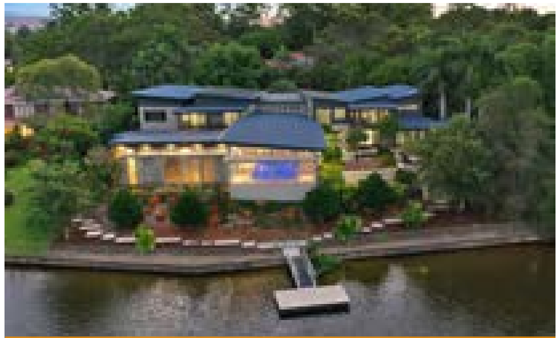
In the prestige sector, high quality beachfront homes and luxury waterfront dwellings are still transacting in good numbers and achieving big sales results. Despite the easing economy and rising interest rate cycle, specialist agents note that the overall sentiment within the market is very positive.

Whilst the prime riverfront and canal positions around the Gold Coast have been tightly held, the lack of stock options in these more desirable positions and the sustained interest from interstate buyers is creating the ideal auction environment for sellers.

We have already seen a number of record sale prices achieved this year. One of the standout sales is 13 San Remo Boulevard at Sorrento, Bundall which reportedly sold in May 2024 for $8.1 million and is now the record price paid for a canal-front home for the suburb. The property comprises a circa 2004 built, modern contemporary design, part three-storey residence of six bedrooms and seven bathrooms. It is on a 1206 square metre parcel which has a desirable north-easterly aspect to the canal and approximately 29 metres of water frontage and is positioned just off the main river.

13 San Remo Blvd, Bundall Source: CoreLogic

A waterfront mansion at Pipers Point in Robina recently transacted for $4.6 million which smashes the previous record price for the suburb. Occupying a prime point position, this sprawling two-storey residence provides eight bedrooms, four bathrooms and features just over 1200 square metres of gross floor area, a three-car garage and indoor pool. The mansion is built on a north-east facing, selectively cleared 2,756 square metre parcel which overlooks a lake. The previous record price was held by another residence in the same street which changed hands back in June 2022 for $2.85 million.



11 Pipers Point, Robina Source: CoreLogic

Premiums are also still being paid for modern or recently built dwellings as many buyers choose not to go through the exhaustive and time-consuming process that goes with constructing these higher end homes.

All in all, we expect the Gold Coast market to continue with reasonable momentum for the remainder of 2024 given that property values have been on the rise over the past six months, demand for housing is being fueled by strong population growth and prospects remain positive for the region.

Sam Gray
Associate Director

Sunshine Coast

As we come to the middle of the 2024 calendar year, the Sunshine Coast, Noosa and Gympie residential markets have generally experienced pretty good conditions over the past six months. Leading agents advise that enquiry for property remains pretty good with stock levels continuing to be relatively low. When we did our predictions at the start of the year, other key influences on the market were the impact of interest rates and unemployment.

	Sunshine Coast			Regional QLD	Queensland	Australia
Quarter	Unemployed people	Labour force	Unemployment rate %	Unemployment rate %	Unemployment rate %	Unemployment rate %
2023						
- December	6,329	199,050	3.2	4.0	4.0	3.7
- September	5,703	191,536	3.0	3.8	3.8	3.6
- June	5,143	185,135	2.8	3.5	3.7	3.6
- March	4,918	180,266	2.7	3.6	3.7	3.6

Unemployment numbers Source: ABS

Firstly, unemployment levels remain low. The table above shows the most recent LGA unemployment rates (December 2023). As you can see, the unemployment rate for the Sunshine Coast LGA has risen a little to 3.2 per cent which outperforms the Queensland and Australian rates at four per cent and 3.7 per cent respectively.

Secondly, with the inflation rate coming down we have seen interest rate increases being put on hold, which has given us the feeling that we are closer to the end of the rises than the beginning. Since the last increase in November 2023, we started to see some confidence return which has only continued throughout the first half of 2024. What has become evident is that borrowing capacity potential of buyers in the market has been affected.

One aspect of the market that we are starting to see return is some inconsistency in sales evidence with the characteristics of the property and circumstances of the sale having an effect. Properties that have some issues or vendors that are under pressure to sell are at the mercy of opportunistic buyers with some discounting required to affect a sale. Conversely there are some buyers paying full values for properties that suit their requirements.

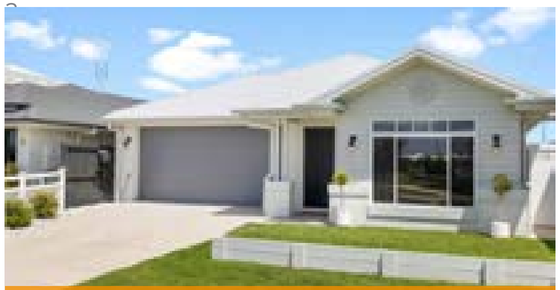
So, when looking at market specifics generally, the price point in certain areas remains key. Generally, properties at the lower value level of the spectrum are still performing pretty well on the proviso the property is reasonably well presented. These lower points obviously vary in different areas and asset classes. In the hinterland areas and Gympie, values under the $600,000 level and in the coastal areas, values below the $800,000 to $1 million level whether they be a house or a townhouse remain popular.

As we move through the upper value bands right up to the high-end prestige markets, the volume of buyers tends to fall away. At these levels you typically find people upgrading or maybe moving from another area. Sometime these buyers can struggle if they can't exit their current property. Some agents have advised that they have seen a rise in the number of contracts in their offices that are subject to the sale of another property.

With people still hesitant to take on a new build or renovation project, the popularity of modern well-presented properties right throughout the value bands remains strong. Good values are still being paid for modern or recently built dwellings as buyers simply do not want to go through the time and effort that go into the building or renovation process.

Examples of the above market effect can be seen in the sales evidence:

- **27 Sitella Place, Palmview** – Modern four-bedroom, two-bathroom dwelling with pool on a 454 square metre site within the Harmony Estate. Recently sold at auction for $1.08 million to a local buyer after previously selling for $990,000 in December 2023 and $915,000 in June 2022. The agent didn't say why it has been sold again so soon but did mention that they had three registered bidders competing which pushed the price up.


27 Sitella Place, Palmview Source: realestate.com.au

- **29 Neerim Drive, Mooloolaba** – High quality four-bedroom, five-bathroom dwelling with pool, jetty and 26 metres of river frontage. Under contract for $7.45 million to a local buyer after previously selling for $6.75 million in October 2022.

With people still hesitant to take on a new build or renovation project, the popularity of modern well-presented properties right throughout the value bands remains strong.

RESIDENTIAL

HERRON TODD WHITE

29 Neerim Drive, Mooloolaba Source: realestate.com.au

- **43 Witta Circle, Noosa Heads** – This property has recently sold and is subject to a non-disclosure agreement. It has reportedly settled, and the indication of sale price is circa $30 million. This is a very high end four-bedroom, four-bathroom dwelling with multi car basement garage, lap pool, jetty and 19.9 metres of canal frontage. It is circa 12 months old. If sale details are correct, this is a new record sale for Noosa Sound.

So when people ask me how our work is going, my response has been that we have slowed down from the peak times. Something that can't be overlooked though are the current fundamentals in the market at present and that they appear to be steady.

43 Witta Circle, Noosa Heads Source: realestate.com.au

As always, it remains difficult to predict how the economy and property markets will perform in the short to medium term.

Stuart Greensill
Director

Rockhampton

This month we take a halftime break to review the 2024 year to date. Wow, what can I say! To our surprise, despite rising inflation and high interest rate rises, the Rockhampton and Capricorn Coast regions have continued to fire in a big way. Market sentiment is still extremely strong with record sale prices continuing to be achieved. In many cases sales agents are still reporting multiple offers with eventual sale prices still achieving well above the listed sale price, particularly for good quality stock that requires minimal to no maintenance or renovation and repair. This is being fuelled by a combination of factors including:

- Increased cost of construction;
- Extended build times;
- Difficulties in securing trades in a reasonable time frame;
- A very tight rental market, still with rising rental prices;
- Regional migration from interstate and metropolitan areas causing demand for housing to outstrip supply for both owner-occupiers and investors;
- Large scale infrastructure projects currently underway or proposed in the near future fueling demand for a skilled and well-paid workforce.

In summary, our region is still seen as a relatively affordable area in which to either relocate or invest compared to many of our southern markets, which appear to be feeling the squeeze a lot more. To highlight this example the below screenshot represents a snapshot of the local Gracemere housing market and how it has changed in the past six to -twelve months.

Gracemere sales and price growth Source: CoreLogic

As you can see the data available indicates the median house price was $417,500 in January 2024, and although not all the sales in April and May have settled, the indicative median price currently available is $520,000 which reflects a 25 per cent growth in six months for the median price, somewhat staggering and unprecedented. Notably the number of sales has reduced which is typical of the supply and demand issues facing regional property markets in most of Queensland.

Alistair Gunthorpe
Valuer

Gladstone

The word unprecedented has been bandied around numerous times over the past few years, however up until this point in Gladstone, we have not been able to say it in regard to value levels. That now appears to have changed. We have seen rapid growth across the established housing market

We have seen rapid growth across the Gladstone established housing market sector in the past six months.

sector in the past six months. This market sector is finally, after nearly 12 long years, starting to hover around the pricing last seen in 2011 and 2012, the time of the last peak in the market. Now I'm not saying that every house in Gladstone has reached previous peak value levels - there are obviously a lot of different factors that affect the value of a property - however we are starting to see more and more evidence of houses selling very close to or slightly above previous peak value levels. The data is still preliminary, however the market appears to have risen approximately 10 per cent to 15 per cent since January.

The market for units continues to show increases in value, however not at quite the same pace as established housing. Unfortunately, units are still a long way off previous peak value levels (at a guess I'd say about 30 per cent to 40 per cent). There is currently limited activity in the vacant land sector predominantly due to the current building costs which have risen again in the past couple of months. The prestige market sector and the rural residential market sector are tied in closely with the established housing market and are performing strongly. Sales activity above $1 million has increased significantly over the past six months. Vacancy rates in the region remain tight and rental levels continue to show increases.

Buyer's agents have flooded the market in the first half of 2024 representing a large portion of demand, particularly for stock under $550,000. They are driving strong competition against other buyer's agents as well as local buyers. The buyer's agents are acting quickly, making strong offers well above the list price to secure a contract (sometimes as much as 20 per cent above list price), often then attempting to renegotiate under the terms of the contract (due diligence, building and pest, or finance clauses). This is considered to be a major contributing factor to the strong growth the region is currently experiencing. We have seen in other regional markets that when the market reaches a certain price point, buyer's agents will retreat and head off to find the next hot spot. Should we see a sudden exit of buyer's agents across the region, competition for stock will diminish and this has the potential to have a steadying effect on the residential property market.

So, there we have it fellow Gladstone-ites, we are finally at unprecedented value levels (for established housing) and there is no sign of the market slowing. Funnily enough, affordability is STILL the driving force of our market and we think there is still significant growth to be seen.

Regan Aprile
Director

Bundaberg

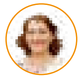
We are six months into 2024 and the Bundaberg region is continuing to track along nicely. Values have continued to rise steadily. Compared to this time last year however, sales volumes have decreased. This appears to be due to a lack of supply, rather than a lack of demand.

The Bundaberg region has experienced strong growth over the past few years and this trend is driven by the availability of working from home and remote work preferences, a desire for larger living spaces with a wide variety of acreage and rural residential properties available in the area, the appeal and affordability of coastal lifestyles and overall affordability compared to major urban centres.

Interest rates and cost of living pressures continue to be an area of concern in regard to property, however despite earlier expectations, interest rates have remained relatively stable, supporting demand for mortgages and refinancing. Potential interest rate increases in the latter half of the year could impact affordability and buying power.

Residential vacancy rates continue to remain tight, with vacancy rates remaining below one per cent. Increases in rental values are being experienced, however research is showing more rental stock is steadily becoming available.

Looking ahead to the second half of 2024, we expect to continue to see growth in the property market. Interest rates, affordability, cost of living and supply and demand will continue to play a key role in influencing the property market in the Bundaberg area.



Megan Matteschek
Valuer

Mackay

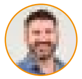
This month, we provide the halftime report for 2024... and what a six months it has been for the Mackay residential market! Up until the end of 2023, the Mackay market had been showing good steady growth across a number of years, without the large spikes seen in some of our southern markets. However, the past six months have seen buoyant market conditions on the back of a perfect storm of: our relative affordability compared to the capitals and other regional centres; a severe

It may have taken a decade for Mackay values to recover to previous levels after the big downturn from 2013 to 2017, but they're now soaring.

shortage of rental properties; a severe shortage of stock listed for sale; and strong demand from both owner-occupier and investor purchasers. Economically, the Mackay region is still in good shape with strong employment in the mining sector and associated service industries, construction and large infrastructure projects. These employment opportunities, plus other lifestyle factors have seen a large influx of migration to the region.

The result has been a strong rise in values over the past six months. Mackay is now at new high levels never previously seen. It may have taken a decade for values to recover to previous levels after the big downturn from 2013 to 2017, but they're now soaring.

One contributing factor is the large increase in buyer's agents and investors entering the Mackay market, especially in the sub-$550,000 market. It is almost common practice now for properties to be sold on video walkthroughs to investors and out-of-town relocators hoping to get into the Mackay market, all competing with local owner-occupiers on limited stock, putting greater pressure on values.



Mick Denlay
Director

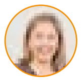
Emerald

We are over the halfway mark and Emerald has been having quite the year.

Throughout 2024, we have seen new market levels being achieved, driven by continued high demand for housing. Despite increasing cost of living pressures and no interest rate reprieves, sales volumes remain consistent, median sale prices and rental prices are increasing, and there is high confidence in the market. Continued high construction costs have resulted in limited new product and consequently premium are being achieved for established product that does not need renovations. Until median values can support the cost of a new build it is expected that this characteristic of the market will remain in play.

As we watch and wait for median values to catch up to construction costs, Emerald is still considered affordable compared to coastal centres and the south-east corner. During 2024 this affordability has attracted a growing number of out-of-town investors and buyer's agents taking advantage of the high yields. These additional players have placed extra pressure on the market and reduced selling periods to the point that serious purchasers need to be ready to buy or they will miss out.

Further pressure has come in the form of regional migration from the coastal centres and south-east corner as market participants cash in on their properties and move to Emerald to take advantage of the comparatively low median prices. These cashed up transactions are driving up the median values and on more than one occasion in 2024 this valuer has heard the adage "you couldn't replace it for that" to justify another top of the market sale price and honestly at the moment, that is hard to argue with.



Kellie Blomfield
Valuer

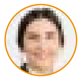
Whitsunday

The Whitsundays market has performed well over the past few years and showed continued strength across all sectors in the first half of 2024. Despite various constraints such as high construction costs, long construction wait times and high strata costs for units, the region remains a focal point for local residents, investors and newcomers who are relocating, attracted by the region's lifestyle and affordability.

Detached housing in Cannonvale and Airlie Beach has continued to rise in 2024, with the $900,000 to $1.3 million price point proving to be in demand. Attached housing, including units and townhouses, haven't seen the same amount of growth as detached housing however still appears to be performing well.

As property prices in Airlie, Cannonvale and surrounding areas continue to exhibit stable yet consistent growth, buyers are increasingly turning their attention to more affordable options such as Proserpine and Bowen which are still within close proximity to Airlie Beach.

The Bowen market has also remained strong over the first half of 2024 with affordability and employment driving this market. Rentals remain tight with limited stock available.



Tayla Richardson
Valuer

Townsville

All sectors in the Townsville residential property market performed strongly in the first half of 2024, in particular investment properties, which are generally properties in the sub $600,000 price range.

In the first six months of 2024 we have seen a massive increase in demand from southern investors led mostly by buyer's agents. The investor demand coupled with owner-occupiers trying to secure property and a lack of supply has seen a surge in property prices throughout the first half of the year.

Properties in this sector are mostly located in the outer and middle suburbs and are generally properties that have historically been regarded as affordable housing. Properties in these areas have seen unprecedented growth in the past six months. Investors are also chasing multi-unit dwellings however these are even scarcer with very few coming to market.

The strong demand for properties in this sector is being fuelled by increasing rents and very low vacancy rates. Given the supply and demand imbalance, we do not see a change to market conditions in the short to medium term.

While the investment property sector has been performing extremely well, we should also note that all the other sectors have also been performing very well including but not limited to vacant land (residential and particularly rural residential), existing rural residential properties and units.

Hayden Lynam
Valuer

Cairns

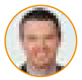
The Cairns market continues to perform strongly at the halfway mark of the year. Both sale numbers and median price continue to slowly rise after the traditional slowdown in December and January. All indicators are positive compared with the previous 12 months. The median price in the postcode 4870 (which comprises the inner to middle ring around the Cairns city centre) sat at $422,000 in April 2023 and was $490,000 as at April 2024. The average price shows a similar trend with an average price of $458,758 in April 2023 and $530,813 as at April 2024. Both measures show an uplift of approximately 16 per cent. Monthly median growth shows positive growth for eight out of twelve months in the corresponding timeframe.

Most valuers on the ground in the wider Cairns market report new levels being reached for most property types. Market hotspots include units in the lower value ranges in the suburb of Manoora, approximately six kilometres north-west from the Cairns city centre. The median sale price (three month moving average) in January 2024 was around $260,000 and firmed to sit at near $300,000 in March 2024. The rising cost of rents and affordability in the mid-range housing market continues to drive buyers into the cheaper second-hand unit market. In some instances the cost of mortgage repayments is lower than renting.

