



# Residential

April 2021

# National Property Clock: Houses

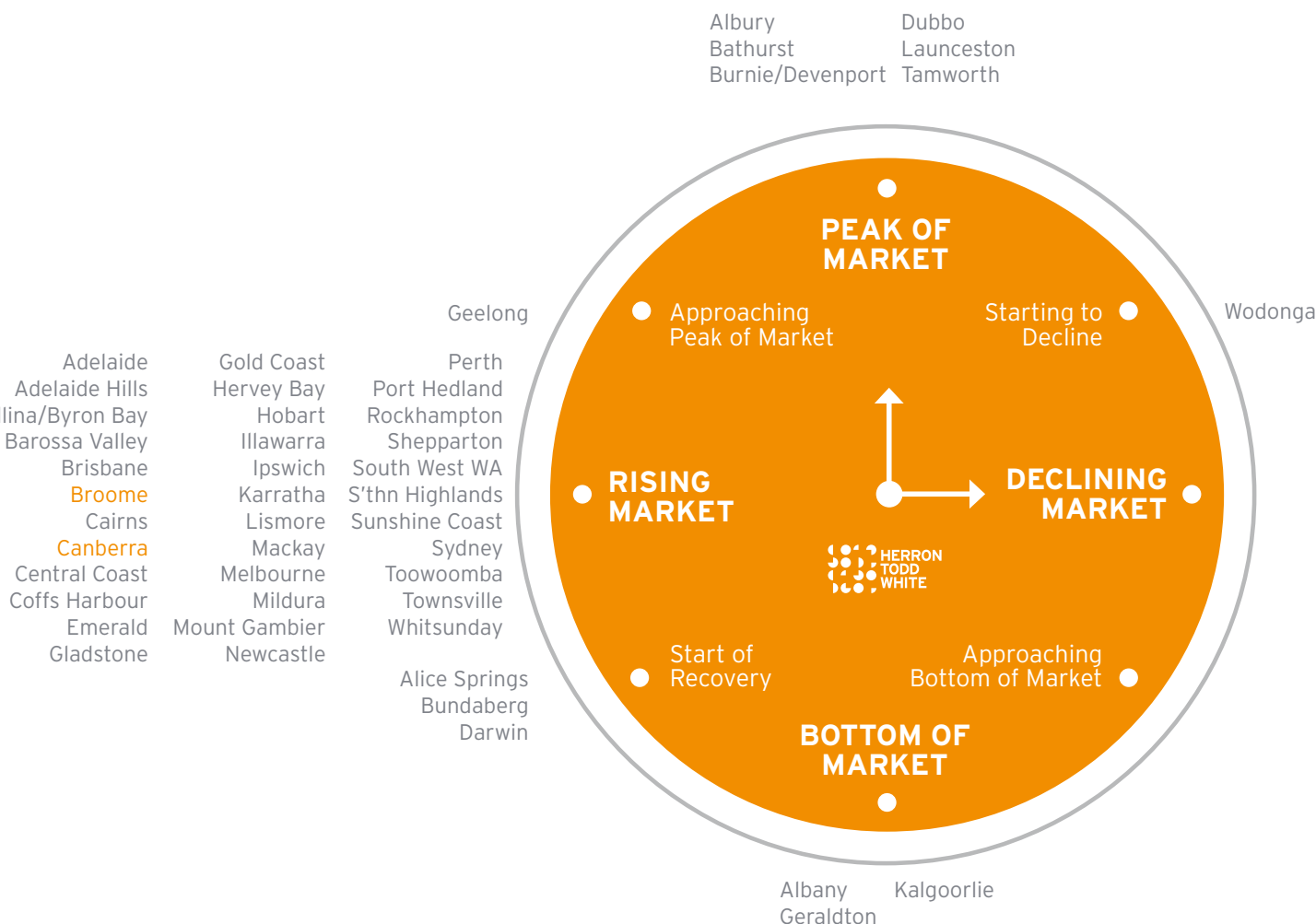
Entries coloured orange indicate positional change from last month.

Month in Review  
April 2021



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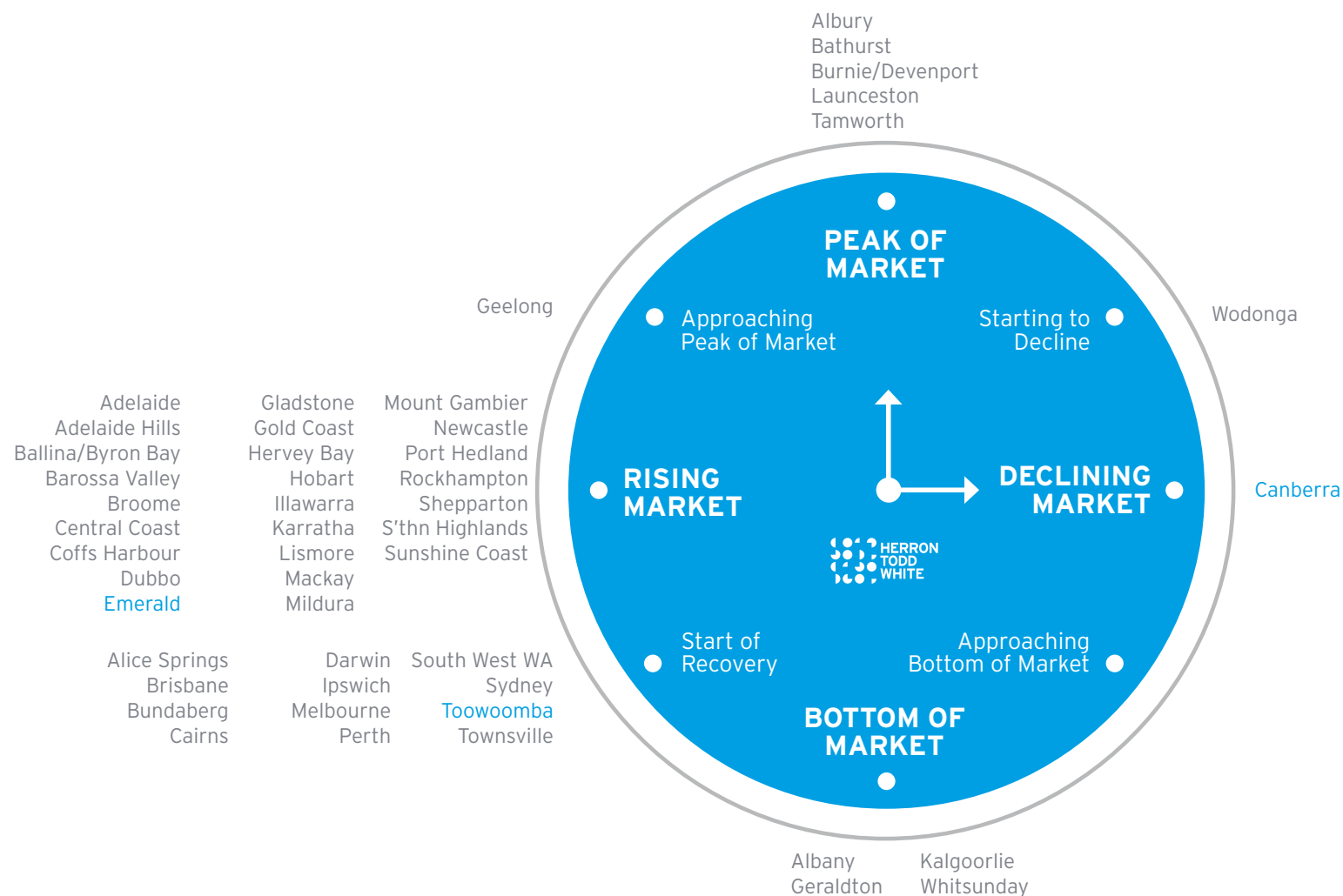
# National Property Clock: Units

Entries coloured blue indicate positional change from last month.

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# New South Wales

## Overview

A combination of factors has seen first time buyers become extremely active in markets across the nation. Unfortunately for these buyers, markets are running hot and it's become difficult to secure opportunities.

This month, our teams deliver their location-by-location advice on where first homebuyers are purchasing, and what options remain to secure a first purchase with excellent potential.

## Sydney

First homeowners have been increasingly active in the Sydney property market over the past 12 months with less competition from property investors, low interest rates and several government assistance programs making it easier to enter the market.

In New South Wales, first home buyers have had access to the First Home Buyer Assistance Scheme which allows for exemption from stamp duty on new homes up to \$800,000 and a concession on stamp duty for new homes between \$800,000 and \$1 million. For existing homes, these thresholds are slightly lower at \$650,000 for an exemption and between \$650,000 and \$800,000 for a concession.

The First Home Owner's Grant also provides a grant of \$10,000 on new homes, while the recent HomeBuilder program also provides grants to build a new home or complete a renovation, but ended on 31 March 2021. The Australian Government's First Home Loan Deposit Scheme has also made it easier for first home buyers to buy a new or existing home with a five per cent deposit, rather than the 20 per cent normally required to avoid mortgage insurance. The government guarantees the 15 per cent difference. The scheme has varying eligibility criteria and number of places available.

In more recent months, property prices have started to increase quite significantly, particularly for houses, but now also for units with investors starting to return to the market. This is again putting pressure on what first home buyers are able to afford.

While the outer suburbs of Sydney, particularly in the south-west and north-west, attract a greater number of first home buyers, there are opportunities throughout Sydney depending on the first home buyer's budget, ability to get assistance from parents, or willingness to co-buy with siblings or friends.

Another option for those looking to get into the

market for the first time but not able to afford a home closer to the city or the beach is to rentvest. With rental yields generally stronger in the west, first home buyers can purchase in the west and then rent and live in the east, with a lower rental differential than the equivalent price differential.

## North West

In the past, many people buying their first home in Sydney would start their search in the east but eventually find themselves in the west. This was due to the price point; in broad terms, you can buy a similar property in the west for less than the east.

As the city has evolved and particularly during 2020, living in the western suburbs of Sydney has become more appealing given the lower entry price point, volume of brand-new stock available, planned infrastructure recently built or underway and the ability to buy a larger property with the same money that might offer a yard and a genuine home office when working from home.

The price point of \$800,000 is considered the top end of the typical first home buyer and for that money you can buy:

A brand new single level four-bedroom, two-bathroom, one-car garage detached dwelling on 300 square metres in Marsden Park.

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A circa 2020 single level three-bedroom, two-bathroom, one-car garage dwelling on 291 square metres in Box Hill.



If you are unable to stretch to \$800,000 for a dwelling, then a smart choice would be to buy an older unit in Parramatta. For \$600,000 you can buy a 2004 built two-bedroom, two-bathroom unit with one car space in Good Street, Parramatta, opposite a park and only a short

walk to the shops and station. The older units are generally more spacious and any structural issues would have been identified by now as opposed to some more recently built complexes in Sydney.

The sub-\$800,000 market is hot right now, thanks to very low interest rates, pent up demand due to COVID-19 and perhaps a change of attitude towards living arrangements and locations given the popularity of working from home.

An example of the market growth is the sale of a four-bedroom house on Bolwarra Drive in Marsden Park in March 2020 for \$735,000. A similar house in Woylie Street sold in January 2021 for \$796,000. This represents an 8.2 per cent increase in 10 months, with potentially more uplift since then as well.

### South West

The south-west property market has traditionally been popular with first home buyers as it offers a wide range of property assets at an affordable price, however 2021 has seen property prices soar as a result of demand outstripping supply, coupled with historically low interest rates and cashed up buyers which has made it increasingly more difficult for first homeowners to get their foot into the market.

Notwithstanding this, there is a wide variety of property types available to meet any budget, from older style walk-up units centrally located within close proximity to the Liverpool CBD, to a brand-new house in one of the newly formed housing estates.

Below is a small snapshot of what is available.

Firstly, an older two-bedroom, one-bathroom unit in Liverpool, with a one-car garage, which sold in February 2021 for \$340,000 with an achievable rental of \$280 to \$320 per week.



For something slightly larger, an older style three-bedroom, two-bathroom duplex in Hinchinbrook with a one-car garage, which sold in March 2021 for \$650,000 with an achievable rental of \$450 to \$490 per week.



Vacant land is another option for first home buyers in the south-west, with various opportunities starting from the mid \$400,000s

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For those with a larger budget, new homes are a good option. This brand-new home in Edmondson Park with four bedrooms, two bathrooms and a one-car garage on 303 square metres of land sold in March for \$892,000, with an achievable rental of \$550 to \$600 per week.



Whilst there is a great range of options available, we consider areas around current or planned infrastructure and community-emphasised living to be the best long-term potential for property growth and quality of life, however this is not a secret and in the current climate, first homeowners are finding it harder and harder to get their foot in the door as they are competing with other buyers with greater access to funds.

### Inner Sydney

The inner city is a popular choice for young professionals, due to the café culture, walk-to-everywhere position and proximity to public transport and amenities. Despite the return to offices that began at the start of the year, first home buyer activity appears to have been slow to start in 2021. This is likely due to multiple factors, including price growth driven by low interest

rates and the harsher impact the pandemic has had on the younger demographic, often with less employment tenure.

As a result of low demand, price growth in the lower end of the inner-city market (typically studio and one-bedroom units) is languishing behind the house and land market.

The federal government's First Home Loan Deposit Scheme provides support for first home buyers, with the government effectively guaranteeing loans for eligible first home buyers. There is otherwise limited support on offer for first home buyers within the inner city as there are few new build opportunities.

First homebuyer options within the inner city are largely limited (by price) to studio and one-bedroom units, often under \$800,000. A recent example is 27/38 Chalmers Street, Surry Hills, selling for \$730,000 in March. Whilst this property is situated on a busy road, the unit has a study, outdoor area, proximity to local shops and cafes and a local outlook - all factors making it appealing to the first home buyer demographic.

As we all know, location is the most important factor when it comes to selecting a property. Arguably (for apartments) the building itself is a close second. Units that are well located, solidly built and well managed are likely to provide the best long term growth potential and lower overall maintenance costs. Typically, these buildings are older style of brick construction. Furthermore, large units tend to retain their appeal and appreciate over and above their small counterparts.

3/120 Brougham Street, Potts Point falls into this category, being a one-bedroom unit of approximately 63 square metres. It is an Art

Deco property in fairly basic but liveable condition and sold for \$775,000 in March. This unit is located within a short walk of the city, Kings Cross Station and local shops, bars and cafes. Furthermore, the Art Deco period appeal and scope to improve makes its long-term prospects look promising.



Long-term growth is always reliant on supply and demand and with that in mind it is important to make the property you purchase as unique as possible. Purchasing in a large-scale development in dense or modern areas such as Green Square is going to leave the property subject to market forces and will leave few options for improvement. Furthermore, properties in these areas are constantly competing with more modern product.

Given that many inner-city areas have experienced consistent price growth and gentrification over recent decades, combined with the typically higher average incomes living in the area, many first home buyers within this area still need assistance from the bank of mum and dad to get into the market.

Many parts of inner Sydney are premium suburbs which are outside the means of first home buyers. However, some areas currently remain as options,





such as Chippendale with a median unit price of \$722,600 (source: realestate.com.au).

Recently 201/82 Abercrombie Street, Chippendale sold for \$790,000. The property is a one-bedroom warehouse apartment with parking.



201/82 Abercrombie Street, Chippendale

Source: realestate.com.au

### Inner West

Sydney's inner west region consists of a highly diverse property market and covers a large area from Balmain in the north, Marrickville to the southern end, inner city Newtown to the east and suburbs such as Strathfield and Concord further west which comprise larger family homes.

Property values across this region have been trending upwards since mid to late 2020 which is due to various reasons, particularly record low interest rates, government incentives, improving sentiment around COVID-19 concerns and wider economic conditions.

Based on our experience, media reports and other anecdotal information, it appears that first home buyers have been continuously returning to the market in recent times. Most first home buyers are restricted to properties below approximately \$1 million due to affordability constraints of servicing large loans and

also minimum deposit requirements. Some government incentives such as the First Home Buyer Assistance Scheme and the HomeBuilder program (also available to non-first home buyers) have been further stimulating this lower end of the market and supporting first home buyers.

This segment of the inner west property market is generally limited to apartments and townhouses and entry-level dwellings which typically require renovations of some sort.

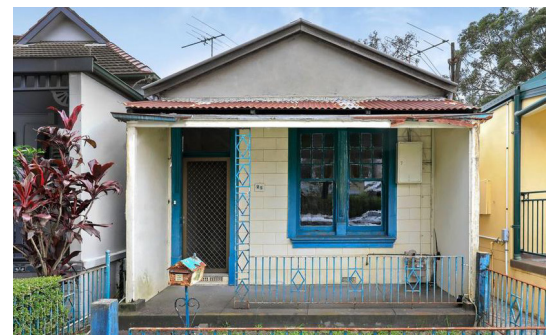
A two-bedroom apartment with one bathroom and a single car space sold in Newtown for \$716,000 in March 2021. The unit is in liveable condition with a basic fit out and a total internal living area of 49 sqm.



A unit in Newtown

Source: CoreLogic

A completely original freestanding home at 25 Hubert Street, Leichhardt was listed for auction during February with an agent advised price guide of \$840,000 and sold in March 2021 for a significantly higher price of \$1.251 million. The property required a complete renovation and has no off-street parking, however is in a good location and within close proximity to Leichhardt's light rail station.



25 Hubert Street, Leichhardt

Source: realestate.com.au

As seen with the Leichhardt sale above, we are noticing a lot of properties selling well over the agent's quoted price guides, especially for houses and good quality properties in high demand. While agents should be updating the price guide according to market feedback, it is common that properties might sell above expectations in heated markets such as we are currently witnessing.

Some of the strategies first homebuyers are adopting to enter the market include drawing on equity from their parents' property, co-buying with relatives, buying an investment property while staying with parents or rentvesting.

Property types that we consider pose the highest risk in the short term include high density apartments within oversupplied areas, properties located on busy arterial roads or with significant location or environmental concerns.

### Eastern Suburbs

The eastern suburbs is a difficult market for first home buyers to enter unless they are prepared to make some compromises or have the income or financial support to be able to enter the market at a higher price threshold.





Units are the most popular choice for first home buyers with one-bedroom and some two-bedroom options available throughout many suburbs in the east for under \$1 million. A search of realestate.com.au at the time of writing for properties in the eastern suburbs listed for sale with first home buyer in the sale description yielded 66 results for units and zero results for houses.

A renovated ground floor Art Deco unit at 3/48 Edward Street, Bondi sold in March for \$820,000 and comprised one bedroom and one bathroom with no parking in a small complex of eight and only a 750-metre walk to Bondi Beach. Alternatively, a 1970s two-bedroom, one-bathroom unit with a one-car garage at 3/163 Avoca Street, Randwick, sold in March for \$966,000. The unit had dated interiors and was marketed as being ripe for renovation, enjoyed some restricted ocean views from the small balcony and was across the road from Royal Randwick Shopping Centre.



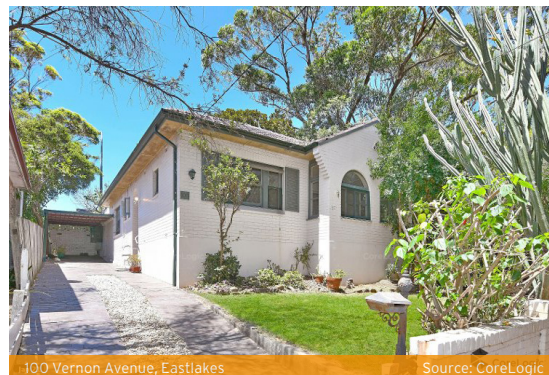
More modern one-bedroom and smaller two-bedroom units are still available in suburbs such as Little Bay, Botany and Mascot.

For housing options, it is difficult to find anything under \$1.5 million in the eastern suburbs. At this price level it is mainly going to be smaller attached

dwellings or basic detached dwellings in the lower part of the region.

A semi-detached dwelling at 72 Robey Street, Maroubra recently sold in March for \$1.5 million. The property comprised two bedrooms plus study, two bathrooms and a one-car garage with semi-modern interiors on a 202 square metre allotment. The dwelling is located in the western part of the suburb, within short walking distance of Maroubra Junction.

Situated just to the east of Mascot, a property at 100 Vernon Avenue, Eastlakes, sold for \$1.46 million in February. The property comprised a three-bedroom, one-bathroom detached brick home with a one-car carport on 595 square metres of land. The home had dated interiors, detached storeroom and laundry, inground pool and is positioned in a cul de sac and adjacent to The Lakes Golf Course. On the minus side however, there were no golf course views available and the property backed onto Southern Cross Drive (with sound barrier between), a major arterial road linking the CBD to Sydney's south and south-western suburbs.



### Sutherland Shire

As in other parts of Sydney, the Sutherland

Shire has experienced a rise in first home buyers entering the market over the past 12 months. The most popular product is older style two-bedroom units from Cronulla to Miranda, with beaches, cafes and shopping facilities drawing first home buyers to these areas.

An example of a unit currently on the market is 2/72 Kurnell Road, Cronulla, which the agent has described as ideal for first home buyers or the astute investor. The property is a renovated 1970s two-bedroom, one-bathroom, elevated ground floor unit with single car space. The property last sold in February 2019 for \$637,000 and is now (at the time of writing) on the market with a guide of \$700,000 to \$730,000. It was last advertised for rent in July 2020 for \$460 per week.



Detached dwellings are generally out of reach for the majority of first home buyers, however there are opportunities for first homeowners with higher incomes, support from mum and dad, or those who combine resources with a sibling or friend to purchase their first home. This market has also become extremely popular with young families looking to upgrade out of units.

The lower end of the market for a detached dwelling in the Sutherland Shire is in suburbs



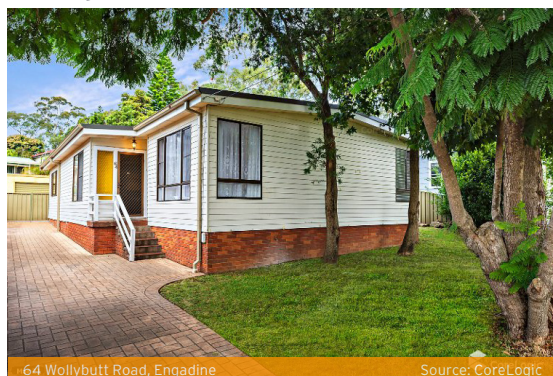


*Multi-generation living and co-purchasing are popular methods for first home buyers, providing the financial ability to own a home they may not be able to afford on their own. Homes are constantly marketed with in-law style self-contained accommodation or granny flat potential.*

such as Heathcote and Engadine, which are popular for their schools, shopping facilities and parklands, while both suburbs also have a railway station with a commute time of 45 to 50 minutes into the city.

For a dated single level dwelling in these suburbs, your budget will need to start around the \$1 million mark. These dated dwellings allow a first home buyer to have a house in the Sutherland Shire that they can slowly renovate and update themselves to create equity and a more liveable home over time.

A property in Wollybutt Road, Engadine, is currently listed for sale with a buyer's guide of \$890,000 to \$970,000. The 1970s single level, clad home has three bedrooms, one bathroom and a one-car detached garage on 632 square metres of land. The home has been updated internally and also has a rear pergola and sunken above ground pool but is situated on a local thoroughfare.



64 Wollybutt Road, Engadine

Source: CoreLogic

Over the past few years we have noticed an increase in first home buyers using their parents as guarantors to avoid having to save for a 20 per cent deposit. This is a great way to enter the market faster than the traditional way of saving for years to be able to afford the deposit and stamp duty, particularly in a rising market.

