Residential Month in Review

July 2021

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

A message from our CEO

While recent months have been a trial for many Australians, we remain positive in my outlook for the remainder of the year.

Australians have a reputation for resilience and compassion. Both these traits have been on full display in recent weeks, and will no doubt endure as we overcome current events. Vaccination uptake continues to accelerate as well, and approval of the Moderna jab in the coming weeks should boost our options too.

All good news worth highlighting.

In addition, smart minds continue to innovate so that we can simply get on with what needs to be done, despite any hurdles.

Innovation is something we wholeheartedly embrace at Herron Todd White as well.

We recently announced the launch of our HAWK commercial platform – our ground-breaking, end-to-end job management system developed by the technology arm of our business. HAWK delivers a fully integrated, multi-sector program adopting leading edge technology. It will centralise our extensive commercial database and allow for better, more rigorous, transparent and consistent analysis. The platform will deliver valuers a richer, broader level of market insights to share with our clients as well.

HAWK has also received formal ISO9001 certification. This important international standard for quality builds on our existing ISO27110 Information Security certification, placing Herron Todd White as one of the most robust, secure and quality-forward valuation firms in the nation. This commitment to quality cannot be produced without the collective effort of our people around the country. Our processes and systems ensure that we continue to provide our clients with market-leading solutions and information.

Which leads nicely to our July edition Month In Review. Its submissions provide readers fascinating insights about the nation's property markets.

Our residential expert have compiled an extraordinary record of the real estate $700,000 will purchase throughout Australia's property markets.

Among the excellent stories on offer this month are:

- **Sydney** – there remains plenty of $700,000 options throughout the Sydney region;
- **Sunshine Coast** – select beachside locations are still accessible around this price point;
- **National Property Clock** – all markets remain in the rising-to-peaking sector of the cycle.

Please enjoy this latest addition of *Month In Review*.

Gary Brinkworth

A lazy $700,000

Decisions, decisions! You've got the dough, but where to park it?

National property markets are complex beasts when it comes to comparing one location against another. For example, how do you gauge the relative merits of a second hand-apartment on the waterfront as opposed to a new suburban lowset dwelling?

Well, the best way is via purchasing power.

You decide on a specific amount and see what sort of real estate that stack of cash will secure across all population centres.

For this month's theme we're looking at what $700,000 will purchase around the nation. While we know $700,000 could hardly be described as chump change, it is an excellent benchmark figure for Aussie property.

Sure, many buyers would rather hover closer to a budget of half-a-million or less, but $700,000 provides a great crossover price point. At this magic number, you can pretty much purchase some sort of home in just about every market across the nation.

This makes it an excellent way to compare and contrast.

There's another interesting pandemic element that makes this month's theme even more relevant. The tyranny of distance pre-2020 isn't all that ominous in 2021. We can work remotely from just about anywhere while holding down a steady job that once needed an inner-city office.

All this is to say that if you have $700,000 to spend, your options are wide open.

This month, we asked each of our offices to disclose what $700,000 will buy in their neck of the woods. Their answers demonstrate the rich tapestry of current market conditions from shore to shore. It's a compelling read that will have every property tragic held from word one.

In our commercial section this month, we ask our teams what investment opportunities are available in their retail property markets. This may seem like a challenging question given the struggles retail has faced over the past decade – particularly since the start of 2020. But all is not lost in this economic powerhouse according to our valuers.

We also have a bonus commercial article that discusses how retail property markets can bounce back from lockdowns. Two of the nation's leading experts dissect why retail property continues to prove resilient and adaptive under challenging circumstances.

Finally – our rural team offers their observations on recent big moves in the agricultural markets. They also delve into what sort of property $10 million will purchase in their specialist sector.

There you have it – a ready guide on buying up in Aussie real estate. To get the full nitty gritty, make sure you contact your local Herron Todd White office.

At this magic number, you can pretty much purchase some sort of home in just about every market across the nation.

FEATURE

HERRON TODD WHITE

National Property Clock: Houses

Entries coloured orange indicate positional change from last month.

