Residential

July 2020

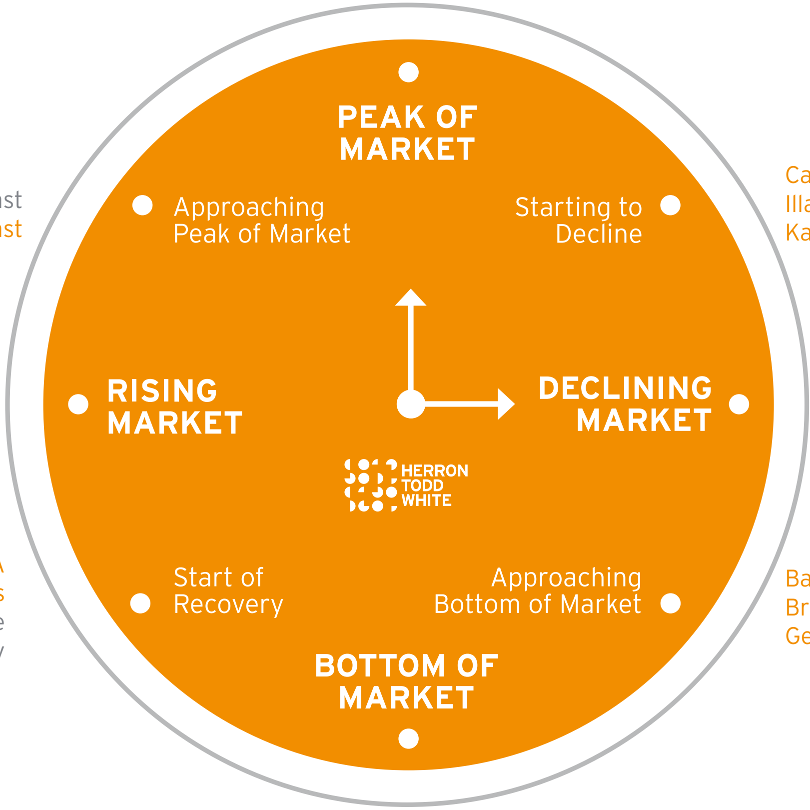
National Property Clock: Houses

Entries coloured orange indicate positional change from last month.

Adelaide
Adelaide Hills
Albury
Barossa Valley
Bathurst
Canberra
Dubbo
Geelong
Hobart
Melbourne
Tamworth

Sunshine Coast
Gold Coast

Cairns
Illawarra
Karratha
Newcastle
Sydney
Wodonga



Burnie/Devenport
Central Coast
Coffs Harbour
Emerald
Gladstone
Hervey Bay
Launceston

Mackay
Mildura
Mount Gampier
Port Hedland
Rockhampton
Shepparton

Brisbane
Ipswich

South West WA
Southern Highlands
Townsville
Whitsunday

Ballina/Byron Bay
Broome
Geraldton
Kalgoorlie
Lismore

Alice Springs
Bundaberg
Darwin

Perth
Southern Tablenads
Toowoomba

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National Property Clock: Units

Entries coloured blue indicate positional change from last month.

Peak of Market: Adelaide, Adelaide Hills, Albury, Barossa Valley, Bathurst, Central Coast, Geelong, Hobart, Melbourne, Tamworth

Starting to Decline: Burnie/Devenport, Illawarra, Launceston, Sydney, Wodonga

Declining Market: Brisbane, Canberra, Gold Coast, Ipswich, Newcastle, Perth

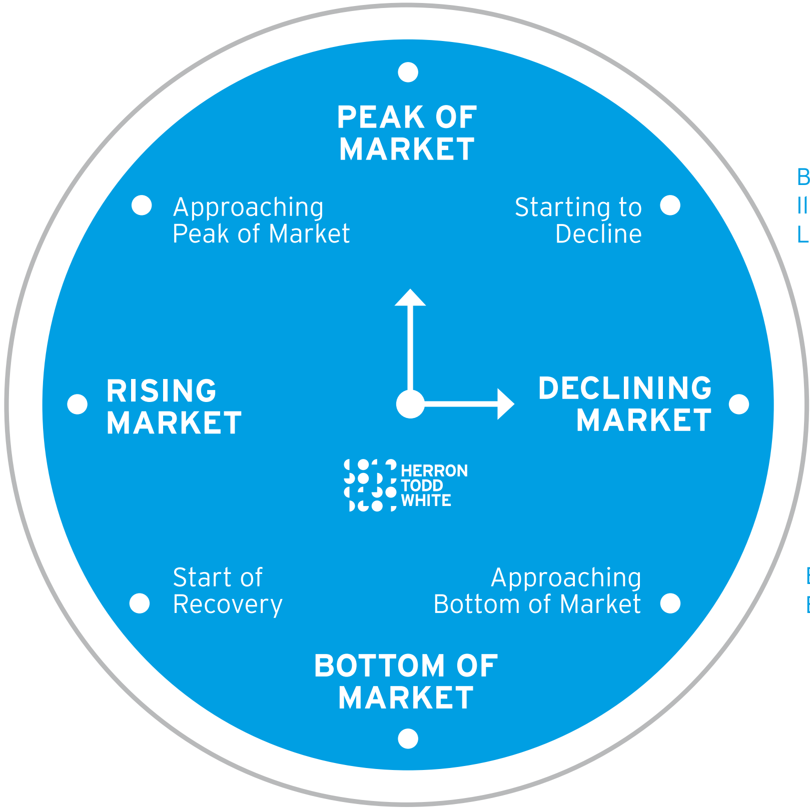
Approaching Bottom of Market: Ballina/Byron Bay, Broome, Geraldton, Kalgoorlie

Bottom of Market: Alice Springs, Bundaberg, Cairns, Coffs Harbour, Darwin, Southern Tablelands, Toowoomba, Whitsunday

Start of Recovery: Emerald, Mackay, Mt Gambier, Shepparton, South West WA, Southern Highlands, Townsville

Rising Market: Dubbo, Gladstone, Hervey Bay, Lismore, Mildura, Mount Gambier, Port Hedland, Rockhampton

Approaching Peak of Market: Karratha, Sunshine Coast



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New South Wales

Overview

When it comes to analysis of property markets, we become accustomed to talking in terms of metrics such as median prices and gross yields. While this is an effective approach, sometimes the most descriptive way to paint the picture of a particular location's performance is to look at buying power.

As such, we have given our residential teams a hypothetical budget of $700,000 and asked them how this could be invested in their service areas.

The results help describe the rich and varied tapestry of property options available across this country.

Sydney

COVID Update

The past month has seen a number of restrictions being eased which has seen activity begin to increase in the market. Auction numbers have steadily increased and the number of auctions is now in line with the same period last year when the market was beginning its recovery from the previous downturn. Clearance rates are tracking above this time last year but are still below those being achieved in February and March prior to the COVID-19 lockdowns.

Despite activity increasing, according to CoreLogic the number of new properties listed for sale is down 6.6 per cent on this time last year, while the number of total listings is down 21.2 per cent. This lack of stock is likely insulating prices somewhat, although we are now seeing the Sydney median price starting to decline, down 0.3 per cent in the week ending 21 June and down 0.8 per cent in the month ending at that date.

We are still seeing some strong results in the market with quality product still generally performing quite well. The lack of stock has seen quality homes continue to do well in the COVID-19 property market. Pagewood, located eight kilometres from the Sydney CBD, has seen strong results with two suburb records in May. A dwelling at 24 Macarthur Avenue, Pagewood sold for the suburb record of $3.15 million and a brand new duplex at 58a Ocean Street, Pagewood sold for $2.17 million. Local agents are also taking advantage of their buyer database which in one case led to an off market sale of 138 Bay Street, Pagewood for $2.625 million.

Another record sale of $2.205 million was recorded

CEO'S ADDRESS

Before I highlight our July residential topic, I first want to extend a warm welcome to renowned property analyst, commentator and executive, Kevin Brogan.

Kevin will join our team as national director of Valuation Policy and Compliance in the coming weeks. This appointment not only broadens the depth of our expertise and national capability, but also demonstrates Herron Todd White's commitment to prioritising and delivering an industry leading quality assurance platform.

Now, to this month's residential theme.

The analytical skillset that's foundational to property valuation is an ability to compare, contrast and assess, and this is the essence of our July issue's residential submissions.

We've asked our teams to benchmark their markets against a $700,000 budget.

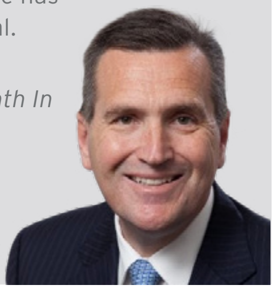
It's resulted in a document that not only discusses various locations at a nuanced level, but also provides an excellent market-relativity guide for anyone looking to understand the residential sector on a national level.

It's difficult to imagine any other organisation has both the breadth of coverage and daily frontline contact to release a document comparable to this.

And, while property and finance stakeholders comprise some of the most sophisticated operators in our nation, there's no doubt the importance of good advice has never been more essential.

Please enjoy this month's residential section of *Month In Review*.

Gary Brinkworth
CEO



Preliminary Auction Statistics Week Ending 21 June

City	Clearance rate	Total auctions	CoreLogic auction results	Cleared auctions	Uncleared auctions	Clearance rate (last year)	Total auctions (last year)
Sydney	68.5%	526	336	230	106	60.9%	558

Source: CoreLogic

in Beaumont Hills for 37 Guardian Avenue. This property is a six-bedroom, four-bathroom, contemporary style dwelling with excellent street appeal and quality finishes and ancillaries such as an indoor pool and outdoor kitchen with a land size of 838 square metres. With a suburb median of $1.165 million, this record sale is almost double the median value.

In the prestige space, above $5 million, the limited number of transactions has made it difficult to ascertain how this market is performing since the COVID-19 lockdowns. A recent Vaucluse sale of a modest single level home, set slightly back from the water with expansive harbour views towards the city and Harbour Bridge, may be a sign of the market having softened. The property just sold for $10.9 million in June, having previously sold just under 12 months ago for $11.8 million according to CoreLogic.

29 Carrara Road, Vaucluse Source: CoreLogic

On the flip side, Middle Dural recorded a record breaking sale in April at 52A Cranstons Road. The property is a five-bedroom, four-bathroom executive style dwelling with extensive landscaping, inground pool and a tennis court with a land size of 1.44 hectares. The property sold through LJ Hooker Dural, with the price currently confidential, however reports have suggested an $8 million plus figure which is a significant result for a sub two-hectare block.

52A Cranstons Road, Middle Dural Source: realestate.com.au

A Lazy $700,000

In a property market as diverse as Sydney, $700,000 is going to buy you very little in some parts whilst in others it can still mean a good quality home on a decent sized block of land. We've gone around the grounds to show the type of property you would be looking at for this price point in some of the regions in Sydney.

Western Sydney

The sub-$700,000 price point still provides attractive offerings within Western Sydney to its key buyers, being first home buyers, investors and those looking to upgrade their existing residence, due to its more diverse options and lower price point in comparison to other areas in Sydney.

In relation to strata options, established areas in Western Sydney can provide two to three-bedroom units and in some cases townhouses. In Parramatta, with its wider supply of units, the $700,000 mark allows for a near new two-bedroom, two-bathroom unit. An example of this is a circa 2019 unit, 101/23 Hassall Street which sold in February for $690,000, however previously sold off the plan in 2016 for $759,000.

In Blacktown, you would only need $650,000 for a three-bedroom strata townhouse as shown by the sale of 4/16-20 Kent Street in April for $640,000.

Opportunities at this price point for dwellings can be found for first home buyers and investors who wish to buy older style homes with a decent sized block of land in order to add value. 18 Killarney Avenue, Blacktown, a mostly original, three-bedroom, one-bathroom home with 601 square metres of land sold for $670,000 in April and would provide ample opportunity for value adding. For a good investment, a house and granny flat in St Marys would provide a higher cash flow in the short term and potential for longer term capital growth. St Marys is set to be connected to the Western Sydney Aerotropolis at Badgerys Creek. A house and granny flat, 21 & 21A Marsden Road, St Marys, which sold for $699,900 in April, has a potential rental income of $740 per week and yield of 5.5 per cent.

21 Marsden Road, St Marys Source: realestate.com.au

21A Marsden Road, St Marys Source: realestate.com.au

House and land packages are also an option in newer estates such as Marsden Park, Box Hill and Jordan Springs. At this price point though, buyers will have to compromise on size to put together a package with land of between 250 and 350 square metres.

An example of this is the current listing of Lot 6181 Annan Avenue, Marsden Park, a single level, four-bedroom, two-bathroom Metricon built dwelling with a single garage, improved upon a 312 square metre block available for $699,546.

Within the new estates you don't need $700,000 to purchase land; for much less you can pick up a block to build your dream home. Prices are dependent on the size, location, frontage and topography of the allotment. A comparison can be found for a few suburbs in the table below.

	Sale Price	Land Size	Rate per Square Metre
4 Annear St, Box Hill	$549,000	450sqm	$1,220
15 Bromus St, Marsden Park	$524,508	450sqm	$1,205
11 Deepwater Circuit, North Kellyville	$617,000	450sqm	$1,371

In the rental market, with a current oversupply of available property relative to demand and the effects on the various markets of COVID-19, the rental market has contracted leading to increased vacancy rates and lower asking rents.

South-Western Sydney

For under $700,000, the Liverpool LGA still provides opportunities for investors and home occupiers to get into the market or grow their portfolio.

Within the strata titled market, the Liverpool LGA offers an array of choice, from CBD living to a more traditional residential community setting.

The Liverpool CBD unit market has struggled over the past 18 months. We consider that the amount of supply entering the market and the lack of business growth within the CBD has contributed to values remaining steady or even decreasing. An example of this is a 2004 built three-bedroom, two-bathroom unit at 10/25-27 Castlereagh Street. The unit sold in May 2015 for $520,000 and recently resold in May 2020 for $510,000.

63 Mawson Drive, Cartwright Source: CoreLogic

Whilst the Liverpool CBD unit market has struggled in recent times for investors, price levels in the sub $550,000 range do allow first home owners to enter the market in a central location close to shops, schools and train lines. Compared to the Parramatta CBD, it offers very affordable living.

However, it's not all doom and gloom for Liverpool, which is seen as Sydney's third city. The development of the Western Sydney Airport and the rezoning of 25 hectares of land in the heart of Liverpool will reinvigorate life and promote more commercial space in the area. The ultimate aim is to remove the need for workers to travel to the traditional Parramatta and City hubs. This may be just what Liverpool needs to breathe life back into the Liverpool unit market in years to come.

Within the Liverpool LGA, the Torrens Titled market under the $700,000 mark is constantly decreasing in opportunity, however suburbs such as Busby, Cartwright and Ashcroft which have generally been overlooked do provide great hidden opportunities for owner-occupiers and investors as shown in the examples below. Geographically speaking, these suburbs are within 20 minutes drive of Sydney's third CBD (Liverpool CBD) and only 30 minutes from the Western Sydney Airport and Aerotropolis precinct.

The style of housing and land size in this area provide a very affordable investment to either owner occupy, knockdown rebuild, sit and hold, or look to construct a granny flat on the site to obtain a second rental stream.

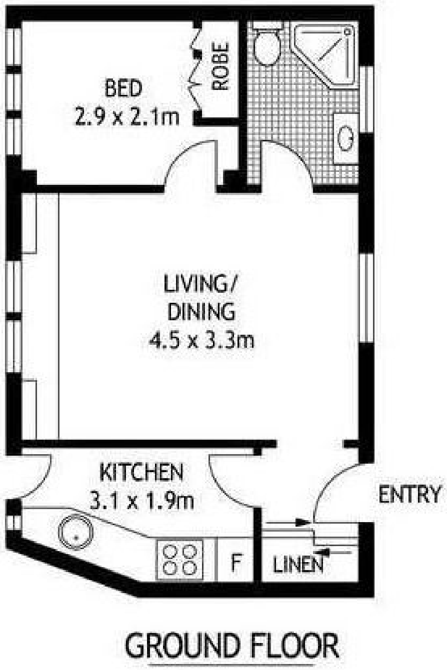
An example is 63 Mawson Drive, Cartwright which sold in May for $565,000. For the price typically reserved for units, the property affords three bedrooms and one bathroom on 579 square metres of land. A second dwelling is possible, however subject to council approval.

Another example is 8 Kelvin Place, Busby, which sold in February for $625,000. The property affords a renovated three-bedroom, one-bathroom home on 651 square metres of land. Detached at the rear is a council approved one-bedroom, one-bathroom, self-contained granny flat. The achievable rental for the main dwelling is $440 per week and $220 per week for the granny flat, calculating to a strong 5.5 per cent gross return.