The government changed the first homeowner grants during the COVID-19 pandemic. Only a few of the current grants on offer meet the criteria for a first home in the Sutherland Shire. Currently, first homeowners can receive a full exemption in stamp duty if buying a home to the value of \$650,000 for an existing home and a reduction in stamp duty if buying a home between \$650,000 and \$800,000. Some new units in suburbs such as Miranda are being marketed towards first home buyers to take advantage of the higher thresholds for new properties under this scheme.

#### Northern Beaches

In the unit market, one-bedroom units are available in most suburbs between \$550,000 and \$700,000, and range in age and quality depending on the location. Older two-bedroom units are still available in the \$800,000 range in suburbs including Dee Why, Manly Vale and Newport. A recent example of a first home buyer opportunity is 7/21A Koorala Street, Manly Vale, a renovated circa 1960s two-bedroom, one-bathroom unit which sold for \$841,500 in March.

Entry level into the housing market is circa \$1.7 million for most suburbs at the moment, unless

you are prepared to live on a major roadway or purchase something more unconventional. An example is 33 Oceana Street, Narraweena, a renovated three-bedroom, one-bathroom semi-detached (at the rear) dwelling on 354 square metres of land that sold for \$1.755 million in March.



33 Oceana Street, Narraweena

Source: realestate.com.au

We have seen that first home buyers are really broadening their search horizons with a willingness to compromise on location to get their foot in the door. Traditionally buyers would focus their attention on smaller segments of the local market, however as the need for work related travel has been reduced combined with limited stock and strong competition, buyers are more accepting of living in a variety of locations should the home suit their lifestyle needs.

Multi-generation living and co-purchasing are popular methods for first home buyers, providing the financial ability to own a home they may not be able to afford on their own. Homes are constantly

marketed with in-law style self-contained accommodation or granny flat potential.

A recent example is 52 Ashworth Avenue, Belrose. The property is a circa 1970s two level five-bedroom, three-bathroom dwelling configured as two self-contained apartments and marketed to extended families. The property sold through JDH Real Estate for \$1.775 million in 10 days, highlighting how popular this form of living has become.



52 Ashworth Avenue, Belrose

Source: realestate.com.au

### North Shore

The lower and upper North Shore markets have followed the general market trends so far this year, with the entry price point for first-time home buyers rising by the day. The only sector where prices have stagnated or are increasing at a slower rate is the residential unit market. The fact that units on the lower and upper North Shore obviously have a lower price point and that prices currently aren't keeping pace with residential dwellings present a realistic opportunity for first home buyers.

First home buyers are usually competing with investors at this entry price point, but with investors and overseas purchasers far less active in the market, there are certainly opportunities available.

Increased supply over recent times due to the completion of multiple high-density developments is another factor working in the first-time home buyer's favour in the unit market. Many new unit developments are now targeted towards the first home buyer with mention of the current stamp duty exemption or concession in the sales description for properties under \$1 million.

An example of such a property can be found in the newly finished Altessa development in the suburb of Gordon, with a two-bedroom, two-bathroom unit being marketed with the following title: "New First Home Owner Stamp Duty Exemption"!



The Altessa development in Gordon

Source: realestate.com.au

On an entertaining note in regard to the not so common first time home buyer, we saw the sale of Springfield Estate, 27 Pibrac Avenue, Warrawee in December 2020 for \$11.5 million. This property was originally purchased in June 2017 for a reported price of \$12 million by a then 14-year-old assumed first home buyer. Not your typical first homebuyer product, the property was sold to a Foreign Investment Review Board-approved buyer from China, the day before new regulations set in, effectively doubling the potential stamp duty.



Springfield Estate

Source: realestate.com.au

Matthew Halse  
Director

### Southern Highlands

As the property market continues to march forward in 2021, so too does the increase in property growth and inevitably the first homeowner faces the prospect of being priced out of the local market. Typically speaking, regional areas have always provided affordable options for first homeowners as the major capitals such as Sydney look extremely unaffordable. However, given the decentralisation of the workforce due to COVID-19, the Southern Highlands region has experienced quick and significant growth over the past 12 months. This in turn has made the affordable hubs of the Highlands not so affordable for first home buyers.

We have seen an increase in activity in new suburban subdivisions such as Darraby in Moss Vale, Renwick, Nattai Ponds and new land releases in Bundanoon. This flurry of activity has not necessarily been driven by first homeowners, but a large portion of this market has been young families coming out of their first homes in Sydney (typically apartments) and looking to keep these as investments as they upgrade into family homes.

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This has ultimately increased the entry level for these new suburbs upwards of 15 to 20 per cent.

As first homebuyers continue to navigate heated local markets, the main pockets of value still shown in the Southern Highlands are located within the smaller satellite suburbs that have often been considered slightly less desirable. Suburbs such as Welby, New Berrima and Yerrinbool all still offer some options sub \$550,000, although this is quickly changing as we see investors and other first homebuyers rushing to find any potential pockets of value left within the local region.

Kurt Bismire/Tim Stevens  
Property valuers

### Lismore/Casino/Kyogle

One of the benefits of locating within the regional areas of the Northern Rivers (Lismore, Casino, Kyogle and surrounding districts) is that the first homeowner has prime opportunity to secure full exemption from paying stamp or transfer duty or apply for the First Home Buyer Assistance Scheme.

The primary reason for this is that the price thresholds for these options are generally higher than the sale prices achieved for most of the applicable or suitable residential dwellings for the first homeowner within the region.

As it stands, under the First Home Buyer Assistance Scheme, the threshold in New South Wales is \$650,000 for existing homes or \$800,000 for new build development in order to be eligible for full exemption of stamp or transfer duty. This easily covers the full gamut of residential zoned dwellings throughout Lismore, Casino and Kyogle...so happy days!

In addition, there is also the provision of a \$10,000 grant for those first homeowners intending to buy a new home, i.e. never been lived

## *Lismore, Casino and Kyogle areas are very affordable for eligible first homeowners under the current interest rate environment.*

in and first sale, if under \$600,000 OR under \$750,000 for a new building development, i.e. buying land and building a new home.

In light of the current explosion of sales activity within the region and restricted supply of available stock over the past three months, the poor old first homeowner is having to compete with other market segments such as investors and even upgraders and downgraders. In this current market, it has not been unusual to see existing homes eventually sell for above the asking price.

However, with the attraction of lower interest rates (some loan deals are even under two per cent for fixed home loans), first homeowners may be somewhat emboldened to give it a go and compete for the limited stock. Providing they tick all the boxes with the lender, have secure employment and have the necessary 20 per cent deposit, then paying a little extra to avoid the lost opportunity of not acting soon enough, is not necessarily an insurmountable risk to consider.

Some have even opted for a variable loan so they can make additional principal payments whilst the interest portion of the loan is low and make some serious inroads in the total loan amount. This tactic could shave many years off the loan term and reduce the burden on the first homeowner once interest rates eventually rise.

The typical purchase price points for first home buyers in the Lismore region generally hover around \$250,000 to \$450,000 and slightly lower for Casino and Kyogle, however, the upper range is continually being challenged as first home buyers can see the benefit of buying land and building

new for a package price of below \$600,000 and still reap the benefits of a \$10,000 grant, full exemption of stamp duty and may even secure additional incentives from developer grants within some of the new residential estates. Why not? Especially when other first homeowners living in established metro areas such as Brisbane, Sydney and Melbourne would be staring down the barrel of \$1 million plus for a similar new build home!

One option this valuer has encountered is where a young, single chap has bought his first, four-bedroom home with sleepout for circa \$400,000. As the demand for rental accommodation and rental levels in the region have also lifted markedly in the past six months, the enterprising first homeowner has opted to occupy the sleepout and bring in four flatmates at \$135 per bedroom per week each (plus shared expenses for food, electricity, water etc.) which translates to \$540 per week or \$2,160 per month. This return would more than cover the expected monthly principal and interest payment for a standard variable loan of say \$320,000 over a 30 year term loan at an interest rate of below 3.5% per annum... without having to contribute anything out of his own pocket! SCORE!

In summary, the Lismore, Casino and Kyogle areas are very affordable for eligible first homeowners under the current interest rate environment and, subject to some thinking outside the box strategies, first home buyers could find themselves in a very much improved financial position for their long term future if they take full advantage of attacking the loan principal in the current environment.

Vaughan Bell  
Property Valuer

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## Balina

The market on the North Coast, in particular the coastal towns, remains strong. Agents still have limited stock and high demand for properties in the sub-\$1.5 million range. The COVID threat although still present seems to be all but a thing of the past in the local area. This however may change and in turn could still have an impact on the local housing market. Our market seems to be mainly influenced by the movement of people from major cities and in particular Sydney. This movement has kept property prices at a premium and in some areas has also resulted in a significant increase in values.

Affordability is driving the market further west of the coastal towns and increases in the small village areas surrounding the coastal towns has been evident in some more recent sales. Low interest rates and limited stock throughout the Northern Rivers area appear to be floating the housing market with premiums being paid for built product and vacant land.

The impact of the movement of people to the area and the premium prices being paid for properties has had a detrimental impact on the rental market. Agents are reporting up to 60 groups applying for each rental in the coastal and inland areas of the Ballina Shire and surrounds. There have been reported cases of rental properties being auctioned and people paying 12 month's rent in advance to secure a rental property.

**Bernard Walters**  
Property Valuer

## Byron

The Byron Shire residential market remains strong, still buoyed by a mixture of interstate and intrastate migration, government incentives and stimulus measures (JobKeeper, Home Builders Grant) and positive publicity surrounding the recent purchases of property in the area by celebrities and influencers (Zac Effron and Lorna Jane, for example). Whilst that spells good news for owners with established roots in the area and buyers with bulging wallets, the continuing upward rise in property values in the shire is a sore point for first homebuyers looking to break into the market.

Current low lending rates and historically low vacancy rates for rental properties offer plenty of incentive for folks to jump from renting to home ownership, however affordability remains a key stumbling block in Byron Bay and surrounds. Many first homeowners need to rely on older family members to act as guarantors for their mortgages.

The market under \$1 million in the Byron Shire is generally restricted to villas and duplexes in the coastal town of Ocean Shores and inland towns such as Mullumbimby and Bangalow where some older houses may also be available. The lower the price, the scarcer the available stock. A search of realestate.com.au shows that at the time of writing, there are currently eight houses or units for sale in Mullumbimby under \$1 million with seven of those marked as under offer. Similarly, in Ocean Shores, there are also only eight listings



Mullumbimby

Source: realestate.com.au

for houses or units under \$1 million in asking price. Five of those eight properties are also listed as under offer.

The net result of the high entry price for first home buyers is that many are moving to more affordable areas to obtain their first property. Areas such as Cumbalum, Pottsville, Murwillumbah, Ballina and Lismore/Goonellabah are set to benefit as a result. The downside for the Byron Shire is that an outflow of first home buyers also means a leakage of skilled workers from the area, resulting in some employers losing workers and unable to fill vacancies. It is a common concern amongst employers, particularly in Byron Bay, that suitable job applicants are unable to move to the area due to the high cost of rent or real estate purchase.

The shortage of affordable housing in the Byron Shire is exacerbated by a lack of available residential land being developed on a scale large

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enough to meet demand and by the continued leakage of established residential property away from permanent rental towards short term Airbnb holiday style rental in areas such as Byron Bay, Suffolk Park and Brunswick Heads.

**Mark Lackey**  
Property Valuer

### Clarence Valley

The Clarence Valley is seeing varied demand from first home buyers, investors and developers due to low interest rates, low loan deposits and recent infrastructure developments such as the M1 Motorway and the new Grafton jail.

The area is seen as a cheaper option compared to regions north and south.

First homeowners are a buyer category of note. New South Wales renovation and construction grants along with stamp duty incentives are helping first homeowners into the market. The Grafton precinct, with housing as low as \$230,000, is attractive as the low interest rates can make purchasing cheaper than renting.

Currently there are options for first homeowners within the Clarence Valley however if the market turns and loses value as quickly as it has gained in recent times, it could make many first homeowners hurt much more than established property owners.

**Simon Evans**  
Property Valuer

### Coffs Harbour

First home buyers have probably been impacted the most by the new COVID market. With supply at

an all-time low and demand through the roof, prices are heading north very quickly and possibly out of reach for some start up buyers. The government assistance packages available are all to do with stamp duty savings. New homes under \$800,000 are fully exempt and new homes between \$800,000 and \$1 million receive a concessional rate. The same applies for existing homes, although the value needs to be less than \$650,000 for full exemption and \$650,000 to \$800,000 for a concession. Vacant land under \$400,000 is exempt whilst \$400,000 to \$500,000 gets a concession.

These tier value levels are sitting well within the Coffs Coast value ranges with median house prices sitting around the mid \$450,000 to \$650,000 range depending on location and land sales typically in the sub-\$400,000 mark (if you can find one for sale). This means there are savings to be had for the first home buyer within our region, although it is the securing of a property in this market which is the difficult part. Whilst the first homeowner may be bank ready up to an approved amount, they are often second in the running when it comes to the highest offer and contract conditions provided by second or third home buyers and investors who have equity to burn.

As a small regional coastal town, we see a great mix of buyers and property types available with location to beaches always being a draw card, plus ease of access to services such as schools, medical facilities, shopping and public transport also being important.

We have said it many times, but Park Beach, approximately four to five kilometres north-east of

the Coffs Harbour CBD, is ideal for the first home buyer. This area was established in the 1970s with modest lowrise holiday and unit accommodation buildings and several single residential homes scattered throughout. Along the esplanade (Ocean Parade), higher density development has taken place with medium rise unit buildings, the landmark tavern known as the Hoey Moey and Park Beach caravan park making this area a popular tourist location.

The advantage of this locality is the beachside position and major shopping facilities such as the Park Beach Shopping and Home Base centres. Most units on offer are at very affordable average prices of \$275,000 to \$400,000 (older stock) and new townhouses at \$400,000 to \$600,000. Older homes are \$550,000-plus but are in limited supply.

In the more suburban areas, Bomabee East, Toormina and Coffs Harbour (west) have seen good growth over recent years. These areas are suited to the first home buyer due to their pricing with duplex and villa units and smaller single homes still available for between \$375,000 and \$600,000. General age of product ranges from 15 to 40 years. These areas are well located close to the Pacific Highway for access north and south and also located within two to four kilometres of beaches and major shopping.

Southern townships such as Macksville and Nambucca Heads are also worth looking at for the first home buyer. These areas have become more popular with good highway access and reduced travel time to Coffs Harbour to the north and Port Macquarie to the south.

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**Whilst the first homeowner may be bank ready up to an approved amount, they are often second in the running when it comes to the highest offer and contract conditions.**

Nambucca Heads (47 kilometres or a 30 minute drive to Coffs Harbour) has a median house price according to real estate.com.au of an affordable \$435,000 and Macksville (57 kilometres or a 40 minute drive to Coffs Harbour) has a median house price of \$420,000.

There is no real congregation of first home buyers to one area, more so a mix of all types scattered throughout the region. What we buy is a direct result of what we can afford, but the good news is that Coffs Harbour has a great variety of property types. Whether it be the green change or the sea change, the growing population and changing demographic is having a positive impact on the region.

Grant Oxenford  
Property Valuer

### Newcastle / Hunter Valley

With the COVID-19 pandemic starting to appear in our rearview mirror, the Newcastle and Hunter region property market is not looking as though it will slow down any time soon. A large portion of purchasers out in the market are first home buyers looking to eagerly get into the property market. A factor playing into the decision process for these first home buyers is the available grants for new builds.

BBuilding grants for new construction in New South Wales, where eligible candidates could get \$25,000 as a grant towards their new build, ended in December 2020. The grant was extended at a reduced amount of \$15,000

however this finished at the end of March 2021. These grants gave first home buyers even more motivation to get into the property market and buy or build a new property.

To be eligible for the first home buyer grants in New South Wales still available, new properties need to be valued at under \$800,000 in total (for house and land) for full exemption of stamp duty. For buyers seeking to buy or build their first house, a grant of \$10,000 may be available for new properties valued at less than \$750,000 in total (for house and land).

Price points around the region for vacant land in popular areas for first home buyers are Chisholm in the Maitland region at \$270,000 to \$350,000 for most standard size blocks. This allows for a new build and land to be completed for \$570,000 to \$650,000 based on a build price of \$300,000.

Other suburbs closer to Newcastle include Cameron Park and Fletcher where vacant land is priced from \$310,000 to \$400,000 for most standard sized blocks. This allows for a new build and land to be completed for \$610,000 to \$700,000 based on a build price of \$300,000. These regions are slightly more expensive than the Maitland region, however are closer to Lake Macquarie and Newcastle.

There are still bargains in the Newcastle, Lake Macquarie and Hunter Valley markets for buyers not looking for a brand-new house. Houses in popular suburbs in Mayfield and Waratah which

need some renovating are selling for between the \$520,000 and \$600,000 mark, with ample property available for sub \$500,000 in the Cessnock area. Potential buyers are doing whatever it takes to get a foot into the property market, with agents in the region advising that borrowing or seeking assistance from parents is now becoming the norm for these eager first home buyers.

With the abovementioned price points and a rising market, the Newcastle property market is still quite affordable for first home buyers looking to get into the market. A lot of these buyers believe that if they do not buy soon, they could miss out altogether. Only time will tell.

Liz Mcallister  
Property Valuer

### Central Coast Region

Every property owner has been a first home buyer at some stage in their lives. A first home buyer may be a young individual or couple who have focused on saving for a deposit rather than travelling the world, young professionals who have graduated from university or completed a trade, or long-term renters now looking to invest in their own property. These are only some examples of first home buyers in our region.

As property values in our region over the past 20 years have been progressively increasing, these buyers have had little choice but to focus on saving - even if that means sacrificing the smashed avo weekend eat outs. Over the same

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**Potential buyers are doing whatever it takes to get a foot into the property market, with agents in the region advising that borrowing or seeking assistance from parents is now becoming the norm for these eager first home buyers.**

period, house deposits continue to increase on the back of capital growth in our region. It is not only our region where first home buyers are finding it increasingly difficult to purchase property; our southern counterparts in metropolitan Sydney with median dwelling house prices typically exceeding \$1 million seem to be out of reach for many. It is for this reason that government measures have been put in place to help assist first home buyers secure their first property. These measures include the First Home Owners Grant Scheme, allowing first home buyers exemptions on stamp duty. Another measure is Guarantor Home Loans, where lenders allow applicants to use their parents' property as additional collateral instead of a monetary deposit.

Recently, agents have reported growing interest from first home buyers for property on the Central Coast. Many reside in Sydney and are joining the stampede searching for affordability, something our region still offers, although this is shrinking due to the strengthening market conditions over recent times. Local first home buyers are being forced to look away from areas they traditionally grew up in with the view to seeking opportunities in nearby suburbs that meet their affordability needs.

The northern region, which generally encompasses all suburbs north of Wyong and The Entrance on the Central Coast, is considered to be in hot demand for first home buyers. Some lenders have reported that outside of Sydney, the most popular region for first home buyer mortgage applications was around the Wyong area. The increased demand for property on the Central Coast has resulted in a strong increase in property prices over the past 12 months. The increase in prices has seen local first home buyers migrate north towards alternative locations, given

its known affordability when compared to suburbs in the southern part of the Central Coast. The region offers a wide range of property in both developing and established areas which gives first home buyers broad choice when considering their first home. The typical price point for first home buyers is considered to be the sub-\$650,000 market where first home buyers can purchase well maintained and quality property and are also eligible for a full stamp duty exemption. Types of property available in this price point generally include new property (i.e. house and land packages, off the plan units and semi-detached dwellings and subdivision estates with affordable vacant land available) in areas such as Wadalba, Hamlyn Terrace and Woongarah where first home buyers are able to take advantage of government incentives including the New South Wales first home owner grant for new builds and the home builder grant which has been available since June 2020 and is now being scaled back.

Alternatively, there are options for established smaller older dwellings closer to the ocean or lake in this price point. For those with a lower budget, property can be purchased in surrounding suburbs such as San Remo and Blue Haven where you can enter the dwelling market for \$500,000 to \$600,000. There are also opportunities across the region where first home buyers can enter the unit market for under \$500,000. This would include units in The Entrance, Toukley and Wyong.

At the other end of the Central Coast, typically defined as south of Ourimbah and Bateau Bay, property values sub-\$650,000 are becoming limited.

However, not all hope is lost; there are some pockets where property in this price range can be found.

Springfield is one suburb which has become

increasingly popular for first home buyers due to its central location and affordability. While the suburb has seen strong growth in recent months, there is still entry level property available in some pockets. This three-bedroom, one-bathroom dwelling was snapped up for \$600,000 in January.



Springfield home

Source: CoreLogic RPData

The Peninsula suburbs, located on the southern end of the Central Coast, have also become increasingly popular for first home buyers over previous years, particularly for Sydneysiders looking for affordability. As a result this area has also seen very strong growth in recent months. For first home buyers, they will be limited to original fibro dwellings in fair condition on smaller lots or strata titled properties.

However, in the current market, the issue isn't just locating a property within your budget; the issue is competing with the droves of buyers at auctions and open homes.

While the current high demand in the market might be steering some first home buyers away, inclined to wait for the boom to ease, it is difficult to say whether these buyers will need to increase their budgets yet again in 2022.

Todd Beckman, Julia Miller and Jemma Briscoe  
Valuers





## Illawarra

Buying a home in the Illawarra is a tricky prospect for anyone at the moment given the huge demand being experienced. First home buyers will be finding it extra challenging as they haven't experienced a property purchase before and will be learning about everything that forms part of the process, not just the actual purchase. First home buyer activity does seem to have increased in recent months as buyers in this category start worrying about leaving it too late and being concerned about where market levels will be if they wait another 12 months.

The type of property a first home buyer will be looking at is dependent on their life situation. Singles might be interested in a unit in the Wollongong CBD. More affordable options around the \$400,000 mark are older basic two-bedroom units or more modern one-bedroom units. Couples without children or with young children can be looking at two- or three-bedroom townhouses or older houses that might be a doer upper project. For under \$650,000 you can get an older two- or three-bedroom townhouse around Corrimal or Figtree, an older house in Berkeley, Dapto or Warilla, or a new three-bedroom duplex in Kembla Grange or Albion Park. Larger families will be wanting a bit more room and while four-bedroom housing options north of Wollongong under \$800,000 are limited, new housing is available for this amount in West Dapto and Calderwood.

As property values continue to rise, first home buyers are under increasing pressure when

attempting to get into the market. Low interest rates and government grants are providing assistance, but the reality is that many potential first home buyers are not able to afford to own their own home. An alternative option is to become a rentvestor, where you rent a property to live in in a location and style that suits and purchase a more affordable property in another location. Nearby rentvesting opportunities for Illawarra locals include areas such as the Shoalhaven and Goulburn where \$400,000 will go a bit further. Likewise, the Illawarra can be a popular location for Sydney based rentvestors looking for more affordability than their local market.

**Chris McKenna**  
Residential Team Leader

## Nowra / Shoalhaven

Many regional and metropolitan areas around New South Wales are experiencing a property boom and the same can be said for the Nowra and Shoalhaven regions. With current record low interest rates which are predicted to remain low in the medium term, a lack of supply and increasing demand, there is strong competition across all sectors of the property market.