Bathurst
Burnie/Devenport
Canberra
Dubbo
Launceston
Tamworth

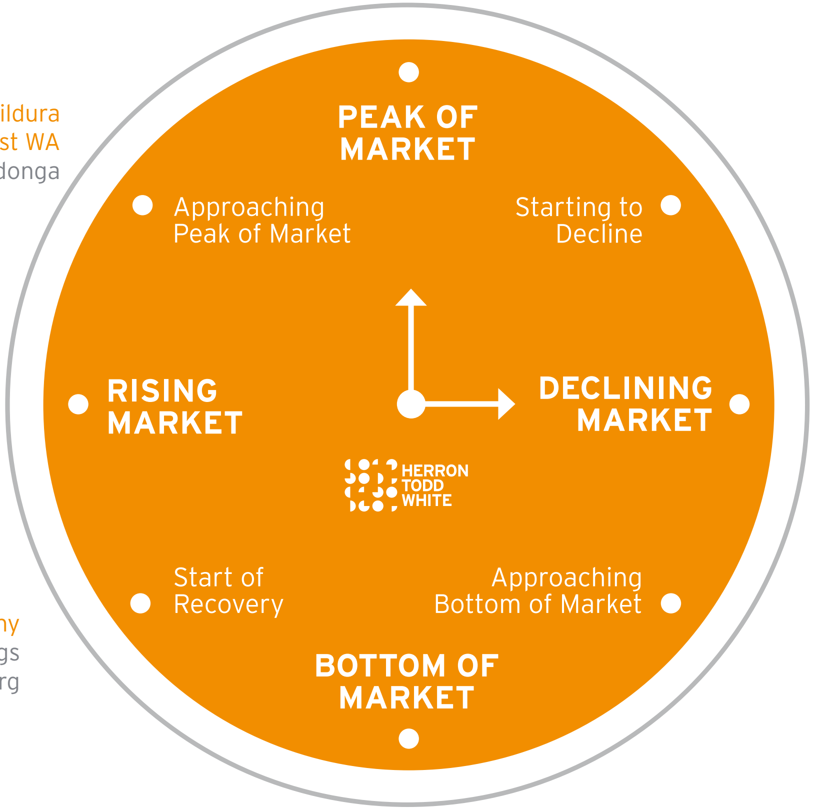
Albury
Central Coast
Geelong
Mildura
South West WA
Wodonga

Adelaide
Adelaide Hills
Ballina/Byron Bay
Barossa Valley
Brisbane
Broome
Cairns
Coffs Harbour
Darwin
Emerald
Geraldton
Gladstone

Gold Coast
Hervey Bay
Hobart
Illawarra
Ipswich
Kalgoorlie
Karratha
Lismore
Mackay
Melbourne
Mount Gambier
Newcastle

Perth
Port Hedland
Rockhampton
Shepparton
S'thn Highlands
Sunshine Coast
Sydney
Toowoomba
Townsville
Whitsunday

Albany
Alice Springs
Bundaberg



RESIDENTIAL

HERRON TODD WHITE RESIDENTIAL

National Property Clock: Units

Entries coloured blue indicate positional change from last month.