Inner Sydney/Eastern Suburbs

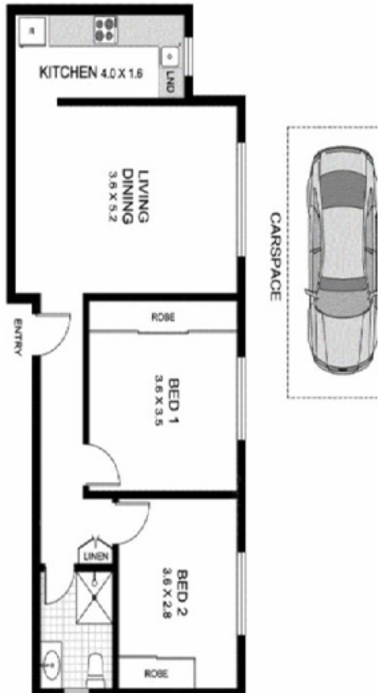
6/1 Darley Street, Darlinghurst was advertised for sale throughout April and May with an asking price range of $550,000 to $580,000, and sold for $513,000 on 29 May 2020. Interestingly, the previous sale was five years ago in July 2015 for the same price of $513,000 when it sold prior to auction.

This is a small, one-bedroom apartment with an approximate living area of 37 square metres and no outdoor areas or parking. This style of property is aimed at investors, or to a lesser extent, first home buyers. The rental market has been negatively impacted due to COVID-19 which directly affects how much investors are willing to pay for investment properties of this nature. Furthermore, the rental history for this property as per RP Data indicates that the asking rent during 2010 was $425 per week and the recent asking rent as at March 2020 was $495 per week, however this appears to have now reduced to approximately $400 per week.




6/1 Darley Street, Darlinghurst Source: realestate.com.au


8/73 Warren Road, Marrickville Source: realestate.com.au



This is a good example of an entry-level property below $700,000 within a popular inner-east location and approximately two kilometres of the Sydney CBD. This property also benefits from

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heritage character and could prove to be a good purchase for a first home buyer, or a steady longer-term investment, provided of course that you could cope with the reduced rental income in the current market. Other matters to consider for this type of property are some lending policies on properties with a living area of less than 50 square metres requiring a larger deposit.

8/73 Warren Road, Marrickville is another example of an entry-level property in the inner west region of Sydney. It is located approximately 9 kilometres from the CBD and sold for $655,000 on 13 June 2020.

This is a two-bedroom, one-bathroom apartment situated within a two-level walk-up building constructed circa 1970. The unit benefits from updated interiors and a single car space. The property is positioned in a quiet street and located approximately 500 metres from Marrickville train station and local shops. Similar two-bedroom units can achieve a rental income of approximately $450 to $500 per week.

Within the inner suburbs of Sydney, buyers with a budget of $700,000 or less are limited to studio, one- or two-bedroom apartments, however there is still a wide range of factors to consider such as location, size and quality of development, living area size, aspect and natural light, parking and many other fundamental aspects such as nearby infrastructure and potential oversupply issues within the immediate area.

If considering buying within this market segment, it is generally important to purchase something to which you can add value by doing minor renovations and buy within smaller scale, good quality buildings that have some character and are located in convenient positions where people want

A budget of $700,000 provides a plethora of opportunities in the unit market with a number of suburbs including Mona Vale, Dee Why, Avalon, Manly, Collaroy, Newport and Brookvale.

to live, close to public transport, schools, parks, local shops and cafés, etc.

In the east, you are generally looking at studio or one-bedroom units with car accommodation at this price point, which is entry level for first home buyers or local investors. Slightly further away in the inner south, suburbs such as Botany, Mascot, Rosebery, Zetland and Waterloo, which typically have a large supply of modern units, provide more options for those looking to buy in the area.

In the current market, investors should look away from over supplied areas and large unit developments and instead focus on older style walk-up units requiring renovation to add value. The oversupplied areas will always be more volatile due to large supply and many similar style developments. The properties likely to perform the best are those that are unique, with views or proximity to the beach or harbour, or those that can offer value add through renovations.

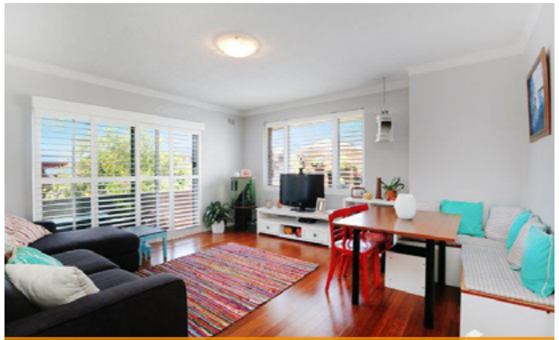
Northern Beaches

Risk appetite and investment strategy will play a large role in deciding where to invest. The entry level price point of $700,000 and products on offer appeal primarily to first home buyers and investors. An investor should be mindful of vacancy rates, competing stock levels and planned infrastructure upgrades, making sure to utilise the most recent market evidence to justify any decisions.

Value levels have performed better than forecast during the COVID-19 period, with CoreLogic reporting a 0.4 per cent decline in dwelling values across Sydney in May. Median data suggests the Northern Beaches is still currently well above 2019 levels for both unit and dwellings. Sqmresearch.com has current median listing prices of dwellings at $2 million, well above the May 2019 low of $1.69 million.

Given that $700,000 is well below the median dwelling value of $1.8 million (CoreLogic as at March 2020) it would take something fairly unusual and a property in Wheeler Heights just so happens to have sold recently. 65A Penrith Avenue, Wheeler Heights is a lower level duplex built circa 1970's that has been renovated internally and features one bedroom, one bathroom, open plan living room and entertaining deck and courtyard. This compact semi-detached dwelling sold in February 2020 for $700,000 and was last leased for $450 per week in 2019.

A budget of $700,000 provides a plethora of opportunities in the unit market with a number of suburbs including Mona Vale, Dee Why, Avalon, Manly, Collaroy, Newport and Brookvale having a range of unit types available for under $700,000 (some as low as $450,000). One-bedroom units are available from as low as $500,000 in Dee Why, so $700,000 would allow the opportunity for a modern or renovated one-bedroom unit. Alternatively, older style two-bedroom units are available from circa $650,000. A recent example is 8/14 Lismore Avenue, Dee Why. The renovated circa 1970's two-bedroom, one-bathroom unit sold for $665,000 on 28 May.


8/14 Lismore Avenue, Dee Why Source: CoreLogic

Dee Why would offer a higher yield potential (circa four per cent) although historically offers lower capital growth prospects in comparison to other nearby suburbs. Alternatively, an older style unit in a busier position in Balgowlah or Manly is available for a similar value level.

Lower North Shore

Normally when we mention Sydney's Lower North Shore, we are referring to multi-million dollar prestige properties on expansive allotments with landmark views. However, there is another sector of the market on the Lower North Shore which fits the criteria for this month's lazy $700,000 discussion. Admittedly, $700,000 is nearing the bottom end of this market, but it can still buy you a unit style property with plenty of up-side.

Looking at the suburb of Neutral Bay, just 1.5 kilometres from the Sydney CBD, a one-bedroom unit with parking within a classic circa 1960 or 1970 walk-up style unit complex is still readily available. Although at the lower end of the market, a unit such as this in Neutral Bay still offers proximity to amenities, restaurants and retail, public transport (buses and rail depending on position) and the harbour foreshore. An example of a recent sale of such a property is 9/389A Alfred Street, Neutral Bay, selling in March this year for $640,000. This is a 1960's style, one-bedroom, one-bathroom, updated, north facing unit with a small balcony and a single car space.


9/389A Alfred Street, Neutral Bay Source: Domain

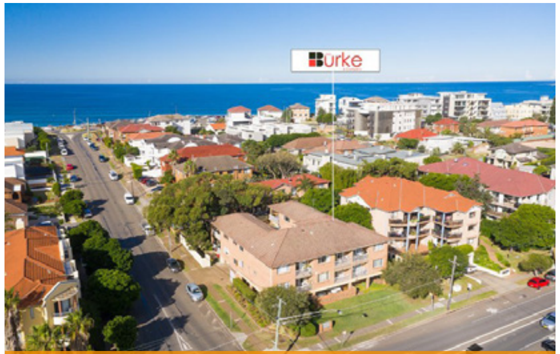
Typically, these units are in demand from young professionals, downsizers or investors. A unit such as the one described above would likely achieve a weekly rental of $500, resulting in an approximate yield of four per cent. Although this return is not setting any records, capital growth is historically strong on the Lower North Shore and this forms part of the attraction for investors.

We would expect this sector of the market to continue to perform well in the future, primarily underpinned by the central location, public transport and convenient access to the Sydney CBD.

Sutherland Shire

In the Sutherland Shire, $700,000 is a popular price point for first home buyers with agents noting that properties with a price of $750,000 and below are often quick to sell, even under current market conditions.

A good example of the type of property is the sale of a one-bedroom, one-bathroom unit with a one-car garage in Cronulla which sold in mid-June for $645,000. The first floor 1980's unit has been updated internally and is located within 200 metres of the sand. A typical rent for this type of unit would be around $425 per week, representing around a 3.5 per cent gross return.



7/92-94 Elouera Road, Cronulla Source: CoreLogic

Whilst below the median price for all suburbs in the Sutherland region, you can still pick up a house for around the $700,000 mark, although they are pretty few and far between, meaning you have to make some compromises. 11 Rosebery Street in Heathcote sold for $690,000 in mid-April. The property was a single level cottage in need of repairs and renovations on a smaller than average lot of 416 square metres, however the property was well located to the railway station, local shops and local primary school.

With the current possibility of an oversupply of modern units in suburbs such as Caringbah and Miranda, at this price range an older style one- or

Admittedly, $700,000 is nearing the bottom end of this market, but it can still buy you a unit style property with plenty of up-side.

two-bedroom unit in a smaller development in a desirable location, such as a one-bedroom unit in Cronulla, is likely to be the best performer over the short to medium term for both value growth and rental return.

Lismore/Casino/Kyogle

Little has changed from 12 months ago in terms of what one can score with a lazy $700,000, however the mixture of product may have varied slightly, particularly in the more regional areas of the Richmond Valley and Kyogle Council areas.

For example, consider the following:

- •Ten $70,000 (or less) steep timber vacant 40 hectare bush blocks in the rural localities of Drake or Tabulam; or
- Five $125,000 to $135,000 standard vacant residential blocks in Casino or Kyogle. These would be relatively flat but may be slightly more than $125,000 individually, so a package deal of say five at the nice round figure of $130,000 each would be hard for a vendor to pass up in the current subdued market thanks to COVID-19.
- Alternatively, secure a near new, four-bedroom, two- bathroom dwelling with a double garage for around $450,000 to $500,000 and throw in an original two-bedroom,one-bathroom brick unit with carport for circa $150,000 to $200,000.

There are not too many residential properties within Casino or Kyogle township that would use up the whole $700,000 in one transaction, however those that do are typically found in the nearby rural residential estates and usually deliver the full quota of features including air-conditioning, good quality appointments, pool, established landscaping or a full renovation.

These rural residential properties are generally in close proximity to the town centres of Casino, Kyogle and Lismore City. Typically, such properties would comprise lots ranging in size from 4000 square metres to five hectares.

Semi-remote rural localities with properties on lots from 40 hectares to even 100 hectares may be purchased for under $700,000 and still provide semi-modern homes with established ancillary improvements. However, distance and maintenance of the land are factors that any potential purchaser must consider.

Within Lismore City, the lazy $700,000 is somewhat more restricted in its purchasing power, however opportunities still abound. Good quality level vacant residential lots are around the $250,000 to $285,000 mark in the new, developing residential estates... so buy two and possibly use the balance as a deposit for a house to be built on each of the lots, or maybe use the balance to purchase one of the steeper vacant blocks for around $125,000 to $135,000 (just keep in mind that your building costs will be significantly higher!).

It is still possible to find two residential house properties for around $350,000 each, however they are likely to be located in a flood prone area, need some cosmetic attention or front a busy road.

There are a number of two-bedroom, one-bathroom, brick and tile residential units with single carports available within reasonable proximity to shopping and educational facilities in Lismore City which have an expected price range of $185,000 to $225,000 and attract a rent of around $250 to $275 per week.

Failing that, and if you so wish, $700,000 would go a long way to fully, or near fully, acquiring a brand new four or five-bedroom, two-bathroom, double garage residence in the modern residential estates of Goonellabah or Lismore Heights (where most of the new build action is) with pool and established landscaping. The rental assessments can vary widely depending on features, but expect something in the order of $550 per week.

At present, the market is still in the early stages of recovery from COVID-19, however there are encouraging signs with genuine enquiry improving (as real estate agents advise) and if you are one of those in the fortunate position of ticking all the boxes for the lender as a first home buyer or investor?? Wow! When are you ever going to get a better chance to buy real estate at ridiculously low interest rates which are unlikely to rise for some time yet as the powers that be try to kick start the economy from out of the doldrums?

So buy two and possibly use the balance as a deposit for a house to be built on each of the lots

Byron Bay

The recent relaxation of travel restrictions and gatherings in public has given the Byron Shire a much-needed confidence boost. Although any tangible improvement in the local economy is yet to be realised in the property market, local agents remain optimistic about the long term growth of the property market in Byron Bay and surrounds and this leads us to consider where it is possible to park $700,000 on a property in the Byron Shire at present.

If Byron Bay is your cup of tea, then count out the $700,000, raid the kids' piggy banks and check under the couch for any loose change, because you are going to need it. Whilst it is not quite that bad, the options are pretty restricted within Byron Bay proper. Most properties start at prices well above $700,000 but if that is the limit of your budget, it is still possible to pick up an early 1990's three-bedroom townhouse on the north-west edge of town in the $650,000 to $700,000 price range. However, instead of a gentle stroll to the beach with a towel draped over your shoulder, it will be necessary to purchase a bike and ride the ten minutes to the beach instead.

Looking elsewhere in the shire, the pickings become a little easier at Ocean Shores which offers reasonable proximity to beaches, albeit of a less well regarded standard than the acclaimed beaches of Byron Bay. Nevertheless, it is possible to find a wider choice of property in Ocean Shores that includes a sprinkling of detached, older style houses and relatively modern townhouses and villas.

Further afield, Mullumbimby offers a small opportunity to find an older style cottage but with the proviso that additional funds would be required to carry out update works as $700,000 will only buy the most basic standard of house. If land banking is more your cup of tea, it is still possible to find the odd block of land in the outer areas of Mullumbimby in the price range of $450,000 to $500,000.

Ballina

The impact of the COVID-19 virus is yet to be realised by the local market, however is having a major impact on local businesses in the areas of Lennox Head, Ballina and surrounds. Verbal discussions with local agents indicate a decrease in interest in listed properties along with a decrease in vendors placing properties on the market. The North Coast of New South Wales has seen very little infections, with the majority of infections recorded in the Byron Bay locality. The closure of the Queensland border has had an impact on local business and in turn has had a negative impact on open houses in the local area. Agents remain positive for the North Coast due to the recent surge of people retreating from the major cities. This coupled with economic uncertainty has helped keep property prices inflated in the coastal areas.

As for the best performing investment for $700,000, if a dwelling or unit isn't quite for you, there is also the option to build.

So far, we are still in a fairly firm market with some recent sales in Lennox Head, Ballina and surrounding areas making good prices. Sales of vacant land in Epiq and surrounding areas have slowed slightly with some local builders indicating that land owners are postponing building till the economy stabilises.

The market drivers within the sought-after coastal areas of the Ballina Shire are typically influenced by the performance of capital city markets - most notably the Sydney and Melbourne markets and to a lesser extent the Brisbane and coastal south-east Queensland markets. Whilst the demand resulting from these capital city markets has typically been concentrated in the more desirable areas of Byron Bay and the surrounding localities, in more recent years potential purchasers have expanded their searches into the desirable areas of the Ballina Shire - most notably Lennox Head, Skennars Head and East Ballina, as well as the rural localities of Newrybar, Brooklet, Fernleigh and Tintenbar.

Clarence Valley

Relaxing restrictions have seen the Clarence Valley return to a state of somewhat normality. The initially stalled figures, including sales rates and rentals, we saw at the beginning of the pandemic now appear to be slightly increasing across the Valley. Still somewhat driven by infrastructure improvements such as the new Pacific Highway, jail and other associated works, the Valley continues to have high demand for rentals and stock coming on to the market around or below median sale prices. Although the Valley is still a long way off its pre-pandemic state and potentially all the effects have not yet been felt, and with prices remaining relatively low compared to nearby centres, there remains a widespread sense of stability and confidence.

A $700,000 budget in Clarence Valley leaves you with a multitude of options whether you are chasing farmland, a residential allotment or a low maintenance unit. Very few sales surpass $700,000 in Grafton, Maclean, Townsend or Gulmarrad. As for Yamba, whilst $700,000 might assure you a freestanding dwelling, it will likely be lacking any view or amenity to the beaches. While a small unit nearer to the beaches may be possible, they have been rarely presented for sale of late.