First home buyers are competing with a range of buyers and this is particularly evident in the Nowra and Shoalhaven regions. The COVID-19 pandemic has resulted in more employers being more flexible in their working arrangements with employees and allowing more employees to work from home. There is a large amount of buyer

interest and activity from out-of-town buyers seeking a permanent sea change or looking to purchase a holiday home in one of the coastal suburbs such as Culburra Beach, Callala Bay or Vincentia for example. This is making it harder for first home buyers to purchase their first home in these coastal towns on the south coast as housing prices have increased significantly in the past three to six months.

Many first home buyers in the region are seeking to take advantage of government grants and assistance in order to enter the market. This is mostly evident in new subdivisions in Sussex Inlet, South Nowra and Vincentia which allow first home buyers to purchase a vacant allotment and build a brand new dwelling for around \$650,000. First home buyers are also entering the market by buying new homes which allows them to also apply for government grants and assistance. New duplex homes are also popular in these new subdivisions as they are cheaper than freestanding dwellings and can be purchased for around \$500,000 for first home buyers.

The Nowra and Shoalhaven region is viewed as a far more attractive prospect than the Wollongong, Shellharbour and Kiama local government areas for first home buyers due to the upward trend in housing prices making the latter areas out of reach.

**Josh Devitt**  
Director

## Tamworth

The Country Music Capital has historically been an attractive option for first homeowners entering the residential market. Being the major regional centre for north-west New South Wales, Tamworth offers favourable job prospects, a favourable lifestyle and affordable property.

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**There is a large amount of buyer interest and activity from out-of-town buyers seeking a permanent sea change or looking to purchase a holiday home.**



Creek which have seen a median sale price increase of approximately 11 per cent. Residential locations which show the lowest five-year median sale price increase have been Westdale and South Tamworth (at five per cent and four per cent respectively).

The Tamworth residential market has historically been a very stable one for property owners. Property cycles are generally less volatile, reflecting smaller peaks and troughs movement. Moderate, steady long-term growth will continue to attract first home owners to this area, with markets being more accessible at the entry level. A common strategy to assist first homeowners is to call upon a mortgage guarantor (typically a parent or family member) to avoid mortgage insurers.

**Nick Humphries**  
Property Valuer

First homeowner markets generally operate within the sub-\$500,000 price bracket, with more activity in established residential cottage markets within East Tamworth, North Tamworth and inner West Tamworth. First homeowners have also traditionally flocked to slightly larger brick veneer style dwellings within the Calala, South Tamworth and Hillvue localities. Recent building incentives (\$25,000 new home building grant available through NSW Revenue) have enabled first homeowners to elevate into the new home market, mainly active within the North Tamworth and Moore Creek areas.

Generally speaking, there are multiple options for first timers entering the market in the Tamworth area. The geographic location will generally dictate the style of property you are attracted to. Those with an appreciation for architecture and period style features opt for the leafy suburbs of inner West Tamworth, North Tamworth and most favoured East Tamworth. Within these

areas entry level ranges from mid \$200,000s (inner West Tamworth) to high \$300,000 (East Tamworth). Buyers beware in these markets, as building conditions of these older dwellings vary significantly. Aspiring renovators with an appetite for lots of weekend work and DIY tutorials are attracted to this sub-market, however, these areas often achieve the best resale values for renovated dwellings (completed to a professional standard). Affordable new home residential areas within Calala (Redbank, Outlook and Lampada Estates) offer a range of affordable land parcels. Moore Creek and outer North Tamworth localities also provide competitive residential land within close proximity to the Tamworth CBD.

North Tamworth and East Tamworth are considered to be the best long-term prospects for property owners. According to property data provider, CoreLogic, these localities have shown a five-year increase in median sale price of approximately 14.4 per cent. Notable mentions are Calala and Moore

# Victoria

## Melbourne

Australia's property market continues to grow across the country going from strength to strength in many different locations. With owner-occupiers dominating the market, the country as a whole saw its highest number of first home buyer loan commitments since October 2009, according to the Australian Bureau of Statistics (ratecity.com.au). The ABS reported its highest level of commitments since the government temporarily tripled the First Home Owners Grant as part of its stimulus package response to the global financial crisis. Victoria itself experienced a 19.6 per cent increase in owner-occupier loan commitments in November 2020 following the easing of COVID restrictions (ratecity.com.au).



Change in owner-occupier loan commitments  
Victoria Nov 2020

**19.6%**

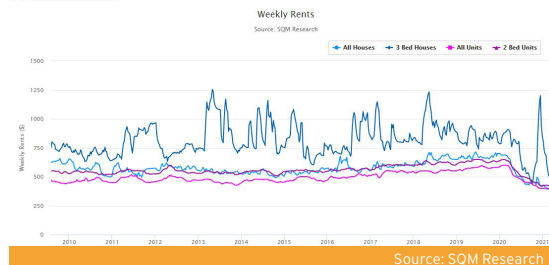
This month we delve into which areas have seen an increase in first home buyer activity, what factors are influencing purchasing decisions as well as product types and price points that are encouraging first home buyers to enter the property market given the current economic and property climate.

## Melbourne CBD

The numerous residential apartments and units within the Melbourne CBD area have generally created great interest for first home buyers, investors and renters, however the continuing COVID-19 situation has put the CBD's apartment market into a position of uncertainty. Without the demand created by overseas students and a lack of migration due to international border closures, the rates of vacancy throughout inner Melbourne have remained extremely high. Although these rates have improved as COVID-19 restrictions have slowly eased, they are still much higher than they were prior to the pandemic arriving. These high vacancy rates have also put significant downward pressure on the rental asking prices of the CBD.

With these low rental prices, first home buyers have been encouraged to continue renting rather than entering a market that has remained fairly consistent through the past months. With several grants and financial support beginning to expire, many have reverted to the option of leasing. This drop in asking rent prices is shown below, with

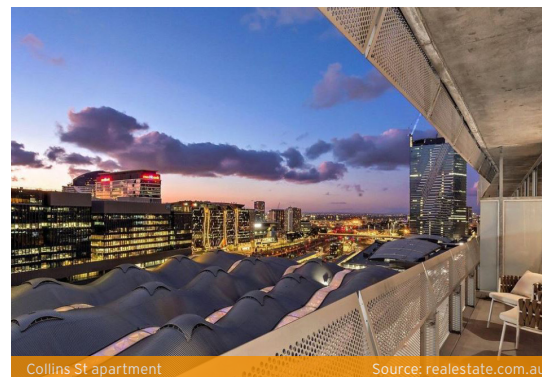
## WEEKLY RENTS POSTCODE 3000



the latest data showing an average weekly asking price of \$386 for apartments - this was \$600 approximately one year ago.

The drop in rent prices is contradicted by the stable performance of purchase prices in Melbourne's CBD. The most recent statistics show that the average selling price for an apartment or unit is \$483,011. This average has slowly but steadily risen in previous months and years without the major downfall that many other markets have seen.

## WEEKLY ASKING PROPERTY PRICES POSTCODE 3000

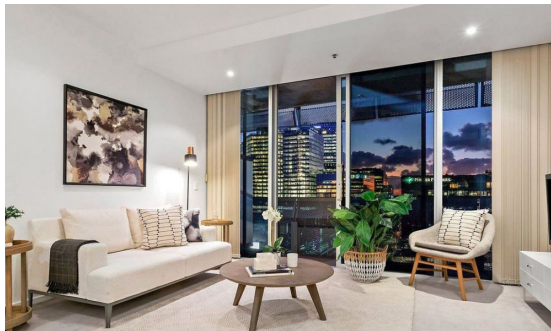


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Collins St apartment

Source: realestate.com.au



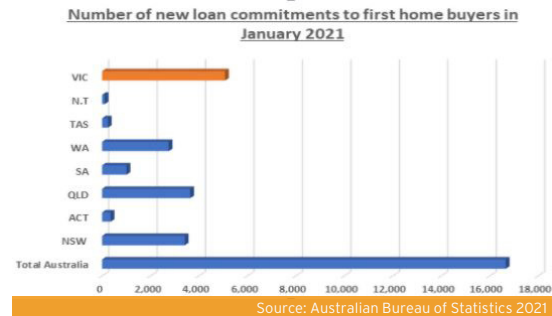
Collins St apartment

Source: realestate.com.au

The above is a property recently sold on Collins Street, Melbourne at a price of \$480,000. It features two bedrooms, one bathroom and one car park. It was previously sold for \$320,000 in 2000, an average annual appreciation of \$7619 (source: realestate.com.au)

### South East

According to a recent report from the ABS, there were about 16,664 first home buyers committing to a new loan in January which was the highest number since May 2009. Victoria recorded the highest number of commitments, reflecting that first home buyers in Victoria are relatively active compared to other states in Australia. As one of the hotspots for first home buyers, we are seeing an uptick in first homeowner activity in south-east Melbourne.



One of the suburbs in south-east Melbourne with strong growth of first home buyer activity is Clyde. Recent data from NAB also revealed that first home buyers lending in Clyde had grown by 32 per cent compared to the same period last year.



Clyde is located approximately 45 kilometres from the Melbourne CBD in the outer south-eastern suburban fringe and is one of the fastest-growing suburbs with a great range of nearby amenities. As of March 2021, the average asking house price in the area is \$594,621. Amid the COVID pandemic, home buyers are more interested in lifestyle factors with private outdoor space and a larger living area that can accommodate a study or home office. With several government incentives such as the First Home Owners Grant and the \$15,000 HomeBuilder Grant, we are seeing demand for house and land packages in the area has also increased in the past couple of months.



37 Cherokee Parade, Clyde, Vic 3978

Source: realestate.com.au



37 Cherokee Parade, Clyde, Vic 3978

Source: realestate.com.au

The above property is located in Lilium Estate and features four bedrooms, two bathrooms and a double garage with ducted heating and cooling on a site of 388 square metres. This property was sold for \$605,000 in February 2021 after 22 days on the market.

### Inner and Outer East

Melbourne's east has long featured some of the city's most luxurious homes, with the price tag to match. As a result, first homeowners may struggle to enter the market in the eastern corridor, particularly in the inner east local government area of Boroondara which includes suburbs such as Hawthorn, Kew, Balwyn and Canterbury. Median



house values in these suburbs sit between \$2.1 million and \$3.25 million (source: PropertyData.com.au 2021) and properties are unlikely to be snapped up by buyers entering the market for the first time.

There has however, been an increase in first homeowner activity as the federal government provides financial aids and assistance in the form of grants and stamp duty discounts which help to make purchasing in the city's leafy green east more achievable. Opportunity for buyers lies mainly in the established areas of Maroondah, Whitehorse and Knox, slightly further out from the CBD. There are not many new estates for off-the-plan purchasing of house and land packages like the northern and western corridors of the city, but there is ample opportunity for new homeowners to enter the market. Newly developed units as a result of recent subdivisions of larger lots create opportunities for more affordable property in these established suburbs.

Prospective homeowners can also look to buy existing property with the intention of either knocking down an outdated dwelling and building a new home or renovating and refurbishing the established one. Ringwood is an example of an established suburb located approximately 25 kilometres from Melbourne's CBD that features green open spaces and numerous schools, potentially key factors for young families looking to buy the first family home. In addition, Eastland shopping centre is nearby for the abundant provision of retail and entertainment services. Ringwood has experienced annual house price growth with median house prices as of March 2021 being \$640,000, \$850,000 and \$965,000 for two bedroom, three bedroom and four bedrooms respectively.



47B Bourke Street, Ringwood

Source: CoreLogic, 2021



47B Bourke Street, Ringwood

Source: CoreLogic, 2021

47B Bourke Street, Ringwood 3134 was purchased in January 2021 for \$772,000 after 69 days on the market. The house was built circa 2000 and recently renovated to feature three bedrooms, two bathrooms and a double garage on 283 square metres of land.

339 Maroondah Highway, Ringwood 3134 is a house currently listed for \$600,000 to \$660,000 featuring three bedrooms, two bathrooms and one car space on 439 square metres of land.



339 Maroondah Highway, Ringwood

Source: Realestate.com.au, 2021



339 Maroondah Highway, Ringwood

Source: Realestate.com.au, 2021

### Inner and Outer North

Record low interest rates and a number of government incentives have resulted in an enormous amount of activity from first home buyers in Victoria since the beginning of the year. On top of this, the Coronavirus pandemic resulting in the inability to go on holidays meant many who were still working were able to spend their savings on property instead. Since the announcement of the Homebuilder scheme, the value of lending to first home buyers has increased by 86.8 per cent (source: ABS, 2021). Melbourne's inner and outer north is no exception to the first home buyer boom seen across the rest of Victoria.

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113 Moxham Drive, Kalkallo 3064



Source: realestate.com.au, 2021

## Western Suburbs

The west presents as a more accessible area for first home buyers compared to other parts of Melbourne. First homeowner activity has definitely increased in the west with government incentives being an important factor in purchasers' decision making. The first home buyers grant includes \$10,000 for those who buy or build their first home with the stamp duty tax being waived from the purchase. The grant is \$20,000 for those who decide to build in regional Victoria. This is combined with the new Home Builders grant which is \$25,000 for build contracts signed before 31 December 2020 and \$15,000 for contracts signed before 31 March 2021 (source: realestate.com.au). These incentives have driven the occupancy market in areas such as Tarneit, Truganina and the Melton region from renting to owning or purchasing. Extremely low interest rates are also a driving force for first home buyers purchasing property.

The average price for property in March 2021 in Tarneit, Melton and Williamstown was \$570,000, \$391,250 and \$1.4 million respectively. Clearly there is a huge difference in price points from the established inner and bayside areas of the west compared to the developing areas. Areas such as Tarneit and Melton give purchasers options as they can purchase an existing property or build, meaning they can take full advantage of government incentives in an area they can actually afford. Areas such as Williamstown are out of reach for most first-time buyers.

Areas in the Wyndham Vale and Melton municipalities have been more desirable and will continue to be for first home buyers because of: their relatively close proximity and linkages to the city; the more desirable property type and size, being larger parcels of land and dwelling areas; and

Whilst prospective first home buyers may struggle to break into the market of the inner north, with suburbs such as Carlton and Fitzroy currently demanding median house values of \$1,662,500 and \$1,522,000 respectively, it is estate housing on Melbourne's outer fringes that is proving a realistic opportunity for many first home buyers. For example, lot sales in Melbourne's fringe corridors doubled in the final quarter of 2020 compared to that same quarter in 2019 (source: realestate.com.au, 2021). Of these land buyers, almost half are eligible for the government's \$25,000 Home Builder boost and another 14 per cent can claim the smaller \$15,000 grant (source: RPM, 2021).

However, as the government's stimulus finished on 31 March and investors began to re-emerge in the market, the first home buyer boom could come to an end soon.

One of the clear hotspot suburbs in Melbourne's outer north for first home buyers is Kalkallo, which currently boasts an affordable median house price of \$547,450 (source: PropertyData, 2021). The above property sold on 4 March 2021 for \$495,000. Located in the Cloverton Estate, this home features three bedrooms, two bathrooms and a double garage on 262 square metres of land.

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most importantly they are affordable and realistic for the large majority of first home buyers.

### Geelong

Geelong, much like the rest of Victoria has seen an uptick in first homeowner activity to start 2021. Subsidy programs and stimulus packages such as HomeBuilder and JobKeeper, along with low interest rates and a ban on international travel have meant more people are in a position to purchase a home despite the trying times.

First time buyers have been drawn to more affordable locations including Lara, Leopold, Charlemont and Armstrong Creek where buyers can enter the market at around the \$550,000 price point for a four-bedroom home. Popular suburb Armstrong Creek will continue to be attractive for first time homeowners. With a median house price of \$575,000, this area will continue to be one of Geelong's most in demand growth markets (source: Corelogic, 2021).



Fringe suburbs of Bell Post Hill and Grovedale offer affordable properties on larger allotments within close proximity to major infrastructure and have proven to be popular options with first time buyers and young families targeting these locations.

Co-buying and pooling of family funds have also proved popular options to enter more attractive suburbs of Geelong West and Belmont. Across the Bellarine region, the suburbs of St Leonards and Clifton Springs offer affordable options for those who have been priced out of the more favourable lifestyle location of Ocean Grove.



Sold: 23 Tenneyson Close, Armstrong Creek (four bedroom, two bathroom, two car garage) \$560,000

Jake Garraway  
Residential Valuation Manager

### Bendigo

First homeowner activity in the Greater Bendigo region has increased in recent months, following a decrease in activity during COVID lockdowns in the previous year. Our assessment is that an increase in first homeowner activity coincided with lockdown restrictions easing in Victoria. In our region, first homeowner grants have fueled purchasing and have in turn propped up the lower to medium end of the residential housing market. This is resulting in a cycle that leads to rising housing prices and the emergence of first homeowners being priced out of the market.

At the present moment there are two main grants available to first homeowners in our market, as well as a stamp duty waiver of up to 50 per cent for a residential property. Firstly, the regional First Home Owner Grant is a \$20,000 payment for first home buyers who sign a contract to buy or build a new home with a construction cost of less than \$750,000. Secondly, a \$25,000 Home Builder grant was implemented by the government for building contracts signed between 4 June and 31 December 2020 with a building price cap of \$750,000. The grant was extended to 31 March 2021, with a grant of \$15,000 available for construction with a price cap of \$850,000.

For first home buyers in the Greater Bendigo region, housing affordability is dependent on the budget of the first homeowner. The preferred option is to build, however if they are priced out of that option they tend to look to enter the market in the sub-\$300,000 price bracket. The market is beginning to go a little beyond the affordability range of first home buyers in our area, which has led to some panic buying occurring. As a result of this trend, a large proportion of relatives are acting as guarantor as some first homeowners struggle to raise initial deposits.

The rental market in Greater Bendigo remains strong. This means that first home buyers are encouraged to utilise a guarantor, as financially they are no worse off with a mortgage than paying rent as the repayments are very similar. Parents seem to be more confident to become guarantors due to the underlying strength of the market and their ability to draw on their own personal equity.

The market in the Macedon Ranges is starting to be beyond the purchasing ability of some first home buyers, however there has been an increase in the appeal for buyers relocating from Melbourne.

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*Buyers in the local market are having to be a bit more strategic with their purchases. That is, they will need to consider whether the property will be a longer-term investment or a short one-to-two-year play and then upgrade.*

Our assessment is that the majority of recent purchases in the Macedon Ranges areas have been undertaken by second and third homeowners. In other servicing locations such as Maryborough, there has been a definite increase in the presence of first home buyers in an area that used to be dominated by typically older purchasers.

Overall, there has been a clear increase in the activity of first home buyers in our region. We predict this will remain a steady trend whilst interest rates remain low and the regional first homeowner grant remains in place.

**James Watson**  
Valuer

### Shepparton

In April 2020's Month in Review, I stated that "The land situation in the area is tightening. This will start to put upward pressure on land values, the likes of which we haven't seen in over a decade", and we have seen a massive jump in the sale prices of resale blocks. It's not unusual to see a premium of over \$40,000 achieved compared to what the block was purchased for from the developer only a few months ago. Relatively speaking, around a 25 per cent jump in six to eight months.

At the moment we still have stamp duty concessions and a \$20,000 grant for regional first home buyers who opt to build or purchase a sub-five-year-old home that hasn't been sold before, but with the amount of pressure in regional markets, these newer homes are selling for premiums too.

Buyers in the local market are having to be a bit more strategic with their purchases. That is, they will need to consider whether the property will be a longer-term investment or a short one-to-two-year play and then upgrade. Those playing the long game can probably afford to push the bar and spend what may be considered over the odds for a property as the long-term growth will be forgiving and that extra \$10,000 spent to secure the property will be almost forgotten. The amount of people who make statements like "I wish I'd bought more houses when they were \$100,000 because they're now over \$x" never ceases to amaze, but the statement shows that long term planning with property nearly always brings you out on top.

Those looking for a short term steppingstone should be more diligent in their property purchase and look for something that has some solid fundamentals behind it such as location and owner-occupier appeal.

**Luke Jorgensen**  
Valuer

### Warrnambool

First time homeowners are an active segment within the Warrnambool residential market and are increasingly showing a spread to the surrounding satellite townships.

Anecdotal evidence from a range of property-related occupations including brokers, estate agents and numerous building companies in the Warrnambool area have all highlighted the same

frantic rush by first time buyers to enter the market driven by a desire to utilise any and every grant or financial support measure available to them. These measures typically include the regional First Home Owner Grant and HomeBuilder Grant.

In the face of a hotly contested and rising Warrnambool market, first homeowners can still be assured of varying points of entry to meet most levels of budgets. Trend-wise, it seems that first homeowners still hold onto the idea of the Australian property dream and favour larger detached dwellings rather than smaller attached or semi-detached residences. Despite the higher price point of a detached dwelling, it is not generally required that a first homeowner in Warrnambool embark on any form of exotic purchasing strategy (such as rentvesting or co-buying with family or friends), however, the bank of Mum and Dad is a common method of gaining financial approval.

Perhaps the best method of entry for first homeowners longer term as well as in the present is to build new. This method avoids the tremendous level of competition for new or near new dwellings and is a timely approach with the HomeBuilder Grant currently available (at the time of writing).

**Adrian Castle**  
Certified Practising Valuer

### Mildura

With a recent apparent market spike, we are seeing some listings achieving sale prices above that of the asking price in a very short amount of time

*With interest rates at an all-time low, it appears first homeowners feel more comfortable stepping above their initial budget and competing in this rising market.*

on the market. Although it is positive to see the market trending upwards, this could see first home buyers pushed to stretch themselves above their initial budget.

Although the local Sunraysia market is relatively affordable, some first homeowners may be having a more difficult time entering the market than in previous years. There is still a vast number of affordable older homes, however with the recent government grants available to first homebuilders, there has been a spike in building activity, with a number of these likely owner-occupiers building their first homes. Although the government grants have been beneficial to the first homebuilder, it appears that local builders have in turn raised their prices. This appears to be a combination of factors including the government grants, an increase in material costs and builders also having the luxury of being busy enough to simply increase their profit margins in a market where they have seen an increase in enquiries.

The majority of property options for first home buyers tends to be between the \$250,000 and \$450,000 price range, with the lower end comprising older dwellings and the higher end being a combination of new builds and older, larger dwellings in more sought after locations. With interest rates at an all-time low, it appears first homeowners feel more comfortable stepping above their initial budget and competing in this rising market. A recent example of this competitive market is a sale at 4 Homestead Court, Mildura which came on the market on 4 February 2021

advertised at an initial asking price of \$320,000 to \$352,000 and was subsequently put under contract for \$374,000 on 12 February 2021.



Jake Garraway  
Valuer

4 Homestead Ct, Mildura

Source: RPData



# Queensland

## Brisbane

It's been a very active first three months of 2021 in the Brisbane market as we've watched the rate of sales activity increase at a fast clip.

All the usual universal factors are fuelling the buzz - low interest rates, government stimulus and a rising confidence that post-pandemic normality is just around the corner. These are the same drivers applicable across most Australian property markets at present.

But in Brisbane we have one particular unfair advantage over other eastern-seaboard capitals - and that's affordability relative to proximity. We've got property at a very accessible price level that's still within a short commute of our CBD (or CBDs if you count satellite centres such as Ipswich and Logan). This means people priced out of southern-state real estate are looking here to make their mark.

A big part of the demographic buyer base helping drive demand in Brisbane has been first homebuyers. Activity among first-time buyers has strengthened for a number of reasons.

Firstly, government stimulus has been geared toward first homebuyers through programmes such as:

- ▶ Early access to superannuation for a deposit;
- ▶ Queensland Transfer Duty on homes valued under \$550,000 can save buyers up to \$15,925;
- ▶ Queensland First Homeowners Grant of \$15,000 towards buying or building a new home; and

- ▶ The Federal Homebuilder grant which provided \$25,000 for contracts signed between 4 June and 31 December 2020 and \$15,000 for contracts signed between 1 January and 31 March 2021.