The challenge of rising building costs is also one of the factors driving developer prices for new housing stock. In the new estate of Mount Peter, the median sale price (three month moving average) jumped from approximately $540,000 in March 2023 to around $610,000 in March 2024. This is a relatively small locality where most sales originate from a single developer bringing new turnkey mainly four-bedroom homes onto the market at a rate of three to four per month. Contracts have been edging up every quarter and we have been advised that buyer demand remains steady to strong with a reasonably deep potential buyer pool. In some instances, out-of-town buyers are paying above local value levels. The typical new product comprises a four-bedroom, two-bathroom home with a two-car garage and patio of around 200 square metres total building area with a slightly above average level of finishes and fitout and sell fully landscaped. These houses are situated on a 400 to 500 square metre lot with no significant views. The most recent sale price was $630,000 in June. This achieved price is above the median sale price recorded in March 2024 and demonstrates the continual price pressure partly from rising building costs and continued strong local and investor demand in the mid value ranges.

A new home in Speewah Bend — Source: realestate.com.au

The consistently strong level of interstate buyers either investing or moving north continues to surprise. While there has been some churn with a number of these buyers relocating back to southern cities, we are seeing buyers from all states and territories active in the Cairns market. Markets attracting most buyers are $1 million plus property on the Cairns northern beaches or established inner to mid ring Cairns suburbs. The buying power in the Cairns market is still very affordable in comparison to markets in southern capitals.



Danny Glasson
Director

Toowoomba / Darling Downs

The Darling Downs coverage area (being bound by the Scenic Rim and Brisbane Valley to the east, the south Burnett to the north, the Queensland and Northern Territory border to the west and northern New South Wales and Moree Plains area to the south) residential property markets have fared well over the previous six months, but just like the rest of the nation, households budgets continue to remain tight given the cost of living demands, which has continued to place stress on everyday budgets, with no immediate substantial signs of easing.

It is widely recognised that there is currently a limited supply of new stock entering the market, which has continued to support home prices in our coverage area and has mitigated some of the downward pressure experienced in other residential property markets across Australia. Agents are continuing to report that competition for properties listed for sale (if appropriately priced) remains steady to strong in many market segments. This is replicated throughout the entire region, which is still demonstrating a variance between supply and demand.

Given this, our markets generally remain steady to strong, even while borrowing costs constitute a barrier to price growth, given that our coverage area continues to be supported by affordability, migration patterns and lifestyle preferences which are evident in vacancy rates around the region, which are still at historical lows:

Current Rental Vacancy Rates

- Toowoomba: 0.6%
- Kingaroy: 0.9%
- Roma: 0.3%
- Dalby: 0.4%
- Warwick: 0.2%
- Stanthorpe: 0.4%
- Goondiwindi 0.0%
- Chinchilla: 0.5%
- Gatton: 1.2%

Source: SMQ Research

The median home value in Toowoomba (4350) continued to steadily rise over the previous 12 months as did the median value of residential units. With little vendor discounting occurring and in some market segments vendors again increasing their price expectations, properties are continuing to spend limited days on the market if priced and marketed appropriately.

We now examine the inner, middle and outer rings of Toowoomba. The outer ring suburbs fall into the category of satellite suburbs, with the inner ring being within two kilometres of the Toowoomba CBD and the mid ring being within five kilometres of the Toowoomba CBD.

The inner ring suburb of Newtown saw a high proportion of house sales, totalling approximately 170 sales in the past 12 months (to May 2024) with a median dwelling price of $500,000, an increase of 11.4 per cent during the previous 12 month period. The more established neighbourhood of Newtown offers homes that are renovated or have renovation possibilities on larger blocks.

An example of this was 279 James Street, Newtown which sold for $487,000. It is a three-bedroom, one-bathroom, 1920s timber dwelling on an 852 square metre block. This dwelling has been partially updated, however would benefit from further renovation works and is situated on a busy thoroughfare which carries a high volume of traffic.

279 James St, Newtown Source: CoreLogic

An example of a fully renovated older style timber dwelling in Newtown is a property at 8 Edith Street. This property sold recently for $865,000 and provides three-bedroom, two-bathroom accommodation with a detached garage shed on a 911 square metre allotment. The property presented well providing a good standard of features, fixtures and fittings for this locality.

8 Edith St, Newtown Source: CoreLogic

Kearneys Spring, situated in the middle ring, has achieved quite a high proportion of unit sales, totalling approximately 80 sales in the past 12 months (to May 2024) with a median unit price of $406,500, an increase of 18.9 per cent during the previous 12 month period and an average yield of

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5.6 per cent. The relatively common availability of such strong yields on residential properties within the general Toowoomba locality remains the key driver of demand for investors, both local and non-local. Generally the average days on the market for units in Kearneys Spring is a notable 30 days. Kearneys Spring is an established suburb with new residential development within the south-west corner. It is close to the University of Southern Queensland, schools, parks and big name retailers.

3/11 Furness Court, Kearneys Spring recently sold for $380,000. It is a two-bedroom, one-bathroom semi modern (circa 2014) single level unit with a one- car built in garage in a complex of four.

3/11 Furness Ct, Kearneys Spring Source: CoreLogic

An example of a higher end unit or villa sale in Kearneys Spring is a property at Lot 1/10 Mockridge Street. This property is a standalone villa and sold for $650,000, providing three-bedroom, two-bathroom accommodation with a two-car built in garage built in circa 2016.

Lot 1/10 Mockridge Street Source: CoreLogic

The most suprising feature about the first six months of 2024 is not only the level of sales activity across Toowoomba but the number of sales in the exeutive and premium market segments of: $1 million to $1.999million; $2 million to $2,999 million; and the prestige market segment (above $3 million) categories. The most popular suburbs are the affluent Middle Ridge, Rangeville, Mount Lofty and East Toowoomba, generally featuring well-established homes, range views and close to modern conveniences.

A recent sale in the sub $2 million market segment is 8 Dalston Court, Mount Lofty, which sold for $1.525 million. This almost 300 square metre, built circa 2000 dwelling, features five bedrooms and two bathrooms on a 1074 square metre allotment. The property features an internal garage, a detached shed and multiple outdoor areas.

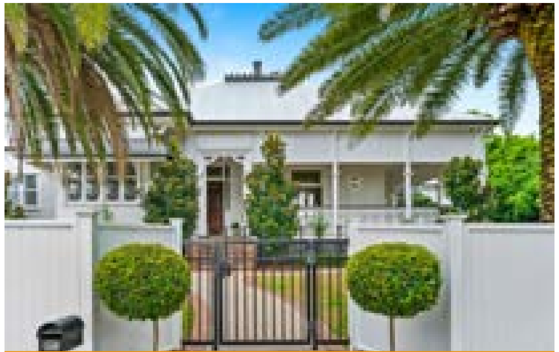
The relatively common availability of such strong yields on residential properties within the general Toowoomba locality remains the key driver of demand for investors, both local and non-local.

8 Dalston Ct, Mount Lofty Source: CoreLogic

A recent sale in the sub $3 million market segment was 90 Tourist Drive, Rangeville, which sold for $2.25 million. This in excess of 500 square metre dwelling comprises a fully refurbished 1960s dwelling with a modern extension and features five bedrooms and four bathrooms on a 1520 square metre allotment. The property is situated on the escarpment with associated views, and has a good level of ancillary improvements including a swimming pool.

90 Tourist Dve, Rangeville Source: realestate.com.au

When you think of prestige, 136 MacKenzie Street, East Toowoomba comes to mind. This is a tastefully renovated and restored, large, four-bedroom, four-bathroom dwelling which further accommodates seven cars situated on a 2004 square metre allotment. Ancillary improvements are extensive and include an inground pool and full size tennis court. The property sold for $3.8 million in March 2024.



136 MacKenzie St, East Toowoomba Source: CoreLogic

Due to a number of factors, including: a lower general median dwelling and unit price in comparison to our coastal and capital city cousins, meaning that to many purchasers, we represent good value for money; the limited rental and for-sale housing; a robust local job market; commuting distance to Brisbane; affordability; and strong infrastructure development and jobs-led initiatives, it is anticipated that our region will continue to perform well in the short term, which continues to make Toowoomba one of Australia's best regional cities.

Toowoomba's strong position also has the effect of spreading to the wider area in our coverage region which has also followed similar trends with no areas currently considered oversupplied or needed to be treated with extra caution other than normal due diligence prior to purchase. Overall, given current market conditions, we maintain that a prudent purchaser can feel secure in investing or purchasing in various localities throughout the Darling Downs coverage area.

Marissa Griffin
Director

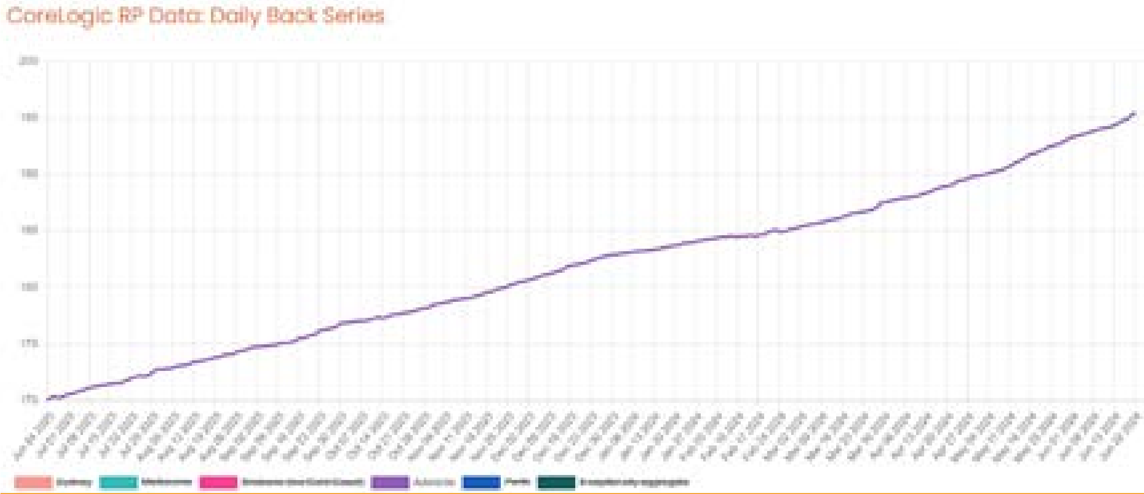
Overall, given current market conditions, we maintain that a prudent purchaser can feel secure in investing or purchasing in various localities throughout the Darling Downs coverage area.

South Australia - Residential 2024

Adelaide and surrounds

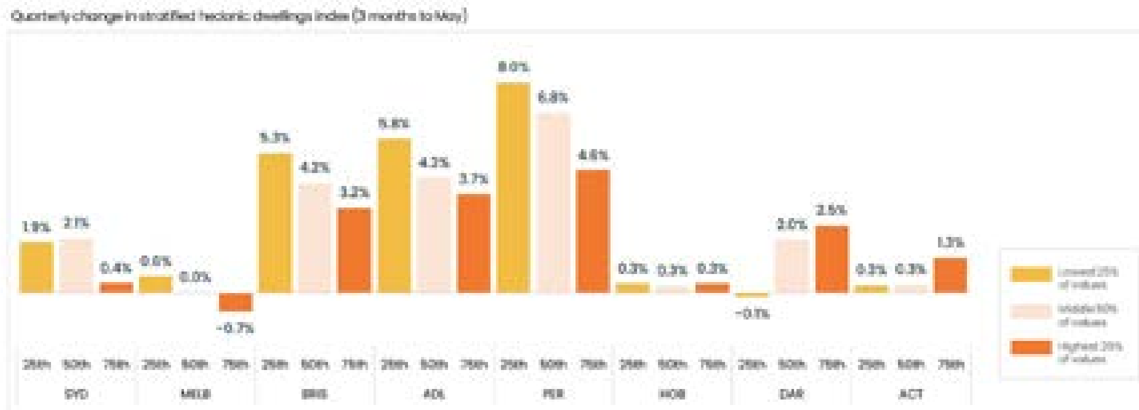
The South Australian metropolitan property market has remained strong through the first half of 2024. March quarter data released by the state government indicates that the metropolitan median house price has risen 12.5 per cent year on year to a record high of $760,000. Market activity in regional South Australia has remained equally strong with the non-metropolitan (major towns) median house price rising to $415,000, a 10.5 per cent increase year on year. Since March, CoreLogic's Hedonic Price Index has tracked the metropolitan market on an upwards trajectory. It's expected that a new record metropolitan median house price will be achieved in the June quarter.

The RBA held the cash rate at 4.35 per cent in June which is the fifth consecutive month without change. With one increase since June 2023, the stability of the cash rate continues to give purchasers confidence to enter the market. Stock levels remain low within the metropolitan area with new listings stagnant year on year with a 0.1 per cent increase and total listings down 15.8 per cent year on year. The median days on market have also tightened to 27.



Hedonic Price Index — Source: CoreLogic

Total Listings — Source: CoreLogic



Quarterly change in dwelling values — Source: CoreLogic

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HERRON TODD WHITE

Low stock levels and the stability of the interest rate environment appear to be the catalyst for the market's strength in the first half of 2024.

Market growth has been mixed throughout the metropolitan area. The affordable outer suburbs have outperformed the middle and inner rings which represent the middle and upper price points of the market.

At the affordable end, the Playford Council north of the CBD continues to perform strongly. Of the 22 suburbs which recorded sales data in Quarter 1 of 2024, all achieved price growth year on year. Strongly performing suburbs have been Elizabeth Park, Hillbank and Munno Para West which achieved median house price growth of 34.28 per cent, 24.62 per cent and 26.44 per cent respectively. Examples of available stock in these suburbs include 1 Oxford Court, Elizabeth Park, a circa 2000s single level detached conventional dwelling disposed as three bedrooms and two bathrooms on a 320 square metre allotment and 37 Seaborough Road, Elizabeth Park, a circa 1960s single level dwelling disposed as four bedrooms and one bathroom on a 670 square metre allotment. These properties are listed with asking price ranges of $475,000 to $505,000 and $515,000 to $530,000 respectively.

Similarly to the south of the city, suburbs within the Onkaparinga Council area have seen strong growth. Of the 36 suburbs which recorded sales data in Quarter 1 of 2024, 31 achieved price growth year on year. Port Noarlunga was the best performing with a 33 per cent increase.

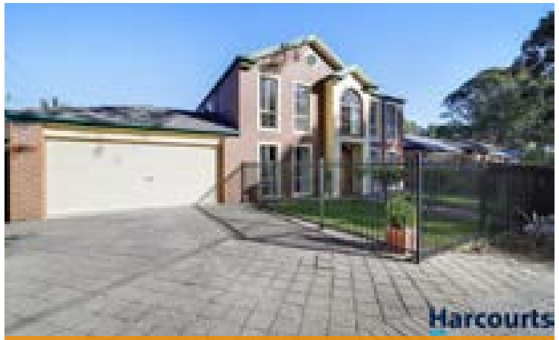

1 Oxford Court, Elizabeth Park Source: realestate.com.au

The middle ring has performed well in the first half of 2024 with the majority of activity occurring between $600,000 and $900,000. This region is characterised by 1960s to 1980s dwellings on medium to large allotments as well as small pockets of character dwellings and newer infill development. The middle ring suburbs of Hallett Cove, Ingle Farm, Lightsview and Seaton each had 25 plus transactions in the March quarter with each achieving varied levels of growth. Seaton was the best performer with 29 transactions and a 17 per cent increase in the median house price year on year. Recent sales in Seaton include 49 Dumfries Avenue, a modern two-level dwelling providing three bedrooms and two bathrooms on a 300 square metre allotment and 507 Grange Road, a circa 1960s brick dwelling providing three bedrooms and one bathroom on a 620 square metre allotment. These properties achieved sale prices of $1.21 million and $840,000 respectively.

Agents are reporting buoyant numbers through open inspections with properties achieving sale prices within or above asking price levels.


49 Dumfries Avenue, Seaton Source: realestate.com.au

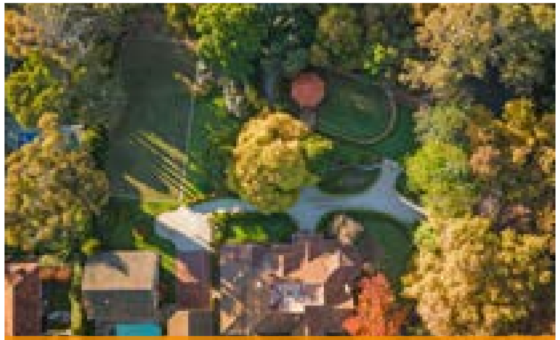
Activity in the inner ring's $1 million to $3 million price bracket remains strong. Agents are reporting buoyant numbers through open inspections with properties achieving sale prices within or above asking price levels. The inner ring is tightly held with many suburbs achieving only a handful of transactions per quarter which can lead to skewed results. Focusing on suburbs which have had 10 or more transactions in the 2024 March quarter, Magill, Tranmere, Prospect and Mile End have all recorded double digit price growth. The best performing of these suburbs has been Tranmere with a 44 per cent increase year on year and a current median house price of $1.28 million. Recent sales in Tranmere include 54 Shakespeare Avenue, a circa 2000s brick veneer dwelling providing five bedrooms and two bathrooms on a 565 square metre allotment and 6 Stanley Street, a circa 1960s single level brick dwelling providing two bedrooms and one bathroom on an 830 square metre allotment. These properties achieved sale prices of $1.6 million and $1.222 million respectively.