In terms of return, Grafton has long been a solid rental performer with a steady demand for all rentals and this looks set to remain unchanged. As for coastal locations, permanent rental returns are somewhat more conservative but still need not be ruled out.

As for the best performing investment for

$700,000, if a dwelling or unit isn't quite for you, there is also the option to build. There are numerous rural vacant allotments for sale where one could buy land and establish a dwelling, or there are standard allotments where duplex construction is permissible.

With some uncertainty around the immediate future, a $700,000 budget presents an array of options with most looking as secure as they did pre-pandemic over the medium to long term.

Coffs Harbour

As the relaxation of COVID-19 restrictions sees us all getting back to some normality, the property market rolls on as if it was unaware of recent social struggles. Similar to previous months, supply is still down in many sectors of the market with selling agents reporting good demand and increasing interest from the out of town city buyers looking to finally escape the chaos of urban life. Property values generally have remained steady to strong with only the prestige market of $1 million plus experiencing some weakening in activity, although it is not uncommon for this sector to seasonally fluctuate. We can look forward to the opening of state borders in time for school holidays together with the highly anticipated reinstatement of domestic flights which will help boost the Coffs Coast accessibility for domestic holiday seekers.

Now that you have come for a holiday and experienced the wonders of what this region has to offer, your thoughts turn to what you can buy for that lazy $700,000.

Like most regional locations, we have a diversity of product and it is very difficult to stereotype what you will get in any particular price range; it will depend on what you are looking for. Whether that be a large family home in the suburbs, a beachside cottage or rural retreat, the options are endless.

If you are looking for the green change and land size is important, $700,000 will get you into the market albeit at the lower end of the scale.

Let's start with a suburban home. As the median house price in Coffs Harbour sits at around the $490,000 mark, it is easy to see that $700,000 will get you an above average property, typically a large family home, either modern or fully renovated, with four or five bedrooms, double car accommodation and pool set on a standard 600 to 1000 square metre site. Suburban areas such as Boambee East, Toormina, Bonville (East) and West Coffs Harbour are typical locations for this type of product and well suited to the family although not so much the investor as returns diminish with the higher values. These areas, like most of the region, have experienced gradual growth over recent years.

Moving closer to the beach, you get less home as the trade-off for higher land value. The more popular areas such as Sawtell and The Jetty precinct in Coffs Harbour have entry level prices of $700,000 which would purchase a more modest home or a cottage of 20 to 60 years of age which would require renovation, extension or demolition. You will find more modern unit products in these areas, although the more high quality larger product potentially with water views will set you back more than $700,000. These are very solid locations for investors as they are popular proven localities with underlying development potential, in many cases due to higher density zones.

The popular northern beachside suburbs also see fewer homes for $700,000, although there are some more modern estates where you can get a new four-bedroom, two-bathroom, double garage home on a standard block. The trade-off for these properties is that they are the more recently developed estates such as Sapphire Beach and Emerald Beach which are located along the Pacific Motorway. Typically the home closer to the beach with all the trimmings will set you back significantly more than $700,000. These areas have experienced good growth and with land to build the dream now becoming scarce, we are seeing premiums being achieved for modern developed products.

If you are looking for the green change and land size is important, $700,000 will get you into the market albeit at the lower end of the scale. Typically you will get one to five acre properties with aged homes of generally modest size and quality, although well located to towns and beaches in suburbs such as Korora, Bonville and Boambee which are very popular to have the best of both worlds. These properties are typically lifestyle purchases and not geared for investors, although Korora does offer the potential to subdivide five acre plus properties which could be worth land banking for future capital gain.

As an investor looking at the Coffs Harbour market, we'd be looking towards the multi accommodation properties where increased returns and capital gains will come from renovations and possible subdivision. Coffs Harbour has a strong population growth with affordable lifestyle benefits and the anticipated start (2021/22) of the proposed Pacific Motorway bypass will see a considerable uplift in the economy with pressure on the rental market during this construction stage. This is where the multi accommodation properties will come into their own, especially if they are furnished and aimed at the transient working population. As an example, a triplex in Toormina has been marketed at $625,000, comprising a single level 1980's building with three two-bedroom, one-bathroom units each with a garage and returning approximately $240 per week each or $37,440 annually. The potential here is to undertake some modest renovation work, say $5000 to $10,000 per unit to increase the rental returns by $40 to $50 per week each with a long term view of strata titling and selling separately. Not surprisingly, this property is under offer at full asking price.

Newcastle

First up, a COVID update.

Much like last month, with COVID-19 still present in Australia, it is quite difficult to pinpoint exactly what is going to happen with the local property market. With restrictions around open houses and auctions being lifted, there has been an increase in potential buyers visiting properties for sale; however, we are still not seeing anywhere close to the sales volumes we would normally expect.

Location Map Source: SIX Maps

Agents in the area are reporting numbers of properties being listed are on the increase but they are down on the same period last year due to the ongoing pandemic. The most recent weeks have seen widespread activity with properties still being sold and the savvy investor on the lookout for a bargain. Across the Newcastle and Hunter region house prices have remained relatively flat across the board with the region proving to hold its own in light of recent global events.

Now onto this month's topic.

With our lazy $700,000 we've chosen to spend in the suburb of Woodberry NSW, and buy not just one, BUT TWO houses. Where is Woodberry you ask? Great question. Woodberry is located between two of the largest towns in the Hunter region, approximately 21kms south east of Maitland and 22kms north west of Newcastle. The suburb is well serviced by shopping facilities and schools with the Stockland Greenhills major shopping centre located in East Maitland and a number of primary and secondary schools close by. Public transport is readily available with a number of buses running the entire suburb and Beresfield Train Station just 1.5kms away. Commuters to Newcastle are only a 20 minute train ride or 25 minutes by car or a short 15 minute train or car ride from Maitland.

Woodberry is also strategically located close to the new Maitland Hospital (approximately 10kms) which is currently under construction, and on track to open early 2022. The new hospital will provide great employment opportunities within the area and meet the growing health service needs for the Hunter Valley.

New Maitland Hospital Artist's Impression Source: NSW Government

Now that we've established its strategic location close to major CBD's, shopping, schools, hospital and transport. Let's look at some stats!

According to Corelogic the median sale price for houses in Woodberry NSW is $330,000 (for the 12 months to 31/03/2020). Over the last 5 years the suburb has seen growth of 4.2% per annum and 3% per annum over 10 years. The median sale price for houses in the Maitland LGA over the same period was $480,000; with growth of 4.6% per annum and 4.0% per annum over 5 years and 10 years respectively.

Median House Value - Woodberry Suburb Source: Core Logic 2020

The median rental yield in Woodberry is 5.7% gross with a median rent of $359 per week (for the 12 months to 31/03/2020). That sure beats a 1% return on a term deposit! The median rental yield in the Mailtand LGA over the same period was 4.6% gross.

XGxgxgx Source: Core Logic 2020

Here are some examples of recent sales and rentals in the area.

8 Curlew Crescent Woodberry sold for $340,000 in March 2020 as pictured below. The property was purchased by an investor and rented at settlement for $360 per week. Representing a gross yield of 5.50%.

8 Curlew Crescent Woodberry Source: RealEstate.com.au

16 Kookaburra Parade Woodberry recently sold for $323,000 in May 2020 as pictured below. The selling agent advises the property would rent for approximately $340 per week. Representing a gross yield of 5.47%.

16 Kookaburra Parade Woodberry Source: RealEstate.com.au

Mid North Coast

The Mid North Coast continues to ride out the COVID-19 pandemic well from both a residential property and a health perspective. From a property standpoint, median price levels have remained steady over the past few months while stock levels are down dramatically. The reduction in stock levels is mainly due to potential vendors holding off listing until full confidence returns to the market. Agents advise that appraisal numbers are high but are not yet flowing through to listings. The reduction in listings has meant that there are fewer properties for potential purchasers to choose from which we believe is one reason prices have held steady over this period. We anticipate that listing numbers will grow over the next few months as confidence returns and more investors re-enter the market. Some investors have been staying out of the market due to a lack of confidence and owner-occupiers are the mainstay at the moment, but with current interest rates so attractive, we believe investors will return as confidence returns.

On the rental side we have seen a dramatic reduction in listings over the past few weeks as restrictions relax and interstate travel returns and many investors return their properties to short term accommodation stock, rather than retain them as longer term rentals. This will see vacancy rates returning to more normal long term levels after steep increases during the lockdown period as the reverse was happening.

We believe that the market along the MId North Coast should recover well after this COVID-19 induced slow down and perform well in the back half of this year as more city dwellers see the appeal of our beautiful slice of paradise.

Central Coast Region

NSW Central Coast Region Coronavirus Update

In line with many regions, there have been little reports of new cases of COVID-19 for some time. For many, life seems to be returning to normal. The tourist and visitor centres of Terrigal, The Entrance and Ettalong Beach have been busy for the past several weekends as crowds return.

The focus of attention now seems to be on recovery and future planning. Recovery will be as big a challenge as the restrictions and lockdowns themselves. Looking around, a number of businesses have suffered terribly and some have closed. But confidence is returning.

Tempering this new confidence, our health professionals are reminding us that we may not have seen the end of this with a second wave likely.

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Older, more basic dwellings with the potential to add a second dwelling are selling for similar prices.

What will a lazy $700,000 buy in the Central Coast region of New South Wales

A quick snapshot of some suburbs where investing $700k seems to be a good idea:

Wadalba – a newish and still developing suburb located towards the northern end of the region with plenty of schools, shops and easy access to the M1 Motorway. A typical new project style dwelling, single level with four bedrooms, two bathrooms and double garage, recently sold for $690,000. With slightly older two-storey options available for similar prices, we consider these to represent good value for first home buyers and growing families finding the area to their liking. Values have remained static overall over the year, so buying for quick financial gain isn't great and returns are estimated at around the 4.5 to five per cent mark which is acceptable. Comparable suburbs to Wadalba include Hamlyn Terrace and Woongarrah.

The Entrance – one of the region's older suburbs which sits between the ocean and lake. It is the day tripper and visitor centre at the northern end of our region. Although there is a large permanent and long term occupant population (renters account for approximately 60 per cent of the area's occupants), the area is very popular with the weekender market. Units prevail in the town centre due to the ocean and lake views, shops and beach. We note that $700,000 can buy a two-bedroom unit with views within the town centre. But $700,000 is heading towards the higher end of unit values at The Entrance and we feel the more attractive options would be in the $350,000 to $400,000 price range for older units with lesser views. This price range has been more consistent in terms of price stability and returns which seem to be around the 4.5 per cent mark on a permanent occupancy basis.

Bateau Bay – another of the region's more established suburbs. The Entrance runs through the suburb thus creating two distinct markets. The eastern (ocean) side is generally the more expensive option. If $700,000 is the marker, then good value on the no less popular western side of The Entrance Road is available. Generally older style but well established and accessorised property is the norm. An 80's style, large, four-bedroom, single level dwelling with two bathrooms and double garage has just sold for $710,000 and a renovated 80's style four-bedroom, two-bathroom dwelling with inground pool and off street parking recently sold for $685,000. These represent good value for those aspiring to live in Bateau Bay.

Terrigal – some would suggest that only good things happen at Terrigal and if price point is the gauge, there may be some foundation to this. $700,000 will likely secure an old style, rundown dwelling or perhaps a two- or three-bedroom unit or townhouse away from the town centre. You might however get a vacant block of land with a little change left over – but you will need to be quick.

Next door Wamberal shares these same qualities, with Erina to the west being not far behind.

Point Clare – sitting on the western shores of Brisbane Waters, this is an older and established location with just a short drive to meet up with the M1 Motorway. Surprisingly, Point Clare has never been an area at the top of mind. We don't know why, because there are a number of properties that can be purchased for less than $700,000. An 80's style, slightly compact, four-bedder with single garage, landscaping and inground pool recently sold for $680,000. While the median value across the region has fallen just a little over the past year, Point Clare has actually increased – just a little. The area is predominantly owner-occupied with returns estimated to be around the 4.5 per cent mark.

Umina Beach – located towards the southern end of the region, Umina Beach, Woy Woy and Ettalong Beach enjoyed better than average value increases, but since September 2018, the median value has steadily declined and is approximately ten per cent lower. Rentals account for around 30 per cent of properties in Umina Beach with the remainder being owner-occupied. Due to the high number of second dwellings in Umina Beach, we tend to think there is a hybrid factor going on here with owners remaining in their dwellings while renting out the second dwelling.

In value terms, there are still a lot of properties being sold under or around the $700,000 mark. A renovated three-bedroom, one-bathroom dwelling with plenty of undercover parking recently sold for $700,000 whilst a similar dwelling, but minus the parking sold for $670,000. Older, more basic dwellings with the potential to add a second dwelling are selling for similar prices.

Illawarra

Residential prices continue to be holding through June 2020 in the Illawarra. There remains a relatively low amount of stock on the market which is driving a bit more competition amongst buyers. Realistically priced and conventional properties are selling within two months in most cases.

Ten years ago, $700,000 would have given you the pick of many properties throughout the Illawarra with only the more desirable areas out of reach, however strong price increases over the past decade have restricted a purchaser with $700,000 to spend. This is the approximate median house price in suburbs such as Figtree and Flinders, although townhouses or units can still be picked up for under $700,000 in suburbs such as Thirroul and Bulli and older houses can be purchased in Corrimal and Russell Vale. There have been plenty of new units built in Wollongong over the past couple of years and $700,000 will pick up a decent quality two-bedroom unit with a bit of a view. In high growth areas such as West Dapto (Horsley, Wongawilli and Kembla Grange) and Calderwood, a new four-bedroom house on a 450 square metre lot can be purchased for under $700,000.

We see mainly younger families or couples purchasing at this price point with second house buyers or downgraders often above this market. Pandemic conditions have not brought any significant price decreases in our market, however there is still a decent level of uncertainty in the short to medium term as government stimulus packages and local and macro economies grapple with a recession.

Southern Highlands

The past month has seen the southern highlands property market go from strength to strength! A lack of stock due to vendors' unwillingness to put their properties to market in uncertain times coupled with extremely strong interest from Sydney buyers has resulted in a strong surge in sales numbers as well as prices in the local region. We had predicted this over the longer term, however it has been very evident over the past four weeks and the next few months should be interesting as we see life return to normal and the market potentially inundated with new listings.

A lazy $700,000 in the Southern Highlands is quickly becoming non-existent largely thanks to the above mentioned continual exodus from Sydney. This certainly doesn't mean you can't find anything for less than $700,000 in the region, however these days a brand new traditional family home in the three main suburbs of Bowral, Mittagong and Moss Vale are all above that price point.

The best performing suburb at this price point would either be Moss Vale or Mittagong, both of which have slightly older homes still popping up sub $700,000 and even sub $600,000 in the case of Moss Vale. Typically rental returns are good and again off the back of the recent COVID-19 outbreak, enquiry levels from Sydney have been strong, resulting in improved rental returns to that of the past 24 months.

We expect this price point to continue to perform strongly over the next few years, as working from home becomes a more common practice. In turn, this should result in more first home buyers looking in the area due to its good proximity to Sydney should they need to travel to a place of work a couple of days per week.

Victoria

Melbourne

Melbourne's suburbs are extremely diverse with the inner suburbs boasting some of the most expensive properties in Australia and the outer growth regions providing some really affordable properties. Everyone is always looking to improve; whether it be moving on from renting to owning your first home, upgrading to a larger family home or finding your first investment property, the property market is on most people's minds. Everyone has a different price range in which they're looking, however $700,000 is often an achievable and sought after number for many and close to the median price. The difference in the quality of the property you can buy within this range is significant and it all comes down to the location. We've broken down Melbourne's different regions and provided some insight on what you can expect for the $700,000 price range.

Melbourne CBD

With current market conditions and in light of the recent events of COVID-19, a lazy $700,000 can go a long way in areas of Melbourne's CBD and city fringe suburbs. Recent figures show that the median unit price for the CBD, Southbank and Docklands were $480,000, $575,000 and $609,000 respectively. It is truly a buyer's and renter's market for those looking in these areas.

The global pandemic has definitely shaken up the rental market in the CBD and fringe suburbs. Many tenants are international students unable to fly back into Australia due to travel restrictions, resulting in a spike in vacancy rates. This has left landlords nervous as this may cause a strain on their mortgage repayment ability for the property.

With current market conditions and in light of the recent events of COVID-19, a lazy $700,000 can go a long way in areas of Melbourne's CBD and city fringe suburbs.