In addition, the rental market in Brisbane has been very hot indeed. Combine this with extraordinarily low interest rates on borrowing and the result is that it actually makes more economic sense to buy a home than to rent. Not only are you getting a foot on the property ladder, but it's cheaper servicing a mortgage than paying a landlord.

Of course, all of this is occurring at a time of growing confidence. With the vaccine rollout underway, and some impressive results from countries such as the UK in terms of falling infection rates, there is a feeling that we're emerging from the pandemic.

But for all these advantages, we do note that the Brisbane market has ratcheted up again in recent weeks and could be getting away from many first homebuyers pricewise. Tight stock levels and strong demand across all demographics have made it incredibly difficult not only to find a property to buy but to also secure something at a reasonable price. Investors have made their way back into the market and competition is heating up.

So, what is actually available to first homebuyers in our city if they have the cash and are ready to go?

Well, first timers are most active in the sub-\$500,000 price sector for detached houses (even though finding a property at this level is becoming

very tough). Most house buying at this price point is in the far northern and southern fringe suburbs.

As such there has been increased interest in attached housing from first homebuyers - both units and townhouses. This compromise helps keep their purchase options affordable while still being able to buy in areas that are well serviced and accessible.

In fact, for those wishing to purchase closer to the CBD and/or transport hubs, units are the most obvious choice. For example, new or near-new units in Nundah are available within the \$320,000 to \$450,000 price bracket.

Take this property at 27/8 Windsor Street, Nundah which sold in April 2021 for \$380,000. It offers a functional two-bedroom, two-bathroom apartment of reasonable finish in an area well serviced by lifestyle amenities, retail facilities and transport.

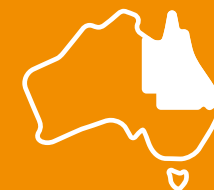


27/8 Windsor Street, Nundah

Source: realestate.com.au

For detached houses, renovation options in mid- and mid-outer ring addresses are worth checking

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out. We do note, however, that post-war homes are in hot demand as they give buyers the chance to demolish and build. As such, competition is fierce and first-time buyers can be priced out in many suburbs.

Prices for first homeowners looking at established detached homes in mid-to-outer suburbs are from the late \$500,000s to early \$700,000s. An example would be 19 Purdy Street, Aspley which sold in March 2021 for \$717,000. It was a well-presented, lowset four-bedroom, two-bathroom home on a 617 square metre allotment.



19 Purdy Street, Aspley

Source: realestate.com.au

In any market - whether rising or falling - good fundamentals are essential when buying a first home. By purchasing a property with the right foundational elements, you can maximise the chances of capital growth. This means you'll have an excellent long-term investment, or you might be able to sell at a premium in a few short years so as to upgrade to another home.

As such, our tip is to seek properties with a minimum of 600 square metres of land area in

good proximity to transport and other facilities. Even areas that have historically been viewed as secondary would fit the bill for first time buyers if the fundamentals are right.

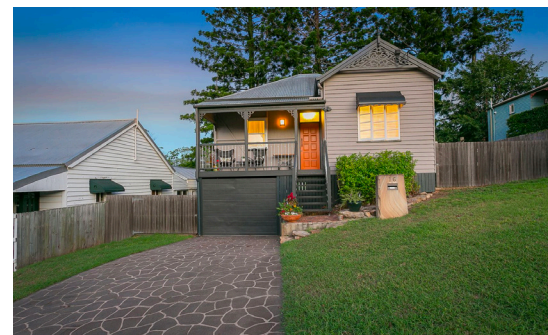
For example, this home at 65 Church Road, Zillmere sold in March 2021 for \$530,000. It's a modest three-bedroom home on a 627 square metre lot within walking distance of Zillmere train station. While this might not be what you imagined as your first home, it's certainly a great step into the Brisbane market with plenty of long-term potential.



65 Church Road, Zillmere

Source: realestate.com.au

Another market to keep an eye on is Ipswich. This LGA has seen impressive sale results of late, but you can still buy a well located three-bedroom home for under \$600,000. Take this property at 16 Murphy Street, Ipswich which sold in April 2021 for \$570,000. It's on a particularly small allotment - just 367 square metres - but offers a three-bedroom home in a well-elevated position with exceptional views to the north and within walking distance of Ipswich's CBD.



16 Murphy Street, Ipswich

Source: realestate.com.au

If we were to give another tip to first homebuyers, it would be one of caution. Attached housing - particularly new townhouses - in far southern-fringe suburbs will seem attractively affordable and reasonably plentiful to some buyers. History has shown their capital growth potential is limited - particularly when markets soften. With this in mind, buying one of these now in a 'Hot! Hot! Hot!' market isn't a great idea.

The limited supply of property coming to the market has increased prices and this is affecting first homebuyers. That said, if you are a first homebuyer in Brisbane, there are properties on offer. Just be prepared to consider locations you might have written off at first... but don't fret! Your first purchase will rarely be your forever home.

David Notley  
Director

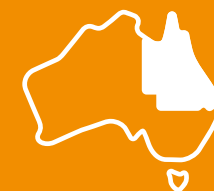
## Gold Coast

### Southern Gold Coast and Northern NSW

First homeowners, amongst most other market segments across the Southern Gold Coast and Northern New South Wales were very active throughout the first quarter of 2021.

A combination of low interest rates, domestic

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**Our tip is to seek properties with a minimum of 600 square metres of land area in good proximity to transport and other facilities.**



migration and government incentives have created strong demand, with first homeowners still finding good opportunities to enter the property market, particularly in locations such as Tweed Heads West, Tweed Heads South and Bilambil Heights. Historically, these areas have offered reasonably affordable housing options, however in recent months stock levels have diminished considerably.

The strengthening of house prices in the coastal locations of the Southern Gold Coast and Tweed Shire, such as Coolangatta, Kingscliff, Casuarina, Bogangar and Pottsville, has seen reduced demand from first home buyers with most freehold options becoming almost out of financial reach for the majority of this segment.

Contributing factors to the continued strong demand levels in the area may also stem from the commencement of new infrastructure projects. We note that the Tweed Valley Hospital site is cleared and now under construction, with government spending reportedly increased by another \$90 million to fast track the development, creating another 800 jobs during the construction stage. The project is expected to be completed in late 2022.

### Gold Coast Central Areas

Demand for residential property remains very strong across the central suburbs of the Gold Coast. Buyers are currently finding it difficult to enter into the market with what appears to be record low stock levels at the moment. The recent influx of New South Wales and Victorian buyers has put further upward pressure on property prices and subsequently made it a greater challenge for local first home buyers to get their foot in the door. As a result, we have not witnessed a significant uptick in first homebuyer activity in the first quarter of 2021. There are now very few opportunities to buy

under the \$750,000 price level for a freestanding dwelling in popular suburbs such as Mermaid Waters, Miami and Broadbeach Waters. Properties priced above \$750,000 are generally out of range for a first home buyer on the Gold Coast.

Stamp duty concessions are still being offered to first home buyers by the state government and this applies to established residential property purchases under \$550,000 or a block of land valued at under \$400,000. Options for a first home buyer to purchase a freestanding dwelling under the \$550,000 threshold are few, with most being in suburbs west of the M1 Motorway. Vacant lots are virtually non-existent in the coastal suburbs below \$400,000.

At the moment first home buyers are generally restricted to unit product such as duplex units, townhouses and apartments. Properties that appear to represent good value for first home buyers are established townhouses and duplex units. Good examples can be found within the Varsity Lakes, Robina and Bundall areas.



A three-bedroom townhouse at Great Southern Drive, Robina sold in January 2021 for \$538,000  
Source: CoreLogic

Duplex units in Southport and Labrador are good entry level options. Agents are reporting that

most first home buyers are typically using their parents as guarantors to help secure their first property. The help from parents (as guarantors) and the stamp duty incentive offered by the state government is probably not enough to stimulate further first home buyer activity in this area. Despite interest rates being at an all-time low, first home buyers will likely continue to struggle to find good opportunities this year in this part of the Gold Coast.



A three-bedroom townhouse at Terrigal Crescent, Southport sold in February 2021 for \$450,000  
Source: CoreLogic

### Northern Gold Coast Corridor

From a valuer's position, the circumstances or demographics of the buyer are not always clear, however it generally appears that first home buyers in the northern Gold Coast corridor are very active at the moment. The hotspots are new builds in the Pimpama and Coomera to Ormeau areas (northern growth corridor of the Gold Coast), having numerous new residential estate releases. These suburbs provide more affordable property compared with the central and southern areas of the Gold Coast.

It was noted that almost as soon as the Reserve Bank dropped the official interest rate in response to the pandemic crisis, both estate developers and



*First home buyers who have already entered the market and built their first home will see huge capital gains and will, at least in the short term, enjoy lower repayment options.*

many project builders responded by increasing their house and land prices. This immediately absorbed much of the Government's attempt to assist the first home buyer. What has happened since and only over the past few months is an incredible property boom driven by the low interest rates and southern migration. We are now seeing established dwellings selling for over 20 per cent more than they sold for only two or three years ago.



**20 Coomerong Crescent, Upper Coomera, QLD 4209** is under contract for \$676,000 with the previous sale listed as \$530,000 in June 2018. A circa 2010, four-bedroom, two-bathroom dwelling with a gross floor area of 227 square metres and standard ancillary improvements on a 721 square metre lot. Source: realestate.com.au

Sales agents are reporting extremely low stock levels across all residential property sectors and this is further putting upward pressure on values.

First home buyers who have already entered the market and built their first home will see huge capital gains and will, at least in the short term, enjoy lower repayment options. However, for those first homebuyers now entering the market, things are much harder with house and land prices

much higher than they were. We are aware that properties are selling within days and sometimes hours of being listed. It is common for 50 to 80 parties to go through a single open home and sales agents are showing us evidence of multiple offers at levels well above 2020 price points. Many properties are not going to the open market with agents selling to buyers off their databases. Some buyers are very stressed as rentals have become scarce and rents too have skyrocketed.



**31 Foley Crescent, Pimpama, QLD 4209** was purchased by a first home buyer who paid a total of \$510,000 for the house and land package in June 2020 and based on current transactions, the as if complete value is estimated at circa \$600,000. This shows a circa 15 per cent growth in just over six months. The dwelling will be a four-bedroom, two-bathroom home with a gross floor area of 203 square metres with all the standard ancillary improvements offered in a house and land package: driveway, fencing, landscaping, lawns and a letter box. Source: Herron Todd White

The government has introduced a number of mechanisms for first homebuyers to get into the market including:

- **Superannuation Fund** - option to withdraw \$15,000 per year capped at a maximum of \$30,000;

- **Home Builder Grant** - a \$15,000 grant for property up to a maximum value of \$750,000 in Queensland.

And we are all benefiting from the official Reserve Bank interest rate now being 0.1 per cent and the ability to fix our mortgages at an all time low of 1.75 per cent with some lenders!

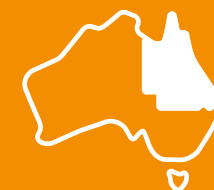
**Janine Rockliff**  
Director

## Sunshine Coast

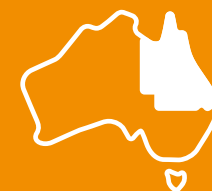
The residential market on the Sunshine Coast over the past 24 months has seen a significant improvement in sales volumes and values. The pace of these increases in some cases has been breathtaking. This had made it harder for first home buyers to enter the market but mainly for traditional properties. Generally the first home buyer market on the Sunshine Coast is predominantly the \$300,000 to \$600,000 value range, however as a result of the low stock levels and increase in values across the coast, opportunities in this price range are becoming harder to secure.

This has led to developers and builders getting creative with lot sizes and the design of new homes to provide more affordable housing options. Developers and builders have a variety of lot sizes and house designs targeting first home buyers from small lot detached housing (sub-250 square metre lots) to terrace style housing (circa 100 square metre lots) that provide small two- to three-bedroom, two-bathroom accommodation with a single lock up garage. Some first homeowners are now turning to these smaller house options in order to get a foot in the door as an alternative to strata titled townhouses and units. These product types have become more common in the two master planned estates of Aura and Harmony.

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The traditional 600 square metre lot with a four-bedroom, two-bathroom dwelling with a double lock up garage is becoming a lot harder for first home owners to obtain, especially in coastal areas. However, if you move further from the coast to the hinterland towns, your options can open up significantly. Older post war dwellings, townhouses and duplexes all come into play. For instance in Nambour near the hospital you can still buy an older partly renovated home on a 916 square metre allotment in the high \$300,000 range. A late 1990s townhouse in that same area is in the low \$300,000 range. Sure, they are not shiny and new, but they do provide an option for first home buyers to enter the market.

In the coastal locations, clearly the values tick up, so it is harder. The unit market has been the main focus here with older townhouses and smaller walk-up units providing options.

The big issue for first homeowners is the level of competition in the market which is magnified at these lower price points. On the back of the tight rental markets investors are looking for opportunities.

There are a number of strategies being used to enter the market. These range from utilising the First Home Owners Grants on offer, to using their parents' equity as guarantor for a home loan and avoiding having to pay mortgage insurance. The current low interest rate environment is also providing significant assistance with the difference between paying rent and a mortgage being minimal.

**Stuart Greensill**  
Director

## Rockhampton

The Rockhampton region and the Capricorn Coast have experienced an unprecedented demand for

## *The Rockhampton region and the Capricorn Coast have experienced an unprecedented demand for new housing construction and vacant land sales to first homeowners since June 2020*

new housing construction and vacant land sales to first homeowners since June 2020, just three months after the initial COVID-19 shockwaves were absorbed. This has largely been the result of COVID-19 restricting international travel and to some degree interstate travel, keeping young Australians at home and changing their mindset on when and if to commit to their first home. Many of those young 18- to 25-year-olds who have saved up enough money for an overseas trip or gap year in the US or Europe suddenly had those plans halted for an indefinite period. The additional government grants on offer for first homeowners, in some cases eligible for up to a combined \$45,000 from federal, state and local governments, combined with record low interest rates, very low rental vacancy rates and a notable influx of people relocating from major cities to regional areas across the country have all contributed to the current housing climate where locally, demand is at an all-time high.

So, taking a look at our local market we can see that entry price points for vacant land start at \$105,000 in Gracemere and Zilzie Bay for 600 to 800 square metre allotments, then increase in value in the north Rockhampton suburb of Norman Gardens for a similar size lot to around \$175,000 and are capped out in the coastal suburbs such as Taroomball, Lammermoor and Pacific Heights at circa \$200,000 for a similar allotment.

Most of these lots are being accompanied by a modern on ground or low set brick home with either three or four bedrooms and most build prices range between \$250,000 and \$350,000. This effectively means we are seeing the majority

of first-time house and land packages at between \$350,000 and \$500,000. As we move through 2021, it is important to note that the government grants will be reducing at the end of March which may have some impact on demand, however it is our opinion that until the COVID-19 vaccine rollout is completed and international travel reopens, it is likely demand will remain high for the remainder of 2021 and into 2022.

**Cara Pincombe**  
Property Valuer

## Gladstone

First home buyers have been very active in the Gladstone market for a number of years now. Affordability in comparison to other regional centres has been a driving force of the market which has been very beneficial for first home buyers. Property types being purchased include a good mix of established modern townhouses for sub \$220,000 and established older housing mostly under \$300,000. Property in this sub \$300,000 price range is in high demand with multiple offers now a very common occurrence for property in this lower price bracket.

New builds account for a significant portion of first home buyer activity and this has only increased since the government stimulus packages were announced. Most first home buyer house and land packages sit between \$350,000 and \$400,000. Depending on the budget available, most new builds for first home buyers comprise three- or four-bedroom homes with modest fittings on sub 700 square metre lots.

In the current market, all property options provide very good long-term potential for capital growth. The market is definitely rising and rising quickly, so our best advice for any potential first home buyers out there is to get yourself into the market sooner rather than later in order to reap the benefits of a rising market.

**Regan Aprile**  
Associate Director

## Bundaberg

First home buyers have been engaging in the Bundaberg and coastal markets for many years now.

Affordability is a major reason for first home buyers in this region. Low interest rates are also a major contributing factor. Property in the sub-\$250,000 price range is in high demand with multiple offers now a very common occurrence for property in this lower price bracket. We are finding however that first homeowners are also competing with investors for affordable properties now that our region is experiencing record low rental vacancies. Sub \$250,000 will buy a renovated older 1950s home or a 1980s home in average condition.

Another sector of the market for first home buyers is new builds. This has increased since the government stimulus packages were announced. Most first home buyer house and land packages sit between \$350,000 and \$450,000. Depending on the budget available, most new builds for first home buyers comprise three- or four-bedroom homes

with modest fittings on an average 750 square metre lot.

In summary, the year ahead for the Bundaberg and surrounding coastal residential market generally appears positive, however only time will tell if the past 12 months is replicated in the next 12 months.

**Catherine Kersnovske**  
Property Valuer

## Mackay

The Mackay residential market has been in a strengthening phase now for a couple of years, with good employment prospects across most sectors, a strong resource sector, record low interest rates and relative affordability across most sectors.

First home buyers have been particularly active over the past 12 months. With travel restrictions in place but employment in the Mackay region still strong, first home buyers have had to rethink where to spend their hard earned money. For example, I met a young couple who were about to take off on a 12-month European adventure, with a departure date of late May 2020. With those plans on hold but cash in the bank, they decided to purchase their first home. This scenario has played out many times. First home buyers appear to be active right up to around the \$500,000 mark on existing dwellings.

Also, first home buyers have snapped up the government incentive to purchase a new home. Including all available grants, \$45,000 is available to first homebuyers to construct a new dwelling. These grants have resulted in a large influx of

land sales and construction in Mackay, with most builders' calendars almost full for 2021.

**Mick Denlay**  
Director

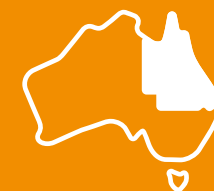
## Fraser Coast

It has been reported by the Australian Bureau of Statistics that home loans for first home buyers are at their highest level since 2009. This is due to a combination of low interest rates and economic incentives which are encouraging people to buy their first homes.

The residential market in Maryborough and the immediate surrounding areas has strengthened and improved in the past year and is on an upward trend after an extended period of static prices. There is limited stock across most asset classes and the current strong demand has resulted in increased pressure on values. This is making it more difficult for first home buyers to enter the market. There has been strong demand for vacant land in the area particularly in the suburbs of Tinana and the rural residential areas of Oakhurst and Yengarie by first home buyers given the incentives available to them. This has included the \$15,000 First Home Owners' Grant and the Regional Home Building Boost Grant from the Queensland government along with the federal government's HomeBuilder Grant. This has given first home buyers a total of \$45,000 in grants to build a new home. Given the incentives that have been available to construct a new home, vacant land supplies have rapidly declined since the announcement of the HomeBuilder Grant and the Regional Home Building Boost Grant. With very limited vacant land stock left, it is making it difficult for first home buyers to secure a property to build a new home.

Alternatively, the lower end of the residential market for existing homes in Maryborough has

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**We are finding however that first homeowners are also competing with investors for affordable properties now that our region is experiencing record low rental vacancies**

always been popular with first home buyers. This has generally been for property priced between \$150,000 and \$200,000. Unfortunately, the current sense of fear of missing out is continuing to be a major contributor to the rising market with buyer demand continually being outweighed by available stock. This has resulted in increases in prices for entry level housing in the area and with no incentives available for existing houses, first home buyers are having to save more money for a deposit or have family go guarantor to help secure their first home. However, Maryborough is still considerably lower in price than Hervey Bay and remains a relatively affordable regional location for first home buyers. Rising prices and limited stock are making it more difficult for some to buy their first home in the area which may result in first home buyer activity falling away.

Hervey Bay has also seen a considerable decline in available stock suiting a first home buyer. Historically property priced below \$350,000 was an active market, however now with limited stock and rising prices across most asset classes, including house and land packages, this price point has risen to almost \$500,000. As a result of the building grants, construction activity is at an all-time high which has now resulted in some builders facing time delays for completion with suppliers struggling to keep up with demand. This time pressure is creating stress for those renting on short term leases waiting for completion of construction. With a vacancy rate of less than one per cent across the whole of the Fraser Coast, renewing for a further short term is very much by negotiation and in the owner's favour.

Outlying areas such as Toogoom, River Heads and Burrum Heads are all experiencing similar situations with a lack of rental property and rapidly diminishing stock levels of vacant land and

improved properties. These areas have typically been more affordable than Hervey Bay however with the recent spike in activity, the price gap is reducing.

**Tracey Werder / Tracy Lynd / Doug Chandler**  
Property Valuer

### Emerald

We mostly see first home buyers taking advantage of the government grants and going for new house and land packages. In most instances they can afford the monthly repayments but struggle to save the deposit necessary, so the grants are helping to get them over the line. These properties are also the ones that will hold their value best if there is a downturn in the market. We see a lot going for the small amount of acreage available at present which seems to be a trend across the Central Highlands in general.

**Kerry Harrold**  
Residential Valuer

### Townsville

First home buyer activity remains steady following a strong increase on the back of the HomeBuilder grant announcement in June 2020.

This announcement meant that with the HomeBuilder grant of \$25,000, Queensland's First Home Buyer grant of \$15,000 and the regional building boost of \$5000, first home buyers were eligible for up to \$45,000 in grants towards a new home build or substantial renovation.

Anecdotal evidence indicates that many savvy first home buyers were accessing their superannuation funds as deposits to allow them to enter the homeowner market. This perfect scenario of access of up to \$20,000, or \$40,000 per couple, along with the \$45,000 in grants led to a surge in

first homebuyer activity in our local new housing market.

Currently we are seeing first home buyer activity in the established market, particularly in the \$350,000 to \$450,000 price bracket. The established market typically offers better value for money and with the current backlog of new homes to be constructed and the decrease in the HomeBuilder grant, it appears the established market is becoming more appealing. Activity seems to be across most locations and property types.

With the program for early access to superannuation now closed and the HomeBuilder grants due to end on 31 March 2021, just how this will impact the activity of first home buyers overall in our market is yet to be determined.

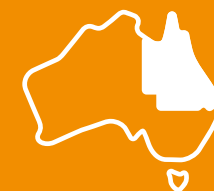
**Darren Robins**  
Director

### Cairns

The residential market in Cairns and many other locations throughout the Far North has strengthened so far in 2021 to date. Factors driving the market include:

- ▶ record low interest rates and low mortgage repayment levels;
- ▶ government grants and stimulus;
- ▶ low vacancy rates and upward pressure on rents;
- ▶ opening up of domestic borders providing a boost to the local tourism industry; and
- ▶ a change in sentiment from out of town buyers now regarding Cairns and the Far North as a relocation destination due to the ability to work from home.

A combination of the above factors has resulted in the market moving to a seller's market with strong



competition from buyers. Purchasers have more borrowing power and are bidding prices up. Our market is still affordable in comparison to many southern centres and investors are also active due to the healthy yields available. First home buyers are active although time will tell if their numbers drop off when the HomeBuilder Grant ends.

**Craig Myers**  
Director

### Toowoomba

Many first home buyers have been eligible to qualify for the grants introduced by government stimulus packages designed to increase construction activity. Accordingly, the dream of owning a brand-new home has become a reality for a number of those lucky enough to have secured land in the face of strong competition for the limited available lots in the Toowoomba region.