54 Shakespeare Avenue, Tranmere Source: realestate.com.au


6 Stanley Street, Tranmere Source: realestate.com.au

At the top end of the market, agents continue to see strong interest above $4 million. Searches have revealed 20 recorded transactions in the greater metropolitan area above $4 million in the six months to June 2024. The actual number is much higher given the number of sales which either transact prior to being openly marketed or have their sale price withheld on settlement. Sales of significance include 4 Victoria Avenue, Unley Park which is reported to have achieved a sale price in excess of $10.5 million and 66 Martin Court, West Lakes which achieved a sale price of $4.025 million which represents the second highest transaction in the suburb.


4 Victoria Avenue, Unley Park Source: realestate.com.au

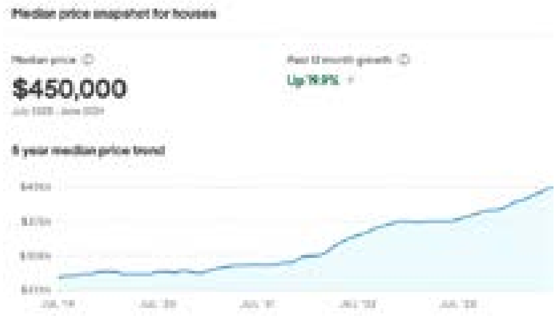

66 Martin Court, West Lakes Source: realestate.com.au

In the first six months of 2024, market growth has remained strong in both metropolitan Adelaide and greater regional South Australia. On the back of low stock levels and stable interest rates, it's expected that the market will continue to grow in the second half of 2024.

Nick Smerdon
Valuer

Mount Gambier

The Mount Gambier housing market has been performing well over the past 12 months despite the current interest rate environment and cost of living pressures. In the past six months, the median house price has increased from $405,000 to $444,000. The graph below shows the increase in the median house value in Mount Gambier over the past five years. 12 months ago, the median house price was sitting around $375,000.



Mount Gambier median sale price Source: realestate.com.au

We continue to see strong sales in the $400,000 to $500,000 price range. Properties in this price bracket range from three- to four-bedroom homes with one or two bathrooms. These price points are still quite affordable for most demographics. This range appeals to a wide variety of buyers such as first-home buyers, investors, downsizers and growing families. Investors have particularly been interested in this price range due to the strong yields it offers. An example of a recently sold property is 13 Earl Street, Mount Gambier. The property consists of three bedrooms, one bathroom on a 743 square metre allotment in close proximity to the CBD and popular local schools. The property sold for $430,000 and has been leased at $420 per week, offering a yield of five per cent.

HERRON TODD WHITE

13 Earl Street, Mount Gambier Source: CoreLogic

11 Ridge Road, Mount Gambier Source: CoreLogic

13 Earl Street, Mount Gambier Source: CoreLogic

11 Ridge Road, Mount Gambier Source: CoreLogic

Buyer demand has increased in the $600,000 to $750,000 price range. Properties in this range are large character style properties within the CBD and modern properties. The modern property market has been the most unexpected as we are continuously seeing increased sales and demand for these properties, despite the stabilisation of construction costs and reduction of timeframes to build in the area. We are seeing a variety of demographics still purchasing these kinds of properties including investors, families and downsizers.

Below is an example of a modern home that sold on the fringe of Mount Gambier. 11 Ridge Road is a four-bedroom, two-bathroom home built in 2023 and located on an 878 square metre allotment. The property has just sold for $725,000 and has been leased at $650 per week equating to a yield of 4.66 per cent.

Units in Mount Gambier, like houses, have seen an increase in the median price in the past six months from $287,500 to $300,000. Units in this range are attached and detached units. We are seeing increased investment in this type of property due to strong yields and houses becoming less affordable.

Lauren Kain
Valuer

Western Australia - Residential 2024

Perth and regions

Wowsers, welcome to July 2024! We've officially made it halfway through the year already and time to do our halftime report, reflecting on our predictions made at the start of the year. I think it's fair to say that we undercooked some of our predictions - what a market it has been!

Starting by looking at the Perth metro area, according to the Real Estate Institute of Western Australia (REIWA), the median house price has risen by $95,000 over the past 12 months to reach $650,000. Growth expectations for 2024 have already been exceeded, with significant surges observed in the lower end of the market, resulting in the median increasing by $50,000 between January and June alone. Rental prices continue to trend upwards and the number of suburbs with a median house price exceeding $1 million is rapidly increasing.

Source: REIWA

As a comparison, in June 2023, REIWA reported 3959 listings on the market with a median selling period of 12 days. By June 2024, REIWA reported just 2781 listings with a median selling period of just eight days, a seemingly incredible reduction that appears technically impossible to reduce further - there's a limit to how quickly you can list and then report the sale of a house! Agents have reported very solid demand with large home open attendance rates and reports that some properties are receiving multiple offers before a home open has occurred. In some suburbs, selling agents no longer provide price guidance, leaving buyers to determine the value of securing their desired home. The positive market sentiment has now transitioned from established dwellings into the vacant land market, with upward pressure on values noted, and rising.

Looking at the beachside suburb of Scarborough, the area is currently witnessing rapid growth, reflected in its median house price now exceeding $1 million.

For instance, this property located at 109B Deanmore Road in Scarborough, a 191 square metre two storey house constructed in 2009 featuring three bedrooms and two bathrooms and a land area of 306 square metres, sold for $1.15 million in March after just seven days on the market. It previously sold for $805,000 in August 2022 within eight days of listing, showcasing a 43 per cent increase over 22 months without any noticeable upgrades.

109B Deanmore Road, Scarborough Source: CoreLogic

Heading into the southern suburbs of Perth, for many years Baldivis was the mortgagee capital of Western Australia, but it is now one of the hottest markets in the Perth metro area. The median house price has increased by 23 per cent, rising from $485,000 to $600,000 over the past 12 months. An example of this trend is seen in 7 Cappuccino Drive, a well-presented property built in 2014 with three bedrooms and two bathrooms on a 311 square metre land area and 135 square metre living space. It was sold for $435,000 in January 2023 and re-entered the market in April 2024, selling for $610,000 after being listed for just four days, reflecting a 40 per cent increase in 14 months!

In some suburbs, selling agents no longer provide price guidance, leaving buyers to determine the value of securing their desired home.


17 Cappuccino Drive, Baldivis Source: CoreLogic

Additionally, it's noteworthy to mention the recent land sale at 1 Highbury Boulevard also in Baldivis. This corner lot, spanning 585 square metres and situated on a local thoroughfare and entrance road into the estate, sold for $265,000 in November 2023. The property returned to the market in March 2024 and sold for $340,000 after being listed for 27 days, reflecting a 28 per cent increase in value.


1 Highbury Boulevard, Baldivis Source: CoreLogic

Moving into the apartment and unit market, the year started slowly but momentum built rapidly. Our predictions for the sub-$700,000 market appear to be on the mark so far, and there has been steady growth in the over $1 million apartment market.

Trophy home sales have increased as expected this year, with several notable transactions exceeding last year's figures.

Areas such as East Perth, which previously struggled with an oversupply of basic apartments sitting unsold for a decade, suddenly saw significant and rapid increases in property values. This surge was fuelled by the ongoing rental crisis and substantial interstate investment, which began to align with trends in the housing markets. According to CoreLogic, there were 41 apartment sales over $1 million in Perth and East Perth last year compared to 54 already this year, reflecting a 31 per cent increase in transactions.

For instance, consider the one-bedroom, one-bathroom apartment spanning 52 square metres of living space located at 25/17 Wickham Street in East Perth. Built in 2020, this property sold for $430,000 in May after just 16 hours on the market. Previously purchased for $350,000 in May 2023, it demonstrated an impressive 22.8 per cent increase over exactly 12 months.


25/17 Wickham Street, East Perth Source: CoreLogic

41/100 Terrace Road, East Perth, a two-bedroom, two-bathroom apartment with two basement parking spaces and a balcony overlooking the Swan River, was leased for $750 per week in January 2023. The apartment sold for $735,000 in February this year and was again leased for $950 per week after being listed for 20 days. This reflects a 26 per cent increase in rent and 6.7 per cent gross rental yield.


41/100 Terrace Road, East Perth Source: CoreLogic

Trophy home sales have increased as expected this year, with several notable transactions exceeding last year's figures. In the prestigious western suburbs market, there is relative stability compared to the mid-range segment.

1D Warton Street, Cottesloe, a two storey 2016 built residence with four bedrooms and four bathrooms and a reported living area of 500 square metres situated on a 707 square metre lot sold in March for $10 million.

1D Warton Street, Cottesloe Source: CoreLogic

Another example is 34 The Esplanade, Peppermint Grove, a four-bedroom, three-bathroom, two storey residence with a reported 396 square metres of living area on a 1559 square metre lot, which sold in February for $14 million.

34 The Esplanade, Peppermint Grove Source: CoreLogic

Moving our midyear update to regional Western Australia, we first travel up to the Kimberley region where the Broome residential market softened following what appeared to be a peak in 2023, however the market has since regained momentum with an increase in activity experienced recently. The rise in demand has been driven by both owner-occupiers and investors looking for properties within the lower end of the market, particularly for properties within the $500,000 to $700,000 price bracket.

Discussions with agents reveal properties within this price segment are matched with half a dozen offers and stock is low as there is an undersupply of housing available. Projects in the region such as the Kimberley Sands project have further cemented demand as companies look to secure housing for staff. Demand for properties within the $1 million price bracket located in the famous Cable Beach area has slowed with agents revealing that potential buyers in this segment are looking for premium products, but are in no rush as they wait for the right property.

The rental market has shown no signs of stopping. Looking at the information below which relates to the suburb of Broome itself, the median rental amount for houses increased from $735 per week to $850 per week, showcasing a 16 per cent rise and $450 per week to $700 per week for units, highlighting a 55 per cent increase.

Broome Market Activity Source: REIWA

Heading south into the Pilbara region, Port and South Hedland have continued to display strong rental pressure as we reach the middle of the year. Rental properties in Port Hedland have exceeded expectations for the year as rents have displayed a 40 per cent growth over the past six months with the median rental price reaching up to $1400 a week (it was $1000 entering 2024). The South Hedland market has remained steady with median rent remaining at $900 per week.

As for the buyer's market, properties in the strong, investor driven market of Port Hedland have surprisingly taken a slight turn with the median price for houses remaining at $695,000. This is not the case however in South Hedland, as the median price for houses has carried quite a stable growth into this year with the median price reaching a humble $472,500.

This Port Hedland property provides a perfect example of housing in the area. 30 McPherson Street is a circa 1970s built aviation style three-bedroom, one-bathroom home on a spacious 975 square metres of land. This property sold in April for $785,000 and was swiftly rented only some days later for $1700 per week.

30 McPherson Street, Port Hedland Source: CoreLogic

Along the coast in the town of Karratha, the mining and energy industries have created a further influx of demand for an already pressurised housing market and this demand has increased median house prices across Karratha and surrounds as the housing shortage continues as predicted.

Earlier this year, we highlighted the sub $500,000 market as one to watch, specifically strata units in the suburbs of Pegs Creek, Bulgarra and Baynton.

In Pegs Creek, median prices for houses have not seen much change over recent years, hovering around $480,000. However, there has been a significant jump in median rent for units, increasing by circa 26 per cent to $950 per week.

This circa 2013 built, one-bedroom apartment on the central Sharpe Avenue comprises a modest 50 square metres of internal living space and features common facilities including a resort-style pool, BBQ area, gym and games room. The apartment sold in May last year for $425,000 and as a demonstration of the current rental situation, is currently listed for rent at $1,250 per week, noting that strata fees in these complexes are a significant factor in any buying decision.

118/26 Sharpe Avenue, Pegs Creek — Source: CoreLogic

The median sale and rental prices for houses in the suburb of Baynton have both demonstrated consistent strength with the present median price sitting at $707,500 and median rent at $1400 per week. In similarity to neighbouring suburbs of Karratha, the rental market for units has experienced the most impact from this ongoing demand and shortage of dwelling stock. In comparison to January this year, median rent for units has displayed a circa 19 per cent increase to the present $1425 per week.

As an example, this circa 2013 built apartment in Baynton featuring three bedrooms, two bathrooms and 112 square metres of internal living space sold in May this year for $572,500. The apartment is currently subject to a corporate lease for $1550 per week until 2025.

59/55 Gardugarli Drive, Baynton — Source: CoreLogic

Travelling down the coast to Exmouth, the residential market has shown no signs of stopping following the strong activity experienced in 2022 and 2023. Demand remains strong for all property types as the lack of stock in the market places upward pressure on values. The median house price in the town increased from $670,000 in 2023 to $780,000 in 2024, a 16 per cent increase whilst the volume of houses available for purchase dropped from 69 to 52, a 25 per cent decrease. Units followed suit with the median unit price increasing from $257,000 to $297,000 and sales volumes dropping from 14 to 4. The median land value in the town also increased from $306,000 to $343,000.

Exmouth Market Activity — Source: REIWA

Local agents advise that properties are selling within a number of days and in most cases, above asking price. High construction costs as experienced throughout regional Western Australia further solidify the need to buy established. Take for example this 2008 built, four-bedroom, three-bathroom property at 53 Skipjack Circle which sold for $903,000 in February. The property features 124 square metres of living on a 563 square metre lot. The property was originally advertised for sale from $870,000 and sold within five days of being listed on the market, and whilst the price might seem high for a modest dwelling, we consider it to have sold below replacement cost.

Local agents advise that properties are selling within a number of days and in most cases, above asking price.

53 Skipjack Circle, Exmouth Source: CoreLogic

Taking a look at the midwest region of Western Australia, Geraldton has seen demand for housing in the lower to middle end of the market outperforming other price segments. This is mainly caused by a strong rental market with agents suggesting that the rental market is the strongest it's ever been! This has influenced local and interstate investors to enter the market along with tenants that may have previously preferred to keep leasing but have chosen to enter the owner-occupier market as rents keep rising. Agents advise that new builds have been in a decline for the past five years due to expensive construction

Rangeway Market Activity Source: REIWA

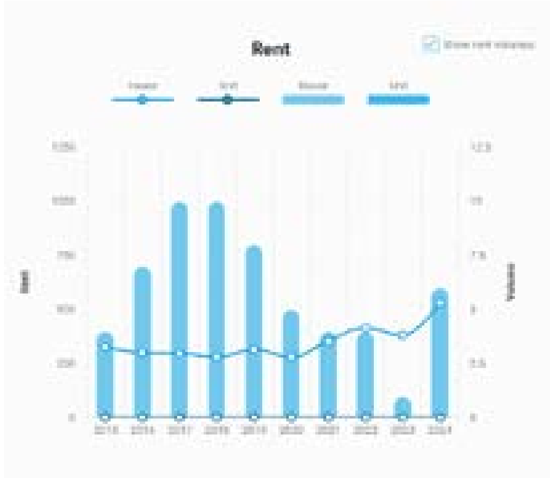
costs, however we note that vacant land sales have increased over the past 12 to 18 months, a precursor to new supply.

At the lower end of the market, the median house price in Rangeway has increased from $182,000 last year to $213,000, a 17 per cent increase, and the median unit price increased from $102,000 to $190,000, an 86 per cent increase.

An example is this 1987 built property at 17 Wandoo Street, Rangeway which sold for $335,000 in May. The property features three bedrooms and one bathroom with 98 square metres of living on a 1,600 square metre lot which has underlying development potential for up to five lots. The property previously sold just over a year ago for $170,000, showcasing an impressive 97 per cent price growth.


17 Wandoo Street, Rangeway Source: CoreLogic

The suburb of Waggrakine, located in the outer northern side of Geraldton, has witnessed an undersupply of houses available on the market with volumes falling from 51 to 38 in 12 months. The median house price increased from $360,000 to $399,000 showcasing an 11 per cent growth and more impressively, the median rent jumped from $380 in 2023 to $530 this year, highlighting a 39 per cent rise.



Waggrakine Rental Activity Source: REIWA

This property at 11 Globe Court, Waggrakine sold for $510,000 in March and comprises a four-bedroom, two-bathroom, 2011 built dwelling with 267 square metres of living on a 702 square metre lot. It is currently advertised for rent at $600 per week.


11 Globe Court, Waggrakine Source: CoreLogic

Properties at the top end of the market have also been performing strongly with those that have ocean views and good quality semi-rural properties being in high demand. Take a look at this 1987 built, five-bedroom, three-bathroom renovated property at 1 Ridgehaven Court, Moresby. The property features 367 square metres of living on a 1.64 hectare block and sold for $1.595 million in May.

1 Ridgehaven Court, Morsby Source: CoreLogic

Heading inland, the Wheatbelt region has experienced steady growth as the year has progressed, particularly in the sub $400,000 market in regional centres such as Merredin, Narrogin, York and Northam.

Let's take a look at Northam for example. This regional centre circa 95 kilometres north-east of Perth has seen median house prices grow approximately 12 per cent over the past 12 months to $310,000, with a 30 per cent growth in median house rental prices, with average rental yields of circa 10 per cent.