We are also seeing quite a number of nomination sales in the CBD market. A nomination/nominee sale is when someone who has purchased a property can transfer to another purchaser or nominee prior to settlement. When a purchaser cannot settle, the purchasers will be given the opportunity to find a new purchaser to have the contract transferred in their name and finalise the settlement. This generally happens due to the buyer not having access to funds to settle (mostly due to banks not approving loans or other government restrictions for capital outflow). With Coronavirus also impacting the rental market, purchasers of these properties have less incentive to settle on these apartments, which will also result in them forfeiting their original deposits.

Inner and Outer South East

Residential dwellings in the outer south-eastern suburbs such as Officer, Clyde and Berwick fall within the $700,000 budget. These suburbs offer plenty of choices for those looking to buy as there are many newer estates in these areas. A brand-new house and land package can range from $500,000 to $650,000.

Latest figures show that the median house prices for Officer, Clyde and Berwick are $557,000, $566,500 and $687,000 and depending on the size, location and specifications, can generate rental yields of 4.5 per cent, 3.71 per cent and 3.1 per cent respectively. The recent crisis has rocked buyers' confidence, with many facing issues of job security. The government has since introduced a new Home Builder Scheme for those looking to either build a new home or renovate, as homeowners will be given a $25,000 incentive which has been designed to boost the construction industry as it recovers from the effects of COVID-19.

House and land packages in these urban growth zones are attractive to first home buyers and young families as they allow flexibility in designing homes to cater to their individual needs.

In more established areas such as Cheltenham, Oakleigh and Mentone, housing prices start from $960,000 for houses and $600,000 for units. These areas in the south-east generally yield high sales and rental prices as they are among the most sought after suburbs to live in as they are generally close to public transport, major shopping centres and the CBD.

Inner and Outer East

Residential pockets within the inner eastern suburbs historically yield high sale and rental prices. Suburbs such as Richmond, South Yarra, Toorak, Camberwell, Hawthorn and Kew all have high median residential house prices and equally high median prices for apartments. The areas of the eastern suburbs that would be best suited for someone with a budget of $700,000 begin further down the Lilydale train line, near places such as Ringwood, Warrandyte, Mitcham and Doncaster. These areas have a good mix of established residential housing, emerging housing markets seen in land developments such as the Tullamore Estate in Doncaster and new single or multi-unit dwelling developments taking place in various suburbs across the eastern suburbs. Some comparisons of median house prices in eastern suburbs are shown below.

Suburb	Median Price	2 Bedroom	3 Bedroom	4 Bedroom
Ringwood	$840,000	$652,500	$813,250	$929,000
Mooroolbark	$685,000	$602,750	$654,000	$810,000
Lilydale	$690,000	$487,475	$650,000	$771,250

Mooroolbark is a very suitable suburb in which to invest for someone with a budget of $700,000. The suburb is situated close to major shopping centres with Eastland a short drive away, access to public transport commuting into the city and the market that is available in Mooroolbark. The varying quality of homes in the area makes it possible for investors to either buy and renovate, buy and knockdown or purchase an established home ready to move into or rent out to tenants. We are of the opinion that these outer eastern suburbs are a great location to invest in property, whilst being affordable and having opportunities to construct new dwellings, renovate older homes or purchase a home suitable for living.

Inner and Outer North

Residential dwellings in the inner and middle north suburbs such as Brunswick, Coburg, Northcote,

As it appears that the recent health pandemic is having minimal impact on values in the inner north.

Essendon and Preston are generally priced out of the $700,000 budget given that the median house prices in these areas surpass the $1 million mark. Consequently, we are required to limit our search to strata properties including units, townhouses and villas.

Moving further out into suburbs such as Glenroy, Fawkner and Reservoir where median house prices are currently closer to the $700,000 mark, we can expect to see a number of two- and three-bedroom dwellings appearing within reach, particularly those in need of renovation.

Finally, in the outer north, suburbs including Epping, Wollert and Craigieburn where current median house values are under the $600,000 mark, large homes with higher specifications, sizeable blocks and four or five bedrooms become possible candidates.

As it appears that the recent health pandemic is having minimal impact on values in the inner north – in part due to the lack of stock and current demand - we would be inclined to invest in these areas as properties are still selling within normal market parameters. Given that we are limited to strata properties in these areas with a spend of $700,000, we would suggest a preference towards those that are part of smaller developments such as townhouses rather than large, multi-unit developments. There are a number of two-bedroom, two-bathroom townhouses in Brunswick East that fit the bill perfectly.

Investors can expect reasonable returns on strata properties in these areas. Modern, two-bedroom, two-bathroom apartments can achieve approximately $450 to $500 a week while villa units with two bedrooms and one bathroom achieve approximately $380 to $420 a week.

We believe that performance in this price sector will remain stable in the short to medium term and given the current state of the market, buyers can and should remain confident.

Brunswick East Townhouse Source: realestate.com.au

Western Suburbs

Melbourne's western suburbs have rapidly evolved over the past ten years. Melbourne's housing market has always seemed somewhat unattainable for many, however figures released have shown that Melton and Wyndham are affordable and desirable options with larger blocks of land and bigger homes.

The city of Melton is proving a popular choice according to realestate.com.au. It is also the cheapest suburb in Melbourne, with a median price of $390,000.

Those looking for large blocks and new modern houses could consider Rockbank, Caroline Springs and Plumpton at a median price of $700,000, which is an attractive choice for first home buyers and families. Melbourne's western area is spoilt for choice around the $700,000 mark compared to that of more expensive inner Melbourne suburbs where purchasing a nice home in that range is simply not possible

The Australian dream of a big home and backyard is attainable in the western suburbs. It is an area that is affordable and ever developing which is why it has attracted so many first home buyers and investors looking to break into the property market. The convenience of being close to the city combined with the benefits of not actually being in the heart of the city has rapidly increased its population growth.

Some examples of what you can expect around the $700,000 mark are as follows.

37 Nicholson Terrace, Taylors Hill Source: realestate.com.au

Compare this to a well-established, higher socio economic region within Melbourne's west such as Williamstown. It is considered much more difficult to obtain a nice house for the $700,000 price bracket within this region as the median house price is $1.35 million. Realistically, only small units and apartments in Williamstown can be purchased for this price. An example of what you could expect is as follows.

105/103 Railway Place, Williamstown Source: realestate.com.au

Geelong

Once a destination for weekend getaways, the Geelong area has been reimaged as an ideal lifestyle for families. Immersed in nature, but remaining in close proximity to the bright lights of the city, Geelong provides the answer for those seeking a solid investment or a place to call home.

It's well known by many that in Geelong you most certainly can get more bang for your buck when it comes to the property market. With Geelong also now being a well-established city in itself, hosting 250,000 plus residents, it's turning into one of the most sought after locations.

$700,000 in Geelong can go a long way and can most definitely provide anyone looking within this range with a fantastic home for whatever they require. Whether it be a large double storey family home or a sleek and modern single storey home in a nice area, most would be able to find what they need within this price range.

An example of what is out there for around the $700,000 mark is below:

31-35 Sirrom Crescent, Armstrong Creek Source: realestate.com.au

Mildura

The local market continues to show some uncertainty with many agents still reporting reluctance by many vendors to put their homes on the market. This is more evident in the higher value range due to concerns that buyers may not yet be willing to pay a substantial amount in this time of uncertainty. Sales that are occurring indicate that values have held up well so far.

Within the local market, $700,000 is still considered a higher value range property, however as the local market has increased steadily over recent times, this amount has started to become more common. $700,000 will purchase a large home located in an inner-city location in Mildura, or an above average standard dwelling in a modern subdivision on an allotment of up to 1,000 square metres. Within the inner city, it is possible at this price point to find an older, extensively renovated dwelling in a preferred location.

It's well known by many that in Geelong you most certainly can get more bang for your buck when it comes to the property market.

A recent example is 26 Walnut Avenue, Mildura, which sold in January 2020 for $680,000. This property is in an inner-city location and includes an older home which has been recently renovated to a high standard and includes a pool.

26 Walnut Avenue, Mildura Source: realestate.com.au

Surrounding Mildura are a number of well-regarded smaller towns such as Gol Gol, Nichols Point and Irymple, which include good quality homes on larger allotments ranging from 2,000 to 6,000 square metres. For around $700,000 it is possible to find modern homes built within the last ten to 15 years which include good ancillary improvements such as sheds, pools and extensive landscaping. Buyers at this price point tend to prefer locations that are within a ten-minute drive of Mildura and which are connected to filtered town water.

A recent example is 297 Irymple Avenue, Nichols Point, which sold in December 2019 for $716,000.

This property comprises a 2,576 square metre allotment improved with a circa 2005 built brick home featuring a pool, large shed and significant landscaping.

297 Irymple Avenue, Nichols Point Source: realestate.com.au

These higher value homes are suited to owner-occupiers as investors chase higher rental returns at a lower price point. For investors, our advice would be to purchase two smaller, but still modern dwellings for $350,000 each, three older dwellings in secondary locations for $200,000 each or even a large block of flats (however there are few such blocks of flats at this price point). All of these would provide a more attractive return, of around five to seven per cent as opposed to a high-quality single dwelling. Mildura's vacancy rates are still very low, meaning that finding tenants is generally straightforward.

Mount Gambier

The COVID update to start with.

To date there are still no clear indications of the impact of COVID-19 on property values in the Mount Gambier region. Whilst the market has softened as a direct result of government enforced restrictions and general economic uncertainty, we are yet to see this reflected in any value correction.

As restrictions begin to ease and some normality resumes, we remain positive that the impact will be limited, however are not naive to the fact that there will be ramifications within the property market.

Now, where to spend a lazy $700,000.

Within the Mount Gambier region, $700,000 will enable you to purchase practically anywhere. Few dwellings sell for more than $700,000 and demand for property tends to reduce significantly when the market value is greater than $700,000. Within the past 12 months there have been a limited number of houses sold for $600,000 to $700,000. Typically, up to $700,000 will allow you to purchase a character dwelling in a sought-after central location. The sale at 22 Lansell Street features a fully renovated character dwelling with high quality fit-out, three bedrooms, two bathrooms and a swimming pool.

22 Lansell Street - $630,000 Source: RP Data

Within the local market, $700,000 is still considered a higher value range property, however as the local market has increased steadily over recent times, this amount has started to become more common.

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On the outskirts of town, there have also been a few sales to come close to the $700,000 price range. These sales are generally on rural living style allotments and are good quality homes featuring one to three acres, four bedrooms, two bathrooms and good ancillary improvements.


21 Eldridge Drive, Worrolong - $610,000 Source: RP Data


5 Compton Rise Crescent, Compton - $660,000 Source: RP Data

While demand is limited for properties around the $700,000 range within Mount Gambier, there is greater demand for these properties in the popular coastal township of Robe. In Robe, $700,000 will allow you to purchase either a centrally located dwelling or a dwelling with ocean or lake views, such as the sales below.


18 Woolundry Road, Robe - $720,000 Source: RP Data


9-11 Robe Street, Robe - $685,000 Source: RP Data

While demand is limited for properties around the $700,000 range within Mount Gambier, there is greater demand for these properties in the popular coastal township of Robe.

Warrnambool (South West Vic)

COVID Monthly Update

Values within the Warrnambool market are yet to display any decline due to the impact of COVID-19. Confidence across the purchaser landscape remains solid; whether this remains the case in three months' time is open for discussion.

A lazy $700,000 in 2020

Demand in this price sector was considered to be on a slight upward trend pre-COVID-19 and we predict that trend to continue moving forward should the COVID-19 recovery come quickly and completely.

Premier central Warrnambool properties, particularly those with heritage stylings and some level of updated interior, are very much excluded from the $700,000 price range. The buy-in for entry level property in this location starts at $750,000. A great example of what you get at the premier entry level is 9 Victoria Street, Warrnambool, VIC, 3280.


Sold 29 February 2020 $750,000 Source: realestate.com.au

Three bedrooms, one bathroom, detached two-car garage on an 800 square metre allotment. Situated one block removed from city centre. Very basic level of fit-out with fantastic heritage features.

Moving ever so slightly away from the premier locations, potential buyers will start to see a number of options develop. It's here, still centrally located (within one kilometre of the CBD and beach) that buyers will find high quality townhouses, renovated heritage dwellings and properties with further development or value adding potential start to become available in the $600,000 to $700,000 range.

For those with a vision and greasy elbows, look no further than 90 Skene Street, Warrnambool.

Sold 3 March 2020 for $650,000 Source: realestate.com.au

A circa 1880 weatherboard dwelling requiring a whole lot of work situated on a 2,100 square metre allotment. While the amount of renovation work required can't be overstated, the dwelling does feature distant ocean glimpses through the Norfolk pines. There's great potential for value adding with property such as this around Warrnambool.

Buyers interested in something with a little more room to move can find larger sized property (4,000 plus square metres) in Warrnambool's surrounding lifstyle areas. 5 Elizabeth Street, Allansford, VIC, 3277.

Sold 14 December 2019 for $675,000 Source: xgxgxgx

Set on one acre, ten minutes from Warrnambool in the smaller satellite township of Allansford, this property features a standard quality, modern style brick dwelling of approximately 240 square metres. Beyond the dwelling, the property is improved with a six bay workshop and large store shed.

As mentioned above, if you had this kind of money to invest within the region's property market, then you have the opportunity to purchase within most market segments, from a large, centrally located character dwelling to a rural living style property on the outskirts of town.

Properties within this price range are generally owner-occupied and we don't see many of them offered for rent.

Demand in this price sector has remained relatively steady over the past few years and we predict that it will continue to remain this way over the next 12 months. However, with the impact of COVID-19 on the property market still unclear, it is difficult to make any predictions with confidence.

Queensland

Brisbane

There's plenty to dig into for this month's topic but first, a quick update on how our market is tracking.

With restrictions easing on 15 May, Queensland saw relaxations for the real estate industry.

In-house auctions can now be conducted with ten members of the public present and a maximum of three agency representatives running the auction. Open home inspections can be carried out with a maximum of ten people allowed access. Names, addresses and mobile numbers must be taken by agency staff of any attendees for contact tracing purposes too.

The easing of restrictions has seen an increase in listings and more activity at open homes. We have, however, yet to see evidence of changing transaction volumes or price movements. That said, it is worth noting that Brisbane's economy remains well placed for the future given the state's low infection rate and slow-but-steady opening of businesses.

We note with some interest that subject to there being no second wave of infection, analysts remain optimistic of Brisbane's property market remaining stable and likely for long-term recovery from this point on.

So, how should you spend that lazy $700,000?

First up, let's talk about who is buying at this price point. We are seeing activity from owner-occupiers, investors, upgraders, families and some first homeowners.

As mentioned earlier, the Coronavirus crisis has not resulted in a measurable fall in property prices across the Brisbane market generally and $700,000 is a solid value band.

That's right! Pretty much every buyer type is represented in some form.

Next, let's see where you might spend this handsome chunk of change.

$700,000 will get you within reasonable proximity of the CBD.

For example, the desirable northern suburbs of Hendra, Wooloowin and Clayfield all have entry-level pre- and post-war dwellings on 405 square metres in secondary locations within this price point. If you want to be within these desirable addresses and need something a bit newer, consider a new or near-new townhouse with three-to-four bedroom, two-bathroom, two-car accommodation.

114 Richmond Street, Gordon Park sold in June 2020 for $730,000
Source: realestate.com.au

In locations such as Gordon Park, Stafford and Kedron, a detached dwelling on 405 square metres would be a good option. In fact, we consider this a very strong market sector at present with good capital growth potential. If you have the money and are keen to invest, put these suburbs on your shortlist.

Windsor, Wilston and Newmarket are well-serviced, inner-north addresses popular with families. There are some stunning residences here, however at this price point you're likely to buy a modern townhouse that will have good value growth potential over the long term.

Heading south and the Carina and Carindale areas provide opportunity. A 1970 to 1980

1623 Creek Road, Carina sold in March for $710,000
Source: realestate.com.au

high-set style dwelling with three-bedroom, one-bathroom accommodation and in good condition will be within your price range. If you need another bedroom, it's still possible to buy at $700,000, but you might need to settle for a secondary position.

Other addresses south of the river and within striking distance of this price point are Coorparoo, Camp Hill and Hawthorne, but you may have to settle for something on a busy road or small lot and you're likely to find just two-bedders within the budget. Suffice it to say, you're looking for an eager seller if this is your patch and price point.

As mentioned earlier, the Coronavirus crisis has not resulted in a measurable fall in property prices across the Brisbane market generally and $700,000 is a solid value band. As such, don't expect to score a bargain due to the pandemic. A lack of listings means buyer choice is limited. In addition, many properties are trading off-market.

So, what might offer excellent bang-for-buck at $700,000 in Brisbane?

Our advice is usually to purchase as close as possible to the CBD for your budget. And in most cases, choose detached housing over and above attached housing and units. But at $700,000, your options are limited when it comes to suburbs within a five-kilometre radius of town.

As such, choose fringe to mid-ring suburbs within close proximity to school catchments, amenities and public transport. You will also get larger housing lots for your budget in suburbs a bit further out.