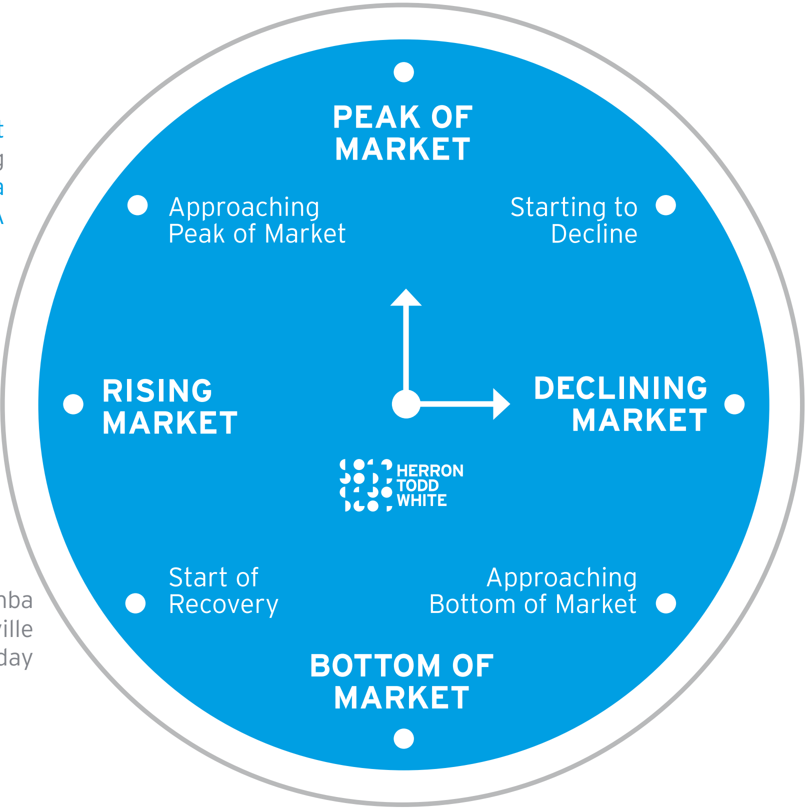
Bathurst
Burnie/Devenport
Launceston
Tamworth

Central Coast
Geelong
Mildura
South West WA

Adelaide
Adelaide Hills
Albury
Ballina/Byron Bay
Barossa Valley
Broome
Coffs Harbour
Dubbo
Geraldton
Gladstone

Gold Coast
Hervey Bay
Hobart
Illawarra
Kalgoorlie
Karratha
Lismore
Mackay
Mount Gambier
Mt Gambier

Newcastle
Perth
Port Hedland
Rockhampton
Shepparton
S'thn Highlands
Sunshine Coast
Wodonga



Canberra

Albany
Alice Springs
Brisbane
Bundaberg
Cairns

Darwin
Emerald
Ipswich
Melbourne
Sydney

Toowoomba
Townsville
Whitsunday

New South Wales

Overview

The field of valuation is embedded in the art of comparison. By looking at one property and gauging is against another (and applying a wealth of experience and expertise) valuers determine market value.

It's within this vein that we compare every market across the nation by simply asking the question, "What type of property will $700,000 buy?"

It's a compelling collection of articles that illustrate the diversity of Australia's real estate landscape.

Sydney

Whilst the Sydney residential property market has seen strong growth over the past six to nine months, the lower quartile has experienced more moderate growth than the top three quarters of the market. According to RP Data, the lower quartile grew by five per cent in the three months to the end of April, compared to 11.4 per cent for the top quartile and seven per cent for the middle section of the market.

Regardless, this means that $700,000 does not go as far as it did 12 months ago when it comes to purchasing a property in Sydney. Despite this, there are still options available across all parts of Sydney for the investor or first home buyer with a budget of $700,000 or under.

Western Sydney

The sub $700,000 price point in Western Sydney provides several options for first home buyers, upgraders and investors.

Just 50 minutes north-west of the Sydney CBD in Box Hill, the vacant land market has gone off with a high level of demand for ready to build blocks. A recent example is the sale of a 306 square metre block with a 10-metre frontage achieving $655,000 or $2140 per square metre. This block sold off the plan in November 2018 for $370,000, showing a 77 per cent uplift in two and a half years.

Not too far away in Tamar Street, Melonba (Marsden Park) someone recently secured 250 square metres with a 10 metre frontage for $542,000 or $2168 per square metre. This block sold for $385,000 in August 2020, showing an uplift of 41 per cent in nine months!

Unfortunately, camping on these blocks is not allowed so you will have to build a house which will blow the $700,000 budget out of the water.

If you are craving a new or near-new property and only have $700,000, the good news is around the corner at 42 Enmore Street, Marsden Park, where a circa 2020 build, two-bedroom, two-bathroom attached terrace on 156 square metres of land sold for $685,000 in April. This is almost $100,000 more than the vendor paid to the developer eight months prior.

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42 Enmore Street, Marsden Park Source: realestate.com.au

For a dwelling, we advise you to head to Penrith for the best bang for your buck. A recent sale at 119 Kareela Avenue for $675,000 shows you can get a brick, three-bedroom, one-bathroom dwelling with an updated interior, rear pergola and inground pool situated on 740 square metres of land.