Toowoomba has always offered very affordable entry points for first home buyers with dwellings and units available in the sub \$300,000 price bracket. Here is an example of a recent sale of a three-bedroom dwelling in South Toowoomba which sold for \$230,000.



South Toowoomba home

Source: RP Data

Toowoomba offers many such houses which have renovation potential with first home buyers often attracted to these affordable dwellings for that reason. Since the property boom commenced around the middle of 2020, competition for these dwellings has been strong given investors have re-entered the market. As a result, prices are on the rise.

With up to \$45,000 available in grants to some eligible first home buyers, there has been a high level of enquiry for vacant land across the region. The challenge has been finding a suitable lot and a builder with the capacity to accept new construction contracts.

There has also been a re-emergence of demand for new units from first home buyers. New unit construction activity had been slow for a period of about five years until recent demand has seen development activity recommence.

**Bradley Neill**  
Director

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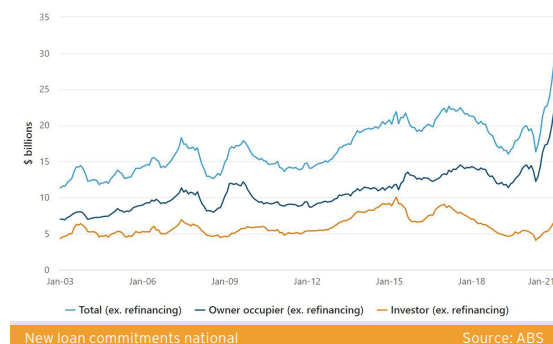


# South Australia

## Adelaide

The most recent Australian Bureau of Statistics data indicates that national first home buyer loan commitments rose 9.6 per cent in January 2021 to the highest levels seen since May 2009 and having a year-on-year increase of 70.8 per cent. On the back of this the metropolitan market has performed strongly with 2021 March quarter statistics expected to reveal another record median sale price. Rising markets have historically seen first home buyers priced out, however the low interest rate environment has allowed first home buyers to remain active.

New loan commitments, total housing (seasonally adjusted), values, Australia



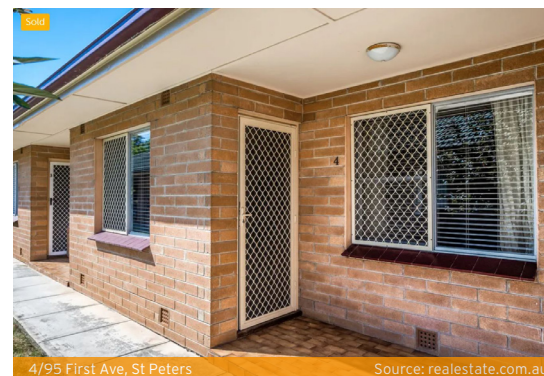
First homeowners in South Australia may be eligible for the \$15,000 First Home Owner Grant which is state government funded. A number of eligibility requirements must be met for this grant, particularly that the property must be a new home which has not been previously occupied or has been substantially renovated and the property's value mustn't be greater

than \$575,000. First homeowners may also be eligible for the Home Builder Grant which was announced in mid-2020 as a COVID-19 stimulus package. This package is funded by the federal government and is provided to first home buyers purchasing off the plan or new homes. This grant is income tested and is for properties contracted for sub \$750,000. Successful applicants receive \$25,000 for contracts signed between 4 June 2020 and 31 December 2020 and \$15,000 for contracts signed between 1 January 2021 and 31 March 2021. In addition to the available grants, the state government launched the HomeSeeker SA web platform in March 2021. The HomeSeeker SA platform has been specifically designed to cater to first home buyers with an aim to reduce both housing and rental stress.

The typical first home buyer seeks out comfort in both location and condition of a property. Typically priced out of the family home's suburb, these purchasers seek out adjacent suburbs which have more affordable price points. In addition, these purchasers have a 'needs' and not 'wants' attitude to house hunting. These buyers need a roof over their heads with creature comforts and not the wants of a swimming pool or tennis court.

Typical first home buyer stock varies throughout metropolitan Adelaide. Given the increased price point of the inner ring strata units, basic character homes and more recent infill development characterise the stock available for first home buyers. Strata units typically range in price from

the mid \$200,000s to the mid \$500,000s whilst dwellings range from the upper \$400,000s to the mid \$800,000s. The sales of:



- 4/95 First Avenue, St Peters, a one-bedroom, one-bathroom single level strata unit;

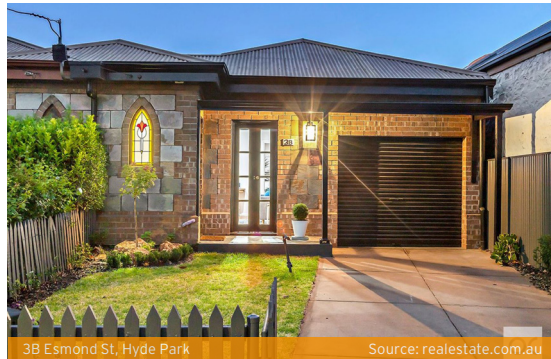


- 35 Sydenham Road, Norwood, an attached updated two-bedroom, one-bathroom character home; and

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3B Esmond St, Hyde Park Source: realestate.com.au

- 3b Esmond Street, Hyde Park, a circa 1984 semi-detached brick veneer dwelling of two bedrooms and one bathroom

With this collection of sales having achieved \$251,000, \$575,000 and \$732,000 respectively.

The middle ring has a more affordable price point and a closer correlation with the broader metropolitan median house price. Detached mid-century brick or brick veneer dwellings and more recent infill development ranging from the 1980s until present day characterise the stock available for first home buyers. Both mid-century and more recent infill stock typically range in price from the mid \$300,000s to upper \$500,000s. The sales of:



29B Eyre Cr, Valley View Source: xgxgqx

- 29B Eyre Crescent, Valley View, a circa 2020 single level detached dwelling disposed as three bedrooms and one bathroom;



10 Billabong Rd Para Hills Source: xgxgqx

- 10 Billabong Road, Para Hills, a circa 1960s contemporary styled dwelling disposed as three bedrooms and one bathroom; and



87A Raglan Ave, Edwardstown Source: xgxgqx

- 87A Raglan Avenue, Edwardstown, a circa 2001 single level semi detached dwelling of brick veneer construction disposed as three bedrooms and one bathroom

These sales achieved \$480,000, \$368,000 and \$430,000 respectively.

The outer ring provides a broad variance of first

home buyer stock ranging from mid-century former housing trust style dwellings to high density infill development. Mid-century housing trust stock ranges in value from the low \$100,000s to \$400,000 for detached dwellings. Former housing trust maisonettes particularly in the northern suburbs represent the lowest entry point for first home buyers in the metropolitan area. Newer infill development ranges between \$200,000 in the older established suburbs and \$500,000 in the more recently established developments such as Blakeview north of the city and Seaford Rise south of the city.

With the benefit of the Home Builders Grant, land and build packages have been popular with first home buyers. Land and build packages can be found within suburban developments and at the metropolitan boundaries in larger master plan estates. House and land packages begin in the mid \$200,000s for higher density style accommodation and rise to as high as \$550,000 for lower density stock which is typically found in master planned estates. An example of stock available in this market is Allotment 171 Gatley Circuit, Evanston South. This property is proposed to comprise a single level brick veneer dwelling disposed as three bedrooms and two bathrooms with an asking price of \$289,600 and an option of a \$27,000 turn-key package. The exclusion of turn-key items from the advertised purchase price is common practice for these types of properties.

First home buyers should be aware of the demand and supply equations occurring in broad acre development. These markets typically have an extended pipeline of available stock which can reduce the potential for capital growth in the medium term. More established suburbs with a limited supply of stock provide first home buyers

with greater security for medium term capital growth.

The low interest rate environment is keeping first home buyers in the market as prices continue to rise. To avoid over-extending themselves, first home buyers should be adjusting their expectations as to the stock available at their price point.

**Nick Smerdon**  
Property Valuer

### Mount Gambier

Mount Gambier's property market has seen a strong increase in first homeowner activity. This is being stimulated by the \$25,000 building grant, \$15,000 state funded first homeowner grant, record low interest rates and some lenders waiving lenders' mortgage insurance. This has fuelled a surge in building and buying in the local market.

New builds have been one of the main options for first homeowners given the government grants comprising the majority of their deposit, a large supply of vacant land available and less competition compared to established housing. A popular option for first home builders has been O'Leary Estate which offers a three-bedroom, one or two-bathroom house and land package for under \$300,000.

The established housing market was once an easy option for first homeowners to enter the market however the past six months has seen demand increase significantly with values increasing and supply decreasing. Houses which

typically required up to a three-month selling period are now selling in one or two weeks with multiple offers above listing prices which is making it difficult for first homeowners to get into the market. A typical first homeowner price point of under \$250,000 doesn't provide many opportunities to enter the housing market due to strong demand with first homeowners now having to try entering the market at up to \$300,000. We have seen a significant uptake from out-of-town investors in the past six months due to the strong yields and out of towners relocating due to the relative affordability. These contenders have been making it more difficult for first homeowners to enter the market than previous years.

Overall we still consider the local market to provide many opportunities for first homeowners to enter the market however stronger market conditions than previous years are making it more difficult and an increase in budget will need to be considered.

**Adrian Castle**  
Property valuer

**Houses which typically required up to a three-month selling period are now selling in one or two weeks with multiple offers above listing prices which is making it difficult for first homeowners to get into the market.**

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# Western Australia

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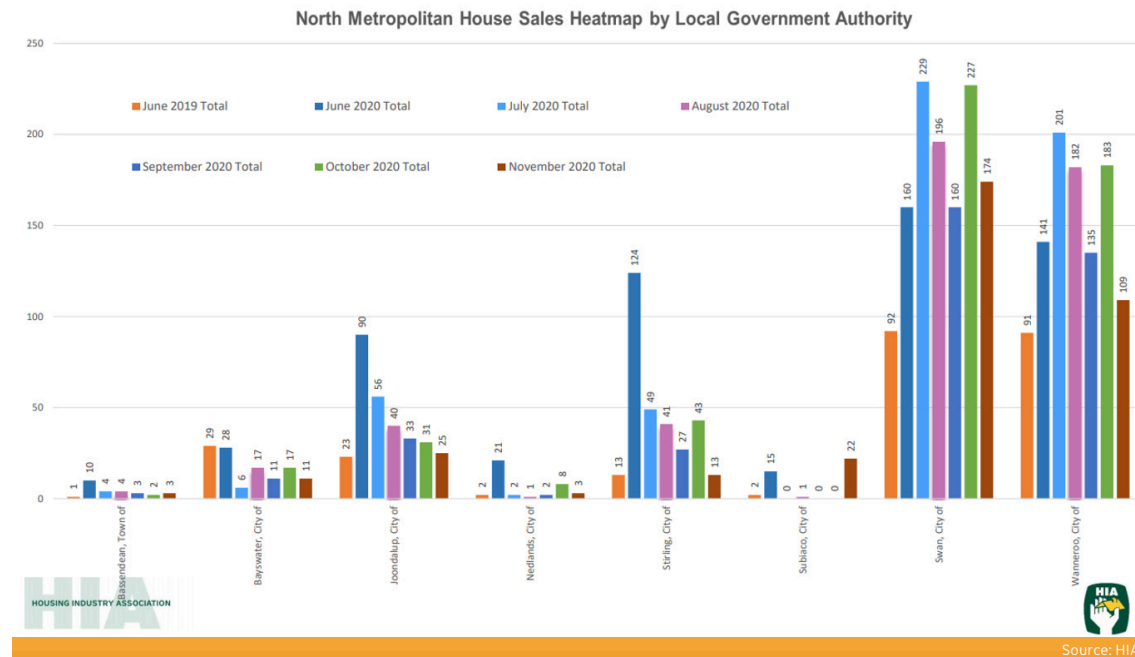


## Perth

Finally, after seven years of continued subdued market conditions, we now seem to be riding the bull through a very strong recovery phase. Perth now feels like a newly invigorated city and dare we say it, even reminiscent of the boom years in the early to mid 2000s. Home opens are brimming with would-be buyers, sellers are reaping ever-growing equity in their properties and investors have a renewed confidence in the marketplace.

However, it isn't just investors who are lining up outside home opens with finance pre-approvals in their hands and smiles on their faces! First home buyers, keen to upgrade out of their mum and dad's home or out of their shared rental property have also come into this market hot and hard. With a median house price of \$490,000 at the time of writing, Perth is still the most affordable capital city in the country to buy a property and the door remains wide open for first home buyers, unlike their contemporaries in some cities in the eastern states who are priced out of the market.

A strengthening property market and affordable housing options unquestionably saw first home buyers jump head-first into the property market last year, however, the biggest impact within this buyer profile undoubtedly lay in the implementation of the Homebuilder and Building Bonus grants. The HomeBuilder Grant announced by the Morrison government on 4 June 2020 was a fiscal policy initiative used to stimulate the construction industry in response to COVID-19. The grant offered \$25,000 to construct a new dwelling and was



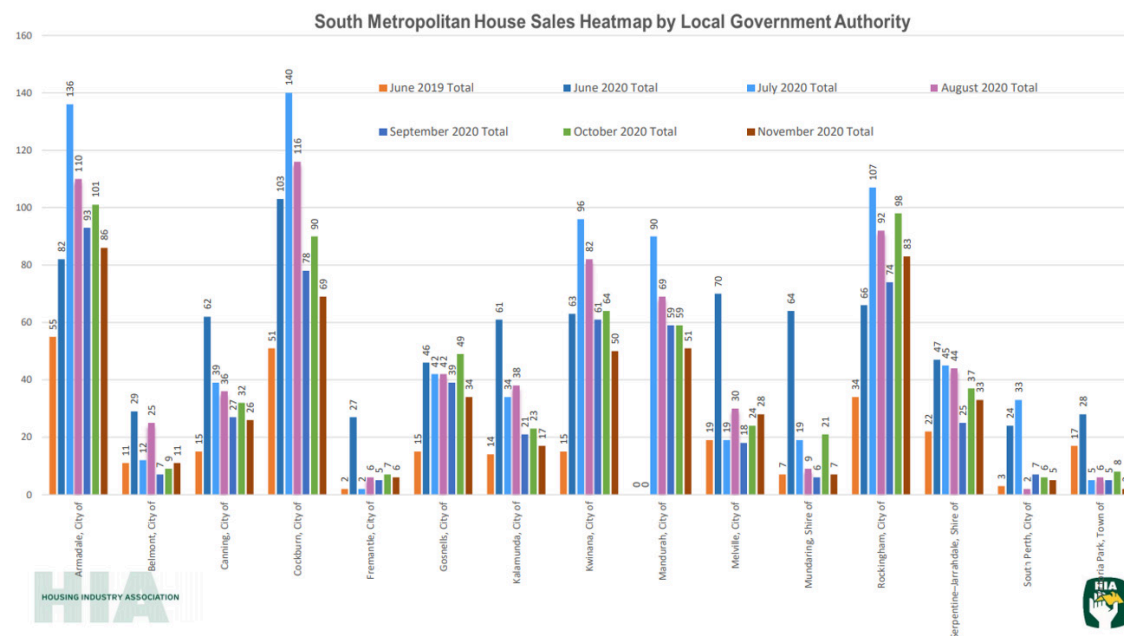
initially expected to last till 31 December 2020, but due to the popularity of the scheme it was extended till 31 March 2021 at a reduced rate of \$15,000. The West Australian state government, seeing the success of the Homebuilder Grant, subsequently introduced the Building Bonus - a \$20,000 grant under the same premise as the Homebuilder grant. The Building Bonus came with the condition that the construction of the new dwelling must begin between 4 June 2020 and 31 December 2020. Ultimately, this meant that Western Australian first homeowners could be eligible for state government and federal government support packages of up

to \$45,000 for new residential builds. In addition, vacant land purchases of up to \$300,000 are exempt from stamp duty; as if first home builders didn't need more of an incentive! Unsurprisingly up to 15,000 applicants had applied for both grants by December 2020.

Undoubtedly these initiatives saw a surge in land sales across the Perth metropolitan area, increasing 154 per cent from May 2020 to June 2020. The majority of this activity has taken place in the outer fringes of Perth, such as the City of Swan, City of Wanneroo, City of Armadale and the

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### Top 20 Suburbs/Locations from 1 July 2020 to 28 February 2021

Top 20	Suburbs/ Locations	Total
1	BRABHAM, BALDIVIS	198
2	PIARA WATERS	187
3	ALKIMOS	154
4	HAMMOND PARK	153
5	TREEBY	138
6	WELLARD	136
7	DAYTON	135
8	AVELEY	125
9	BYFORD	120
10	ELLENBROOK	89
11	LANDSDALE, EGLINTON	84
12	BANKSIA GROV	79
13	BEEILIAR	74
14	SOUTHERN RIVER	73
15	HILBERT	71
16	YANCHEP, MADDINGTON	59
17	FORRESTFIELD, SUCCESS	51
18	JINDALEE	49
19	HARRISDALE	48
20	MADORA BAY, LAKELANDS	47

Figure 1: Source - First Home Owner Grant data

Source: WA.gov.au

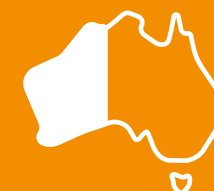
City of Cockburn. These localities were already home to new estates offering (relatively) cheap land, so were therefore an ideal place for buyers to flock to.

Continuing on from Building Bonus and Home Builder schemes is the Western Australian First Home Owner Grant. This is a one-off payment to encourage and assist first home buyers to buy a newly constructed dwelling (including a substantially renovated one) or build a residential property for use as their principal place of residence. The grant is \$10,000 and when you start adding all of the grants up, it makes for a substantial sum to put towards your first house. The table below shows the top locations for First Home Owner Grant applications.

The above chart illustrates that the majority of first home buyers are choosing to move to and live in Perth's outer suburbs, foregoing the lure of a city based lifestyle. This may be due to a number of reasons, the first being the relative affordability of these locations and secondly that the majority of first home buyers are new and young families wanting a slice of the Australian dream, with their own home and backyard.

Stamp duty concessions are also available to first home buyers in the established home market. Any home with a purchase price of \$430,000 or less is excluded from paying stamp duty, which equates to a saving of approximately \$15,000. If the home is valued between \$430,001 and \$530,000, a discounted rate of 19.19 per cent for \$1 dollar over \$430,000 applies. In addition to this, rebates of up to \$2,000 are offered on fees and other incidental expenses for properties valued up to \$400,000 purchased through a licensed real estate agency. As we would expect, suburbs with a median house of \$430,000 or less are primarily located in the

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*The current rental crisis facing Perth may have also had a hand to play in the exponential increase in activity. Securing a rental property is almost impossible at present, with fierce competition and numerous applications for every property.*

medium to outer regions of Perth, which once again attracts first home buyers to these regions.

Diving into some numbers now, we can see that the above grants and record low interest rates have had an explosive response on the first home buyer profile. From June 2020 to January 2021, loan activity for this buyer profile sky-rocketed an astonishing 181.39 per cent. Additionally, according to REIWA, almost half of the transactions in the December quarter occurred between \$350,000 and \$800,000. Traditionally, when there is a greater proportion of activity occurring below \$800,000, it's a sign that first home buyers are on the move.

New loan commitments to owner occupier first home buyers (seasonally adjusted), number, by state



Figure 2. Source: Australian Bureau of Statistic, Lending indicators January 2021

The current rental crisis facing Perth may have also had a hand to play in the exponential increase in activity. Securing a rental property is almost impossible at present, with fierce competition and numerous applications for every property. Median

house rents have increased 10.81 per cent to \$410 per week from June 2020 to December 2020, equating to \$1777 a month, and with a vacancy rate at 0.8 per cent, attractive rental options are hard to come by. Now, when we compare this with a median house price of \$490,000 and home loan rates at 1.99 per cent at some financial institutions, monthly mortgage repayment equates to \$1809 per month, only \$169 per month more than renting! With the rental crisis not slowing down and interest rates likely to remain on hold for the short term, it appears that more than a few savvy renters have seen the writing on the wall and decided that now is the best time to take the plunge.

As previously discussed, Perth's outer suburbs seem to be bearing the brunt of this first homeowner activity. Suburbs such as Byford, Hilbert and Haynes in Perth's south-east are all experiencing high demand from first home buyers. Prices within these localities range from \$330,000 to \$450,000 and therefore we can ascertain that the relative affordability is the main reason for the rise in activity. The product of choice is detached single residential dwellings and those with modern features are reported to be selling in hours, or days at the worst.

RENT

PERTH

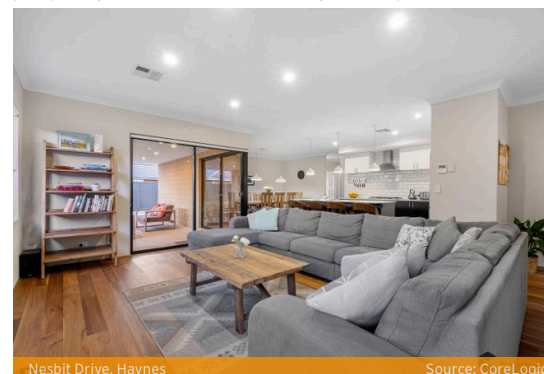
Median rent

**\$410/week**

Vacancy rate

**0.8%**

Take for example this property on Nesbit Drive in Haynes, a circa 2015, single level, four-bedroom and two-bathroom dwelling with brick walls, tile roof and two-car garage. Ancillary improvements include a below ground pool. Living area is 198 square metres and land area is 450 square metres. The property sold in November 2020 for \$470,000 after 13 days on the market and reflects an ideal property for a first owner buyer couple.



Nesbit Drive, Haynes

Source: CoreLogic

Much like the south-east, Perth's northern corridor, Wanneroo to Two Rocks, is another mecca for first home buyers. As is commonplace across the Perth metro area at the moment, our valuers in the locality are reporting major issues with availability of stock, with significant increase in buyer demand. This is evidenced by continued upward pressure on selling prices, with suburbs such as Alkimos seeing a four per cent increase in annual growth. This may not seem remarkable, but when we consider the huge oversupply of properties in the area pre COVID-19 and years of negative growth rates, we

can get a true sense of the demand. As with other areas, new builds appear to be the preferred option for first home buyers in the north. Even with a slight upward pressure in prices, the northern fringes market is still within reach for many aspiring to home ownership in a near beach locality.

The following property is an example of what you can achieve for your money. Located on Grasswren Way, Alkimos, this property features a circa 2015, single level, four-bedroom and two-bathroom dwelling with brick walls, tile roof and two-car garage. Ancillary improvements include solar panels, workshop and alfresco area. The property sold for \$484,000 in November 2020.



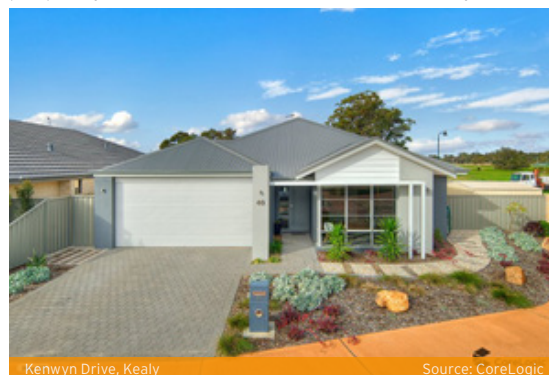
Grasswren Way, Alkimos

Source: CoreLogic

Moving out of Perth, and heading to the south-west region of Western Australia, activity has also ticked up. Generally, the product type most sought after appears to be established homes on smaller blocks in developing areas. Such localities include Kealy and Yalyalup in the Busselton region and Dalyellup in the Bunbury region. Collectively Kealy and Yalyalup saw an increase in values of 4.8 per cent in the December 2020 quarter. With a median house price of \$429,000 in Kealy and \$405,000 in Yalyalup, both of these areas remain within reach for first home buyers, however this may become

more difficult in the future if demand stays at current levels.