Our initial thoughts at this price point would be a reasonable quality home in Carina or Wynnum. Something on a circa 600 square metre allotment with an older highset dwelling to a good standard. Gordon Park, Stafford and Kedron and their detached dwellings on 405 square metre lots are good options too. This is a buoyant part of the market at the moment and has good potential to achieve capital growth.

Also – for cash flow investors, have a look in the mid-to-fringe areas for duplex, dual occupancy or multi-unit/flat properties. These structures are still available within the dollar amount and the gross returns can be very strong.

If you have your heart set on buying an apartment, then act with caution.

New apartments in mid-ring localities as well as investment product throughout Brisbane should be viewed as medium-to-high risk even though they offer a lower price point in comparison to single unit dwellings. There's still a large supply hanging over from previous years' excess development and a softening in values is evident for off-the-plan purchases.

In short, capital growth in investor style units is highly unlikely in the short term.

For example, Unit 511/22 Andrews Street, Cannon Hill just sold for $375,000. It was previously purchased for $417,500 in October 2017. That's a pretty hefty discount of 9.7 per cent over an almost three-year period.

Unit 511/22 Andrews Street, Cannon Hill Source: realestate.com.au

Instead of new, consider an older apartment with renovation potential in a good location with transport and amenities nearby.

Finally, $700,000 invested in Brisbane property will probably achieve a gross rental yield of around four to five per cent. For example, detached houses and townhouses in Gordon Park, Stafford and Kedron achieve circa $550 per week.

The future of property at this price point looks stable over the next couple of market cycles, although caution is required in the short-to-mid term under current market conditions. There's still too much uncertainty out there at present.

Gold Coast

Central

As a broad overview, the beachside localities comprising Main Beach to Mermaid Beach remain steady with a lower volume of sales at around existing price levels. Agents are generally reporting a lack of stock for sale with many potential vendors reportedly holding off selling currently.

Units in Surfers Paradise have been hit by the travel restrictions due to COVID-19, with agents reporting reduced returns for investors in short term holiday letting complexes. A follow on effect is that these owners or investors are often trying to remove the unit from short term holiday letting into a permanent rental arrangement, which appears to be having a negative impact on rental returns in the permanent letting sector as well due to the increased supply.

Houses in the suburbs remain stable.

There currently appears to be stronger market interest in well-presented or renovated rural residential properties, with one agent reporting strong interest in a recently renovated property at 13 Waratah Court, Bonogin. This is a circa 1999 fully recently renovated, part two-level dwelling providing four bedrooms and three bathrooms to the main level with a self-contained one-bedroom, one-bathroom granny flat under. The land area is 3605 square metres. The list price was $885,000 and the property sold for $915,000 with the agent reporting multiple offers over the list price.

In Main Beach, a three-bedroom, two-bathroom unit of 174 square metres situated on the third floor of the Spinnaker building recently went to contract at $745,000. This had a renovated kitchen from some years back but dated now with the bathrooms in original condition. Reasonable ccean views are available over and between buildings. This unit was purchased by a local buyer intending to renovate.

In Ashmore, $700,000 will get you a renovated three- or four-bedroom dwelling generally with a pool. The sale of 24 Mingaletta Drive, Ashmore achieved $686,000 in January 2020 and comprises a renovated, onground, single level, four-bedroom, two-bathroom, semi-modern dwelling with rendered brick walls, concrete tiled roof and one-car garage situated on a 682 square metre lot. Ancillary improvements include driveway, fencing, landscaping and pool. The dwelling was fully renovated approximately two years ago.

Mermaid Waters is located closer to the beach and Pacific Fair Shopping centre and you get a little less bang for your $700,000. A three-bedroom townhouse at 34/2 Karbunya Street sold in March 2020 for $633,000 and provides an end part two-level unit with three bedrooms, two bathrooms, a single garage and one unsecured and uncovered off-street car space. The townhouse was in mostly renovated condition with a reasonable sized courtyard and is within 400 metres of the popular Nobby Beach retail and restaurant precinct and within 800 metres of the beach.

34/2 Karbunya Street, Mermaid Waters Source: RP Data

An older style house at 56 Surfers Avenue in Mermaid Waters sold in March 2020 by remote auction for $615,000. It comprised a 1970s onground brick and tile dwelling with three bedrooms, one bathroom and single carport accommodation. This definitely represented entry level buying and was sold as a renovator. The majority of the value lies within the land value component.

56 Surfers Avenue ,Mermaid Waters Source: RP Data

If you are looking at two properties for your $700,000, then Mudgeeraba offers that opportunity as you can get two, three-bedroom, two-bathroom townhouse units. Mudgeeraba is located just to the west of the Pacific Motorway and within close proximity of Robina Town Centre. A townhouse at 24/17 Douma Drive sold in January 2020 for $330,000. Offering a 1997, part two level, three-bedroom, two bathroom attached townhouse unit with brick veneer and hardiplank walls, tile roof and one-car built-in garage plus two-car off street parking, it had undergone some internal updates which were mainly cosmetic. Similar townhouses offer a good rental return with a three-bedroom townhouse typically renting for between $400 and $450 per week.

Moving on to the housing sector within Mudgeeraba and still under the $700,000 budget, you can get a semi modern three- to four-bedroom house with a double garage starting from around $575,000. Two examples of recent house sales are:

9 Swanton Drive sold in February 2020 for $613,000 and comprises an onground, single level, three- bedroom, two-bathroom dwelling with brick and rendered brick walls, concrete tiled roof and two-car garage. The property has good external condition, good internal condition and fair presentation. Areas: Living - 125 square metres; Outdoor - 42 square metres; and Car - 44 square metres. Ancillary improvements include exposed aggregate driveway, fully enclosed yard with timber fence, gravel paths, patterned concrete paths, established landscaping and garden shed, retaining walls. The land area is 585 square metres.

29 Rainbow Drive sold in February 2020 for $700,000, comprising a renovated, three-bedroom plus multi-purpose room, two-bathroom dwelling with rendered brick walls, concrete tiled roof

and one-car attached carport. Features include: overall renovated interior with renovated kitchen and bathrooms; local and mountain views; ancillary improvements such as driveway, fencing, landscaping and swimming pool with glass pool fencing. The property has good presentation. The land area is 1,074 square metres.

29 Rainbow Drive Source: RP Data

A more centrally located area such as Carrara offers a basic three-bedroom house for between $460,000 and $500,000 which leaves change in your pocket for a small one-bedroom lowrise unit in Surfers Paradise for around $200,000.

An example of a sub $500,000 house in Carrara is 6 Mayjohn Avenue, which sold in February this year for $496,000 and offers a semi-modern style home with three bedrooms, two bathrooms and two-car detached garage and storage. The home needed some work but features included polished timber flooring, air-conditioning to the living room and kitchen, dated kitchen and bathrooms and a wet bar. The property was purchased at auction by a local buyer.

Taking your change from the Carrara purchase, you can head in to Surfers Paradise and for $200,000, Unit 19/25 Darrambal Street, Chevron Island (Surfers Paradise) will give you a 42 square metre unit on the top floor of a walk-up complex. The unit was built in 1995 and is in original condition, located west of the Gold Coast Highway but within walking distance of the beach and local restaurants, cafes and shops.

Southern Gold Coast

With a budget of $700,000, the best opportunities in the southern Gold Coast region are in areas such as Miami or Burleigh Waters. For your money, you could get a two- or three-bedroom duplex or townhouse in either of these suburbs. Both these areas and properties offer a good opportunity to purchase a relatively good sized property at the entry level price for the suburb.

Either an original three-bedroom or a renovated two-bedroom duplex or townhouse unit is achievable within the price bracket and can provide good investment returns.

The buyer profile for this area is generally couples purchasing their first investment or first property for renovation. The rental returns in the current market have significantly dropped from talking to local property managers but they are all confident there will be a rebound in the next six months.

If you were looking to purchase multiple properties or achieve a good return, any purchase close to Bond University will ensure strong rental returns and if you have $700,000 to spend, there are opportunities to purchase two one-bedroom units around Varsity for about $300,000 each with rental returns of between $375 and 450 per week.

Covid 19 update:

To date, the impact of the pandemic on the southern regions of the Gold Coast hasn't translated into a downturn either in property sales or prices. House prices remain firm, however some properties are staying on the market a little longer, although still transacting within a three-month period, with some properties as short as a few days. The rental market has been negatively impacted with heavy discounts being provided for new leases or pauses on current leases. This may see a downturn in future sale prices but this hasn't been realised yet in sale prices currently being achieved.

Northern Gold Coast

The housing market within the Brisbane to Gold Coast growth corridor has stabilised in recent weeks due to the easing of the COVID-19 restrictions. Many agents have reported strong buyer enquiry and short marketing periods due to limited available stock. This limited stock seems to stem from hesitant vendors being unwilling to place their properties on the market in the uncertain economic climate.

While the recent upturn in buyer enquiry is encouraging, most agents have expressed concern over the economic outlook for the near future, in particular over the end of JobKeeper in September and the subsequent blowback effect on the property market.

The northern growth corridor between Coomera and Eaglebly and more recently between Upper Coomera and Flagstone contains a large amount of house and land developments catering to entry

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level first home buyers and investors in which it is possible to obtain two new house and land properties (more notably Yarrabilba and Flagstone) for $700,000. However, while price points for these areas have remained relatively steady over the COVID-19 pandemic, there is currently a high level of supply for house and land packages and history has warned us that this stock can have a high level of volatility during an economic downturn.

Freehold dwellings in more established areas such as Ormeau Hills, Nerang and Upper Coomera have held a much more stable level of enquiry and outlook due to the proximity to the Pacific Motorway, large block sizes and more limited stock. Upper Coomera in particular has seen a margin of growth in the past 24 months in which prices have otherwise been generally stable in nearby suburbs. $700,000 in this area would purchase a good quality, owner-occupier home that would provide a buyer more confidence in the uncertain times ahead.

Gold Coast West

The March 2020 quarter saw some market fluctuations within the Gold Coast M1 west residential precinct and within the Scenic Rim. The roll on effect of tight government restrictions brought reduced buyer demand across most urban market segments as well as limited stock levels, with sellers choosing to sit on their hands while they wait out the effects of the COVID-19 pandemic on the property market. On the other hand, there has been a noticeable increase in demand for rural lifestyle properties in recent months, especially in areas throughout the Scenic Rim, with local sales agents confirming that more buyers are looking for properties with larger land area due to a fast changing economic climate which is having impacts on people's everyday lives.

Beginning with the Gold Coast M1 West residential precinct, a $700,000 price point will offer buyers an established, generally good-sized modern home usually with a swimming pool in a suburb such as Pacific Pines, Maudsland or Oxenford. This price point has been a popular one, especially for families (owner-occupiers) looking for modern dwellings with accommodation of four bedrooms, two bathrooms, a double garage and most importantly being close to amenities such as local schools, parks, shopping centres and major transport routes. Properties at this price point in these localities continue to also be solid choices for investors, with rental amounts ranging from $650 to $750 per week for these types of dwellings and demand still high through these challenging times. We believe this sector of the market will remain stable moving into the second half of this year.

The market for $700,000 within the Scenic Rim precinct comprises mostly rural residential parcels with a mix of older Queenslander style, semi-modern and modern style dwellings. This market and price point had outperformed standard urban residential properties through the COVID-19 pandemic and continues to attract buyers looking for secluded living arrangements with many more people now opting to work from home. Generally, these properties tend to include a secondary accommodation, which is proving a great incentive for owner-occupiers with extended family members wanting to live close by but not under the same roof. Feedback from sales agents in the Scenic Rim area have been mostly positive with the main issue being not enough stock on the market to cope with the current high demand. A strong sale in February 2020 of a rural residential property was 2063 Beaudesert-Beenleigh Road, Tamborine, QLD 4270. This recently renovated, circa 1930s, high set, Queenslander style dwelling on an easy sloping, 1.52 hectares of land located on a main road between the Gold Coast and Logan at the southern end of Brisbane was a good result for the area with the sales agent confirming there was very good buyer enquiry throughout the marketing campaign with numerous separate offers. This property is currently being rented at $695 per week – a good rental return for the new investor.

XGxgxgx Source: realestate.com.au

XGxgxgx Source: realestate.com.au

Sunshine Coast

First up, let's touch on the state of the market.

Over the past month, with virus numbers working in our favour and a relaxing of restrictions, there has been a different vibe. This is leading to increased

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traffic on the roads, shops re-opening, staff returning to offices and general confidence starting to return.

Residential and commercial agents are reporting improved enquiry. In the residential market it has been across the value spectrum.

Some notable issues that could lead to positives for the Sunshine Coast are:

- **Tourism Mix –** There have been concerns raised over the effect of international tourism. When looking at visitor statistics over the past three years, circa 80% of visitor nights on the Sunshine Coast came from domestic tourism compared to the Queensland average of circa 45%. (Source - Tourism Research Australia)
  - An early marker is that a number of holiday booking agencies and on-site managers have indicated strong forward bookings for both the school holidays and also the Christmas period.
- **Working Remotely –** A significant number of office-based professions have been forced to adapt to a new way of doing things. We were already on-line but the COVID-19 restrictions have taken this to another level.
  - Employees could be located in a completely different town, state or even country from where their employer is based. While we have been seeing this phenomenon over the past five years, it is likely to increase in the future. The new International Broadband Submarine Cable and the expansion of the Sunshine Coast airport may make this region even more attractive. (Source – Sunshine Coast Council)

When reviewing valuations of sales completed by our office and specifically properties contracted throughout May and June, in excess of 95 per cent of the sales show a discount of five per cent or less from the list price. 98 per cent of the sales occurred within 90 days.

All in all, no major declines have been noticed. Most areas are back to normal and in some cases, such as the Noosa high end market, have seen an improvement.

And now – a lazy $700,000 in 2020.

In the past we have suggested the best place to park your lazy $700,000 is in an original dwelling along the coastal strip. Basically as close to the beach as you can get. This certainly would have paid off, as it is now difficult to enter this market at this level, although it is still possible. There are still some beachside localities that provide this opportunity as well as around some of the major coastal centres. Once again, given the coastal lifestyle which is not going out of fashion any time soon, go for it.

These areas include: the Caloundra locality such as Shelly Beach, Moffat Beach, Kings Beach, Golden Beach or Battery Hill; some parts of the Kawana and Buddina locality; Pacific Paradise; Mudjimba; Marcoola; Mount Coolum and Coolum Beach. These are probably the only areas in which you may find a freestanding dwelling for around $700,000.

For investors, units in these beachside localities also provide good opportunities under $700,000 with locations around Noosa Heads, Coolum Beach, Mooloolaba and Caloundra all providing good access to tourist amenities and good rental returns at this level. It has continued to be the smaller complexes with lower body corporate fees that have been the best performing.

One market still offering value for money which we touched on last year are the hinterland townships along the rail corridors, from Glass House Mountains and Beerwah in the south through to Palmwoods, Nambour, Burnside, Woombye, Yandina and Eumundi in the north. These towns have seen some good growth over the past 24 months. A number of new subdivisions offer larger allotments with the ability to put a house and land package together for under $700,000 and in turn get a lot of bang for your buck.

The diversity of the property mix on the coast and hinterland provides a number of opportunities for owner-occupiers and investors. It is difficult to identify one location, however being as close to the beach as you can is a good start, although I would not discount the larger lots in the hinterland given the ability to purchase more for your money.

Most areas are back to normal and in some cases, such as the Noosa high end market, have seen an improvement.

Rockhampton

Over the past month, we continued to see residential property in the Rockhampton region (including the Capricorn Coast) selling. Well-presented properties continued to be snapped up by purchasers and Rockhampton and the Capricorn Coast is continuing to see an upward shift in prices. With the continued easing of restrictions, it is likely this trend is set to continue should the number of COVID-19 cases remain low in our region. Regionally, we have been fortunate to have a very small number of COVID-19 cases, despite highly publicised concerns of a local outbreak, which fortunately did not eventuate.

As for a lazy $700,000 in the Rockhampton region, we are fortunate to have a few options available for all buyer types.

Owner-occupiers can generally find themselves an above average quality home in a well-regarded suburb, either a modern residence with quality fixtures and fittings with pool and shed on a park residential allotment (4000 square metres), or a renovated Queenslander on a typical residential allotment. There does tend to be a gap of available stock on the market around $700,000 in this market sector in south Rockhampton, however stock is more readily available in the northern suburbs.

2 Wheatcroft St, The Range sold for $715,000 Source: CoreLogic

Investors wanting to enter our local markets with $700,000 have the option of purchasing a number of smaller, older homes. This would provide a better return to the investor than purchasing one property for $700,000 with a view to leasing. Entry level into the residential market in Rockhampton for instance for a two-bedroom home in Rockhampton City, out of flood is around $150,000 with average rents around $220 per week. A particular investor may choose to scale up to a mid-range, well maintained, 1970's high set, three-bedroom property for between $250,000 and $300,000 to rent for between $300 and $350 per week. Having the budget to purchase multiple properties minimises vacancy rates for an investor's overall portfolio and also provides opportunities for capital growth, particularly in the current climate.