As an example of what is available for your money, 12 Wellington Street East, Northam sold in April for $350,000. The three-bedroom, one-bathroom 1930s brick and iron home is situated on a 713 square metre block and retains plenty of character such as timber floorboards, archways and mantlepieces while including some more modern comforts such as ducted air conditioning.

12 Wellington Street East, Northam Source: CoreLogic

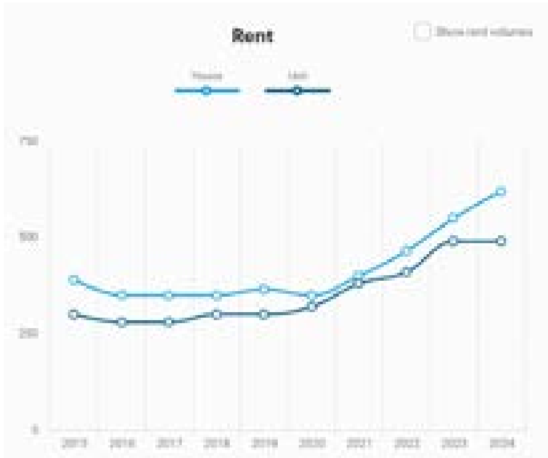
Further inland to the Goldfields region, Kalgoorlie-Boulder's residential property market has continued to perform strongly as the area enjoys what looks like an extended period of demand. The median house price has increased from $327,000 to $350,000, showing a seven per cent increase. Interestingly, the median unit price shows a 15 per cent increase as the median price for units increased from $225,000 in 2023 to $260,000 at present, largely a result of investors buying properties at the lower segment of the market and rising rents having a positive impact on capital values.

Kalgoorlie Market Activity Source: REIWA

This four-bedroom, two-bathroom 1999 built dwelling with 161 square metres of living area at 39A Ardagh Avenue, Kalgoorlie sold for $459,000 in March, a 19 per cent increase on its sale price of $387,000 in 2022.

39A Ardagh Avenue, Kalgoorlie Source: CoreLogic

The rental market continues to pose challenges with a significant lack of supply. The median rent for houses increased from $550 per week to $620



Kalgoorlie Rental Activity Source: REIWA

RESIDENTIAL

HERRON TODD WHITE

per week whilst the median rent for units stayed consistent at $490 per week, although this likely reflects the lack of stock available and we would expect to see another upward tick in the short term.

For example, take a look at this 1984 built two-bedroom, one-bathroom part-renovated property at 428 Egan Street, Kalgoorlie. The property features 81 square metres of living on a 441 square metre lot. The property was listed for rent in 2023 at $550 per week and after minor renovations, is currently advertised for rent at $680 per week, indicating a 24 per cent increase.

428 Egan Street, Kalgoorlie Source: CoreLogic

The median house price in West Lamington has increased from $349,000 to $400,000, a 15 per cent rise over the past 12 months, however there is evidence that much of this growth has occurred more recently. This 1980s built four-bedroom, two-bathroom property at 214 Hare Street, West Lamington sold for $560,000 in April. The property features 177 square metres of living on a 966 square metre lot. It was a quick turnaround for this property, having previously sold for $510,000 in November last year, demonstrating 10 per cent price growth in just over six months!

214 Hare Street, West Lamington Source: CoreLogic

It's hard not to sound like a broken record when discussing the property market in the south-west - as predicted, demand has not faded and we have seen consistent growth across the region.

Affordability has remained a pressing issue, particularly for the coastal suburbs from Bunbury through to Busselton and Dunsborough where demand in the sub $600,000 market has been barraged by home buyers and investors alike, driving prices up to a point where even the middle bracket of $800,000 to $1 million properties are transacting regularly (which up until recently, was a typically slower range to move).

For metropolitan buyers who have been pushed south and decided to opt for a lifestyle change, Bunbury and surrounds has been a popular choice given its proximity to Perth and it is definitely starting to see gentrification with more modern homes popping up on larger (700 square metre plus) blocks in town, be it new builds or complete renovation jobs such as 13 Lucretia Street in the suburb of Eaton. The two storey five-bedroom, two-bathroom 1975 built home was purchased in August 2023 for $390,000, had a complete internal and external makeover and sold again in May 2024 for $750,000. In a suburb that has seen approximately 20 per cent growth over the past year alone and with a current median house price of $493,000, the 92 per cent increase achieved (even taking into consideration renovation and selling costs) definitely shows the profound interest in the area for quality products.

13 Lucretia Street, Eaton Source: CoreLogic

Within the Great Southern region, demand for established property in Albany remained strong throughout the first half of the year as the rental market remained tight, resulting in steady growth, however the urgency of buyers has reportedly started to soften.

Until recently, buyers could be described as scrambling to put forward offers, asking agents "what do I need to pay to secure this property?" and being prepared to spend more than what they would normally be comfortable with. Agents are now reporting that buyers, though still very much interested, are more contemplative and open to negotiation, even if it might mean losing out on one option and waiting for the next. Despite this, good numbers are still being seen, with generally 10 to 20 groups through open homes and multiple offers presented on most properties within the first week, particularly for the more affordable price points.

At the end of 2023 and beginning of 2024, the popular affordable range was considered sub $500,000, however it has now bumped up to around $550,000. 9 Chauncy Way in Spencer Park, for instance, sold in April for $551,551. The circa 2000 built, three-bedroom, two-bathroom home situated on 450 square metres opposite Chancy Parkpreviously sold in December 2020 for $421,000 and showcased a 31 per cent increase.

9 Chauncy Way, Spencer Park Source: CoreLogic

Given that agriculture underpins the economy in Esperance, it's always good to have a quick check in with the agricultural scene in the region. After a record year for Esperance Port last year, this year shaped up to have a dry and slow start, however welcome rain finally arrived in May to help germinate dry sown crops and the forecast provided by the Bureau of Meteorology will hopefully see adequate moisture levels throughout winter to support crop establishment and keep positive yield expectations on track.

As expected from a property perspective, there has been a continued albeit more controlled growth in property values after we saw a stabilising of interest rates and more economic certainty, particularly in the affordable market while there has been lack of supply available, especially on the rental front where vacancy rates are still sitting sub one per cent.

The typically high level of demand within the $300,000 to $500,000 market has persisted and remained evident throughout the first half of the year, while good purchaser demand is also still being experienced in the $500,000 to $700,000 range for well-located and well-appointed properties.

Interestingly, our valuers are seeing more bang for buck in the $350,000 to $500,000 bracket in the suburbs of Esperance and Castletown compared to the more traditionally lower priced markets of Nulsen and Sinclair.

We had expected at the start of the year that the rural lifestyle market, typically sub $1 million, would perform well in 2024 and so far we have seen a few properties pop up on the market at prices that have even surprised us.

The Western Australian market has certainly shown no signs of slowing down and many of our predictions remain on track. The constraint on the supply of housing has been a key contributor, however recent increases in land values may actually start to assist the supply side if new developments become more viable for land developers. The next six months will be interesting to watch, as there are certainly markets that feel overheated and others that feel that they were oversold for a decade and are still playing catch up.

Chris Hinchliffe
Director

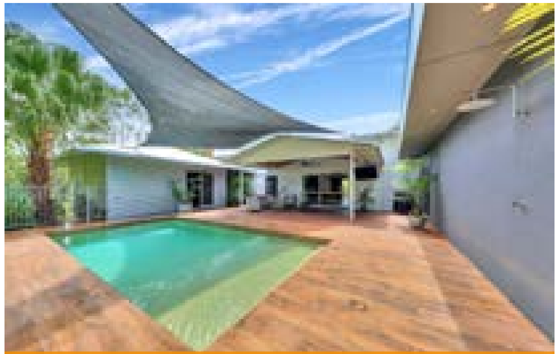
It was a quick turnaround for this property, having previously sold for $510,000 in November last year, demonstrating 10 per cent price growth in just over six months!

Northern Territory - Residential 2024

Darwin

Throughout the first half of 2024, the Darwin dwelling market has remained stable across most segments with the best performing sub-market being the rural residential market in suburbs such as Howard Springs, Humpty Doo and Virginia. While the rest of Australia saw strong capital value growth throughout 2022, 2023 and the first half of 2024, Darwin has not. Unsurprisingly this makes Darwin very affordable. The median value in Darwin's inner suburbs is sitting at $745,000, the northern suburbs at $667,500 and Palmerston at $510,000. There are not many markets left in Australia where the median values are still well below $1 million and it is for that reason there is a coy expectation that we may see some capital growth in values in the months ahead. The market is so heavily dependent on the wider economy with industries such as mining, tourism, defence and the public service playing a vital role in bring more people to the Territory.

Inner Darwin has seen good activity, particularly within the premium and prestige segment of the market which saw a new suburb record in Parap with a sale at $2 million and another premium dwelling in Larrakeyah settling for $5.325 million. Agents are reporting premium stock is still being met by the market with typical levels of



51 Origin Close, Humpty Doo Source: realestate.com.au

interest. The sought after suburbs of Larrakeyah, Fannie Bay, Parap, Stuart Park and Bayview have been less volatile than mortgage belt locations with quality properties in these locations often sheltered from the impact of interest rate rises and demand remaining strong. Dwellings which are well renovated and modern continue to achieve premiums and move quickly.

By following active market campaigns in the Darwin northern suburbs, we can see that properties that are renovated and well-presented are moving very quickly. The activity within the upgrader market beyond $700,000 is being seen particularly in Nightcliff, Rapid Creek and Alawa. Given rising construction costs and a lack of available trades, dwellings that require

98 Kultarr Road, Berry Springs Source: realestate.com.au

420 Virginia Road, Virginia Source: realestate.com.au

upgrades or full renovations have been less sought after. We have seen a slow down of enquiry on new builds as the building incentives have all concluded. Lee Point development

Throughout the first half of 2024, the Darwin dwelling market has remained stable across most segments with the best performing sub-market being the rural residential market in suburbs such as Howard Springs, Humpty Doo and Virginia.

has recommenced, providing a positive for the northern vacant land market. Northcrest, Marrara Gardens and the Boulter Road precinct remain the main supply of land in the northern suburbs.

The story is very similar in Palmerston as well however at a slightly lower price point. Properties sitting in the range from $450,000 to $600,000 that present well at the time of sale continue to be well met by the market, often first home buyers or families looking for a slightly larger dwelling than what they may be able to afford in the northern suburbs. Demand for higher priced dwellings beyond $700,000 has eased. Once again, any property which requires immediate attention or renovation is hard going and can often sit on the market.

It isn't necessarily surprising, however there has been a strong push for quality homes in the Darwin rural area. There has been a string of strong sales in almost all inner and outer rural suburbs with buyers willing to spend the money on well-established modern homes offering extra space, amenity and quiet. Strong sales are across the board with multiple settled sales above $1.2 million in Humpty Doo, Howard Springs, Girraween, a recent sale in Virginia exceeding $1.9 million and then a little further out, $1.2 million was paid for a property in Acacia Hills (50 minutes from Darwin CBD) and $1.55 million for a beautiful home in Berry Springs (40 minutes from Darwin CBD). Speaking with the relevant agents, the purchasers are mostly local to the Northern Territory and are looking to move away from the inner suburbs of Darwin as the commute of 30 to 40 minutes is tolerable, and the additional space on 2.5 to five acres is a huge attraction for young families.

Darwin in my eyes still provides so much value for any person looking to enter the market, be that a buyer looking for a rural escape, first home buyer looking to enter the market with an affordable unit purchase or a family looking for a home in the suburbs.

There is a Territory election towards the end of August, with many Territorians waiting with bated breath to see the outcome. The opposition (Country Liberal Party) has led the way by offering building grants and stamp duty exemptions for new builds and first home buyers if they are successful. Such offerings are always well received by different participants in the market and may help with getting more new homes built.

Cameron McDonnel
Valuer

Alice Springs

Looking back to my article from earlier this year this year when I gazed into my crystal ball to see what 2024 might bring, the key predictions were for some possible interest rate reductions, no relief to the cost-of-living crisis and no major improvement to the crime and social issues prevalent in Central Australia.

Unfortunately, due to continuing inflation figures above the target band of between two and three per cent, there have been no interest rate reductions thus far this year, however a degree of optimism is held regarding some possible interest rate relief in the latter half of the year.

The cost-of-living crisis continues unabated and in all honesty, has probably worsened in the first half of 2024. No real in-roads have been made into the crime and social issues plaguing Alice Springs.

Statistics provided by the REINT for the March 2024 quarter show that the market is continuing its contraction period. Transaction numbers for the quarter totalled only 43 dwelling sales and 32 unit sales for a total of 75 sales, compared with 113 for the December quarter and 94 for the corresponding three month period in 2023. We have to cast our minds back to the March and June quarters of 2020, during the height of the pandemic, to witness sale transaction numbers at these levels.

The median house price has begun to slide, dropping to $500,000 in the most recent statistics after a recent peak of $525,000 in September 2023. This reflects an annual reduction of 3.8 per cent. The median unit price has been fluctuating over recent quarters, and after peaking at $381,000 for the December 2022 quarter, eased back to $352,500, representing a 3.4 per cent reduction over the past 12 months.

The following graph illustrates current market trends in terms of transaction numbers. The upturn in activity can be clearly seen, commencing in the June 2021 quarter and then beginning to taper off in the first quarter of 2022.

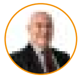
Alice Springs sales volume Source: REINT

It is thought that this reduced level of activity could become the new normal for the coming months, possibly leading to further reductions in the market in the latter half of 2024.

Local agents are reporting that there is currently a larger than usual number of properties on the market, and that the all-important days on market figures are increasing. In recent times there have been as many as 270 active listings. This would indicate that supply is exceeding demand, which usually results in prices dropping in order for supply and demand to fall back to equilibrium. Some recent sales have indicated that in certain segments of the market and in certain locations, values are beginning to slide. This trend is most evident in older three-bedroom, one-bathroom homes, particularly in areas such as Sadadeen, Braitling and Gillen. The market does seem to be holding firm however, for properties over $600,000 in value and for rural residential properties.

One key ingredient to a healthy property market is population growth and this is an area where the Northern Territory is lagging, with the second worst net increase in population, behind only Tasmania. Figures provided by the Australian Bureau of Statistics reveal the Northern Territory's net population growth was approximately 2,400 or 0.9 per cent in 2023. Interestingly, the net interstate migration figure for 2023 shows 13,736 people arriving and 17,693 departing, for a net reduction of 3,957. This seems to back up anecdotal evidence that people are leaving the Territory for other parts of Australia that don't face the same challenges as those that have become commonplace in the Northern Territory.

Where do things go from here? Well, that's the crucial question. It is thought that this reduced level of activity could become the new normal for the coming months, possibly leading to further reductions in the market in the latter half of 2024.



Peter Nichols
Valuer

Australian Capital Territory - Residential 2024

Canberra

As we pass the midpoint of 2024, it's time to evaluate the residential property market in Canberra. It is also evident that the Canberra residential property market experienced significant changes in 2023. One of the key factors that dominated headlines was the movement of interest rates. Many experts speculated that rising rates coupled with borrowers transitioning from low fixed-interest rates to higher variable rates would trigger a mass sell-off and drive down property values. A changing interest rate market and the possibility of weak price growth could define Canberra's property market in 2024 (Domain 2024 market report).

Within the Australian Capital Territory, Canberra stands out as a city experiencing accelerated housing supply, particularly in the form of units and townhouses. The recent update to the Territory Plan allows property owners with land larger than 800 square metres to build a second residence,


Canberra Balloon Spectacular Source: nationalarboretum.act.gov.au

Within the Australian Capital Territory, Canberra stands out as a city experiencing accelerated housing supply, particularly in the form of units and townhouses.

further increasing the supply of housing options. However, population growth in Canberra has not reached the levels seen in Sydney and Melbourne.

The inner-city suburbs, including Barton, Kingston and Braddon, have shown robust performance. These areas continue to attract high demand due to their proximity to major employment hubs, government offices and vibrant lifestyle amenities. The availability of luxury apartments and townhouses has catered to professionals and downsizers seeking convenience and modern living. Mid-ring suburbs such as Woden, Weston Creek and Belconnen have experienced steady growth. These areas offer a balance between affordability and accessibility, making them popular among families and young professionals. Infrastructure developments such as improved public transport and new commercial projects have further enhanced the appeal of these suburbs.

Moreover, Taylor and Denman Prospect have been the strongest house markets in the ACT since rates started rising, up 20.1 per cent and 13.8 per cent respectively. Forrest was the strongest unit market, up 9.2 per cent. Lyons and Chifley were the weakest house markets, with values down 17.4 per cent and 16.1 per cent respectively, while Kambah was the weakest unit market (decrease of 6.6 per cent). The median value for dwellings in the ACT is currently $847,604, down from $901,791 on 22 April (realestate.com.au).

This comes as the latest CoreLogic Hedonic Home Value Index shows property prices across Canberra dropped by 0.2 per cent in January after small gains in recent months. After increases of 0.3 per cent in August, 0.3 per cent in September, 0.1 per cent in October and 0.5 per cent in November, prices dropped slightly by 0.1 per cent in December. There has been a 1.2 per cent growth in property values in Canberra over the past year, with the median price across all dwelling types now at $842,971 (CoreLogic). With high construction costs and the labour shortage impacting the number of new builds, demand for established houses and apartments is surging fueling greater competition from buyers.

The Australian Capital Territory residential property market displays a range of trends and opportunities. While the supply-demand imbalance continues to drive property prices higher, the market is expected to stabilise in the second half of 2024. Factors such as limited supply, overseas migration and buyer optimism will shape the market dynamics.