Located on Kenwyn Drive, Kealy, the following property features a circa 2014, single level, four-bedroom and two-bathroom dwelling with brick walls, Colourbond roof and two-car garage. The property sold in the low \$400,000s in early 2021.



Kenwyn Drive, Kealy

Source: CoreLogic

So what guidance can we offer first timers entering the housing market? Here are a few valuable pieces of advice from our team of valuers.

- **Dot the i's and cross the t's.** Pay attention to the finer details of the property. Remember, this is your first home and most likely one of the biggest investments you will make. The small things matter. Whilst there may be significant competition at the home open, take your time and look at the property in detail and ensure you know what you are about to buy.
- **Put your best foot forward.** In this heated market, the days of buyers having a strong negotiating position are long gone. Low ball offers won't work anymore and bargains are few and far between. Do your research and understand where values are at to ensure your price expectations are realistic.

- **First in, best dressed.** With plenty of buyers lining up outside home opens, ensure you have all relevant pre-approvals and the best possible conditions. This will allow you to move quickly, with the most attractive offer.
- **Patience is a virtue.** Having a decent deposit on a house will provide better borrowing opportunities and ensure you are mitigating the risk of any adverse market movements. Take the time to ensure you have a suitable deposit, even if it may take a little longer to save.
- **Get on mailing lists!** If you are not on the local real estate agent's email list, get on it. Most properties are sold prior to the advertising hitting the internet. You need to network, be clear about what you are looking for and maintain contact with selling agents.
- **Be aware of what the future might bring.** Yes, you can afford the house you want now when interest rates are at two per cent, but what happens when interest rates return to more normal, historical levels?

In summary, buying your first home is a huge life goal and achievement and therefore it is important to make sure you buy where you want to live and not just get caught in the hype of the current market. Do your research, put in the hard yards reaching out to real estate agents and attending home opens and be very clear about what your budget is and what you are looking for. Don't let fear of missing out drive your decision – make smart, informed decisions when you buy a house. It's amazing how many buyers spend more time researching a car purchase than they do buying a house.

Chris Hinchliffe  
Director

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HERRON  
TODD  
WHITE  
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# Northern Territory

## Darwin

The surging prices the residential Darwin market saw towards the back end of 2020 and into the first quarter of 2021 have not shown any significant signs of slowing. Existing owners, as well as first homeowners and builders continue to feel the flow on effects from various Territory and federal government incentives as they conclude. This in combination with a number of other factors have combined to put the question of housing affordability back on the table, this just one year on from what was predicted to be an unstable period.

The availability of land within the greater Darwin region has dried up, partly due to the favourable conditions that progressed from the NTG BuildBonus grant of \$12,000 (originally \$20,000) that came to completion on 31 March 2021. This in combination with the maximum \$18,601 Territory Home Owner Discount for stamp duty on purchases under \$650,000 that runs until June 2021 and the nationwide first home owner's grant of \$10,000 has seen developing suburbs such as Zuccoli, NorthCrest and Muirhead unable to keep up with demand. With 600 square metre blocks in NorthCrest going for \$300,000 and 670 square metre blocks in Muirhead going for \$370,000, we have seen the uptick in first homeowners predominantly flock to the lower end of the developing market where in Zuccoli a 580 square metre block is selling for around \$235,000. With nearly 100 blocks selling just in Zuccoli in the second half of 2020 compared to the usual 30 per year, the land shortfall has seen the push for

*The surging prices the residential Darwin market saw towards the back end of 2020 and into the first quarter of 2021 have not shown any significant signs of slowing.*

Zuccoli's next stage of development which will see 59 new lots. However, with incentives drying up, it will be interesting to see if the same number of sales occur.

The Territory government established the Home Improvement Scheme in April 2020 as uncertainty peaked due to COVID. Under the scheme, homeowners could spend \$1000 and receive a \$4000 voucher for physical improvements or spend \$2000 and receive a \$6000 voucher. This was hugely successful in supporting the construction industry as work from the grants handed out is only just concluding. As many owners were unwilling to sell during 2020, they instead opted to improve and sell at a later date. We are now seeing this added value hit the market on the back of these grants; in



**Year-on-year  
price growth**

**31.9%**

Humpty Doo  
(median \$570,860)

**31.2%**

Alawa  
(median \$476,001)

**24.9%**

Nightcliffe  
(median \$700,747)

particular, the owner-occupied northern suburbs are flourishing.

Interstate migration has always been a talking point for Darwin, never more so than the past 12 months when the influx of Darwin's new residents avoiding the impacts of COVID felt elsewhere in Australia remains. COVID has also brought about the demand for extra staff, with another 400 health workers expected for the upkeep of the expanding Howard Springs quarantine facility. In addition, the public sector has remained a steady employer with defence spending continuing. This is set to increase the squeeze on tenants in an already tight rental market that is seeing the lowest vacancy rates in the country at 0.7 per cent (source: SQM Research).

With the RBA repeating that they will maintain rates at the current ultra-low official cash rate setting of 0.10 per cent over the next couple of years, we are seeing record low borrowing costs. This coupled with the recently relaxed home loan assessment criteria has given owner-occupiers more buying power at a minimal cost. This was reflected in price growth nationwide but particularly in the Northern Territory where the top three best performing suburbs year on year were all in Darwin. The rural suburb of Humpty Doo topped the list with a 31.9 per cent increase in value year on year to sit at a median price of \$570,860. Alawa and Nightcliff

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followed with 31.2 per cent and 24.9 per cent increases year on year to sit at \$476,001 and \$700,747 respectively (source: Corelogic).

It must not be forgotten that the successful implementation of fiscal policy through the various stimulus packages discussed has been the major driver to maintaining a steady upturn during this time when COVID still looms. How long we will see the residential market being supported by various grants is unknown. It is evident now in the short term, but we could quite quickly see buyer and investor confidence fall again if the fundamentals for a long term economic recovery such as wage growth, persistent employment opportunities and most likely more government stimulus do not follow.

**Jeremy Callan**  
Property Valuer

### Alice Springs

At present the NT Government is offering a \$10,000 First Home Owner Grant to first homebuyers building a new home plus the possibility of qualifying for a \$12,000 BuildBonus grant on top of that. Buyers of existing homes may be eligible for a reduction in stamp duty through the Territory Home Owner Discount, which offers a maximum rebate of \$18,601 off the stamp duty for the purchase of an existing home. All of these schemes are of course subject to meeting the eligibility criteria that can be obtained from the NT Government website. Importantly, the BuildBonus Grant is set to be withdrawn on 30 June 2021 and the Territory Home Owner Discount was ceased on 31 March 2021. Whether either of these schemes are resurrected after their cut off dates remains to be seen.

Vacant land around Alice Springs is a rare commodity, with two recent land sub-divisions fully

## Obviously, the high cost of renting is making it difficult for young people to save a deposit for their first home.

sold out and the likelihood that there will be no future stage releases for up to another 12 months. As a result, first home buyer activity is largely confined to the purchase of existing units and dwellings. The relatively high price of real estate in Central Australia is prohibitive to first home buyers entering the market, as a 10 per cent deposit on a basic three-bedroom dwelling could equate to \$35,000 to \$40,000. A 10 per cent deposit on a modest two-bedroom unit could be anywhere from \$20,000 to \$25,000.

Whilst there are first home buyers active in the market, there are not large in numbers and their influence on the market is not significant. For those willing to roll up their sleeves and renovate, there are some cheaper three-bedroom dwellings and two-bedroom units at affordable prices that would require smaller deposits, but on the flip side, additional funding would be required for the renovations.

For those with a deposit or with parents willing to guarantee the deposit, buying does generally offer a cheaper alternative to renting, particularly with the current record low interest rates. For example, the average rent for a fairly basic two-bedroom unit would be around \$375 to \$400 per week. A similar unit could be purchased for around \$240,000 to \$250,000 and with a 90 per cent loan of \$225,000 over a 30-year term at an interest rate of three per cent, weekly repayments would be \$225 per week. The benefits are clear, however affordability and the desire to own rather than rent are contributing factors.

As with many other areas in Australia, affordability for first home buyers is an issue, with the entry point for a basic one-bedroom unit being between \$150,000 to \$180,000 and going up from there. Obviously, the high cost of renting is making it difficult for young people to save a deposit for their first home. House sharing is a common occurrence in Alice Springs, which allows the high cost of renting to be spread across two or more individuals, making it somewhat easier to save for a deposit. That said, many young people who relocate to Alice Springs are not planning on staying here long term and as a result, have little interest in entering the property market here.

So, in summary, whilst first home buyers are out there, they are not in great numbers and there are few incentives available if you're not contemplating building a new home. Those incentives will be even less going forward, so it will be interesting to see what the government's response will be when these various incentive schemes expire. They may be forced to extend them (as they have done in the past) in order to sustain and support the property market.

**Peter Nichols**  
Property Valuer

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# Australian Capital Territory

## Canberra

In Canberra, the B-word is being whispered from the bustling cafes of Kingston to the very top of Mount Ainslie. Yes, ladies and gentlemen, Canberra is Boom Town.

Suburb records are tumbling like skittles with eleven being scaled already this year and six falling in March alone. Well, it's not difficult to see why with a heady mix of record low interest rates, an economy which is reasonably protected against the effects of COVID-19, high buyer demand and low levels of housing stock.

However, it is the other end of the market that we are interested in today - the first-time homebuyer. After all, it is the first-time buyer that drives the whole housing market.

According to the Australian Bureau of Statistics, in January 2021 across Australia the number of owner-occupier first home buyer loan commitments rose 9.6 per cent to reach 16,664, a 70.8 per cent rise from January 2020. This is now at its highest level since May 2009, when similar rapid growth was spurred by the temporary tripling of the first-time homeowner grant in response to the global financial crisis.

So, what is enticing the first-time buyer to jump headfirst into an already heated Canberra market? The record low interest rates certainly have helped as well as the fear of missing out effect, with many thinking, "If prices continue to rise at the current rate, if we don't buy this year we won't be able to afford to buy the year after". And with Canberra's

median house price recently hitting a record high of \$855,530 (up 6.4 per cent) and the median unit price of \$485,410 (up three per cent) they might have a point.

The rental market is also beating its chest and roaring like King Kong with the latest *ACT Government Residential Property Market - December Quarter 2020* recording a slight increase (0.1 of one per cent) in the rental vacancy rate to a miniscule one per cent which is the third lowest in Australia and way below the average vacancy rate of all the Australian capital cities of 3.1 per cent. The ACT was also sitting in gold medal position for median rental figures across Australia for a three-bedroom house (\$560 per week) and two-bedroom house (\$500 per week).

With the market working against them like it is, what is in place to help out the battered and bruised first time home buyer? Well, the ACT Government's decision to abolish stamp duty (subject to qualification) offers a massive helping hand. This was introduced in July 2019 and replaced the First

## CANBERRA



**\$855,530**

Median House Price  
(up 6.4 per cent)



**\$485,410**

Median Unit Price  
(up 3.0 per cent)

Home Owner Grant. This would mean a saving of \$15,720 on a \$600,000 purchase in the Bush Capital which wouldn't be available to you if you were further up the ladder.

When borrowing money for a home loan, most banks ask for a 20 per cent deposit to avoid the dreaded lenders mortgage insurance. This means that a first-time buyer would need to put down a whopping \$171,106 to purchase a house bang on the current Canberra median house price (see above) and a less whopping \$105,500 to purchase a house in the most affordable Canberra suburb (see below).

This may be beyond some who therefore have no option but to carry on renting and getting further behind as the market increases faster than they can save that elusive 20 per cent deposit.

But there is some hope, like the cavalry coming over the horizon, in the form of good old mum and dad. We've noticed a marked increase in parents becoming guarantors for their offspring, who offer an agreed amount of equity in their own home to allow their child to borrow more than they would usually be allowed to. Although, there is some obvious risk, it is considered fairly low with the guarantor being able to be removed once the guaranteed amount is reached. This would appear to be the favoured (perhaps the only) option for many parents looking to help get the cuckoo out of the nest.

Fun fact - according to a recent article in the Financial Review, parental contributions are

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RESIDENTIAL



*We've noticed a marked increase in parents becoming guarantors for their offspring, who offer an agreed amount of equity in their own home to allow their child to borrow more than they would usually be allowed to.*

averaging more than \$89,000, an increase of nearly 20 per cent in the past 12 months.

Even more fun fact - The Bank of Mum and Dad has about \$34 billion in loans, making it the nation's ninth-largest residential mortgage lender and bigger than HSBC, AMP and Bank of Queensland, according to Digital Finance Analytics. WOW!

So, as a first-time buyer you've managed to arrange finance, you've promised to make your mum and dad a nice cup of tea every morning for a year and everything is in place. You boot up your computer and start searching for homes within your budget.

According to allhomes.com.au, the most affordable suburbs to buy a home in Canberra are:

- **Charnwood** (median \$527,500)
- **Ngunnawal** (median \$580,000)
- **Macgregor** (median \$600,000)
- **Holt** (median \$610,000)
- **Banks** (median \$620,000)
- **Isabella Plains** (median \$628,000)

Whilst these suburbs may offer better value for money, they are not exactly centrally located and may be considered a little bit too much like suburbia for cosmopolitan tastes.

So, it looks like modern units or townhouses in more central locations are the property of choice for the average first-time buyer, located close to the amenities a growing city has to offer (think gyms, bars, coffee shops, etc) with the added attraction of

being ready to move into with modern fixtures and fittings meaning they do not have to spend their valuable downtime renovating and repainting.

Whilst these may not provide the expected capital growth of a dwelling located within an established suburb (with the equity traditionally used to move up the property ladder) they do offer a substantial rental yield (approx. 5.8 per cent) should the owner choose to keep the property when it's time to move on and use the rental income to help finance the purchase of their next property. Watch this space to see whether "rentvesting" (where you own a property that's right for your budget but rent a property that's right for your lifestyle) becomes the buzz word in 2021 and beyond.

In conclusion, it would appear that the housing market is affordable for the first homebuyer - just.

However, the current housing market is becoming a self-fulfilling prophecy, with low interest rates allowing money to be borrowed cheaply which pushes up demand which in turn pushes prices up resulting in the need to borrow more money to be able to get that first step on the ladder.

On the flip side, if homes at the lower end of the market start being purchased by investors because they become out of the reach of first home buyers, they will have a steady stream of likely tenants lined up in the form of, yes, you guessed it, the disgruntled first home buyers who have been priced out of the market.

Robert Moss  
Property Valuer



# Tasmania

## Hobart/Launceston/regional

First homeowners, particularly those wishing to receive the Tasmanian and Commonwealth Government First Home Builder Grants, are scrambling to secure blocks of land and newly built homes or units. With up to \$35,000 up for grabs, it is well worth it.

A \$20,000 first home owner grant is available to eligible applicants who purchase or build a new home in Tasmania between 1 July 2016 and 30 June 2022 (inclusive). A new home is a home that has not previously been occupied or sold as a place of residence and includes kit homes.

In addition, a \$15,000 Commonwealth Home Builder grant is available for eligible owner-occupiers (including first home buyers) building a new home or substantially renovating an existing home where the contract is signed between 1 January 2021 and 31 March 2021 (inclusive).

Demand for new dwellings and vacant land is far outweighing supply, therefore putting upward price pressures on both vacant land and new residences. My son is currently going through the process and surprisingly, the paperwork required to receive the grant is relatively straightforward. With a \$440,000 purchase, \$35,000 is a substantial free contribution. The Tasmanian Government however does not provide any stamp duty concessions which is unfortunate. Jumping on the State Revenue Office website calculates the payable stamp duty of \$15,697.50 or around 3.5 per cent for a \$440,000 purchase. The recent property market surge in price and transactions is surely lining the state

 *The state government is trying to fast track the release of new blocks, but as mentioned earlier, demand is far outweighing supply.*

government's coffers at the expense of first home buyers who in most cases are stretching themselves financially to get into the market. First home buyers of established dwellings however are eligible for a 50 per cent discount for properties up to \$500,000. Finding a property under this threshold is becoming more difficult under the current market conditions.

Suburbs such as Oakdowns, Howrah, Rokeby, Midway Point and Sorell are popular destinations on the eastern shore of Hobart for first home builders given the relatively affordable building blocks. The problem is finding something that is still on the market. The state government is trying to fast track the release of new blocks, but as mentioned earlier, demand is far outweighing supply.

Once you are in the market as a first home builder you must maintain residency and occupy the home as your principal place of residence for a continuous period of at least six months commencing within 12 months of completion of an eligible transaction.

The cost to rent a property anywhere in Hobart is continuing to increase whilst vacancy rates are sitting well below one per cent, making the new purchase with the government grants a handy little investment for first home builders when they are in a position to upgrade and lease their first purchase with a healthy return on their investment.

Where to from here is anyone's guess as to whether the state government will extend the grant, so my advice is to get in quick if you have the opportunity and enjoy the ride. For further information regarding the relevant grants, have a look at <https://www.sro.tas.gov.au/first-home-owner/eligibility>.

**Stephan Ning Liu**  
Property valuer

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# Property Market Indicators

April 2021

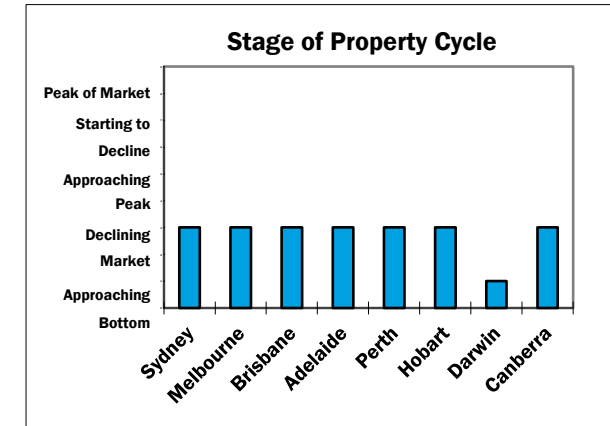
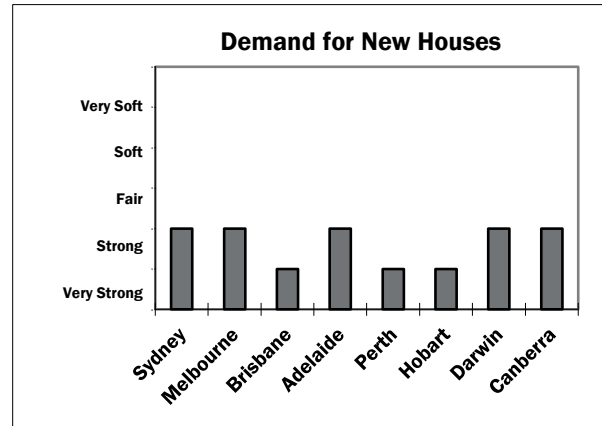
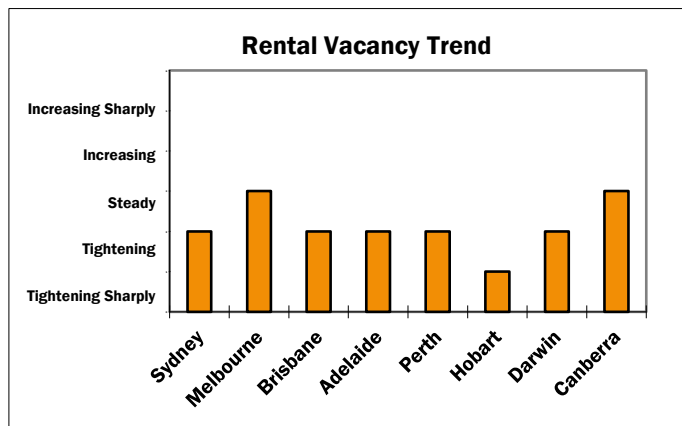
# Capital City Property Market Indicators – Houses

Month in Review | April 2021

Factor	Sydney	Melbourne	Brisbane	Adelaide	Perth	Hobart	Darwin	Canberra
Rental Vacancy Situation	Over-supply of available property relative to demand	Balanced market	Shortage of available property relative to demand	Shortage of available property relative to demand	Severe shortage of available property relative to demand	Severe shortage of available property relative to demand	Shortage of available property relative to demand	Shortage of available property relative to demand
Rental Vacancy Trend	Tightening	Steady	Tightening	Tightening	Tightening	Tightening sharply	Tightening	Steady
Demand for New Houses	Strong	Strong	Very strong	Strong	Very strong	Very strong	Strong	Strong
Trend in New House Construction	Steady	Declining	Declining significantly	Declining	Declining significantly	Declining significantly	Declining	Declining
Volume of House Sales	Increasing	Increasing	Increasing strongly	Declining	Increasing	Increasing strongly	Increasing	Increasing
Stage of Property Cycle	Rising market	Rising market	Rising market	Rising market	Rising market	Rising market	Start of recovery	Rising market
Are New Properties Sold at Prices Exceeding Their Potential Resale Value	Occasionally	Occasionally	Occasionally	Frequently	Occasionally	Almost always	Occasionally	Very frequently

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

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



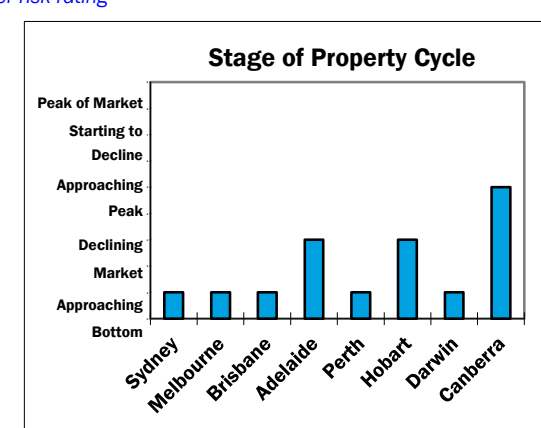
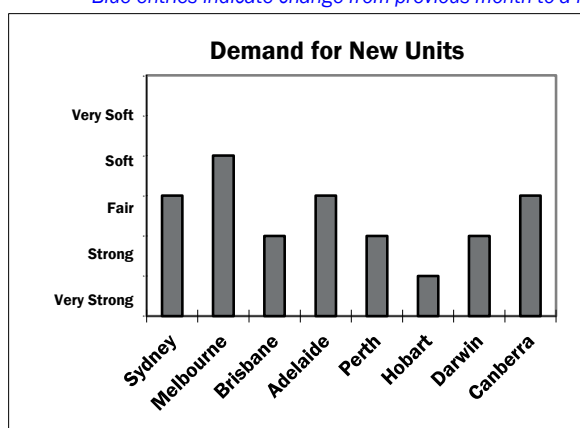
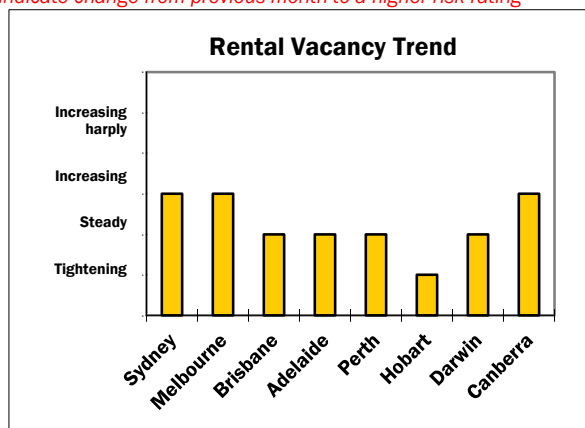