Duplexes or sets of flats are likely to provide the best returns from an investor's perspective. Gross yields on sets of flats range broadly between six per cent and nine per cent in the region, with the majority of flats returning around seven to eight per cent gross. Standard duplexes typically require an initial investment in the mid to high $200,000s. A group of four to six flats should be obtainable with a $700,000 budget depending on location, condition and room accommodation.

$700,000 in the Rockhampton region is considered a healthy budget to park in our market and investment in a combination of property types allows the purchaser to benefit from the combined positive attributes across each property type.

On the Capricorn Coast, $700,000 is likely to buy a modern, elevated four-bedroom home with a reasonable ocean view, or alternatively, a beach shack on a small lot with very good ocean views and either beach frontage or across the road from the beach in popular Cooee Bay. Acre lots improved with a comfortable dwelling, pool and shed would also be reflective of a $700,000 purchase price.

10 Scarborough Dr, Lammermoor sold for $715,000 Source: Core Logic

The unit market in the region is generally quite small, however there are limited opportunities for modern units in high rise complexes either on the Riverfront in Rockhampton or opposite the Yeppoon Main Beach.

503/32-34 Anzac Pde, Yeppoon sold for $700,000 Source: Core Logic

Overall, we foresee this market sector continuing to perform at a steady rate and with current market conditions, a prudent purchaser can feel confident investing in these market sectors. The region is starting to see the economic benefit of a number of infrastructure projects which have been able to continue to progress despite COVID-19 restrictions over recent months.

Gladstone

There is news to report this month! COVID-19 appears to have kick started our market all over again with the volume of sales going through the roof! There has been a significant increase in the number of sales occurring over the past few weeks. We have also started to see prices pushing the upper boundaries for several properties. If volumes continue like this, it is only a matter of time before demand outweighs supply and we start seeing further price growth.

For $700,000 in the Gladstone region, you have a multitude of options to choose from.

First up, if you're an owner-occupier buying just one property, you can get a large, well appointed home with all the bells and whistles in an established suburb, typically on a 1,000 square metre plus allotment with a pool, sheds etc. Alternatively, for around the same money, you can drive ten to 15 minutes out of town to the rural residential suburbs of Beecher, Burua, Calliope or Benaraby and you will get roughly the same improvements, just on a larger allotment.

2 Swagman Dr, Benaraby sold for $720,000 Source: Core Logic

Investors wanting to enter our local markets with $700,000 have the option of purchasing a number of smaller, older homes. This would provide a better return to the investor than purchasing one property for $700,000 with a view to leasing.

Entry level into the residential market in Gladstone for instance for a three-bedroom home in West or South Gladstone is around $175,000, with rents between about $200 and $250 per week. Alternatively, an investor could buy two modern, four-bedroom, two-bathroom brick homes in the suburb of Kirkwood with achievable rents of around $350 per week. A more modern home brings in depreciation benefits which are also attractive to investors.

Duplexes or sets of flats are likely to provide the best returns from an investor's perspective. Gross yields on sets of flats range broadly between six per cent and 12 per cent in the region, with the majority of flats returning around nine to ten per cent gross. Standard duplexes typically require an initial investment of between $150,000 and $300,000. A group of four to six flats is also definitely obtainable with a budget somewhere between $300,000 and $550,000 depending on location, condition and room accommodation.

Emerald

As approximately 95 per cent of Central Highlands' properties fall under $700,000, so it's more a matter of how many would you like? In Emerald, it will get you the top five per cent of residential market properties with $685,000 being our top in recent months for a 450 square metre under roof home with full wet bar, pool, shed, outdoor entertainment area and high quality fittings and fixtures. It would also get you the average rural residential property from eight to 40 hectares with the range being mostly $575,000 to $1.1 million. Investors can buy multiple houses depending on location and age or a couple of duplex or triplex properties returning eight to ten per cent gross yield.

In Moranbah, $700,000 currently covers the whole residential market with the highest sales recently being triplex and quadplex properties from $600,000 to $700,000 returning ten per cent gross yield.

The market currently feels unaffected by COVID-19 and it's business as normal with values slightly firming and rents firming. We are very cautious however with the current low coal prices as we typically see a market correction. Contractors in the resource industry have started to be put off and the prediction is more to come depending on the coal price, demand and the Australian dollar. At the same time, we are seeing mixed signals with demand for workers elsewhere, large equipment purchases and still very tight vacancy rates. Watch this space.

Mackay

Monthly COVID update - Mackay has fared relatively well economically through the current COVID-19 crisis. The major industries of mining, mining services, infrastructure projects and agriculture have been virtually unaffected. Employment opportunities in the Bowen Basin and mining services have continued to be strong and with the sugar crush about to commence, increased employment in the agricultural sector should begin. The only set back is the price of commodities with metallurgical coal and sugar currently at low prices.

The effect of COVID-19 on the residential market has been fairly limited. Once the initial shock and reservation over restrictions eased, the market has become very buoyant, with local agents reporting increased buyer demand. This is coupled with a slight decrease in stock with nervous sellers holding off, resulting in ideal conditions for an active market with some agents reporting near record month sales.

Entry level into the residential market in Gladstone for instance for a three-bedroom home in West or South Gladstone is around $175,000, with rents between about $200 and $250 per week.

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> *$700,000 won't get you into rural residential properties in Redlynch or the Northern Beaches, however properties around Gordonvale would be available.*

So on the back of this, what's the lazy $700,000 get you in Mackay? At present, a lot, although not quite as much as it did 12 months ago! For $700,000 you can get large modern executive style houses in the modern estates, usually with a pool and shed. If older and character is your style, you can buy virtually any older style Queenslander for this amount. It will be fully renovated back to its former glory and you should have enough change in the pocket for a pool and a shed!

On the investment side of things, the rental market in Mackay has become very tight, with vacancies falling and rentals rising. Some of this is attributable to fly in fly out workers relocating to the region due to cancellation of flights and increased employment as discussed above. Gross yields on multi residential properties range from mid six per cent for good quality modern duplexes, up to between 8.5 per cent and ten per cent for larger, older style flat complexes of between four and six flats. With rental levels increasing, these yields are getting higher, as the increase in rentals is happening at a far faster rate than the increase in market values.

Cairns

The Cairns residential market has held up reasonably well in recent months with values remaining fairly resilient although transactions are down as a result of reduced supply (vendors pulling properties from the market or not proceeding with listing) and purchasers are mainly looking for owner-occupied housing. Investors have mostly disappeared. An increase in the supply of rental property shifting from the holiday letting market back to the permanent market seems to have reversed with available rental properties on realestate.com.au falling back to pre-COVID-19 levels in June 2020. The fate of the Far North Queensland property market now rests in the Premier's hands as with closed borders our prospects are dire. We are concerned about how the market will hold up in 2021 once government support and stimulus measures have finished and mortgages can no longer be deferred.

As for our topic, $700,000 is a reasonably healthy budget in Cairns if you are looking for a better than average family home in a good suburb. You probably won't get a view unless the house needs some work.

$700,000 won't get you into rural residential properties in Redlynch or the Northern Beaches, however properties around Gordonvale would be available.

Owner-occupied units in the CBD or on the beaches are available however with the lack of construction in recent years, the unit will be ten-plus years old and possibly showing its age.

In the regions (Douglas, Atherton Tablelands and Cassowary Coast), $700,000 will buy you a really nice residential home or a slightly above average rural residential property. You'll struggle to find anything with Tinaroo Dam frontage or larger rural lifestyle properties (above three hectares) on the Tablelands close to the major towns. We are seeing an increase in activity and prices for hobby farms around this value level throughout the Southern Tablelands.

$700,000 will go a long way in the Cassowary Coast with most areas showing strong value relative to the Atherton Tablelands, although this is mainly due to inferior economic conditions and climate.

Hervey Bay

Monthly COVID Update - It appears to be business as usual for the Fraser Coast property market. Properties are continuing to sell with some pushing the top end of parameters. In an already tight rental market, demand is continuing to tighten which is resulting in some rate increases. In a couple of cases, this increase in the rental rate per week has seen some of the lower priced investment properties show a positive cashflow return. Local agents continue to report limited stock and steady to strong demand. Some interstate buyers are even purchasing sight unseen (well, untouched in this now virtual world) so that they don't miss out on a property. Builders are reporting solid enquiry since the government's announcement regarding the construction incentive with many booked out until the end of the year.

What's a lazy $700,000 get you? In Hervey Bay, this price point will place you just into the upper asset class across a broad range of property types. This amount will allow a modest home on the Esplanade or one of the more executive units on the upper levels. If it is size you are after, then you may find an acreage lot in Wondunna with a large home and extensive ancillary improvements such as pool and shed or acreage in Dundowran Beach or Craignish in close proximity to the beach, again with well appointed improvements. This price range is generally an owner-occupier market so if it is an investment you are after, then possibly split this amount into two smaller properties. Our rental market is strong and investment properties in the $300,000 to

$400,000 market are generally showing a gross yield in the five to 6.5 per cent range. Duplex and flats style properties are possibly achieving towards the higher end of this range compared to a single dwelling investment. This is again underpinned by our strong rental market.

$700,000 in the Maryborough market has the potential for a broad portfolio. If it is a home you are after, then this price will place you in the top end of the market either in a riverfront location or large rural lifestyle property. For an investor, Maryborough's rental market is improving and in some cases returns are showing a positively geared cashflow. Blocks of flats have historically shown the best return with some achieving almost ten per cent gross yield. Based on historical sales, this price could see two blocks of flats added to the portfolio. Capital works are however generally required on these types of properties so the true return after refurbishment is lower.

Townsville

We are continuing to see positive activity in the current market with house sale volumes beginning to regain momentum and anecdotal evidence suggesting an increase in activity around land sales and new home construction. Agents report that the amount of stock available for sale is depleting as new listings have slowed.

When considering the option of where to park a $700,000 investment in the Townsville residential property market, the inner city suburbs of North Ward, Townsville City, Belgian Gardens, Rowes Bay and South Townsville are the first to mind. These suburbs are sought after locations close to The Strand, entertainment hubs and the recently completed Townsville Queensland Country Bank Stadium. Historically speaking, these inner suburbs are the first to experience price growth when the market moves and we have already started to see prices firming to slightly increasing in these locations.

The options for this $700,000 investment would be an already renovated property within one of these locations or an entry level property with the extra money put towards a renovation along with the added benefit of the current $25,000 renovation grant.

North Ward is arguably the prime location for an entry level buy and renovate option due to its locational appeal. A renovator house on a small lot would be priced from around $400,000 or on a larger lot, around $500,000. These options provide for a renovation budget of $200,000 to $300,000 which would allow for a substantial renovation or extension.

Whitsunday

The Whitsundays is opening up!

It is exciting news that Daydream Island is opening up along with Hamilton Island's scheduled opening on 1 August. Flights are now landing at the Whitsunday Airport! Hamilton Island airport will be opening as well. Cruise Whitsundays is back on the water with their ferries to and from islands and reef trips. It is just amazing to see activity around Airlie in the past couple of weeks. Lots of the tourist operators are back on the water as well. While there are still restrictions on restaurants and eateries, it is teaching us all to plan and ring and book ahead of time.

The lazy $700,000 will buy you lots of different things in the Whitsundays :

- A small acreage with a shed or a pool with a modern house up to 20 years old;
- A new, modern four-bedroom, two-bathroom home with double lock up garage and a shed or pool on a 1,000 to 2,000 square metre lot in a modern residential suburb;
- An older dwelling with distant ocean views that may require some refurbishment to bring it up to a modern standard on a standard size residential lot.

Monthly COVID-19 update: Over the past month, we continue to see residential property in the Whitsundays selling. Well-presented properties continue to be snapped up by purchasers. With the continued easing of restrictions, it is likely this trend is set to continue should the number of COVID-19 cases remain low in our region.

We do need tourists back to help all business in the Whitsundays and as restrictions are easing, the Whitsundays are all ready to welcome everyone back, even the whales and their calves!

Darling Downs

Market activity in the Darling Downs region remains steady, however there are early signs of an uplift, particularly in the vacant land space. Builders are reporting a surge in new dwelling construction enquiries, particularly from first home buyers. An emerging challenge for these markets is the rapid absorption of vacant land with lots now in strong demand and limited supply.

We do need tourists back to help all business in the Whitsundays and as restrictions are easing, the Whitsundays are all ready to welcome everyone back, even the whales and their calves!

The development of new housing estates in Toowoomba slowed significantly in the past three years due to reduced demand for land and a slowing broader economy. With recent government stimulus announcements focusing on the construction sector, to be built homes have been opened up to people who were previously unable to afford the cost of land and construction.

With a specific focus on the $700,000 price point, a very well-presented dwelling or acreage holding can be secured in the Toowoomba region. Approximately 85% of all dwelling sales in the Toowoomba region are in the sub-$500,000 price bracket with the market much less active in the higher price points.

$700,000 will buy a renovated colonial dwelling in the eastern suburbs such as East Toowoomba, North Toowoomba and Mount Lofty while a modern, four-bedroom, brick veneer dwelling can be secured in Middle Ridge and Rangeville. There is limited sales activity in this price point in the more affordable western suburbs such as Glenvale, Harristown and Wilsonton.

A recent example is a renovated, three-bedroom dwelling in Mount Lofty which sold for $725,000.

Mount Lofty sale Source: RP Data

A three-bedroom, renovated colonial dwelling sold in East Toowoomba for $720,000.

Eleanor Street sale Source: RP Data

In terms of acreage options, well developed lifestyle properties can be found in Highfields, Cabarlah, Hodgson Vale, Preston and Ramsay for around the $700,000 price point.

A large, well presented, five-bedroom colonial reproduction dwelling in Hodgson Vale sold for $710,000.

Hodgson Vale sale Source: RP Data

As this segment of the market is dominated by owner-occupiers, rental evidence and yield information is limited in the Toowoomba region. Broader evidence indicates gross rental yields to be in the vicinity of 3.5 per cent to 4.5 per cent at this price point.

The outlook for residential properties in this higher price bracket may be volatile given the relatively small market segment in this region and the more discretionary type buyer who may be more heavily impacted by the COVID-19 pandemic.

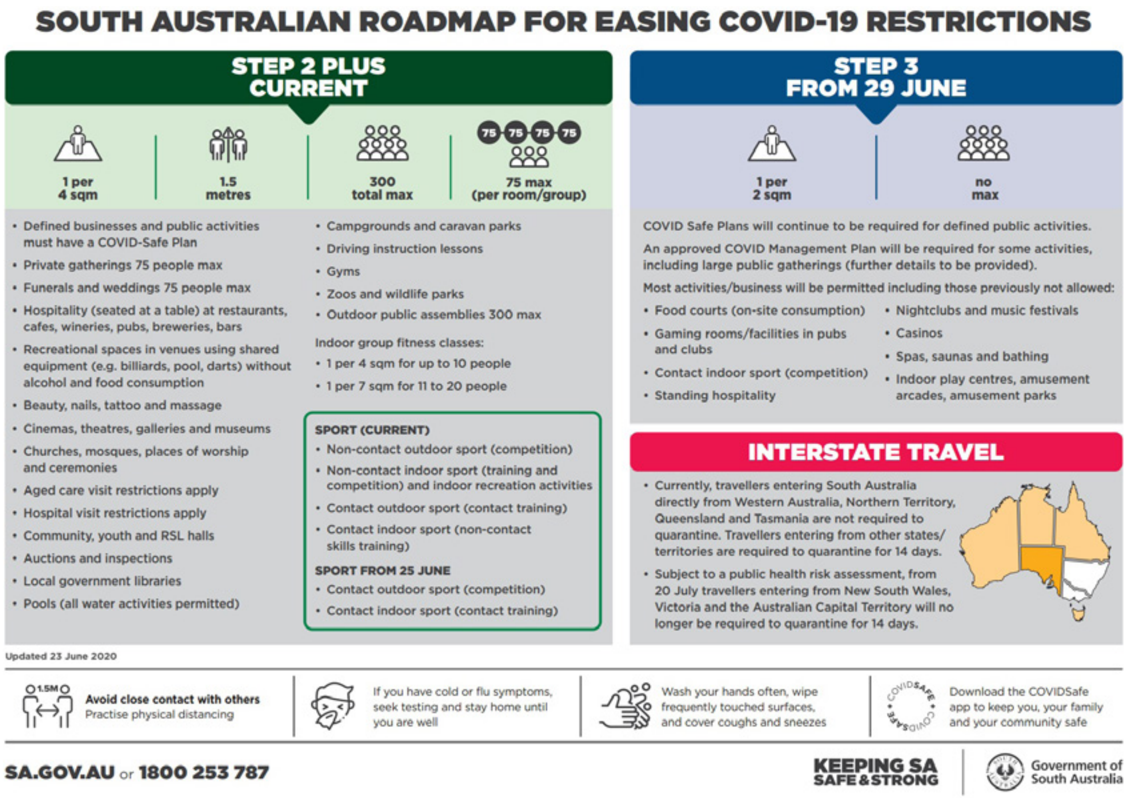
South Australia

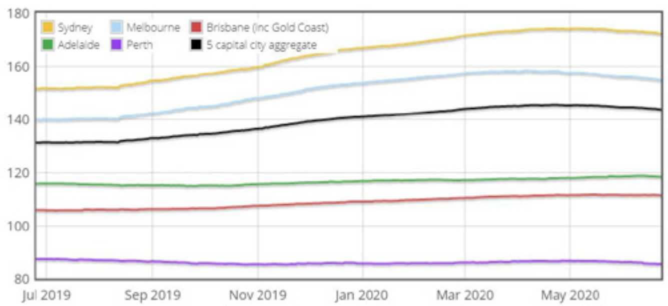
Adelaide

Since 22 April, South Australia has recorded only two new COVID-19 cases, both of which were imported. With tight border security and strict social distancing measures implemented early, the state has essentially eradicated the virus locally. Social distancing restrictions have continued to ease and from 29 June, venue capacities will be increased to one person per two square meters without a limit on capacity. This has been positive news for the labour market after the unemployment rate climbed to 7.9 per cent in May.