Michael QU
Valuer

HERRON TODD WHITE

Tasmania - Residential 2024

Hobart and surrounds

Over the past six months, most northern suburbs and the Derwent Valley region experienced decreases in their median house prices. The majority of selling agents report that the market is definitely a seller's market with softening demand impacted by rising interest rates and a slowing economy. However, the current market conditions provide opportunities for first home buyers entering a more affordable market. In particular, properties with asking prices under $500,000 generally sell well.

A good example is 8 Adelphi Road, Claremont. This is a typical 1960s three-bedroom weatherboard home located in a well-established suburb of Claremont which is about 14 kilometres from the Hobart CBD. The property was marketed for 28 days with an as asking price of offers over $425,000. It sold for $450,000.

Focusing on new construction homes, factors such as cash rate hikes, increased construction costs mixed with cost-of-living pressures have translated into the market and consistently dragged market activity down.

8 Adelphi Rd, Claremont Source: realestate.com.au


8 Adelphi Rd, Claremont Source: realestate.com.au


8 Adelphi Rd, Claremont Source: realestate.com.au

8 Adelphi Rd, Claremont Source: realestate.com.au


Land development Source: realestate.com.au

We are aware that there is a large supply of residential development land within Derwent Valley LGA and Brighton LGA and this has resulted in downward pressure on re-sale prices.


Stephen Ning Liu
Valuer

HERRON TODD WHITE

Australian Livestock

July 2024

Australian Livestock

Across the majority of New South Wales, it is evident that the market has stabilised with buyer caution now apparent. The previous strong demand in late 2022 to early 2023 across the wider part of New South Wales appears to have been the market peak with a large increase in the number of sales and very strong sale results. It was a seller's market during this period.

Throughout the middle to latter part of 2023, the most significant change was the well-below-average rainfall across the state, which has negatively impacted farming and agriculture and has hindered dryland agricultural production which in turn had a softening effect on property values. A significant drop in livestock prices occurred in 2023, which has had severe implications on cash flow for many rural landowners and elevated interest rates made it more challenging for potential buyers to secure financing for rural properties, contributing to decreased demand.

The wider northern New South Wales property market has continued to drift sideways in 2024 and market conditions appear to be at the peak of the current cycle.

The ongoing reduction in confidence in rural grazing properties in the New England and north-west compared to 2022 is most evidently expressed by the recent events in the cattle, sheep and wool markets as noted above.

The Eastern Young Cattle Indicator (EYCI) peaked in January 2022 at a record 1191.52 cents per kilogram. Throughout 2023, the EYCI underwent a significant correction and softened circa 45 to 60 per cent from the January 2022 peak. The EYCI has now risen 70 per cent back from a low point of 350 cents per kilogram in early October 2023 at the

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end of a very dry period to 595 cents per kilogram currently.

The National Trade Lamb Indicator has risen just over 70 per cent from a low point of 411 cents per kilogram in early September 2023 at the end of a very dry period to 707 cents per kilogram currently.

The Eastern Market Indicator measured in cents per kilogram clean has drifted lower from a brief peak of 1400 cents in February 2023 to a disappointing 1150 cents currently, a drop of approximately 18 per cent, giving little confidence to producers.

Current market prices for beef and lamb are returning closer to levels more typical of long-term averages, particularly since seasonal conditions improved from November 2023, however we are not seeing stimulated increased buyer activity in rural property as yet. This is principally because the recent drop in commodity prices is still fresh, global supply issues have created inflationary pressures thus increasing operating and living costs, and producers continue to experience the high cost of bank interest.

In addition, the wool market is again approaching cost of production levels and dragging confidence down, with little apparent upside in the foreseeable future due to slowing world growth.

From a productivity perspective we are witnessing DSE rates decreasing from the highs seen in 2022 and early 2023.

New England Region – New South Wales
Some of the previous stronger 2022/23 sales (based on our assessed carrying capacities) included:

- **April 2022 -** Upton Farms at Niangala (2694 hectares) which sold for $76 million (excluding plant and equipment and stock) and reflected $1,407 per DSE improved based on a carrying capacity of 54,000 DSE;
- **December 2022 -** Kentucky Blue and The Flags at Niangala (3645 hectares) which sold for $58 million (excluding plant and equipment and stock) and reflected $1,487 per DSE improved based on a carrying capacity of 39,000 DSE;
- **March 2023 -** Glen Eagles at Walcha (2291 hectares) which sold for $20.6 million and reflected $1,373 per DSE improved based on a carrying capacity of 15,000 DSE;
- **March 2023 -** Dalveen at Walcha (562 hectares) which sold for $11.25 million and reflected $1,429 per DSE improved based on a carrying capacity of 7,875 DSE;
- **March 2023 -** Calala at Walcha (623.40 hectares) which sold for $11 million and reflected $1,467 per DSE improved based on a carrying capacity of 7,500 DSE.

Since mid-2023, some of the more recent sales that reflect the softening DSE rates include:

- **July 2023 -** Riamukka at Nowendoc (1,031 hectares) which sold for $13 million and reflected $1,238 per DSE improved based on a carrying capacity of 10,500 DSE;
- **July 2023 -** Wollun Station at Walcha (459 hectares) which sold for $5.75 million and reflected $1,179 per DSE improved based on a carrying capacity of 4,875 DSE;
- **June 2023 -** Warrane at Boorolong/Armidale (7587 hectares) which sold for $48.13 million and reflected $1,019 per DSE improved based on a carrying capacity of 47,250 DSE;
- **April 2024 -** Fassifern and Inverinate at Wollomombi (3968 hectares) which sold for $26.6 million and reflected $1,062 per DSE improved based on a carrying capacity of 25,000 DSE.

There are a number of additional sales in the New England region with the occasional sale still attracting a premium, however the general trend is a softening in the rate per DSE.

Throughout the north-west, in particular the Inverell and Gwydir Shire areas, DSE rates are generally softer than those seen in the higher rainfall areas throughout the New England. Some of the more recent sales across this broad area include:

- **Septembver 2023 -** Wongala at Lindesay (1471 hectares) which sold for $8.9 million and reflected $1,187 per DSE improved based on a carrying capacity of 7,500 DSE;
- **October 2023 -** Burmah Aggregation at Graman (5454 hectares) which sold for $42.6 million and reflected $1,136 per DSE improved based on a carrying capacity of 37,500 DSE;

There was definitely a noticeable softening in demand for small to medium sized rural holdings from mid to late 2023 when the impact of interest rate increases and major corrections in the sheep and cattle markets began to take effect.

- **November 2023 -** Ulumbarella at Upper Horton (1325 hectares) which sold for $6.175 millio and reflected $1,029 per DSE based on a carrying capacity of 6,000 DSE;
- **December 2023 -** Glengarry at Coolatai (2020 hectares) which sold for $9 million and reflected $1,000 per DSE improved based on a carrying capacity of 9,000 DSE;
- **February 2024 -** Naroo at Bingara (1044 hectares) which sold for $5.2 million and reflected $990 per DSE improved based on a carrying capacity of 5,250 DSE.

Southern New South Wales

There was definitely a noticeable softening in demand for small to medium sized rural holdings from mid to late 2023 when the impact of interest rate increases and major corrections in the sheep and cattle markets began to take effect.

Sales activity has been limited in recent months indicating a lack of urgency from potential buyers and vendors not under pressure to sell. Recent rainfall and a stabilisation of livestock prices have meant confidence is slowly returning to the market, however buyers are still showing a reluctance to bid up for properties that require capital expenditure to maximise productivity. Conversely, recent sales of well improved turnkey holdings indicate that rates per DSE are still holding at levels reached prior to the interest rate increases and the drop in livestock prices in mid to late 2023.

In the higher rainfall locations (Holbrook, Southern Highlands and parts of the south-west slopes), sales of well managed and productive holdings are indicating rates in the $1,400 to $1,600 per DSE range. Examples include:

- **Maybank Homestead**, Cookardinia which sold for $11 million on 25 October 2023. This well improved 580 hectare mostly arable grazing property indicates a rate of $1,700 per DSE excluding improvements and represents a substantial capital gain for the outgoing owners;
- Further east of Holbrook, **Wantagong** sold for $36 million on 18 January2024. The 1,643 hectare property comprises a mixture of fertile creek flats rising to moderately undulating semi-arable improved grazing country. The property is well improved with internal laneways and a sound stock watering system. The carrying capacity is estimated at 25,000 DSE indicating a rate of $1,411 per DSE excluding improvements.
- Another more recent example is **Stonehaven**, located a short distance north of Holbrook, which sold for $21.5 million on 15 February 2024. The 1,312 hectare property is once again an example of a well improved partly arable grazing holding with estimated carrying capacity of 15,000 DSE. The sale price indicates $1,385 per DSE excluding buildings.

All three properties have a sound history of improved pasture management and substantial residential and working improvements.

There have been limited sales of grazing holdings in the western Riverina in the past six to twelve months to provide any indication of the direction of values at this stage. Previous rates per DSE indicated by past sales were in the range of $900 to $1,200 excluding buildings and given seasonal conditions have been more favourable than other parts of southern New South Wales and northern Victoria, we are not seeing evidence of pressure on owners to sell at the moment.

Central Tablelands / Central West New South Wales

There have been a number of recent sales which include:

- **Woodoona**, 324 Red Hill Road, Bathurst NSW 2795, located 34 kilometres north-east of Bathurst, is a 1,017 hectare mostly arable grazing property supporting improved pastures along with some native grasses. Woodoona sold on 19 April 2024 for $10.6 million, indicating $10,420 per hectare overall;

324 Red Hill Road, Bathurst Source: realestate.com.au

- **Greta and Rosedale**, 69 Nelligan Road, Gooloogong NSW 2805, located approximately one kilometre south of Gooloogong, sold on 22

69 Nelligan Road, Gooloogong Source: realestate.com.au

April 2024. This is a 276-hectare arable farming property with a mix of mostly native grass pastures, phalaris and clover based improved pastures, and areas have been fodder cropped. It sold for $2.9 million, showing $10,507 per hectare overall;

- **Fairview**, 25 Cafes Road, Ilford NSW 2850 is a 670.6 hectare grazing property which sold on 17 May 2024 for $3.3 million. Located 55 kilometres south of Mudgee and 27 kilometres from Rylstone, this property comprises predominantly open grazing country supporting native pastures along with areas of pasture improved creek flats. The sale shows $4,921 per hectare overall.

25 Cafes Road, Ilford Source: realestate.com.au

Western Division New South Wales

Declining livestock prices throughout much of 2023 caused some nervousness in the local grazing sector, however it does not appear to have resulted in declining land values.

The grazing sector has been tightly held in recent years, with few properties coming on the market. For many families the comparatively good seasons and livestock prices between 2020 and 2023 provided an opportunity to replace fencing and other infrastructure in order to improve productivity.

Over the past six months there have been a couple of relatively small properties that met strong demand and achieved good prices. One example is the 27,098 hectare Gum Park station, located approximately 100 kilometres west of Broken Hill, which sold in February 2024 for $172 per hectare. The property had mostly open country, with good fencing and stock water infrastructure.

Goat harvesting and sales have for many years provided a secondary income for a large percentage of graziers in western New South Wales. Goat prices peaked in mid-2022 before quickly collapsing over the next 12 months. The reduced prices were a result of oversupply (goat numbers quickly multiply during good seasons) and a decline in demand from the USA, which had been a major export market. The oversupply was exacerbated by limited capacity in local abattoirs.

Goat prices have recovered somewhat over the past six months as a result of increased sales to Asian countries, however the price remains well below the peak and has meant a reset in expectations of the income received from this source.

Tasmania

Like much of western Victoria, the main grazing regions of Tasmania, including King Island are in the midst of a prolonged dry period having had little in the way of an autumn break. Many sheep and beef cattle graziers are needing to feed stock, especially graziers without access to irrigation water.

There have been a limited number of large-scale grazing assets transact within Tasmania over the past six to nine months. The last major asset to sell was Rockthorp, which sold for $30 million in July last year. Although the property has historically been utilised as a fat lamb and intensive cropping enterprise, the property was purchased by a large-scale family dairy operation who will be converting the property to dairying.

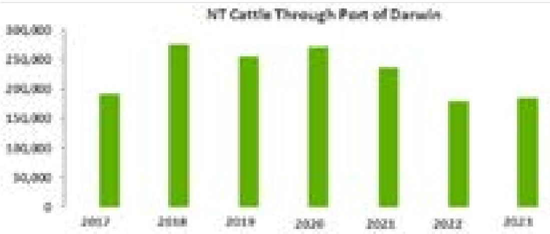
There are however a number of large-scale grazing properties which are currently on the market including: Westmore in the Cape Grim region; Eastern Tiers and Rotherwood in the midlands; and Bullocks Hunting Ground and Musselroe Bay in the north-east. We are eagerly awaiting the outcome of these sales as they will provide a good barometer of where the market is as we approach the halfway point of the year.

Northern Territory /Kimberley

Indonesia remains the key live cattle export destination for the majority of the northern Northern Territory and Kimberley turn-off and therefore the Darwin feeder steer price has traditionally had significant influence on Territory pastoral values as one might expect (just look at what happened to the pastoral market when access to this market was denied to many Northern Territory pastoralists during the 2011 live export suspension). In more recent times however, fluctuations in the Darwin feeder steer price appear to be having less influence over pastoral property values, strange as that may seem. This is fairly clear because the cattle price has gone down significantly while pastoral values have increased significantly. Despite the dramatic downward slide in the Darwin feeder steer price from around $4.70 per kilogram (live weight) in October 2022 to $2.60 per kilogram in November 2023 (and currently sitting around $3.20 per kilogram, as shown in the graph below) there has been no negative impact on pastoral land values as a result. Reflecting on the pastoral market over this period, we see a relatively tight supply of stations for sale, volatile global economic and geopolitical conditions which appear to direct investor funds towards the perceived safe haven of pastoral leasehold land (in the

Northern Territory and Kimberley), and we see the introduction of a relatively new class of buyer to the market - those seeking to secure perceived income streams from carbon farming parts of the pastoral estate.

Source: South East Asian Beef Market Report June 2024



Source: NT Government, Department of Industry, Tourism and Trade

Over this twenty-month period (October 2022 to the present) there were thirteen pastoral sales in the Northern Territory and two in the Kimberley, and despite the significant falls in cattle prices, pastoral values (dollar per adult equivalent for land fenced and watered) for traditional breeder country (purchased for that purpose) increased in the order of 20 per cent. This is a continuation of a phase of value appreciation which actually began here back around 2013. And if we take into consideration a couple of the handful of pastoral sales that were motivated by perceived carbon farming potential (there were five carbon motivated sales over this period), the increase in dollar per adult equivalent values would actually be much higher, noting in particular the sales of Benmara (April 2023) and Conways (October 2023) which showed an increase in pastoral values (dollar per adult equivalent) in the order of 80 per cent compared to pastoral values prevailing in late 2022. That is some premium!

Nevertheless, as events continue to play out on the reported collapse in June of the main acquiring entity in four of the Northern Territory's five pastoral lease/carbon property acquisitions to date (Benmara, Conways, Maryfield and Limbunya) those premiums apparently necessary to secure such properties (with perceived carbon farming potential) may potentially need to test the buyer market once again at some stage in the near future. The highest and best use under the terms of a perpetual pastoral lease in the Northern Territory and term leases in the Kimberley will continue to be predominantly for grazing cattle, and any income attributable to additional income streams from carbon farming will need to be assessed with the accurate long-term current carrying capacity in mind, both for the country unaffected by the carbon project but also for the country bridled with a carbon project (because for most of these projects there will be limitations on cattle grazing the project area). Therefore, at some stage, the prevailing cattle price must surely come back to having some relationship with the value of a cattle station. One would logically assume that this will depend on how many cattle the property can realistically carry (at current development) for optimum profit at optimum sustainability ie. kilograms of live weight produced multiplied by the prevailing dollar per kilogram live weight equals gross income from the pastoral side of the property. Seems simple enough.

In a joint pastoral/carbon type acquisition, investors on the carbon side will still need a return from their investment in the pastoral side of the property and to do this the pastoral and carbon farming would need to (one would assume) work hand-in-glove. So dollars per kilogram of live weight grown on the property is obviously a big part of that. I suspect that a significant proportion of the premiums paid to date in some of these carbon-based transactions may not all be attributable to the perceived potential carbon profits, but instead may be attributable to an over-estimation of what these properties can carry on the pastoral side. As usual, only time will tell.

Angus Ross
Director

In a joint pastoral/carbon type acquisition, investors on the carbon side will still need a return from their investment in the pastoral side of the property and to do this the pastoral and carbon farming would need to (one would assume) work hand-in-glove.