## Capital City Property Market Indicators – Units

Factor	Sydney	Melbourne	Brisbane	Adelaide	Perth	Hobart	Darwin	Canberra
Rental Vacancy Situation	Over-supply of available property relative to demand	Over-supply of available property relative to demand	Shortage of available property relative to demand	Shortage of available property relative to demand	Shortage of available property relative to demand	Severe shortage of available property relative to demand	Shortage of available property relative to demand	Shortage of available property relative to demand
Rental Vacancy Trend	Steady	Steady	Tightening	Tightening	Tightening	Tightening sharply	Tightening	Steady
Demand for New Units	Fair	Soft	Strong	Fair	Strong	Very strong	Strong	Fair
Trend in New Unit Construction	Increasing	Steady	Steady	Increasing	Declining	Declining	Steady	Declining
Volume of Unit Sales	Steady	Steady	Increasing	Declining	Increasing	Increasing strongly	Increasing	Increasing
Stage of Property Cycle	Start of recovery	Start of recovery	Start of recovery	Rising market	Start of recovery	Rising market	Start of recovery	Declining market
Are New Properties Sold at Prices Exceeding Their Potential Resale Value	Frequently	Almost never	Occasionally	Occasionally	Occasionally	Almost always	Almost never	Occasionally

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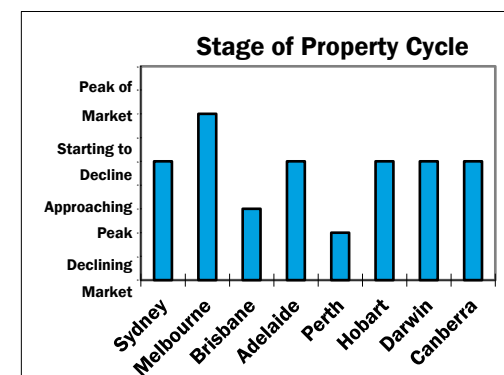
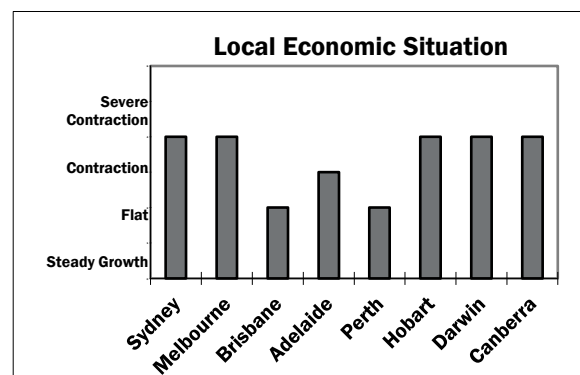
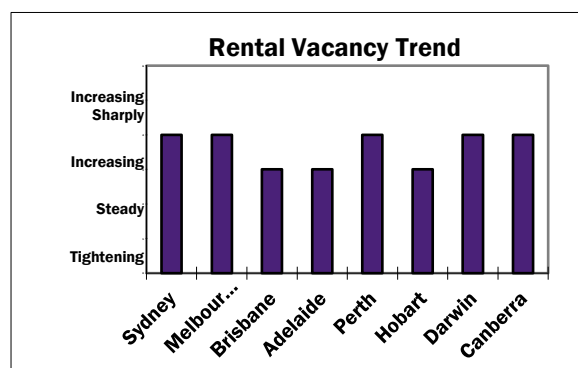


# Capital City Property Market Indicators –Retail

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

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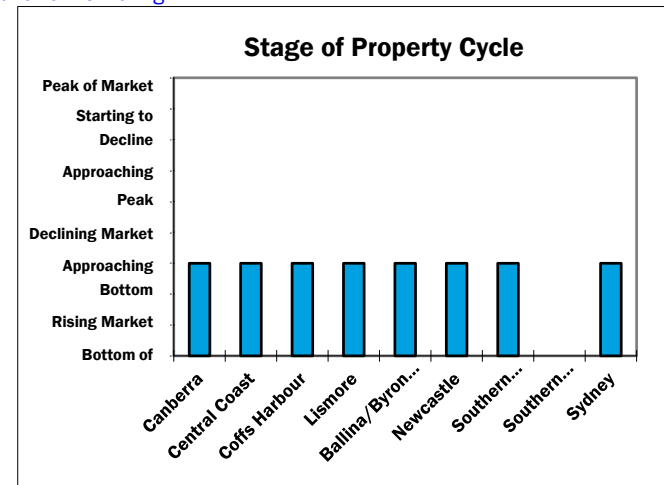
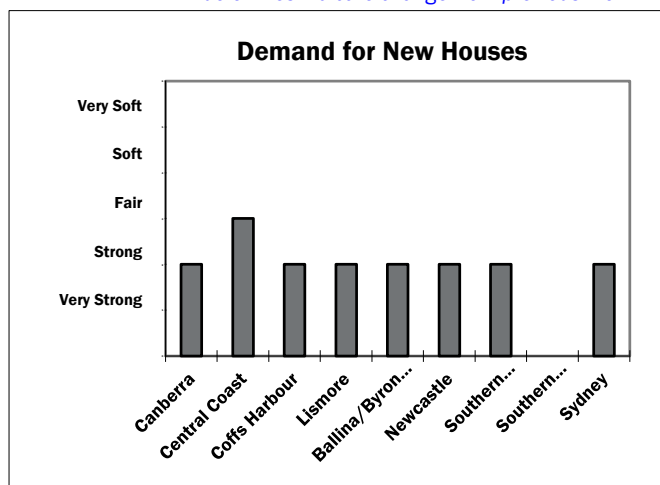
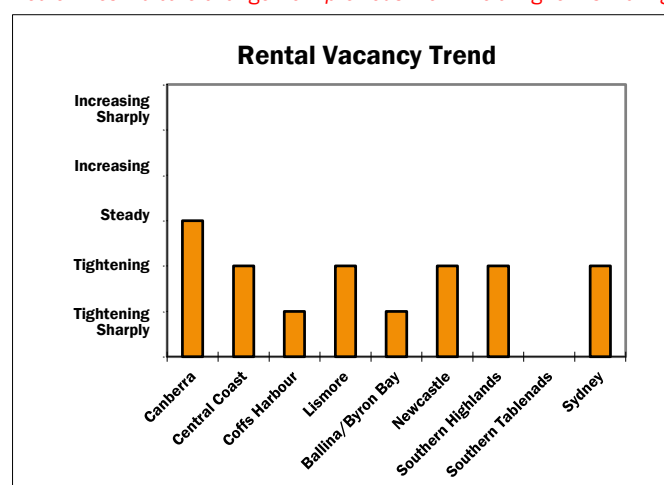


## East Coast New South Wales Property Market Indicators – Houses

Factor	Canberra	Central Coast	Coffs Harbour	Lismore	Byron Bay/Ballina	Newcastle	Southern Highlands	Sydney
Rental Vacancy Situation	Shortage of available property relative to demand	Shortage of available property relative to demand	Severe shortage of available property relative to demand	Severe shortage of available property relative to demand	Severe shortage of available property relative to demand	Shortage of available property relative to demand	Shortage of available property relative to demand	Over-supply of available property relative to demand
Rental Vacancy Trend	Steady	Tightening	Tightening sharply	Tightening	Tightening sharply	Tightening	Tightening	Tightening
Demand for New Houses	Strong	Fair	Strong	Strong	Strong	Strong	Strong	Strong
Trend in New House Construction	Declining	Steady	Declining	Declining	Declining	Declining	Declining	Steady
Volume of House Sales	Increasing	Increasing	Increasing	Increasing	Increasing	Increasing	Increasing strongly	Increasing
Stage of Property Cycle	Rising market	Rising market	Rising market	Rising market	Rising market	Rising market	Rising market	Rising market
Are New Properties Sold at Prices Exceeding Their Potential Resale Value	Very frequently	Occasionally	Almost never	Almost never	Almost never	Occasionally	Almost always	Occasionally

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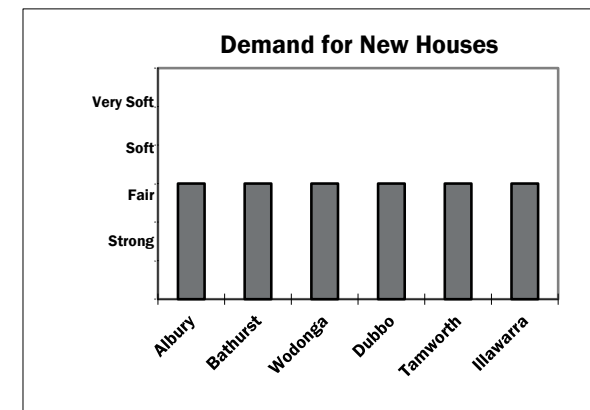
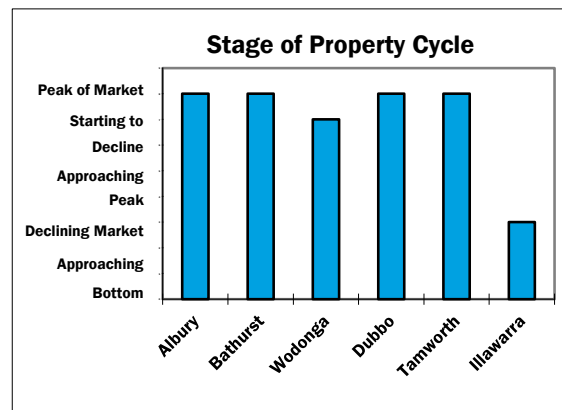
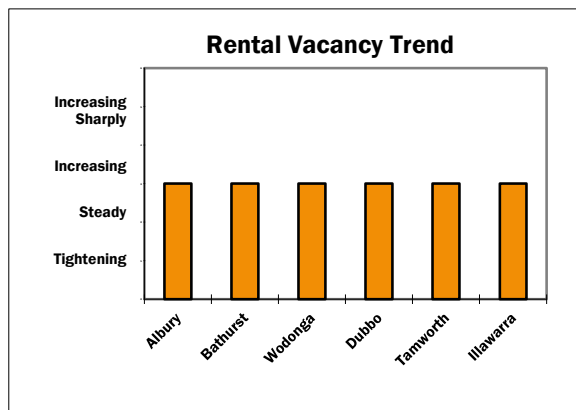


## Country New South Wales Property Market Indicators – Houses

Factor	Albury	Bathurst	Wodonga	Dubbo	Tamworth	Illawarra
Rental Vacancy Situation	Balanced market	Balanced market	Balanced market	Balanced market	Balanced market	Balanced market
Rental Vacancy Trend	Steady	Steady	Steady	Steady	Steady	Steady
Demand for New Houses	Fair	Fair	Fair	Fair	Fair	Strong
Trend in New House Construction	Increasing	Steady	Steady	Steady	Declining	Steady
Volume of House Sales	Steady	Increasing	Steady	Increasing	Steady	Increasing
Stage of Property Cycle	Peak of market	Peak of market	Starting to decline	Peak of market	Peak of market	Rising market
Are New Properties Sold at Prices Exceeding Their Potential Resale Value	Occasionally	Almost never	Occasionally	Very frequently	Occasionally	Frequently

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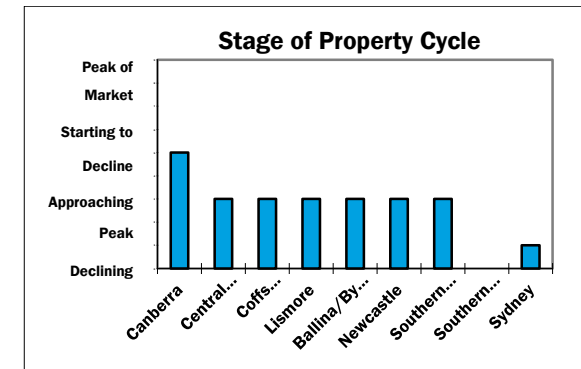
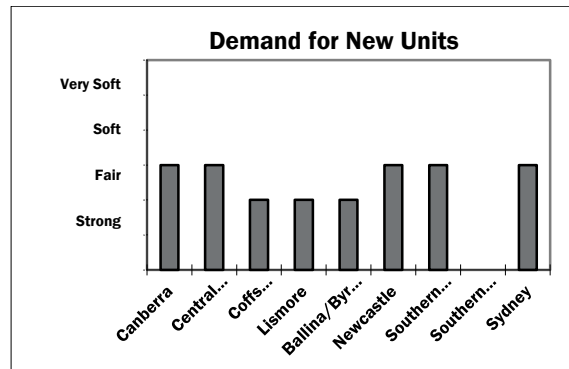
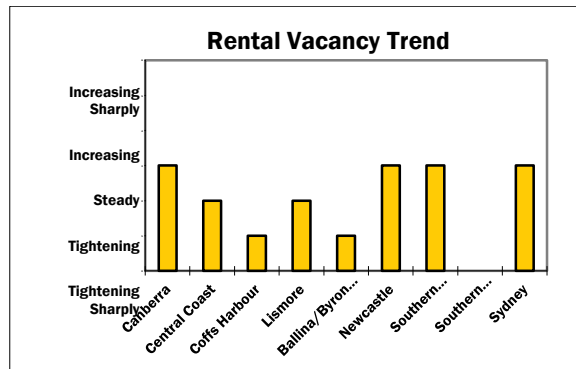


## East Coast New South Wales Property Market Indicators - Units

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

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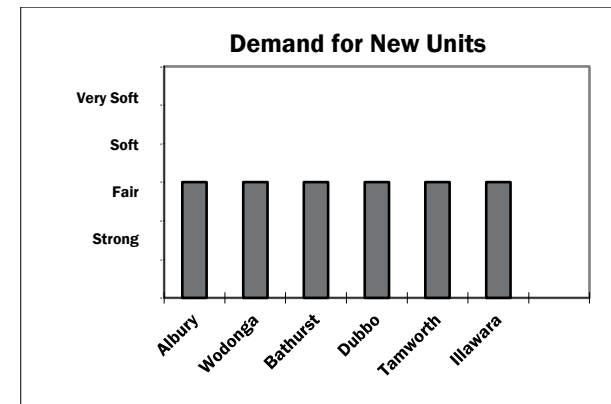
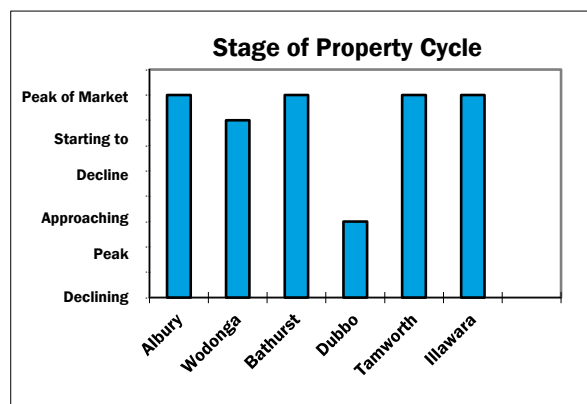
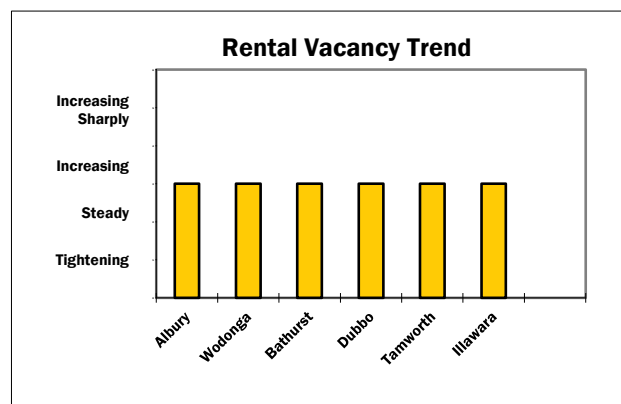


## Country New South Wales Property Market Indicators - Units

Factor	Albury	Wodonga	Bathurst	Dubbo	Tamworth	Illawarra
Rental Vacancy Situation	Balanced market	Balanced market	Balanced market	Balanced market	Balanced market	Balanced market
Rental Vacancy Trend	Steady	Steady	Steady	Steady	Steady	Steady
Demand for New Units	Fair	Fair	Fair	Fair	Fair	Fair
Trend in New Unit Construction	Steady	Steady	Declining	Declining	Increasing	Steady
Volume of Unit Sales	Steady	Increasing	Increasing	Steady	Steady	Steady
Stage of Property Cycle	Peak of market	Starting to decline	Peak of market	Rising market	Peak of market	Rising market
Are New Properties Sold at Prices Exceeding Their Potential Resale Value	Occasionally	Occasionally	Almost never	Occasionally	Occasionally	Frequently

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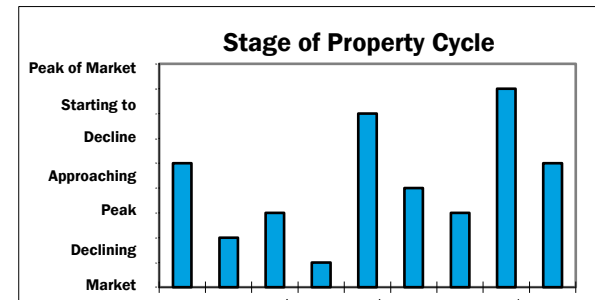
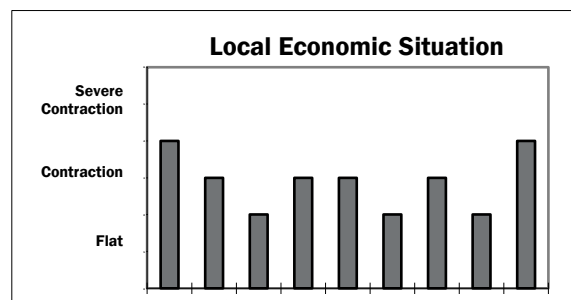
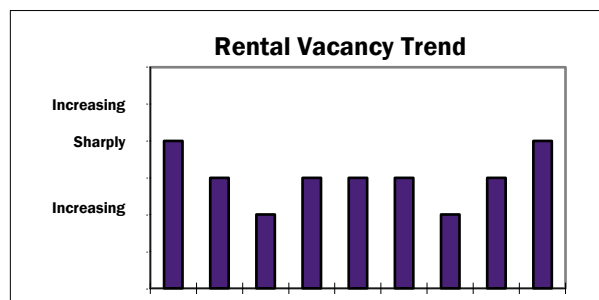


## East Coast & Country New South Wales Property Market Indicators – Retail

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

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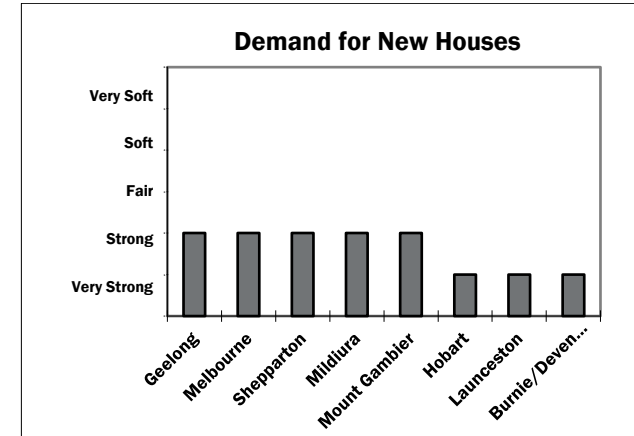
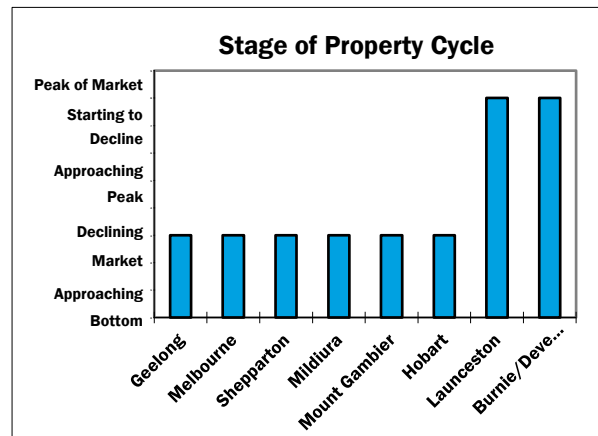
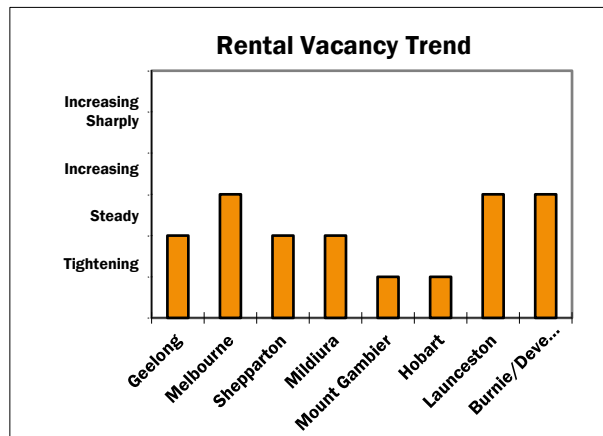
# Victorian and Tasmanian Property Market Indicators – Houses

Month in Review | April 2021

Factor	Geelong	Melbourne	Shepparton	Mildura	Mount Gambier	Hobart	Burnie/Devenport	Launceston
Rental Vacancy Situation	Severe shortage of available property relative to demand	Balanced market	Shortage of available property relative to demand	Severe shortage of available property relative to demand	Shortage of available property relative to demand	Severe shortage of available property relative to demand	Shortage of available property relative to demand	Balanced market
Rental Vacancy Trend	Tightening sharply	Steady	Tightening	Tightening	Tightening sharply	Tightening sharply	Steady	Steady
Demand for New Houses	Very strong	Strong	Strong	Strong	Strong	Very strong	Very strong	Very strong
Trend in New House Construction	Declining significantly	Declining	Declining	Declining	Declining	Declining significantly	Declining significantly	Declining significantly
Volume of House Sales	Increasing strongly	Increasing	Increasing	Steady	Increasing	Increasing strongly	Declining	Declining
Stage of Property Cycle	Approaching peak of market	Rising market	Rising market	Rising market	Rising market	Rising market	Peak of market	Peak of market
Are New Properties Sold at Prices Exceeding Their Potential Resale Value	Occasionally	Occasionally	Almost never	Almost never	Occasionally	Almost always	Occasionally	Frequently