In Parramatta, a budget of $700,000 will afford you a modern two-bedroom unit, with a number of sales occurring in the low to mid $600,000s depending on the age and quality of the unit. A recent sale includes 511C/3 Broughton Street which is a circa 2016 built, two-bedroom, two-bathroom unit with a single basement carspace selling for $620,000 in June. RP Data notes this unit sold off the plan in August 2014 for $630,000 which results in a circa 1.5 per cent reduction in value

For something different, want a renovated waterfront dwelling on 1000 square metres of land but only have $700,000? No worries.

in almost seven years, a huge difference to the vacant land market.

For something different, want a renovated waterfront dwelling on 1000 square metres of land but only have $700,000? No worries, your answer lies in Lower MacDonald, just over one hour from Castle Hill and located within the Hawkesbury Council area. A brick three-bedroom dwelling which had been updated throughout, with approximately 15 metre frontage to the Macdonald River, recently sold for $700,000 in May. If you can work from home and enjoy fishing or boating, this area might be the one for you.

539 Settlers Road, Lower MacDonald   Source: realestate.com.au

The sub $700,000 market is generally hotly contested given the low entry point. It is significantly more sensitive to interest rate movements given the large participation rate of first home buyers and investors.

We would recommend steering away from high rise units if you are chasing strong capital growth in the short to medium term. The example of Broughton Street highlights the premium paid for off the plan units, which may take some time to be fully absorbed by the wider market.

We are genuinely shocked at the rapid growth in the vacant land market. Huge gains have been made on land in the outer areas of Sydney with some development still in their infancy. This can be attributed to the government incentives for new builds, the drip feeding of new releases by developers creating a hot market, the impacts of COVID-19 with more people working from home or needing a larger dwelling with an office and that quality master planned subdivisions are being very well received by the buying public.

South-Western Sydney

Each year we are asked to report on what is available in the sub $700,000 market within our service areas. In 2021, the south-western areas of Sydney can still claim to offer such opportunities for investors and owner-occupiers, be it a long-term investment in a suburb such as Ashcroft where investors can buy a sub $700,000 house and construct a granny flat to increase the site's income producing ability, or young professionals being drawn to a brand new unit in Ed Square which offers a unique vibrant lifestyle at your doorstep. There still appear to be opportunities depending on your goals.

If you are looking at investing or occupying a detached home within this market, you will be limited to suburbs traditionally considered secondary locations within the Liverpool Local Government Areas, such as Miller, Sadlier, Ashcroft and Busby. Fairfield LGA offers very limited opportunities and the sub $700,000 market is generally reserved for dated dwellings of sites in secondary locations, whilst the most opportunity continues to be within the Campbelltown LGA with suburbs such as Airds, Claymore, Kearns, Blairmount, Ambarvale, Campbelltown and Bradbury still offering plenty of options.

Some recent examples include in Ashcroft (Liverpool LGA), where a renovated three-bedroom, one-bathroom dwelling on 556 square metres sold in March for $650,000. In Cabramatta (Fairfield LGA), a dated three-bedroom, one-bathroom dwelling on 462 square metres and within close proximity to the Grove Home Maker Centre, but backing onto a unit complex, sold in April for $650,000. Finally, in Eagle Vale (Campbelltown LGA), a renovated three-bedroom, one-bathroom property on 604 square metres sold in March for $660,000.

A recent sale in Eagle Value   Source: RPData

If you are looking at investing in or occupying a unit or an attached or semi-detached home in the sub $700,000 market, you will have a greater opportunity to purchase a modern dwelling within a new estate and within close proximity to services.

In Ed Square (Liverpool LGA), you can purchase a modern unit within close proximity to an array of amenities for the mid $650,000 range. In Denham

Court (Campbelltown LGA), a modern two-bedroom terrace sold in May for $640,000. Finally, in Edensor Park (Fairfield LGA), a 2000s built three-bedroom, three-bathroom townhouse sold in April for $687,000.