HERRON TODD WHITE

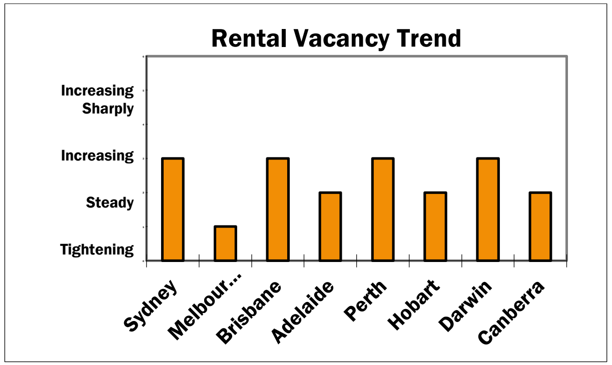
Property Market Indicators

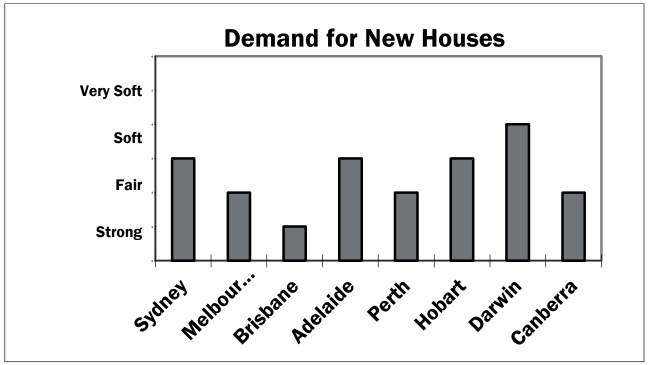
July 2024

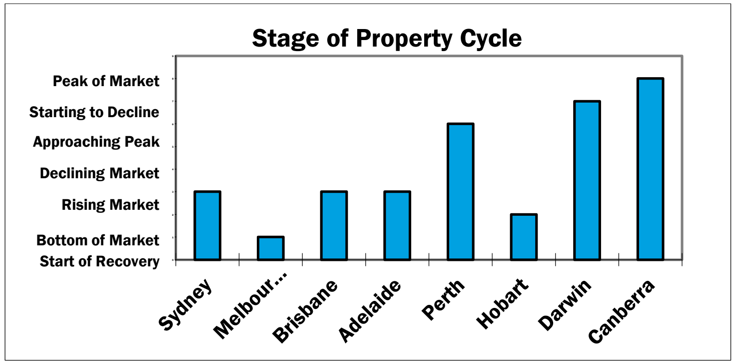
Capital City Property Market Indicators – Houses

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

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



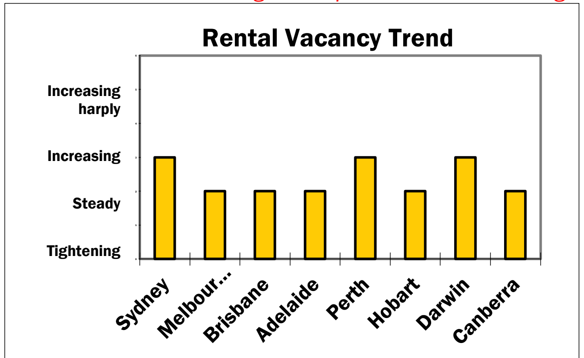


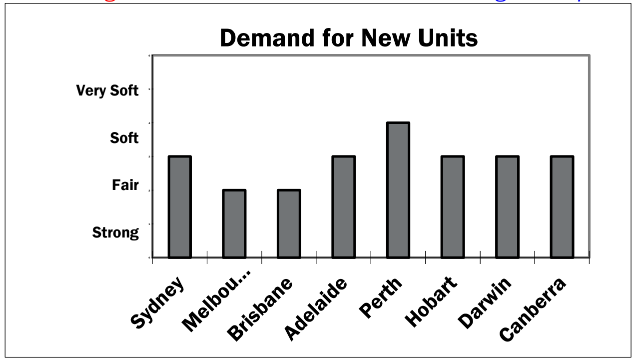


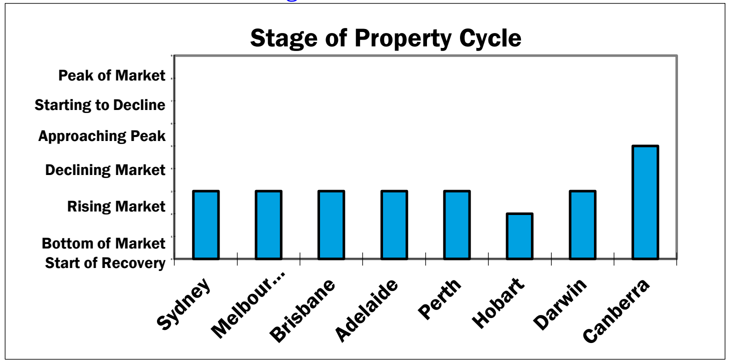
Capital City Property Market Indicators – Units

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



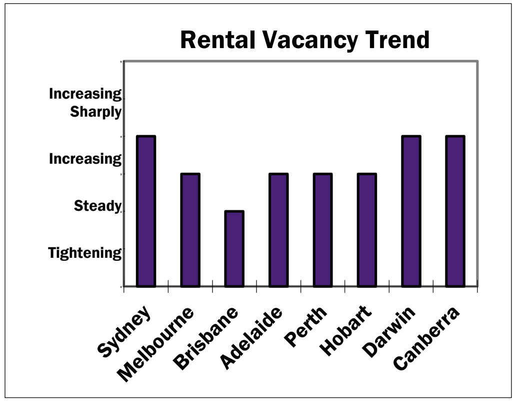


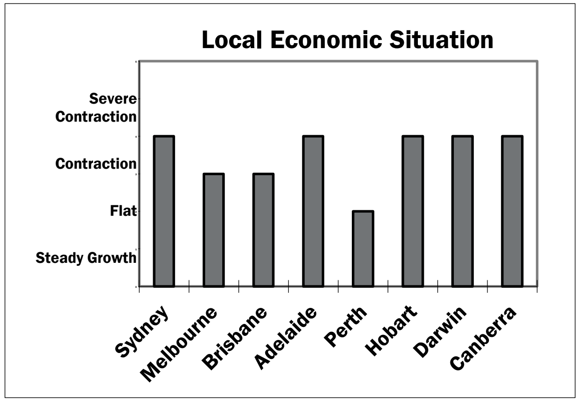


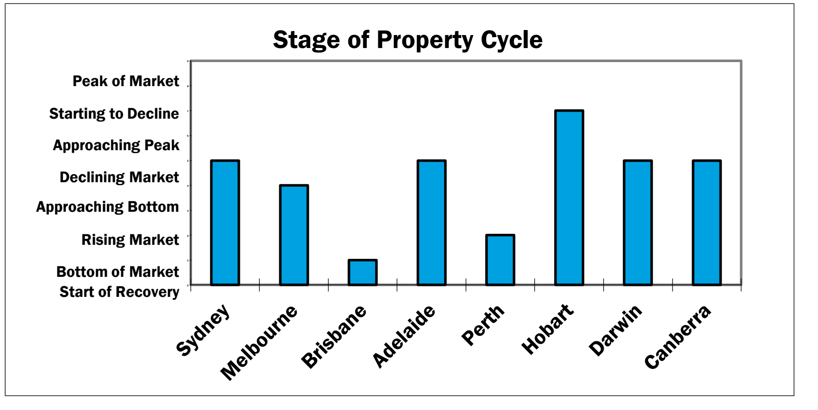
Capital City Property Market Indicators –Retail

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	Shortage of available property relative to demand	Balanced market	Over-supply of available property relative to demand	Shortage of available property relative to demand	Over-supply of available property relative to demand	Over-supply of available property relative to demand
Rental Vacancy Trend	Increasing	Steady	Tightening	Steady	Steady	Steady	Increasing	Increasing
Rental Rate Trend	Declining	Declining	Stable	Stable	Stable	Stable	Declining	Declining
Volume of Property Sales	Declining	Declining	Declining significantly	Steady	Increasing	Declining	Steady	Steady
Stage of Property Cycle	Declining 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	Flat	Contraction	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

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







East Coast New South Wales Property Market Indicators – Houses

Factor	Canberra	Central Coast	Coffs Harbour	Lismore	Byron Bay/Ballina	Newcastle	Southern Highlands	Southern Tablelands	Sydney
Rental Vacancy Situation	Shortage of available property relative to demand	Shortage of available property relative to demand	Balanced market	Shortage of available property relative to demand	Shortage of available property relative to demand	Shortage of available property relative to demand	Shortage of available property relative to demand	Balanced market	Severe shortage of available property relative to demand
Rental Vacancy Trend	Tightening	Steady	Steady	Steady	Steady	Steady	Steady	Steady	Steady
Demand for New Houses	Strong	Fair	Soft	Soft	Soft	Fair	Fair	Fair	Fair
Trend in New House Construction	Declining	Steady	Increasing strongly	Increasing	Increasing	Steady	Steady	Steady	Steady
Volume of House Sales	Increasing	Increasing	Steady	Steady	Steady	Increasing	Steady	Increasing	Increasing
Stage of Property Cycle	Peak of market	Start of recovery	Bottom of market	Bottom of market	Bottom of market	Start of recovery	Bottom of market	Declining market	Rising 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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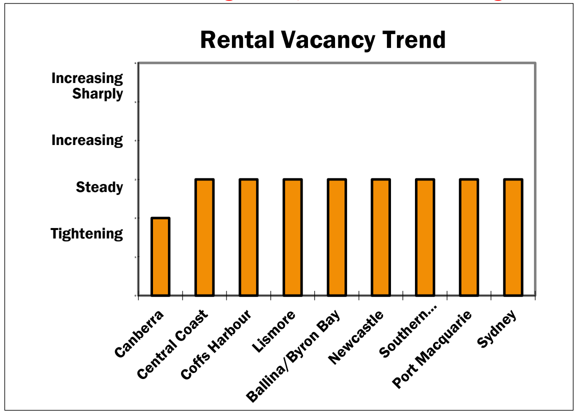

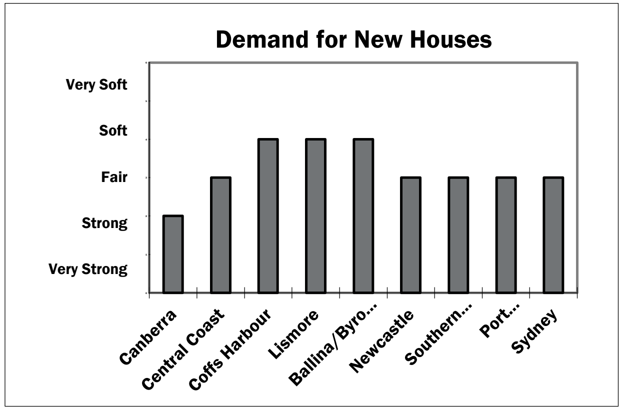

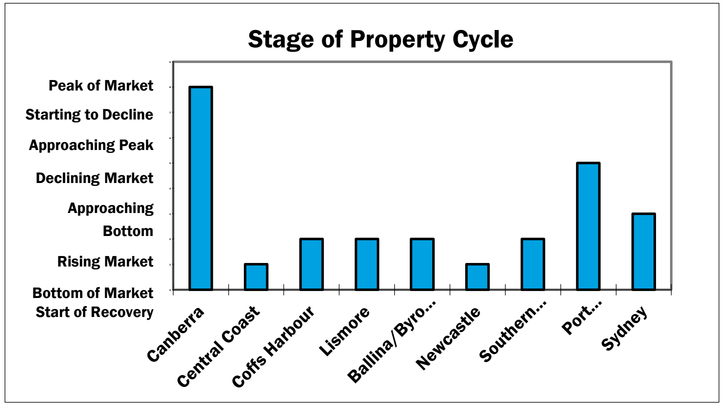

Country New South Wales Property Market Indicators – Houses

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

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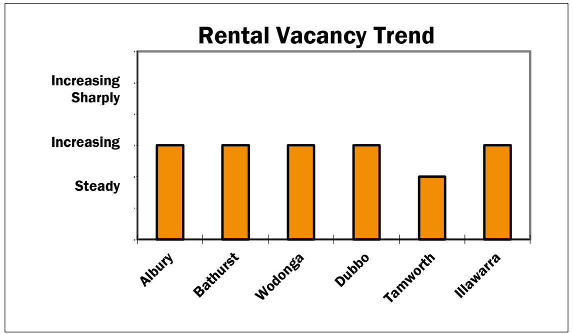

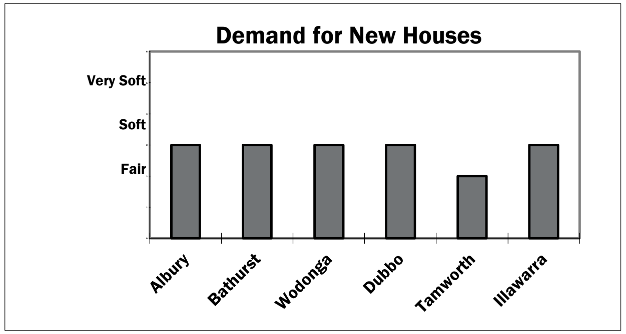

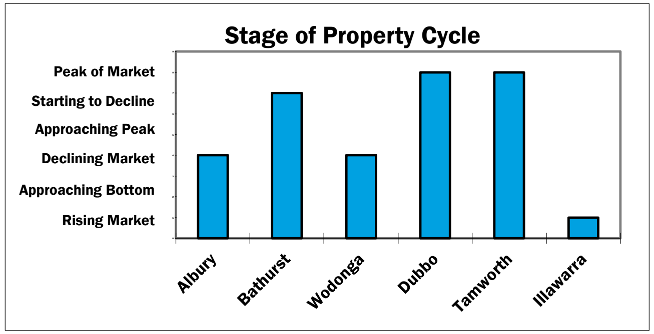

East Coast New South Wales Property Market Indicators - Units

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

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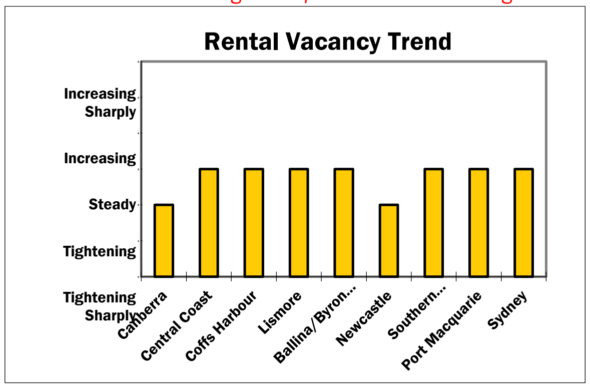

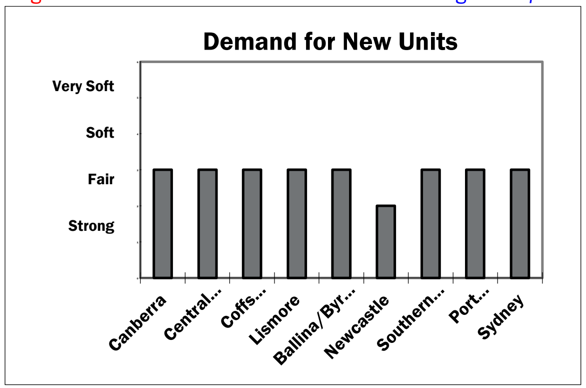

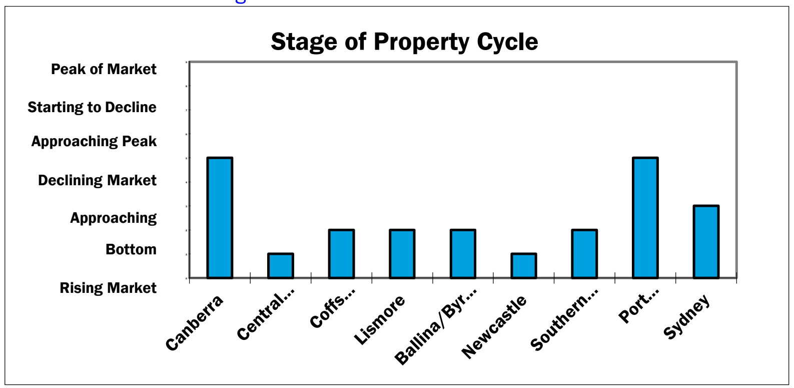

Country New South Wales Property Market Indicators - Units

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

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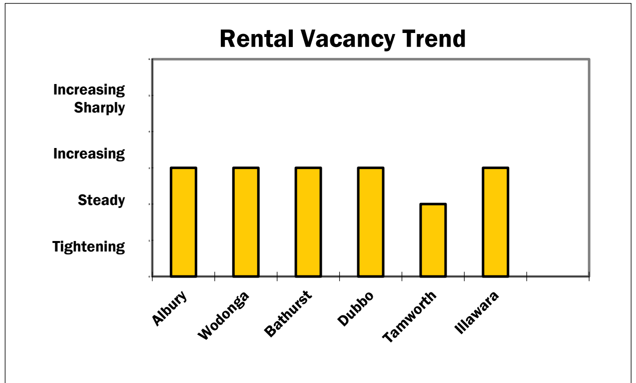