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

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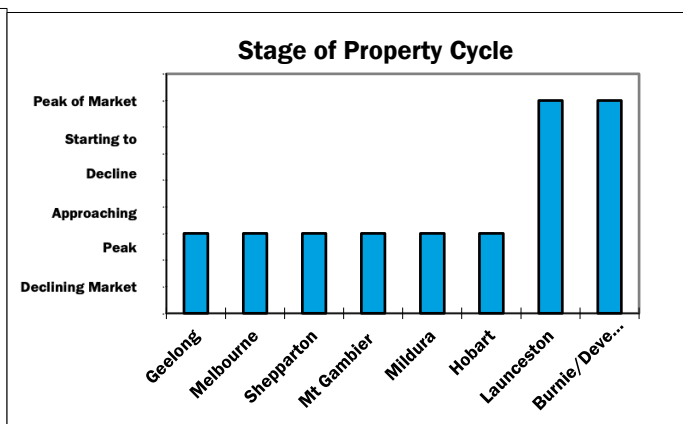
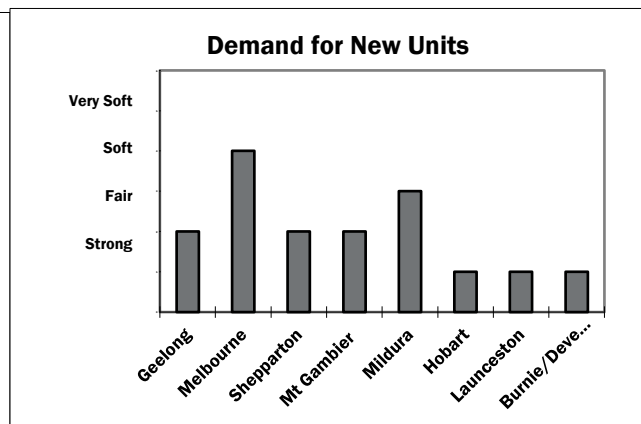
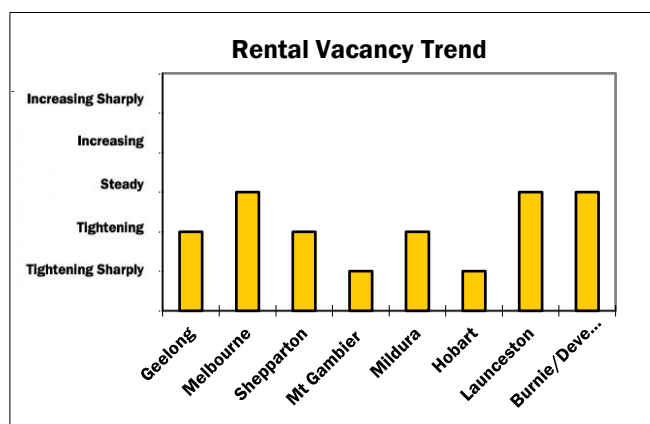
# Victorian and Tasmanian Property Market Indicators – Units

Month in Review | April 2021

Factor	Geelong	Melbourne	Shepparton	Mount Gambier	Mildura	Hobart	Launceston	Burnie/Deveport
Rental Vacancy Situation	Shortage of available property relative to demand	Over-supply of available property relative to demand	Shortage of available property relative to demand	Shortage of available property relative to demand	Shortage of available property relative to demand	Severe shortage of available property relative to demand	Balanced market	Balanced market
Rental Vacancy Trend	Tightening	Steady	Tightening	Tightening sharply	Tightening	Tightening sharply	Steady	Steady
Demand for New Units	Very strong	Soft	Strong	Strong	Fair	Very strong	Very strong	Very strong
Trend in New Unit Construction	Declining significantly	Steady	Steady	Steady	Steady	Declining	Declining significantly	Declining
Volume of Unit Sales	Increasing strongly	Steady	Increasing	Increasing	Steady	Increasing strongly	Declining	Steady
Stage of Property Cycle	Approaching peak of market	Start of recovery	Rising market	Rising market	Rising market	Rising market	Peak of market	Peak of market
Are New Properties Sold at Prices Exceeding Their Potential Resale Value	Occasionally	Almost never	Almost never	Occasionally	Almost never	Almost always	Frequently	Occasionally

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

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



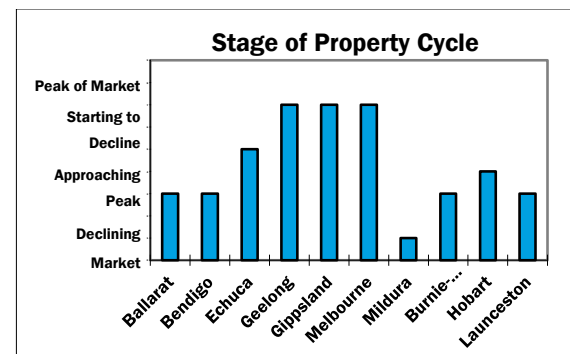
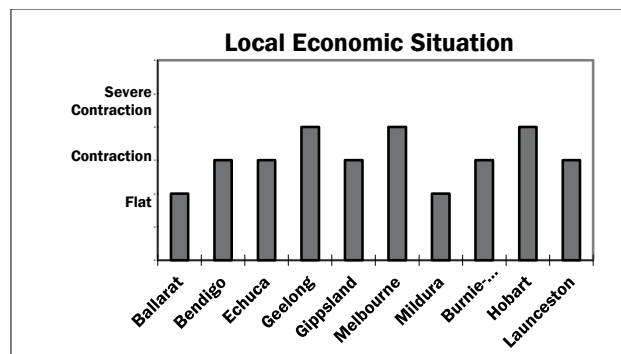
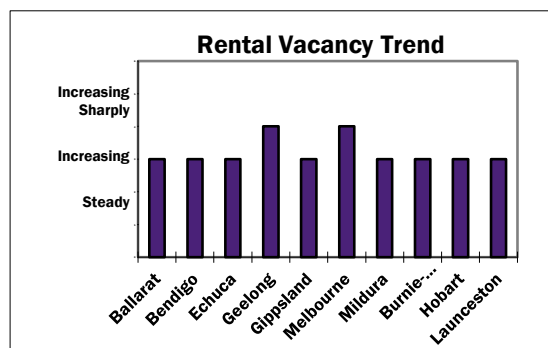
# Victorian and Tasmanian Property Market Indicators – Retail

Month in Review | April 2021

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

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

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

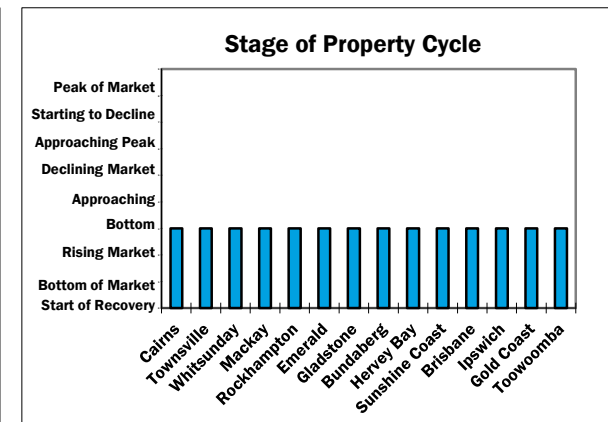
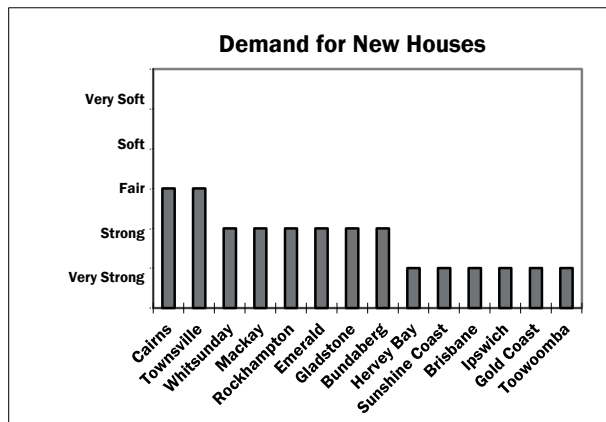
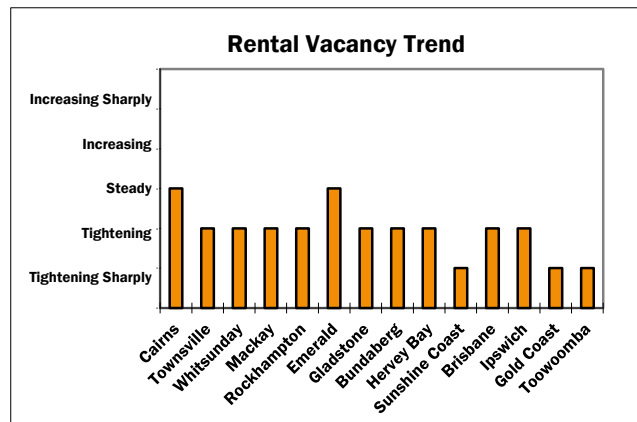


## Queensland Property Market Indicators – Houses

Factor	Cairns	Townsville	Whitsunday	Mackay	Rockhampton	Emerald	Gladstone	Bundaberg	Hervey Bay	Sunshine Coast	Brisbane	Ipswich	Gold Coast	Toowoomba
Rental Vacancy Situation	Shortage of available property relative to demand	Severe shortage of available property relative to demand	Shortage of available property relative to demand	Shortage of available property relative to demand	Shortage of available property relative to demand	Shortage of available property relative to demand	Shortage of available property relative to demand	Shortage of available property relative to demand	Severe shortage of available property relative to demand	Severe shortage of available property relative to demand	Shortage of available property relative to demand	Shortage of available property relative to demand	Severe shortage of available property relative to demand	Severe shortage of available property relative to demand
Rental Vacancy Trend	Steady	Tightening	Tightening	Tightening	Tightening	Steady	Tightening	Tightening	Tightening	Tightening sharply	Tightening	Tightening	Tightening sharply	Tightening sharply
Demand for New Houses	Fair	Fair	Strong	Strong	Strong	Strong	Strong	Strong	Very strong	Very strong	Very strong	Very strong	Very strong	Very strong
Trend in New House Construction	Declining	Steady	Declining	Declining	Declining	Declining	Declining	Declining	Declining significantly	Declining significantly	Declining significantly	Declining significantly	Declining	Declining significantly
Volume of House Sales	Increasing	Increasing	Increasing	Increasing	Increasing	Increasing	Increasing strongly	Increasing strongly	Increasing strongly	Increasing	Increasing strongly	Increasing	Increasing	Increasing
Stage of Property Cycle	Rising market	Rising market	Rising market	Rising market	Rising market	Rising market	Rising market	Start of recovery	Rising market	Rising market	Rising market	Rising market	Rising market	Rising market
Are New Properties Sold at Prices Exceeding Their Potential Resale Value	Occasionally	Almost never	Occasionally	Occasionally	Occasionally	Occasionally	Occasionally	Almost never	Occasionally	Occasionally	Occasionally	Occasionally	Occasionally	Very frequently

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

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

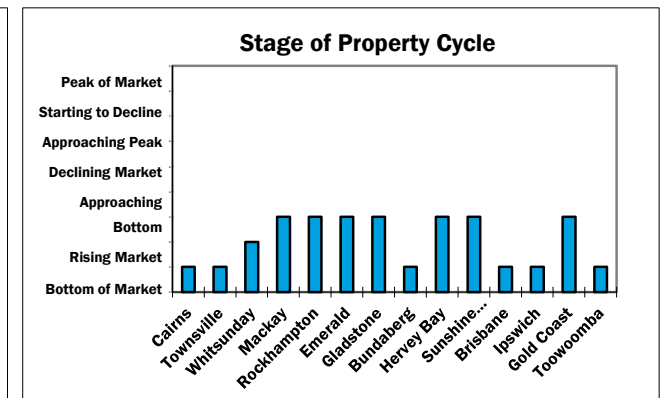
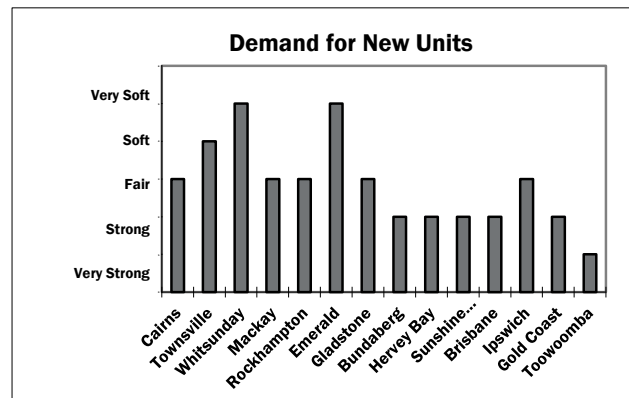
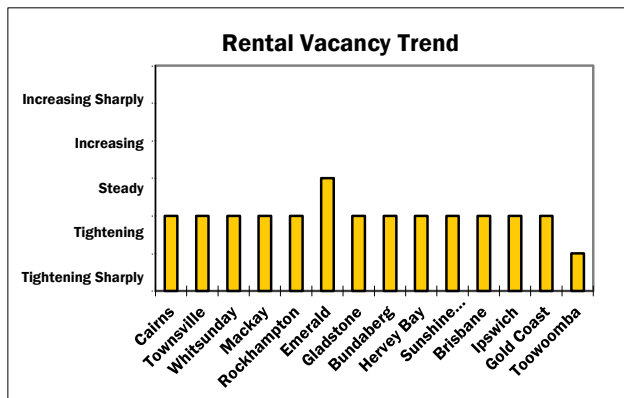


## Queensland Property Market Indicators – Units

Factor	Cairns	Townsville	Whitsunday	Mackay	Rockhampton	Emerald	Gladstone	Bundaberg	Hervey Bay	Sunshine Coast	Brisbane	Ipswich	Gold Coast	Toowoomba
Rental Vacancy Situation	Shortage of available property relative to demand	Severe shortage of available property relative to demand	Shortage of available property relative to demand	Shortage of available property relative to demand	Shortage of available property relative to demand	Balanced market	Shortage of available property relative to demand	Shortage of available property relative to demand	Severe shortage of available property relative to demand	Shortage of available property relative to demand	Shortage of available property relative to demand	Shortage of available property relative to demand	Shortage of available property relative to demand	Severe shortage of available property relative to demand
Rental Vacancy Trend	Tightening	Tightening	Tightening	Tightening	Tightening	Steady	Tightening	Tightening	Tightening	Tightening	Tightening	Tightening	Tightening	Tightening sharply
Demand for New Units	Fair	Soft	Very soft	Fair	Fair	Very soft	Fair	Strong	Strong	Strong	Strong	Fair	Strong	Very strong
Trend in New Unit Construction	Steady	Increasing	Increasing strongly	Steady	Steady	Increasing strongly	Steady	Declining	Declining	Declining	Steady	Steady	Declining	Declining
Volume of Unit Sales	Steady	Increasing	Steady	Increasing	Increasing	Steady	Increasing	Increasing strongly	Increasing	Increasing	Increasing	Increasing	Increasing	Steady
Stage of Property Cycle	Start of recovery	Start of recovery	Bottom of market	Rising market	Rising market	Rising market	Rising market	Start of recovery	Rising market	Rising market	Start of recovery	Start of recovery	Rising market	Start of recovery
Are New Properties Sold at Prices Exceeding Their Potential Resale Value	Occasionally	Almost never	Almost never	Occasionally	Occasionally	Occasionally	Occasionally	Almost never	Occasionally	Occasionally	Occasionally	Occasionally	Frequently	Very frequently

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

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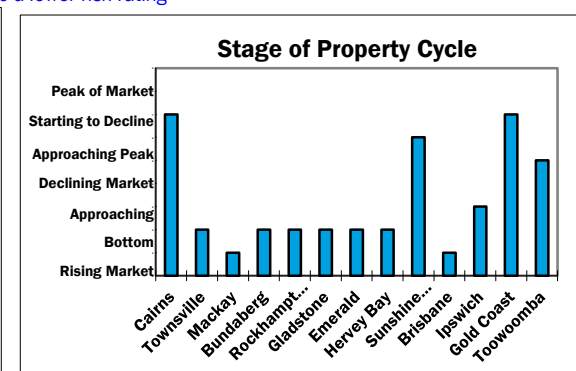
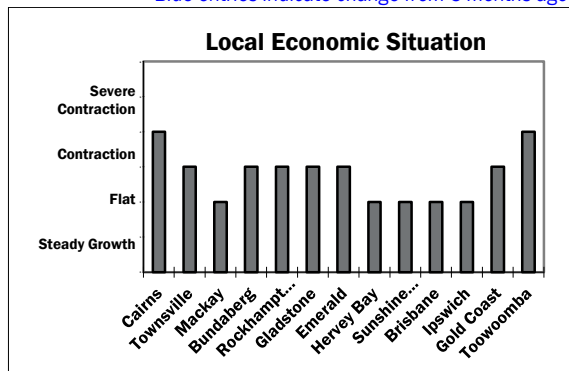
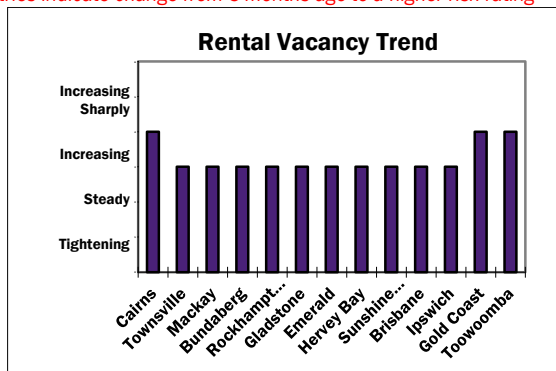
# Queensland Property Market Indicators – Retail

Month in Review | April 2021

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

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

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

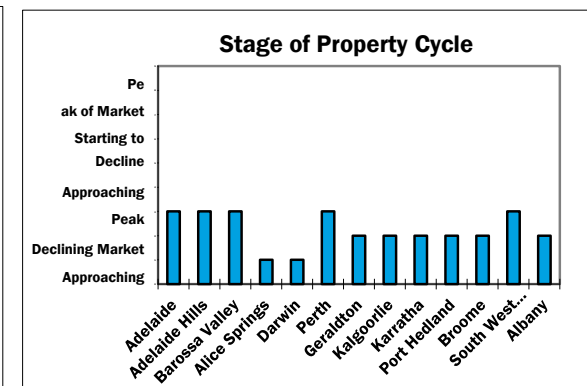
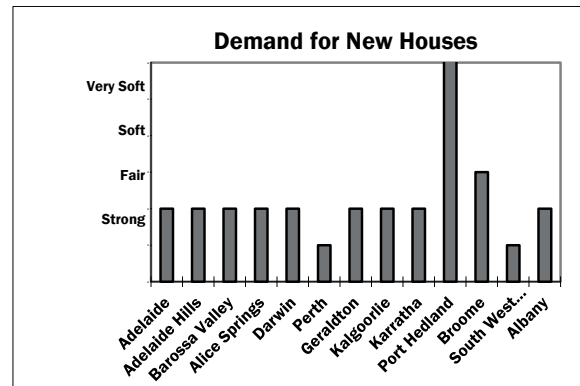
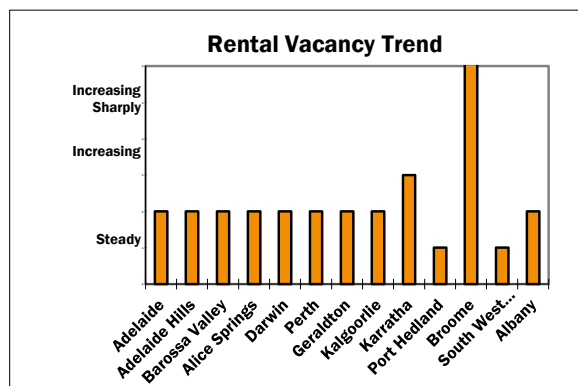


## SA, NT and WA Property Market Indicators - Houses

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

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

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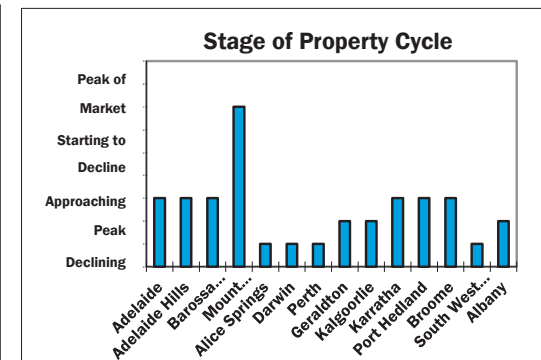
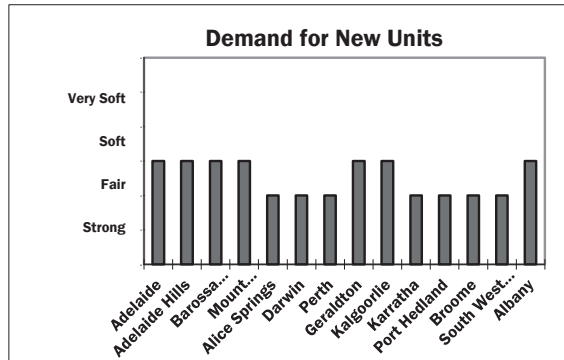
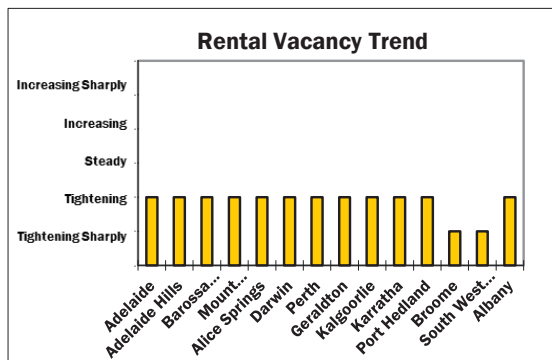
## SA, NT and WA Property Market Indicators – Units

Month in Review | April 2021

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

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

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

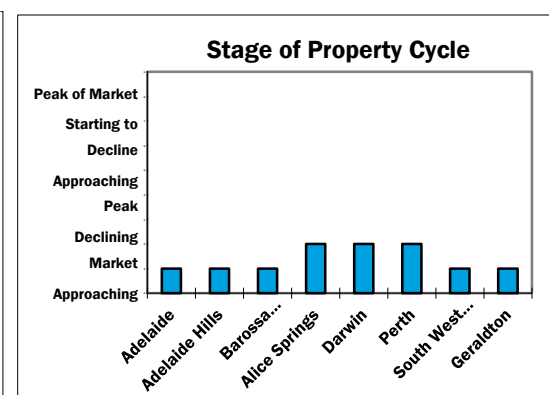
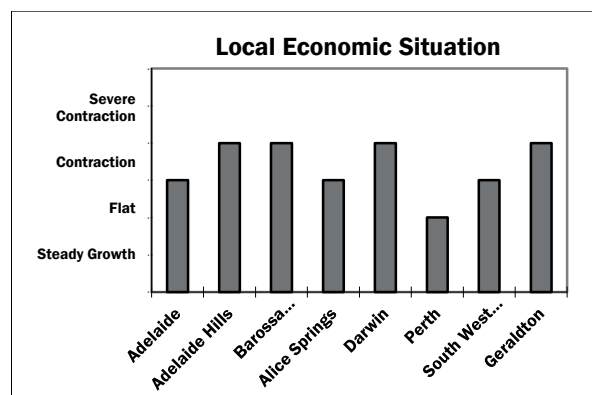
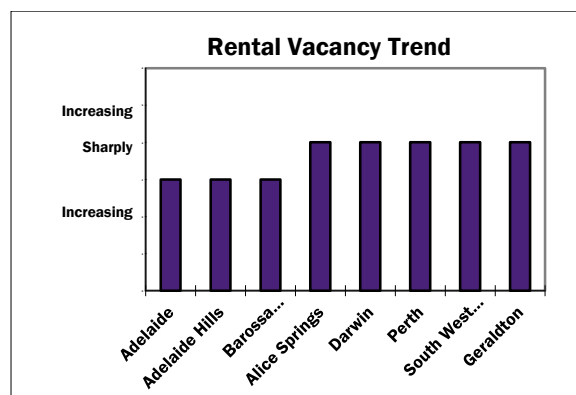


## SA, NT and WA Property Market Indicators – Retail

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

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

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





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