On the back of strong market activity in the latter part of 2019, the market has remained resilient under exceeding pressures, generating a 0.4 per cent increase in dwelling values in May. Auction data for the week ending 21 June indicated a clearance rate of 65 per cent from 41 auctions; at the same time last year, the clearance rate was 53 per cent from 106 auctions. The data suggests that stock levels are low as vendors remain reluctant to dip their toes back into the market whilst buyer activity remains strong. Agent feedback supports this trend with many reporting limited stock but buoyant sales activity over the past four weeks.

The most recent CoreLogic data suggests that the tide however could be turning. In the second week of June, the Hedonic Price Index suggested property values in South Australia have entered the initial stages of a decline cycle. This data will continue to be reviewed in the short to medium term to gain a greater understanding of where the market is heading.





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In a market with a median house price of $480,000, a lazy $700,000 goes a long way.

In a market with a median house price of $480,000, a lazy $700,000 goes a long way. This price point is considered to be representative of the middle and inner rings where suburban median house prices range between $600,000 and $800,000. Owner-occupiers and cashed up investors are most active at this price point with low interest rates making a $700,000 purchase more accessible to the broad market.

Gross yields of four per cent are typical at this price level, which is considerably below the seven to nine per cent achievable in the outer ring. What this market lacks in rental return is made up for in capital gains as the inner and middle rings have historically been the best performing for capital gains.

Turn of the century character dwellings are considered the best performing property type at this price point. Properties of this nature are forever exceeding expectations when it comes to achievable price levels, are popular with the rental market and provide the greatest prospects for capital growth over the long term.

Well serviced suburbs within the inner portion of the middle ring, five to seven kilometres from the CBD, are considered to provide the best prospects for growth at this price point in the long term. Prospect to the north, Felixstow to the north-east, Cumberland Park to the south and Lockleys to the west have the attributes fitting the required mould.

Prospect is located five kilometres north of the Adelaide CBD and is characterised by early 1900's dwellings on a mixture of allotment sizes ranging from low to high density. The suburb runs north-south and has a number of sub markets. Price levels can vary street by street with the most noticeable differential being the portion of the suburb located north of Regency Road. The suburb is serviced by the Prospect Road retail and food and beverage precinct and is located in close proximity to the northern Adelaide Parklands. Prospect has seen strong growth over the past four years and currently has a median house price of $710,000. Characterising this price point is the sale of 36 Da Costa Avenue which achieved a sale price of $685,000 after an eight week marketing campaign. This property provides a well presented and updated brick bungalow disposed as three bedrooms and one bathroom on a 500 square metre allotment.


36 Da Costa Avenue Prospect Source: realestate.com.au

Felixstow is located 6.5 kilometres north-east of the Adelaide CBD and is characterised by 1950's to 1970's brick dwellings on medium to low density allotments. The suburb is currently going through a period of urban renewal kicked off by the sale of 83 housing trust homes in late 2018. This suburb is located in proximity to the Marden Shopping Centre and Klemzig O-Bahn Busway interchange. Of most appeal to this suburb is the recently refurbished Felixstow Reserve and proximity to Linear Park. Felixstow has a current median house price of $600,000. Selling for $695,000 and $701,000 respectively are: 5 Kapoola Avenue, a development site comprising a single level brick dwelling on 850 square metres; and 38a Laver Street, a circa 2016 four-bedroom, two-bathroom dwelling on 440 square metres, representative of the property types available at this price level.


5 Kapool Avenue Felixstow Source: realestate.com.au

Cumberland Park is located six kilometres south of the CBD and is characterised by early to mid-century dwellings on medium to large allotments. This suburb is located in proximity to a number of major transport routes providing direct access to the CBD, Adelaide Hills, Fleurieu Peninsula and metropolitan beaches. The suburb has become popular with young families and has a current median house price of $713,000. The sale of 6 Narinna Avenue for $730,000 is representative of this price level. The property comprises a partially renovated circa 1960's cream brick dwelling disposed as three bedrooms and two bathrooms. The property has well landscaped yards and a land area of 734 square metres.

6 Narinna Avenue Cumberland Park Source: realestate.com.au

Established in the mid 1950's, Lockleys is located seven kilometres west of the CBD and comprises a mixture of mid to late 19th century homes and newer infill development. Henley Beach Road intersects the suburb, providing direct access to both the CBD and metropolitan beaches. Located adjacent to Kooyonga Golf Club and sharing its northern boundary with Linear Park, the suburb has historically been popular with older professionals. Price levels can vary between the northern and southern portion of the suburb, which has a current median house price of $650,000. Both 10 Kingswood Crescent and 31A Lorraine Avenue, which achieved sale prices of $710,000 and $715,000 respectively, are representative of the infill development occurring. Both properties comprise single level detached dwellings disposed as three bedrooms, two bathrooms and a double garage on 400 square metre allotments.

10 Kingswood Crescent Lockleys Source: realestate.com.au

With low stock levels, demand at this price point should remain resilient in the short to medium term. This should provide confidence for both vendors and purchasers looking to throw their hats into the ring whilst navigating through COVID-19 turbulence.

Western Australia

Perth

The Perth residential median house price fell by 0.6 per cent to $475,000 at the end of May according to the Real Estate Institute of Western Australia (REIWA). 2,153 sales were recorded over the month of May, a 41.3% increase compared to April which can be attributed to the easing of restrictions throughout the state in response to reduced COVID-19 cases. There were 593 transactions recorded over the first week of June which was six per cent lower compared to the final week of May. Vacant land transactions fell 35 per cent over the recorded period as anticipation built about a pending stimulus package. There were 11,319 properties listed for sale at the end of 7 June which was in line with the previous week, but is three per cent lower than a month ago and 30 per cent lower than this time last year.

REIWA data has revealed that Perth's rental stock decreased by 17 per cent in May to 4,676, the lowest recorded monthly figure since November 2013. It was also a 38 per cent decrease compared to the same time last year. The median rent recorded during May was $350 per week, which was the same as April. REIWA president Damian Collins expects that the median rent is likely to remain stable until the end of the year as the Residential Tenancies (COVID-19 response) Act 2020 only allows new rentals to charge increased rents.

For the eleventh quarter in a row, Western Australia has been announced as Australia's most affordable state to live in according to the latest Real Estate Institute of Australia's Housing Affordability report.

For the eleventh quarter in a row, Western Australia has been announced as Australia's most affordable state to live in .

The COVID-19 pandemic has affected the Perth residential market, however house prices and rents remained relatively steady throughout the March quarter. The Housing Affordability Report showed that on average the proportion of family income paid on rent in Western Australia was only 16.6 per cent in March, compared to other states which reached up to 30.5 per cent. For Western Australian homeowners, the proportion of family income required to meet home loan repayments was recorded at 25 per cent over the March quarter. Although affordability improved throughout the nation, it is reported that in New South Wales, homeowners still pay an average of 42.5 per cent of their family income on home loan repayments, significantly more than Western Australia.

In south-west Western Australia, sales volumes were down significantly in April and May, however the anticipated drop in values as a result of COVID-19 did not seem to eventuate. Sales that did occur during this period appear to have held their values. Bargain hunters did show up but were left disheartened as buyers held firm. More recently, tourists have streamed back into the region in large numbers as regional travel restrictions were lifted. This is likely to result in an upswing in demand for holiday homes in a region that has been only lightly touched by COVID-19 infections.

On the back of the state and federal government building stimulus packages, there has been a spike in demand for vacant land and in some instances, lots are selling for above their asking price as people camp out at sales offices to be first in line for a block of land. There appears to be renewed activity in the established market as well with agents reporting very low listing numbers in established areas and a sense of urgency is lurking under the surface.

Bull Creek is a suburb located 15.5 kilometres south of the Perth CBD. The median house price settled at $701,000 at the March 2020 quarter, a 6.2 per cent fall compared to this time last year. The suburb has a number of high quality amenities surrounding it including shopping centres and highly sought after public and private schools. Pictured below, this property sold for $720,000 in February 2020 and is a circa 1980 fully renovated four-bedroom, two-bathroom dwelling with a double carport. The property resides on a 693 square metre survey strata block with a large back yard including an external patio and a spacious outdoor area.

Willetton is located 18 kilometres south-east of the Perth CBD and consists mainly of three- and four-bedroom family homes constructed from the 1970s onwards. The median house price recorded for the March 2020 quarter was $690,000, which grew 0.7 per cent from the same time last year. 31 Ebro Way, Willetton sold for $704,500 in March 2020 and was on the market for 27 days.

The property is a circa 1984 partly renovated three-bedroom, one-bathroom dwelling situated on a 684 square metre block with a double carport. The outdoor area of the property is the centrepiece with a built in bar, café blinds, below ground pool, fire pit and cabana.

31 Ebro Way, Willetton Source: realestate.com.au

31 Ebro Way, Willetton Source: realestate.com.au

Coogee is a suburb located 29 kilometres south-west of the Perth CBD and is a highly sought after location being close to the Indian Ocean and having a variety of properties, many with spectacular ocean views. Coogee has however become more affordable over the past two years as the 2018 median house price for the suburb was $822,500 and the median house price in Coogee recorded in the March 2020 quarter was $730,000. The $700,000 range represents an entry level dwelling for the suburb, for example, 4 Longreach Parade, Coogee sold for $730,000 in February after being on the market for 24 days. The property features a circa 1989 built partly renovated four-bedroom, two-bathroom dwelling with a double garage situated on a 705 square metre block. The house offers a large 250 square metres of living space of good quality improvements as well as gable patio to the rear and a below ground pool.

4 Longreach Parade, Coogee Source: realestate.com.au

4 Longreach Parade, Coogee Source: realestate.com.au

Palmyra is a suburb located 17 kilometres south-west of the Perth CBD and consists mainly of dwellings, which account for 57 per cent of total properties, and duplexes and townhouses, which account for 40 per cent of the total properties in the suburb. The suburb is located near a number of high quality amenities such as shopping centres, schools, parks and the tourist hotspot of Fremantle. Palmyra is considered an entry level suburb into the sought after Melville locality.
The median house price of Palmyra recorded in the March quarter was $625,000, which was the same amount recorded this time last year. 69A Elvira Street, Palmyra is a good example of what $690,000 could offer for a quality product in the suburb. The property sold for $690,000 in March and was only on the market for 30 days. The property features a fully renovated 1955 street front survey strata three-bedroom, two-bathroom dwelling with a double carport situated on a 435 square metre block. The property offers 144 square metres of living and the strengths of this house are the stylish kitchen, bathroom and entertaining area. Although this property is small, it has been refurbished to a high standard and could easily be located in another suburb close by and not look out of place.

69A Elvira Street, Palmyra Source: realestate.com.au

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69A Elvira Street, Palmyra Source: realestate.com.au

Como is an established suburb located just eight kilometres south of Perth and is comprised of houses dating back to the 1950's, along with a large number of duplexes and villas, which contribute over half of the properties within the suburb. The median house price recorded in the March quarter was $875,000, a 5.9 per cent decrease compared to the same period last year. The best option for a $700,000 purchase would be to purchase a townhouse or villa, such as 107B Ryrie Avenue, Como which sold in March for $735,000. It is a rear duplex unit constructed circa 1990, featuring three bedrooms, two bathrooms and a double carport situated on a 616 square metre block. Internally the dwelling provides 159 square metres of living area and has been renovated to a high specification with an open plan living area, marble flooring, high raked ceilings and updated bathroom and kitchen. Externally the property has a spacious entertaining area with timber flooring, built in cabinetry and below ground pool.

107B Ryrie Street, Como Source: realestate.com.au

107B Ryrie Street, Como Source: realestate.com.au

Burswood is a suburb located six kilometres south-east of the Perth CBD comprised predominantly of units and apartments. The median unit price in Burswood is $615,000, which has fallen 9.1 per cent compared to the previous year, reflecting the challenges experienced in the apartment market in some locations. Crown Perth is located within the suburb with an array of bars, hotels, convention centres and casino, along with Perth's Optus Stadium. Two-bedroom, two-bathroom apartments a few years ago were priced at over $800,000, however in the current market, the starting price point is much lower and offers the best value for a $700,000 budget. For example, 1/23-27 Bow River Crescent, Burswood sold for $750,000 in February. The unit is situated within a circa 2008 built complex and is a two-bedroom, two-bathroom first floor apartment of 120 square metres of living. The apartment has distant city views as well as views of the Crown Casino and the peaceful river situated behind the complex.

1/23-27 Bow River Crescent, Burswood Source: realestate.com.au

1/23-27 Bow River Crescent, Burswood Source: realestate.com.au

Hillarys is a suburb 23 kilometres north-west of the Perth CBD and is located along the coastline of the

Como is an established suburb located just eight kilometres south of Perth and is comprised of houses dating back to the 1950's, along with a large number of duplexes and villas.

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HERRON TODD WHITE RESIDENTIAL

state. It includes the attraction of Hillarys Marina consisting of popular cafes and restaurants. The median house price recorded in the March quarter was $750,000, a two per cent fall compared to the previous year. The suburb consists mainly of dwellings at 88.9 per cent of the suburb's property types, with some dated from circa 1970 onwards. Sections of the suburb have recently undergone zoning changes, which have seen developments and subdivisions increase within the suburb. For example, 3 Nash Street, Hillarys sold for $740,000 in February. The property is a circa 1972 renovated four-bedroom, two-bathroom dwelling with a double carport situated on a 754 square metre block. The dwelling has 248 square metres of living area and externally there is a below ground pool and gable patio. The land is zoned Residential R20/60 and has confirmation from the local council that the property has subdivision potential of four to five lots. Along with the subdivision potential, the existing house is also in a good condition to rent out for a set period of time and benefits from parkland access to the rear of the property. Currently the median rental for a four-bedroom property in Hillarys is $560 per week as at 15 June.

Scarborough is a suburb located 13 kilometres north-west of the Perth CBD and is the location of one of Perth's most iconic beaches. In 2017, a redevelopment was undertaken on the Scarborough foreshore area with over $54 million being spent by the state government and local council to revitalise the area in order to improve its reputation and create a new family oriented destination. The suburb has a diverse range of options for property types for people looking to enter the suburb, which mainly consists of villas and townhouses covering over 50 per cent of all properties. Old character dwellings that have been completely renovated to a modern standard, circa 1940s onwards, are also available and would represent the best value currently for $700,000 in this market. The median house price for the suburb for the March quarter was $736,000, which was only a 0.8 per cent decrease from the previous year.

129 Burniston Street, Scarborough sold in April for $727,500, having been on the market for 40 days. The dwelling is a fully renovated circa 1948 street facing survey strata three-bedroom, two-bathroom dwelling with a secure double carport situated on a 370 square metre block. The renovations completed on this property retained the character of the home and provide a modern and traditional style of living that is highly sought after in this pocket of the suburb.

129 Burniston Road, Scarborough Source: realestate.com.au

Located 17 kilometres north-west of Perth, Duncraig is a suburb that will offer buyers an abundance of options for the $700,000 budget, with a number of four-bedroom, two-bathroom family homes being offered in the market. The March quarter had the median house price of the suburb at $656,000 which was a 2.8 per cent decrease compared to this time last year. In the suburb you can find properties dating back to circa 1970s that have been renovated and are on generous sized blocks perfect for families. In January, 8 Mohonia Place, Duncraig sold for $722,000 having been on the market for 12 days. The property is a circa 1987 renovated four-bedroom, two-bathroom dwelling with a double garage situated on a 705 square metre block. It offers 170 square metres of living area with a recently renovated kitchen and master bathroom as well as a spacious entertaining area outside with a gable patio and below ground pool. This is just one of many examples of four-bedroom, two-bathroom dwellings offered within the suburb at an affordable option in a great location.