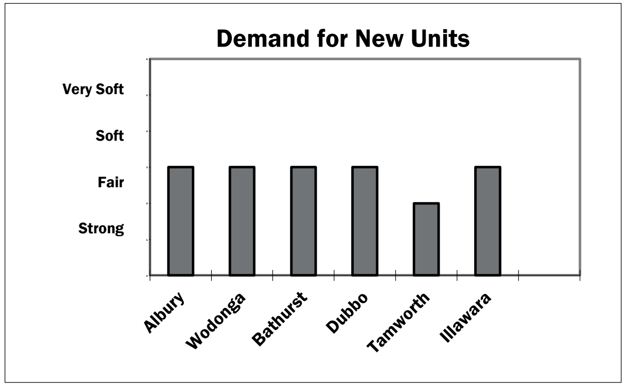

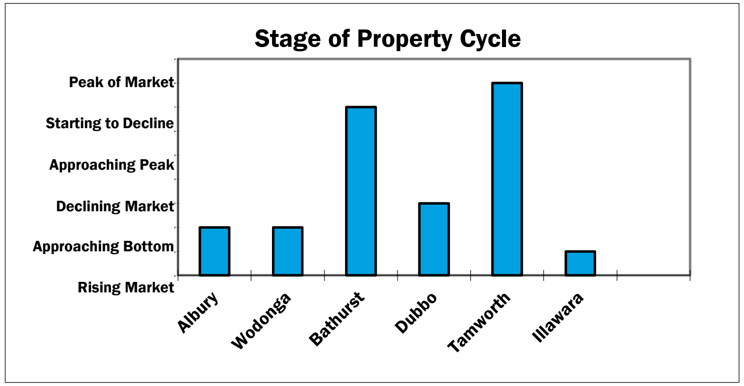

East Coast & Country New South Wales Property Market Indicators – Retail

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

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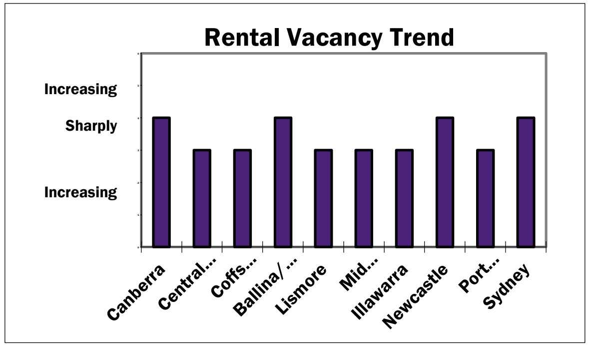
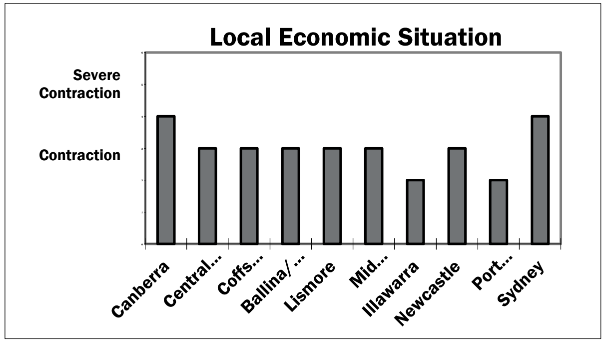
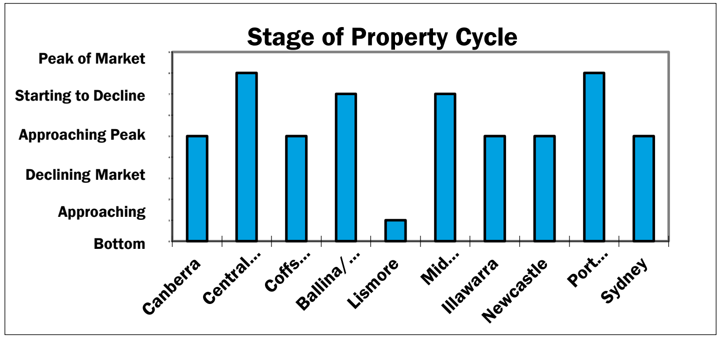


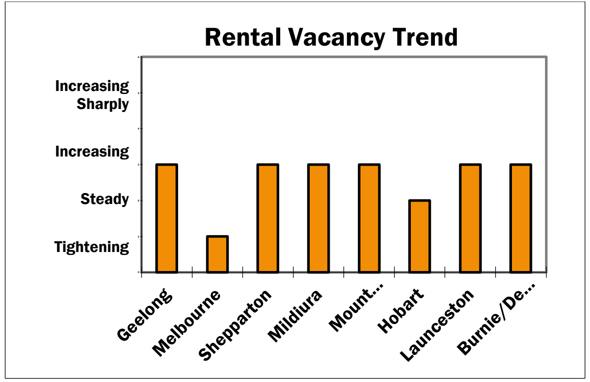


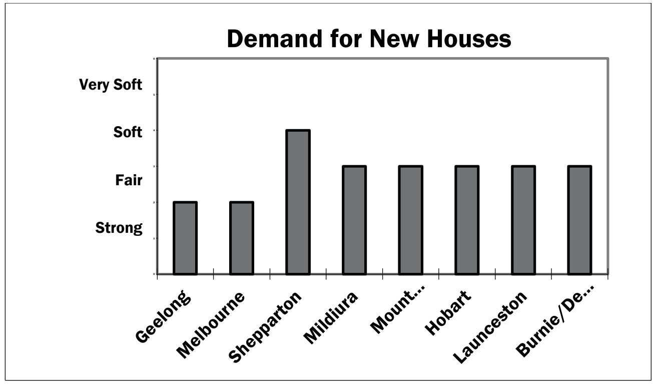


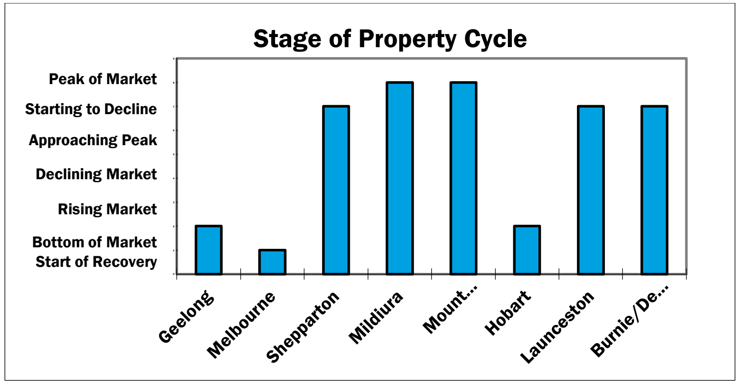
Victorian and Tasmanian Property Market Indicators – Houses

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

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





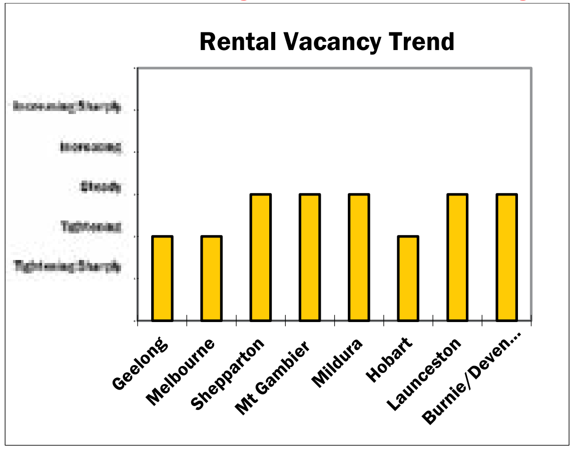


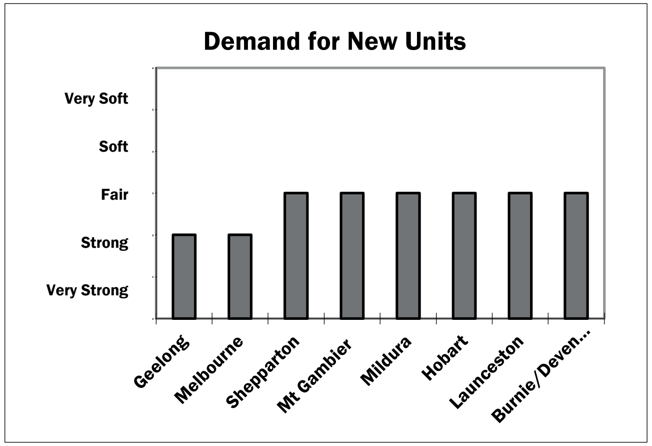
Victorian and Tasmanian Property Market Indicators – Units

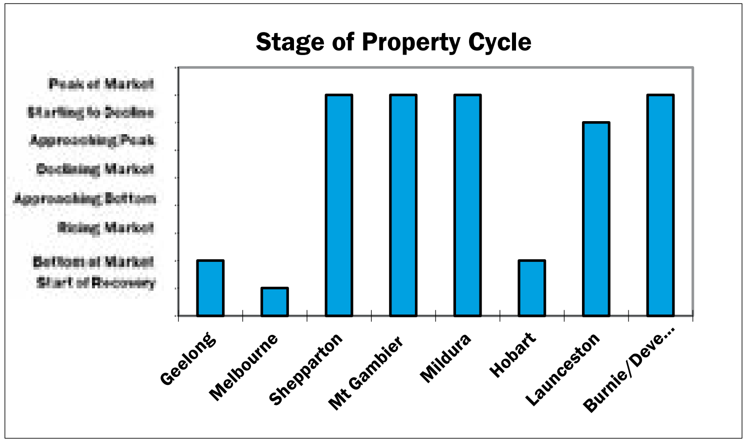
Factor	Geelong	Melbourne	Shepparton	Mount Gambier	Mildura	Hobart	Launceston	Burnie/Develport
Rental Vacancy Situation	Shortage of available property relative to demand	Shortage of available property relative to demand	Severe shortage of available property relative to demand	Shortage of available property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

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

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





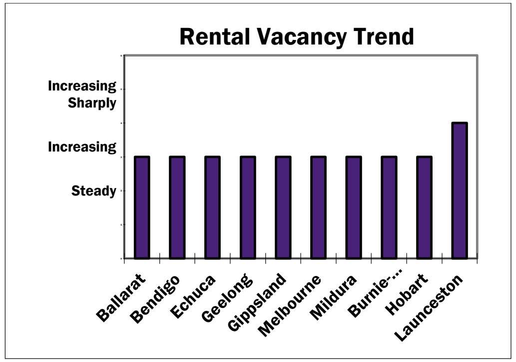


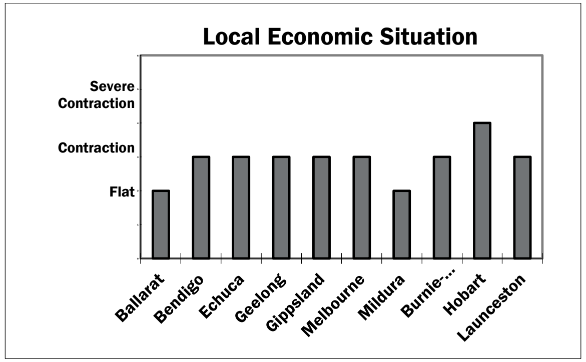
Victorian and Tasmanian Property Market Indicators – Retail

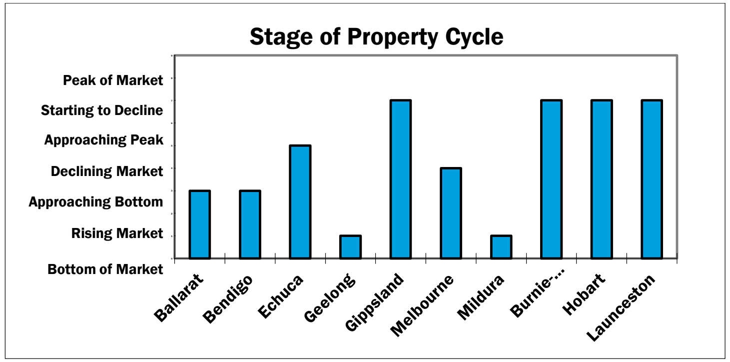
Factor	Ballarat	Bendigo	Echuca	Geelong	Gippsland	Melbourne	Mildura	Burnie/Develport	Hobart	Launceston
Rental Vacancy Situation	Balanced market	Balanced market	Balanced market	Balanced market	Balanced market	Over-supply of available property relative to demand	Balanced market	Shortage of available property 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

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

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



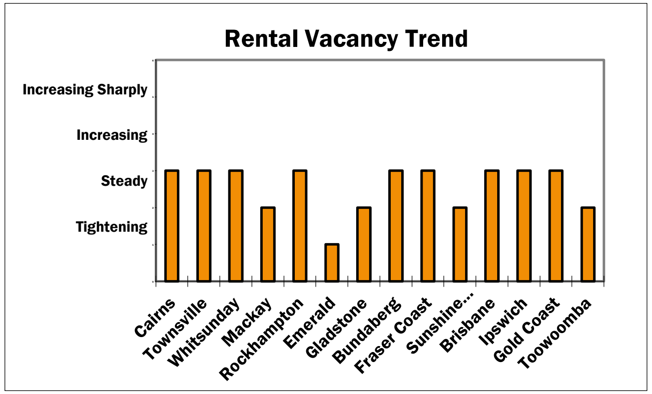


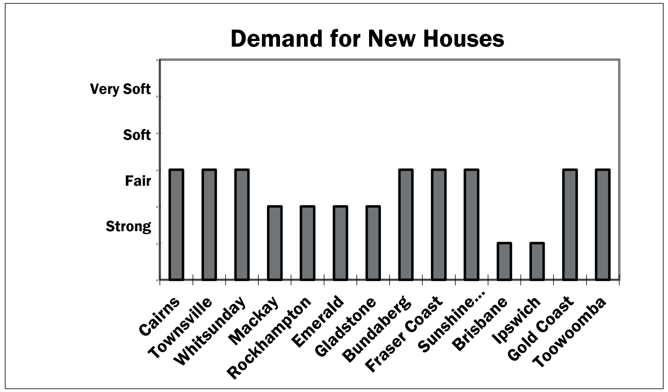


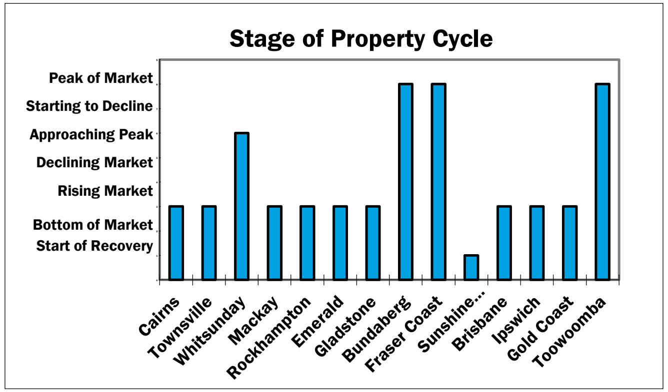
Queensland Property Market Indicators – Houses

Factor	Cairns	Townsville	Whitsunday	Mackay	Rockhampton	Emerald	Gladstone	Bundaberg	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	Tightening	Steady	Tightening sharply	Tightening	Steady	Steady	Tightening	Steady	Steady	Steady	Tightening
Demand for New Houses	Fair	Fair	Fair	Strong	Strong	Strong	Strong	Fair	Fair	Fair	Very strong	Very strong	Fair	Fair
Trend in New House Construction	Steady	Steady	Steady	Declining	Declining	Increasing strongly	Declining	Steady	Steady	Steady	Declining	Declining	Steady	Steady
Volume of House Sales	Declining	Declining	Steady	Increasing	Increasing strongly	Increasing	Increasing strongly	Steady	Steady	Declining	Increasing	Increasing	Steady	Increasing
Stage of Property Cycle	Rising market	Rising market	Approaching peak of market	Rising market	Rising market	Rising market	Rising market	Peak of market	Peak of market	Start of recovery	Rising market	Rising market	Rising market	Peak of market
Are New Properties Sold at Prices Exceeding Their Potential Resale Value	Occasionally	Occasion-ally	Occasionally	Occasionally	Occasionally	Occasionally	Frequently	Occasionally	Occasionally	Occasionally	Occasion-ally	Occasionally	Occasio nally	Occasionally

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





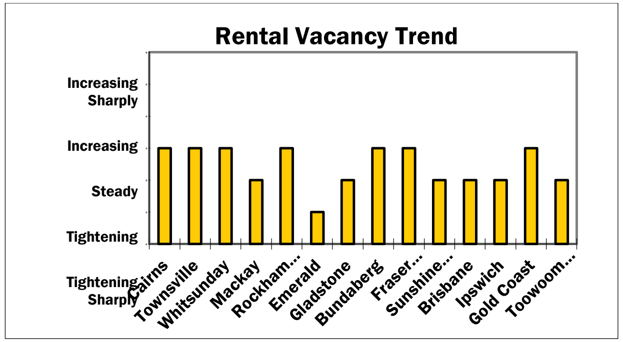


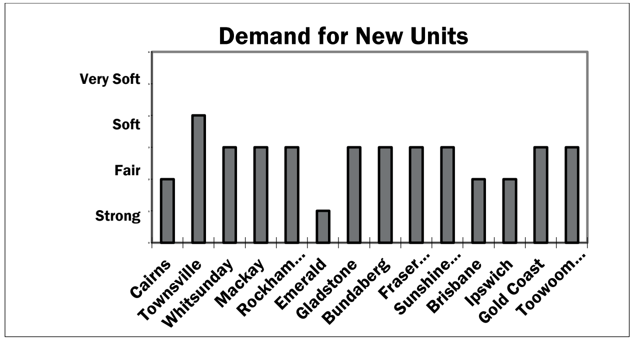
Queensland Property Market Indicators – Units