A recent sale in Denham Court Source: RPData

Broadly speaking this sub $700,000 range should continue to perform, basically because it is affordable. We would advise investors and owner-occupiers to make really informed decisions, research their prospective areas: look at how many rentals are on the market; whether there are any infrastructure or amenity upgrades planned; and level of access to day to day services. Be prepared for a long-term commitment to really see any strong capital growth.

Southern Sydney

The investor market in the Sutherland Shire and St George has been subdued in recent years, however investors are now returning to the market. Investors and first home buyers looking to purchase in the lower end of the market (under $700,000) will be looking at two-bedroom townhouses and one- or two-bedroom units. Record low interest rates and the good possibility of interest rates remaining low over the coming years has been the predominant driving force for buyers in this price range.

In areas such as Miranda and Caringbah where there has recently been a lot of newly completed large unit complexes, there is the potential for oversupply and some complexes have stock available months after completion. Despite this, there doesn't seem to be an excess of units for rent in these areas with Miranda currently only having 23 units available for rent and Caringbah 39 units available.

Engadine is a good option for modern two-bedroom units with C102/1081 Old Princes Highway, a two-bedroom, two-bathroom unit with single car space selling in June for $690,000.

C102/1081 Old Princes Highway Engadine Source: realestate.com.au

For a relatively strong rental return, a good option is an older one-bedroom unit in Cronulla with a price point in the mid $400,000s. These units usually receive a rental return of mid to high $300 per week. These units are generally easy to rent and have an affordable price point. Units in this price range are generally advertised with current rental details or a potential weekly rent, which provides buyers with a clear idea of what the rental return will be.

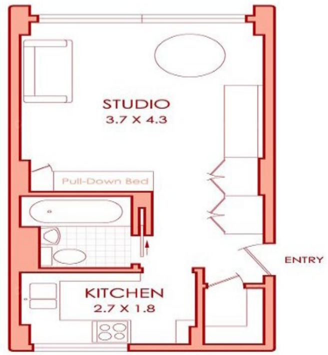
A good example is 6/3 Wilbar Avenue, Cronulla, a renovated one-bedroom, one-bathroom unit with no parking, which sold in March for $456,000 with a current rental of $350 per week, providing a gross rental return of four per cent.

Inner Sydney/Eastern Suburbs

Within inner city Sydney, $700,000 does not go far. This will buy an average one-bedroom unit with or without a car space depending on which side of town it is on.

As we know, performance is measured by both capital growth and rental return. Studio and one-bedroom units around the city fringe are known for traditionally providing higher rental returns, although COVID-19 has dampened this slightly.

One of Sydney's densest postcodes, 2011, offers some good rental returns in the sub-$700,000 price point, such as 23/50 Roslyn Gardens, Rushcutters Bay, a 29 square metre renovated studio unit which sold in May 2021 for $485,000 with comparable units in the building renting for $400 to $450 per week, reflecting a gross rental yield of around 4.8 per cent.



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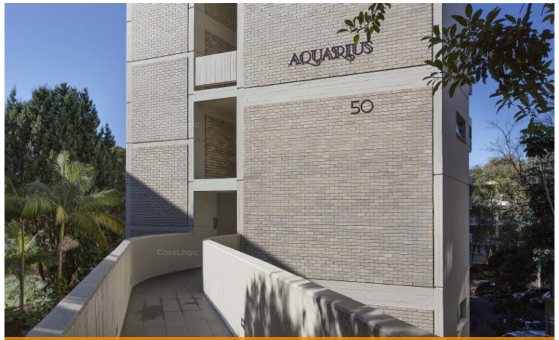


23/50 Roslyn Gardens, Rushcutters Bay Source: CoreLogic

Capital growth within this market segment is more limited in the inner city due to the investor grade properties that fall into it. However, some areas on the inner western side of the CBD such as Newtown have performed well over the past cycle. This affordable and popular suburb showed a median unit price increase of 4.92 per cent in the 12 months to March 2020 and a further increase of 4.55 per cent to March 2021. In comparison, nearby Redfern posted decreases of 6.57 per cent and 8.85 per cent over the same periods respectively.