8 Mohonia Place, Duncraig Source: realestate.com.au

Down in Mandurah, most options around the $700,000 mark include apartments and units along the canals. You can purchase three-bedroom, two-bathroom, waterfront apartments built between 2005 and 2010 for between $600,000 and $800,000. This will get you between 160 and 210 square metres of living area.

Just seven kilometres south-east of the Mandurah town centre is South Yunderup. The median house price settled at $492,500 for the March quarter, falling 6.2 per cent over the year. South Yunderup consists mostly of waterfront canal properties along the Murray River built from the early 1990's onward. Further south-east there has recently been more development along Forrest Highway at Austin Lakes Estate, though there are no canal views on offer here.

92 Moyup Way, South Yunderup sold for $710,000 in June 2019 after just one day on the market. The 650 square metre allotment is improved with a circa 2008, three-bedroom, two-bathroom dwelling. The property boasts private access to the canal with a timber jetty and a timber decked alfresco area.

92 Moyup Way, South Yunderup Source: CoreLogic, 2019

92 Moyup Way, South Yunderup Source: CoreLogic, 2019

Up in Perth's north-east, Brabham is a developing suburb 17 kilometres from the CBD. Dominated by

Essentially, with $700,000 you could build a large family home to a good standard.

project-style homes on 250 to 500 square metre allotments, $700,000 goes a very long way here. Unless you're looking at the few 2,000 square metre allotments along Park Street, Brabham's ceiling is around the $600,000 price point. The median house price in Brabham settled at $380,000 for the March 2020 quarter, falling 6.2 per cent over the year.

47 Cob Road, Brabham has recently been listed on realestate.com.au. Asking $579,000, this four-bedroom, two-bathroom home was built circa 2013 and boasts a cedar lined, gabled alfresco with timber decking, outdoor seating and pool, built on a 512 square metre allotment.

Essentially, with $700,000 you could build a large family home to a good standard, with good quality ancillary improvements and you would still have a bit of change left over.

47 Cob Road, Brabham Source: realestate.com.au

47 Cob Road, Brabham Source: realestate.com.au

Moving seven kilometres north of Brabham, The Vines presents plenty of options around the $700,000 range. The median house price settled at $631,250 for the March 2020 quarter, falling 3.6 per cent since a year previous. Development in The Vines began around 1990 as a Country Club Estate, centred around two 18-hole golf courses which traverse the suburb. Properties here consist mostly of larger allotments of between 2,000 and 5,000 square metres, but more recent development has seen a number of 400 to 800 square metre lots available for purchase.

27 Tolladine Vista, The Vines Source: CoreLogic, 2020

27 Tolladine Vista in The Vines sold in March for exactly $700,000 after 59 days on the market.

In the Perth Hills, Roleystone presents a few options around the $700,000 price point.

The 807 square metre allotment directly faces The Vines Golf Course and is improved with a circa 2007 home providing four-bedroom, two-bathroom accommodation with a double garage. Ancillary improvements include a pool and alfresco.

Travelling further north to Lower Chittering, it is common for purchasers to be driven by land for animals or equestrian purposes. Good sized family homes are available here however a lot of value is taken up by ancillary items such as fenced, cleared paddocks or stables.

34 Charolais Trail breaks our budget by $50,000 but is a good example of what product is available. Selling in April 2020 for $750,000, this property is improved with two dwellings. The first is a four-bedroom, two-bedroom family home built circa 2013. The second dwelling is a two-bedroom, one-bathroom granny flat with a kitchen. Other improvements include two large rain water tanks, portable bore, established gardens, pet yard area, swimming pool, powered workshop, machine storage shed and horse stables.

34 Charolais Trail, Lower Chittering Source: CoreLogic, 2020

34 Charolais Trail, Lower Chittering Source: CoreLogic, 2020

In the Perth Hills, Roleystone presents a few options around the $700,000 price point. Situated 27 kilometres south-east of the CBD, Roleystone's median house price settled at $524,500 for the March quarter, reflecting an increase of 0.4 per cent over the year and proving that semi-rural, lifestyle properties are still being sought after by a number of purchasers. The majority of properties in Roleystone are circa 2,000 square metre allotments, however there are numerous lots that range from one hectare up to four hectares.

35 Rubida Rise, Roleystone sold for $678,000 in January 2020 after just seven days on the market. The 2,576 square metre allotment is improved with a circa 2001, four-bedroom, two-bathroom home with a double garage. Ancillary improvements include a pool, gazebo and large gabled alfresco with timber decking and outdoor kitchen.

Oakford is a suburb located 28 kilometres south of the Perth CBD and is dominated by hectare allotments suitable for semi-rural lifestyle properties. The median house price is bang-on our lazy $700,000, falling 7.9 per cent since 2019.

74 Cumming Road sold for $620,000 in September 2019 after 26 days on the market. The 2.03 hectare allotment is improved with a partially updated, circa 1980 dwelling comprising four bedrooms and one bathroom. Ancillary improvements include a powered workshop and patio. Most of the land is bare, with pecan trees and Japanese Elms spaced throughout. The $80,000 you would have left over from the lazy $700,000 could be used in so many ways to improve the current property. Renovating the main dwelling, adding a garage and driveway, improving the landscaping, adding equestrian or animal facilities, or why not create a go-cart track - the possibilities are endless!

74 Cumming Road, Oakford Source: CoreLogic, 2019

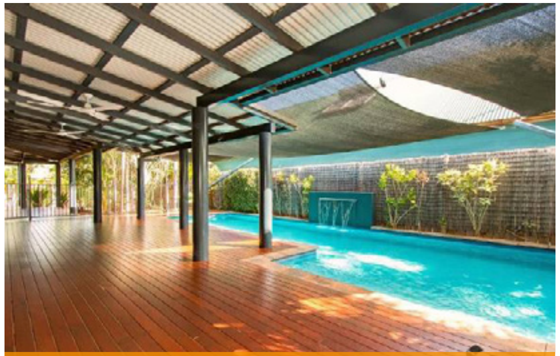
74 Cumming Road, Oakford Source: CoreLogic, 2019

Up in the Pilbara, some 1,250 kilometres north of Perth, Karratha has seen a massive rebound over the past year. The suburbs of Baynton, Bulgarra, Millars Well, Nickol and Pegs Creek are all currently sitting within REIWA's top 20 growth suburbs for Western Australia, boasting annual increases of between 9.3 per cent and 21.3 per cent. Median house prices in these suburbs range from $350,000 (Bulgarra) to $500,000 (Baynton).

2 Jadura Crescent sold in September 2019 for $650,000 after 18 days on the market. Situated in the newer suburb of Baynton, the circa 2011 brick, weatherboard, and Colorbond dwelling provides five-bedroom, two-bathroom accommodation on a 544 square metre allotment. Ancillary improvements include a double carport, cedar-lined alfresco and swimming pool.

Heading up the coast to the Kimberley region, Broome has also seen growth over the past year. The median house price in Broome settled at $435,000 for the March quarter, increasing 8.7 per cent year-on-year. Neighbouring Cable Beach saw its median settle at $470,000 in the March quarter, decreasing 2.6 per cent annually, but increasing 3.5 per cent over the quarter.

61 Kapang Drive, Cable Beach sold for $715,000 in March after 249 days on the market. The circa 2006 property comprises three bedrooms and two bathrooms on a 700 square metre allotment. Ancillary improvements include a timber decked alfresco and swimming pool.



61 Kapang Drive, Cable Beach Source: CoreLogic, 2020

61 Kapang Drive, Cable Beach Source: CoreLogic, 2020

With a lazy $700,000 in the south-west of Western Australia, it would be hard to go past the Dunsborough region. You wouldn't be purchasing beach-front property but would only be a step back from the ocean whilst being on the beach side of Caves Road and Cape Naturaliste Road. Look for properties between Gifford Road and Cape Naturaliste Terrace and properties within close proximity of the Dunsborough CBD including Peppermint Drive, Peron Street and Chieftain Way in particular.

You could pick up a substantial, good quality established home in one of these areas, albeit not necessarily a brand new home on a reasonable size block. The benefits of these properties are a lack of supply due to the geographical limitations and proximity to the ocean and CBD. Potential purchasers are likely to be upscalers and buyers after holiday homes.

Another likely option would be the Geographe Bay area north of Bussell Highway in suburbs such as Abbey, Broadwater, West Busselton, Busselton and Geographe. In these areas, $700,000 is likely to buy you a more substantial home, perhaps closer to the ocean and on a large lot. The reasons to buy here are similar to those in Dunsborough given the limited supply of properties north of Bussell Highway and proximity to the beach.

The median house price in Broome settled at $435,000 for the March quarter, increasing 8.7 per cent year-on-year.

Northern Territory

Darwin & statewide

The Northern Territory is the safest location in the country, being the first state or territory to clinically eradicate COVID-19 and all confirmed cases having now recovered (Health Minister, Natasha Fyles) and no new notifications for some time now. The borders have been locked down and travel into remote communities has been limited. These strong actions, the small population base and the adherence to the recommendations should position the Northern Territory to respond well in our economic recovery.

How has this transitioned to the property sector?

Whilst restrictions have now been eased and borders are set to reopen on 20 July, at the height of the crisis, leading local sales agents were reporting a stable level of interest for stock already on the market and open homes were replaced by private appointments – one agent noting that this had led to more qualified buyers coming through and less tyre kickers. Real Estate Central has shifted to online auctions using the Gavel app, resulting in a handful of sold dwellings. The private treaty sales campaigns have been successful with reigning REINT agent of the year Derek Hart of Elders Real Estate reporting strong activity with private treaty campaigns (source: NT News).

When considering the pipeline coming forward, it has been noted that appraisals are significantly down and the current activity is from pre-COVID-19 stock. Vendors requiring a result are still motivated towards sale, however for many the COVID-19 interruption has postponed planning to later in 2020 with a more cautious wait and see outlook.

Naturally, buyers cashed up and bringing a budget of $700,000 to the table are likely to see value for money especially compared to a number of years back.

With this activity we have not seen any market reductions that are out of line or increased market reductions as a result of the COVID-19 pandemic, noting that some market sectors have been performing quite poorly due to the wider market forces.

Whilst job losses have hit much of the nation heavily, the Northern Territory is fortunately positioned due to a number of factors: we have over 21,500 public servants (source: The Office of the Commissioner for Public Employment), all of whom are still being fully paid and therefore have the ability to support their families. A further 5,500 are defence personnel (source: Department of Treasury and Finance). This equates to over ten per cent of the total population maintaining full employment.

In a positive for the market, long term residential tenancies have remained relatively firm. The larger agencies have indicated that requests for rent reduction remain quite low and rental arrears have not spiked. The short term tenancy market is very poor. Holiday makers have evaporated from the local scene and a number of short stay companies have noted that their forward bookings are very poor and that the 2020 dry season will be a difficult period.

The government stimulus programs have been quite generous; approximately $100 million has been allocated to the Home Improvement Scheme, whereby the government will offer $4,000 with an owner contribution of $1,000 or $6,000 with an owner contribution of $2,000. This will help owners improve their properties, which may increase the value of their assets as we move past the COVID-19 slowdown. Recent federal government announcements about the Home Builder package (which sees eligible home owners pocket $25,000 on a $150,000 spend), coupled with existing Northern Territory government packages provides a total benefit of up to $45,000. The impact so far is difficult to judge, however anecdotally some builders have seen a significant increase in enquiry.

So with that all said, where is the Northern Territory market? We are yet to see any firm market evidence that the COVID-19 pandemic has resulted in lower rents or capital values. The big test as we look through the forward lens is the speed at which the economy can recover following the easing of restrictions and border openings. As Victoria battles a surge in cases, the threat of an infection in the Territory remains very real and a second wave of infection would see confidence and market sentiment evaporate.

The main theme for this month's review focuses on a price point of $700,000 and which property types can be accessed at this level. The answer here in the Top End is - most.

From a three-bedroom unit in the CBD with harbour views, to a four-bedroom, two-bathroom modern dwelling in the developing residential area of Muirhead, to a rural lifestyle property down the track with a shed with all the trimmings in Humpty Doo - this price point delivers some wide and varied property types. This has not always been the case and the extent of the growth experienced in the market between 2012 and 2015 and the subsequent cliff it has driven off since is well known.

Naturally, buyers cashed up and bringing a budget of $700,000 to the table are likely to see value for money especially compared to a number of years back. It seemingly presents as an opportunistic time to purchase across many property types. It's not only the safest place in Australia to live during a pandemic, but economically viable – how much worse can our economy get?

Surely there is only upside in the Northern Territory – it's a safe bet.

Australian Capital Territory

Canberra

COVID monthly update

The local Canberra housing market has continued to be quite stable. There are still active market participants, however there are lower sales listings available. The COVID-19 changes to public auctions did see a quick uptake of online auctions which proved to be quite successful with comparatively good clearance rates. The apartment market has continued to experience a long period of strong supply and weakening demand. This has contributed to wider sale price fluctuations.

The residential tenancy moratorium on evictions has affected rented properties also listed for sale; investors are approaching with more caution due to the uncertainty of rental income and ending the lease agreement during this time. In some cases, buyers have requested an extended settlement period to coincide with the end of the tenant's fixed term lease (e.g. explicit term of the contract is vacant possession, however premises are tenanted, and thus responsibility is on the seller, not the buyer). This has resulted in some extended settlement periods on properties that would have sold within normal settlement periods pre-COVID-19.

A Lazy $700,000

Belconnen is a district located north-west of the Canberra CBD and surrounds Lake Ginninderra. There are a few options for a lazy $700,000.

In the suburb of Cook, $700,000 would be your entry point for a detached family home. If you are lucky enough to find one, it would be a circa 1960s three-bedroom, one-bathroom home with mostly dated interior situated on a 650 plus square metre lot. Cook has continued to experience strong capital growth, which should give potential buyers more confidence. True is the old saying - buy the worst house in the best street.

True is the old saying - buy the worst house in the best street.

In the suburb of Evatt, your dollar will go a lot further. Typically, you could buy a circa 1970s renovated four-bedroom, two-bathroom detached dwelling situated on an 800 plus square metre lot. Evatt has experienced good capital growth, which is likely to continue in the short to medium term.

Thanks to the ACT Government's Mr Fluffy Buyback Scheme, there has been an array of brand-new duplex and dual occupancy dwellings built on the remediated blocks within the established suburbs of Belconnen, some priced within the $700,000 price range.

XGxgxgx Source: domain.com.au

In the suburb of Flynn, you could buy a brand new turnkey, four-bedroom, two-bathroom dual occupancy dwelling with a two-car built in garage. Buyer demand has typically been a mix of first-home buyers, downsizers and investors. The short-term capital growth has been quite stable, as there continues to be a supply of other newly developed Mr Fluffy blocks available and in the pipeline.

RESIDENTIAL

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Tasmania

Hobart/Launceston/regional

Following the COVID-19 restrictions in place from early March 2020, local real estate agents working in the northern suburbs have reported that general sales activity and enquiry were quiet in early March and recovered in early May. With some certainty, COVID-19 seems to have had limited impact on the property market in the northern suburbs. Recent sales evidence indicates that the property market was relatively stable in the second quarter of 2020 with very slight signs of negative activity. The days on market have remained steady, with average selling periods of between two and three weeks. The rental market across the northern suburbs for the March quarter was also reflective of a relatively stable environment. A three-bedroom home's weekly rent was from $350 to $480 depending on the location of the property.

A majority of properties in the northern suburbs do not generally exceed $700,000. At this level of value, you could expect to purchase a range of different types of properties:

- A large 200 square metre plus multi-storey dwelling with a high quality fit-out, located within a sought-after locale such as West Moonah, Rosetta, Berridale or Claremont Estate with either elevated river views or close proximity to the river, shopping and recreation facilities.
- Good quality rural lifestyle dwelling on over one acre of land;
- A heritage-listed property with well-maintained heritage features;

Generally, properties under $600,000 are selling within short time frames throughout the greater Hobart locality.

- In terms of investors within this market, $700,000 will most likely allow you to purchase two newly constructed units in an outer suburb location (Brighton, for example) achieving yields of over seven per cent plus a tax saving benefit.

Generally, properties under $600,000 are selling within short time frames throughout the greater Hobart locality. The market for properties over the $1 million dollar mark appears to have slowed given the lack of interstate investors. Once the borders open, allowing interstate investors to become active in the market once again, it is believed that this market will improve accordingly.

13 Dorothy Court, West Moonah is within the budget Source: realestate.com.au

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