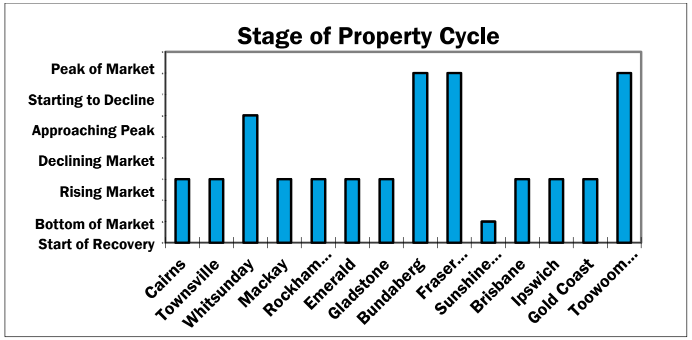
Factor	Cairns	Townsville	Whitsunday	Mackay	Rock-hampton	Emerald	Gladstone	Bundaberg	Fraser Coast	Sunshine Coast	Brisbane	Ipswich	Gold Coast	Toowoomba
Rental Vacancy Situation	Severe shortage of available property relative to demand	Severe shortage of available property relative to demand	Severe shortage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

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

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





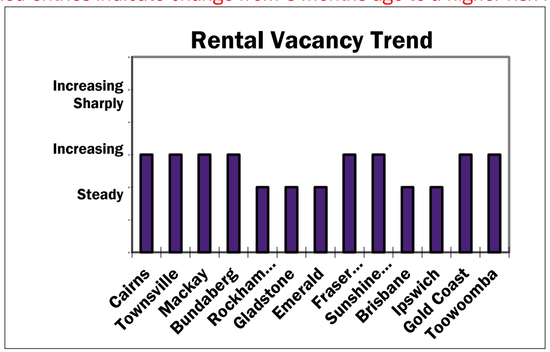


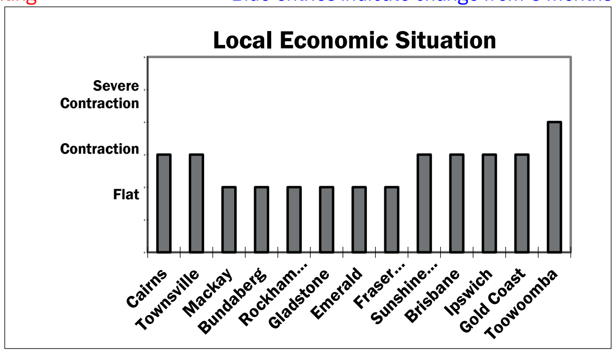
Queensland Property Market Indicators – Retail

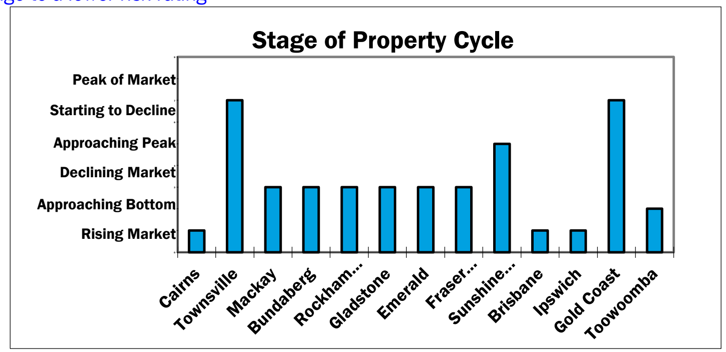
Factor	Cairns	Townsville	Mackay	Bundaberg	Rockhampton	Gladstone	Emerald	Fraser Coast	Sunshine Coast	Brisbane	Ipswich	Gold Coast	Toowoomba
Rental Vacancy Situation	Over-supply of available property relative to demand	Over-supply of available property relative to demand	Balanced market	Balanced market	Balanced market	Balanced market	Balanced market	Balanced market	Balanced market	Shortage of available property relative to demand	Shortage 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	Tightening	Tightening	Steady	Steady
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 significantly	Steady	Steady	Steady
Stage of Property Cycle	Start of recovery	Starting to decline	Rising market	Rising market	Rising market	Rising market	Rising market	Rising market	Declining market	Start of recovery	Start of recovery	Starting to decline	Bottom of market
Local Economic Situation	Flat	Flat	Steady growth	Steady growth	Steady growth	Steady growth	Steady growth	Steady growth	Flat	Flat	Flat	Flat	Contraction
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





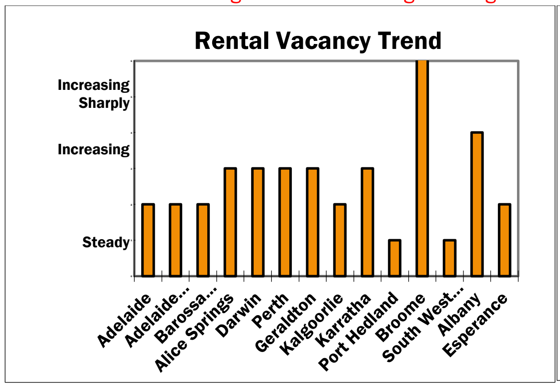


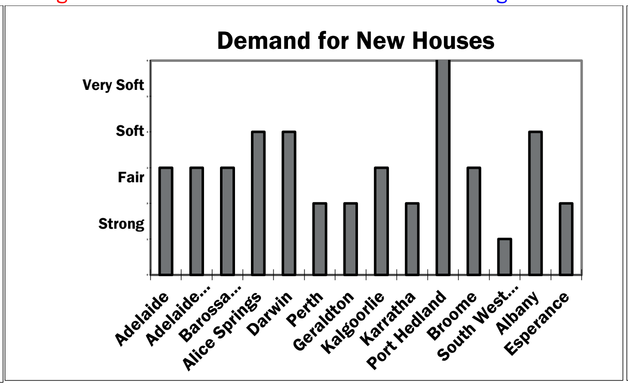
SA, NT and WA Property Market Indicators - Houses

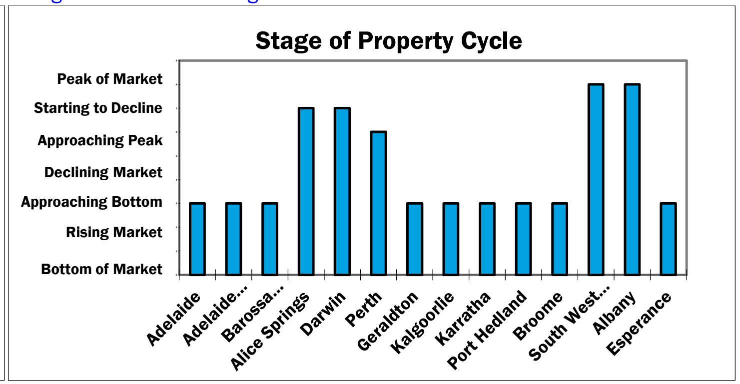
Factor	Adelaide	Adelaide Hills	Barossa Valley	Alice Springs	Darwin	Perth	Geraldton	Kalgoorlie	Karratha	Port Hedland	Broome	South West WA	Albany	Esperance
Rental Vacancy Situation	Severe shortage of available property relative to demand	Severe shortage of available property relative to demand	Severe shortage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



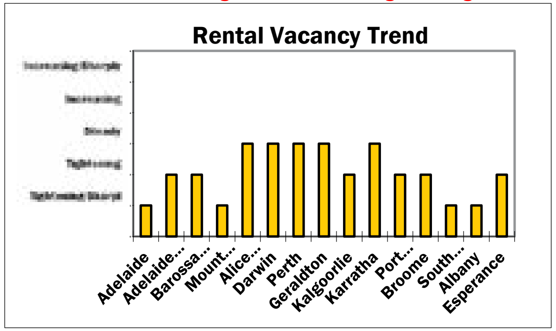


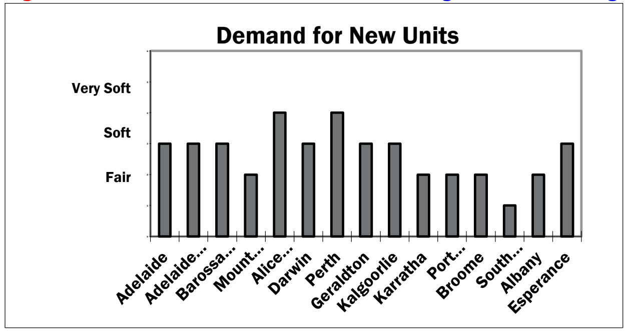


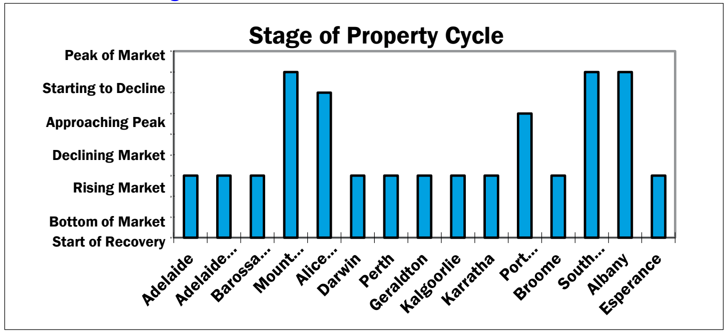
SA, NT and WA Property Market Indicators – Units

Factor	Adelaide	Adelaide Hills	Barossa Valley	Mount Gambier	Alice Springs	Darwin	Perth	Geraldton	Kalgoorlie	Karratha	Port Hedland	Broome	South West WA	Albany	Esperance
Rental Vacancy Situation	Severe shortage of available property relative to demand	Severe shortage of available property relative to demand	Severe shortage of available property relative to demand	Shortage of available property relative to demand	Balanced market	Shortage of available property relative to demand	Severe shortage of available property relative to demand	Shortage of available property relative to demand	Shortage of available property relative to demand	Shortage of available property relative to demand	Shortage of available property relative to demand	Severe shortage of available property relative to demand	Severe shortage of available property relative to demand	Severe shortage of available property relative to demand	Shortage of available property relative to demand
Rental Vacancy Trend	Tightening	Tightening	Tightening	Steady	Steady	Steady	Steady	Steady	Tightening	Steady	Tightening	Tightening	Tightening sharply	Tightening sharply	Steady
Demand for New Units	Fair	Fair	Fair	Fair	Soft	Fair	Soft	Fair	Fair	Strong	Strong	Strong	Very strong	Strong	Fair
Trend in New Unit Construction	Increasing	Increasing	Increasing	Steady	Increasing	Increasing	Increasing	Steady	Steady	Steady	Steady	Steady	Declining significantly	Declining significantly	Steady
Volume of Unit Sales	Declining	Declining	Declining	Steady	Declining	Steady	Steady	Steady	Steady	Steady	Steady	Steady	Increasing	Increasing	Steady
Stage of Property Cycle	Rising market	Rising market	Rising market	Peak of market	Starting to decline	Rising market	Rising market	Rising market	Rising market	Rising market	Approaching peak of market	Rising market	Peak of market	Peak of market	Rising market
Are New Properties Sold at Prices Exceeding Their Potential Resale Value	Frequently	Frequently	Frequently	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*





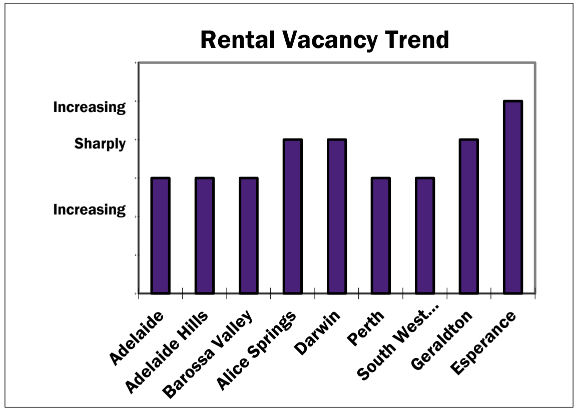


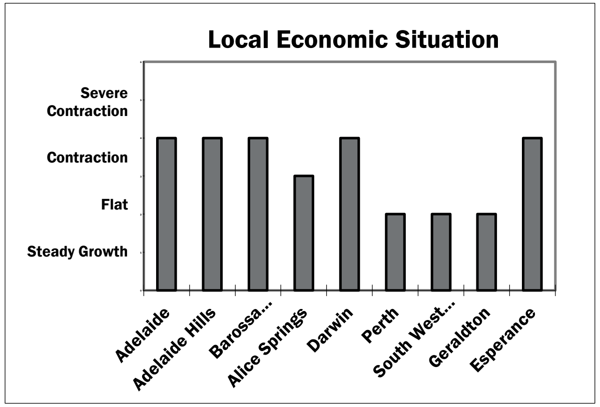
SA, NT and WA Property Market Indicators – Retail

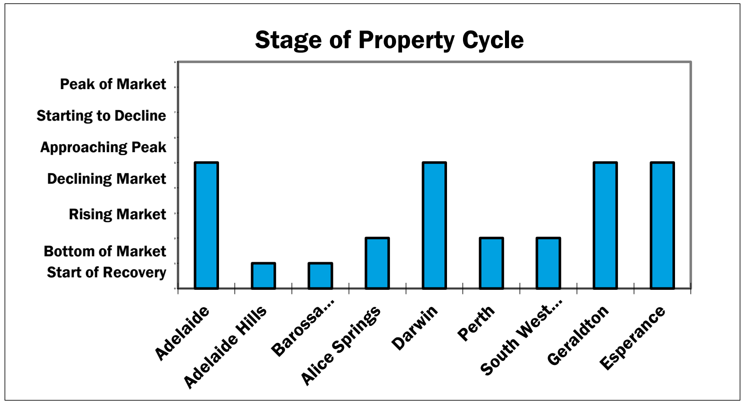
Factor	Adelaide	Adelaide Hills	Barossa Valley	Alice Springs	Darwin	Perth	South West WA	Geraldton	Esperance
Rental Vacancy Situation	Balanced market	Over-supply of available property relative to demand	Over-supply of available property relative to demand	Over-supply of available property relative to demand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

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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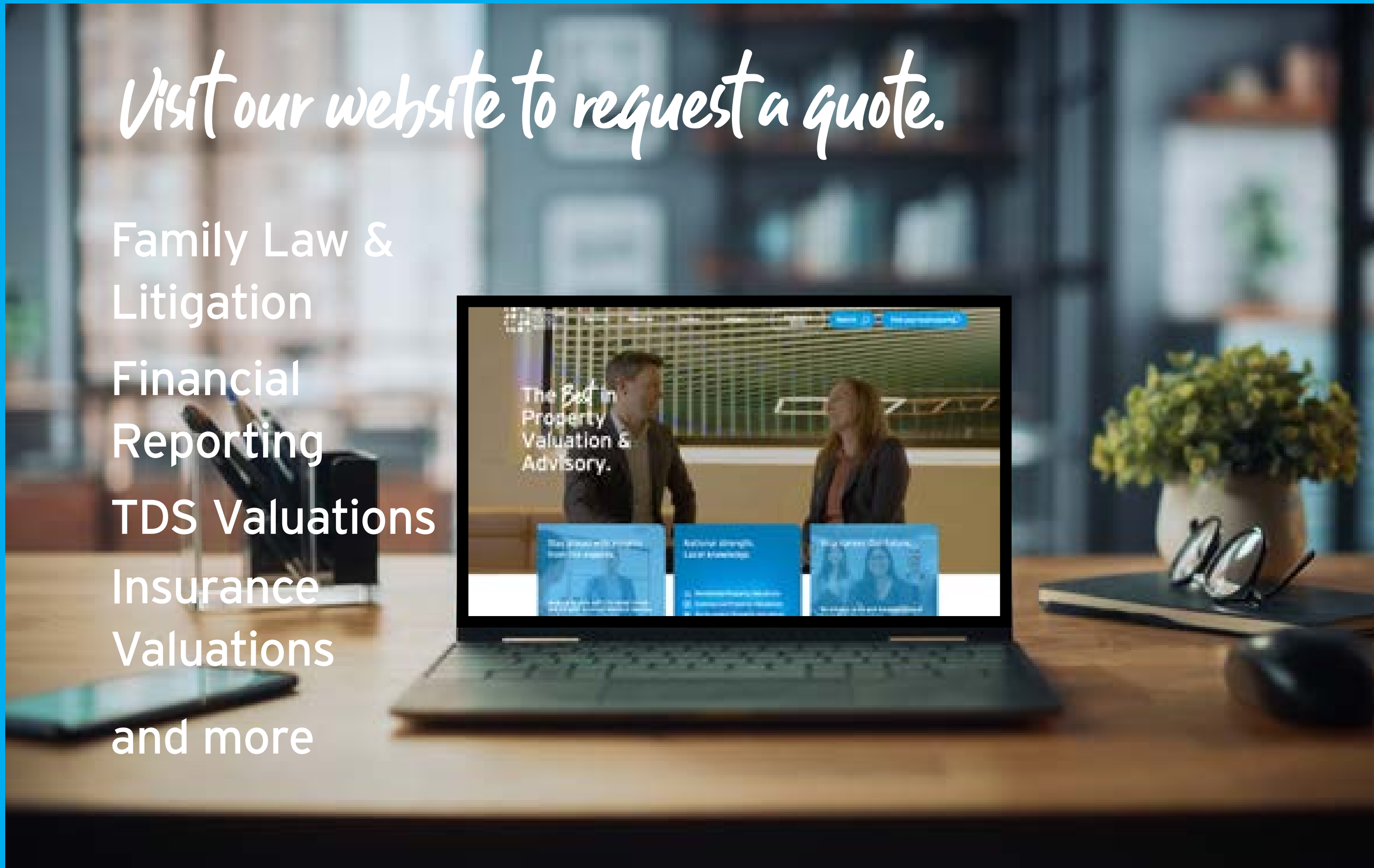

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