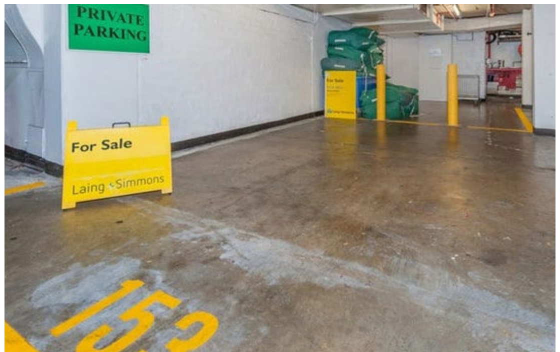
Investing $700,000 in the Sydney city fringe market would generate more limited capital growth than in many other markets across the country and it is therefore worthwhile investing within this market for rental return.

In the short term, price growth within this market segment will remain limited. This is due to international border closures reducing tenant demand and rental returns, with some investors still offloading properties and limited demand for these kinds of units.

In the medium term, when borders re-open, it is likely we will see rental demand begin to improve and slowly return rents to their pre-pandemic levels. As this occurs, investors will likely begin to re-enter this market and we will begin to see values also return to pre-COVID levels.

In the eastern suburbs, $700,000 really restricts a buyer's options to one-bedroom or studio style units. Hillsdale and Botany provide some opportunity for older two-bedroom units. A renovated two-bedroom, one-bathroom unit at 4/35 Brittain Crescent, Hillsdale, sold in May for $610,000, with a current rental of $450 per week, providing a gross yield of 3.8 per cent.

For something different, how about a car space for $225,000? That is what a car space in popular Macleay Street, Potts Point sold for in June. With many units in the area not having parking and street parking often proving a frustrating prospect, buying or renting a car space in a neighbouring building is a popular option in this part of the city. In this case, the purchaser also has access to the common facilities of the building which include a swimming pool.

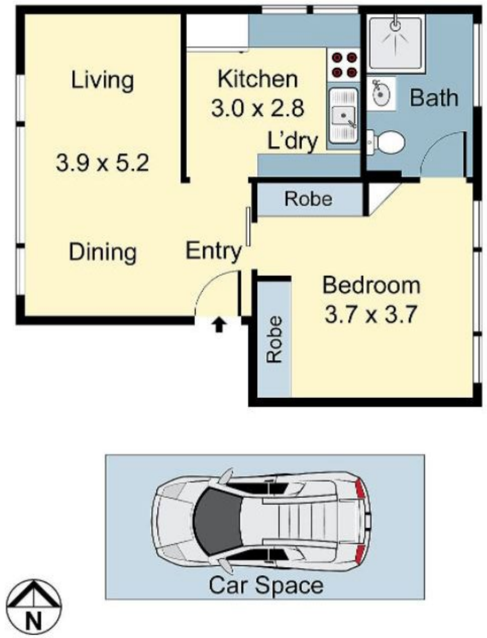


A car space which recently sold in Potts Point Source: news.com.au

Buyers within this market segment are often investors and occasionally first home buyers (although the latter tend to be more common just above the $700,000 mark). These buyers can have a reasonable degree of confidence with agents advising limited competition in this space.

Inner West

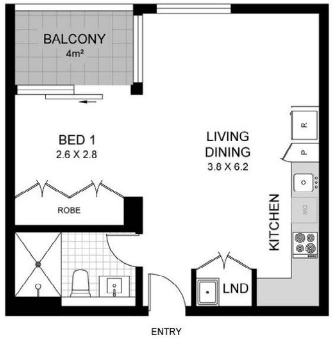
Properties with a value in the vicinity of $700,000 are becoming a rarer commodity in the inner western areas of Sydney. Detached or semi-detached housing in this part of Sydney is no longer available within this value range. As such, buyers in this value range are restricted to strata titled units including two-bedroom, one-bathroom flats (from the 1960s to 1990s), one-bedroom period style units (including Art Deco and Victorian or Edwardian era manor house conversions), as well as more modern higher density one-bedroom apartments. Buyers for these properties generally comprise a mixture of first home buyers as well as investors, with the latter more inclined to invest in newer off the plan style units to take advantage of the tax depreciation benefits of a new property.




5E/98 Carlton Crescent, Summer Hill Source: realestate.com.au

Generally, period style units situated within lower density buildings are considered to perform the best in comparison to other strata titled properties available at this price point. Given the scarcity of these properties, they have increased in value at a high rate over the course of the past six to nine months and they tend to perform best in relation to capital growth over the longer term.

Higher density, modern one-bedroom, one-bathroom apartments tend to provide a higher gross yield in comparison to lower density strata units, however given the supply levels of these apartments particularly in areas such as Lewisham, Leichhardt, Drummoyne, Marrickville, Summer Hill, Rozelle, Forest Lodge, Camperdown, Erskineville and Balmain, the capital growth tends to be limited. However, these apartments have also seen strengthened sale prices over the course of the past six to nine months.




A202/19-21 Eve Street, Erskineville Source: realestate.com.au

Rental values for these more modern apartments tend to range between $400 and $500 per week for one bedroom with no car accommodation and $500 to $600 per week for one-bedroom apartments with car accommodation. Period units with one-bedroom accommodation achieve a range in the order of $450 to $550 per week and two-bedroom, one-bathroom flats tend to achieve $450 to $650 per week (depending on the area).

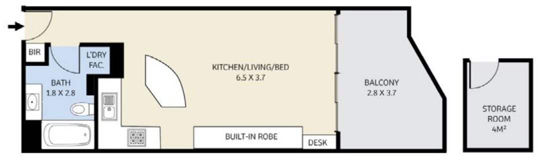
These smaller style apartments at this price point typically appeal to first homebuyers and investors and this market segment is particularly sensitive to interest rates, lending policies and general economic conditions. Investors are also highly motivated by tax and negative gearing benefits so any changes in this space can have direct impacts on this market segment.

Smaller scale good quality developments (whether modern or older) are the safest bet in terms of a longer-term investment. Other things to look for are units with a good aspect and natural light that have renovation upside, whether that be a full refurbishment or just an overall cosmetic update.

Northern Beaches

A budget of $700,000 provides the opportunity primarily for first home buyers and entry level investors in the form of strata units. $700,000 is well below the Northern Beaches unit median price of $973,500 and median dwelling price of $2.1 million (source: CoreLogic as at March 2021). Location, age of the building and accommodation will ultimately dictate available options. One-bedroom or studio units can still be purchased from Manly upwards for under $700,000 and for as low as $500,000 in some instances.

A recent example includes 12/7-9 Pittwater Road, Manly selling in June 2021 for $675,000. The sale is of a circa 1998 studio unit with parking. The property leases for around $450 per week equating to a 3.46 per cent yield.



12/7-9 Pittwater Road, Manly Source: RP Data

Generally, period style units situated within lower density buildings are considered to perform the best in comparison to other strata titled properties available at this price point.

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Two-bedroom units are much harder to come by due to the recent market growth pushing most suburbs beyond the $700,000 bracket. Dee Why is the only option at the moment and even then is likely on the western side of Pittwater Road and in an older building.

A recent example includes 8/6 Ilikai Place, Dee Why selling in June 2021 for $670,000. The sale is of a circa 1960s two-bedroom, one-bathroom unit with single carport that has been previously updated internally. The property leases for around $520 per week equating to a 4.04 per cent yield.

8/6 Ilikai Place, Dee Why Source: RP Data

Buyers should have confidence entering the market with a medium to long term view. The entry level nature creates strong competition amongst buyers, although is prone to greater volatility and impacted by fiscal policy changes. Interest rates are only heading in one direction and it will be interesting to see if supply constraints and immigration policy offset the impact of interest rate movements to value levels.

North Shore

Both the Lower and Upper North Shore markets have experienced significant growth over recent months, post-pandemic. This growth has been most evident in the detached housing market, with higher value properties experiencing the greatest capital gains over this period. The bottom end of the market however, dominated by the unit sector, has not seen anywhere near the same market improvement. It is therefore interesting to see what is currently available around the $700,000 price point in these areas on the Lower and Upper North Shore.

The underperformance of the lower end unit sector has predominantly been due to the lack of investor activity since March 2020, the beginning of the market volatility surrounding the COVID-19 pandemic. This lack of investor interest is due to multiple factors. The instant pause on migration and large reduction of overseas students coming to Australia came at a time when many large-scale residential unit developments were under construction and offering off-the-plan purchasing opportunities. After a few years of an under supplied market, there was suddenly a dramatic increase in stock levels which coincided with a large reduction in demand for this product.

For $700,000 on the Lower North Shore, buyers are limited to one-bedroom or studio units, depending on the area. In the suburb of Lane Cove, a reasonably sized, modern, one-bedroom unit with a single carspace is still obtainable for $700,000. An example of such a unit sold in late May for right on $700,000, comprising one bedroom, a single basement carspace, located within a modern lowrise complex and appreciating views over Batten Reserve.

A Lane Cove unit which sold in May Source: domain.com.au

Lane Cove does comprise a high volume of unit development but is extremely popular due to having an ever-improving village atmosphere in conjunction with multiple public transport options, leading to potential future growth.

On the Upper North Shore, it has been a near identical story, although with even more recent supply in the unit sector. Investors have again shied away over the past twelve months as the uncertainty around the fundamentals of this sector of the market have remained uncertain.

$700,000 on the Upper North Shore gets you slightly more for your money, again depending on the specific area. At the very northern end of the Upper North Shore, the suburb of Waitara offers modern two-bedroom units at this price point. As an example, a semi-modern two-bedroom, two-bathroom unit with a single basement carspace sold at the beginning of June for $680,000.

Although the pandemic has greatly impacted the lower end unit market on the Lower and Upper North Shore, there are some postive signs starting

Buyers should have confidence entering the market with a medium to long term view.

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to emerge. Record low interest rates, in what has been a subdued market, present some attractive opportunites for investors. It appears that some of these investors believe this sector of the market has likely hit a low point and they are starting to seize on this.

This confidence is also likely to have been boosted by stabilisation surrounding the pandemic, both in Australia and globally. It is becoming increasingly likely that border restrictions will be gradually reduced in the coming months, resulting in increased migration and the return of international students, large drivers of this market. Local agents are already reporting increased enquiry and demand for investment units, and selling periods are starting to reduce. It would appear that this is the beginning of improved market confidence and we expect this trend to pick up pace in the coming months at this price point.

Shaun Thomas
Director

Lismore/Casino/Kyogle

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

What has been most remarkable is the purchasing power of $700,000 in the modern residential estates of Goonellabah. A mere handful of modern three- or four-bedroom, two-bathroom dwelling house sales over $650,000 occurred in the last six months of 2020. As of 2021, there have been 12 sales over $700,000.

So, sorry, no pocket change left over for that wide berth caravan or bidding at the auction for that 30 foot Smurf caricature.

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

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

Semi-remote rural localities with properties on lots from 40 hectares to even 100 hectares may still be purchased under $700,000 and provide semi-modern homes with established ancillary improvements, however they are fast becoming a bit of a rarity. The lure of rural lifestyle living remains attractive for cashed up locals and out of towners.

In summary, whilst we are still in a low interest rate environment, it would appear the ceiling for local sale price records will continue to be shattered for some time yet.

Vaughan Bell
Property Valuer

Byron Shire

The Byron Shire property market has gone from strength to strength over the course of 2020-2021, further limiting the purchasing power of the average buyer. With a budget of $700,000, the options for buyers are quite limited. Let's consider some of the sales around the $700,000 price point.

Byron Bay: Unit 8/47-49 Shirley Street. Sold in February 2021 for $685,000. This is a one-bedroom unit with one bathroom in a walk-up complex built around 2003. The unit is a modest 45 square metres in size and has a basement carpark. A property such as this offers the option of permanent or holiday rental as well as owner-occupation.

Brunswick Heads: Unit 2, Number 3 Newberry Parade. Sold in February 2021 for $560,000. This is also a one-bedroom unit of approximately 40 square metres. The unit is in an older complex but has been updated internally. It is a short walk to Brunswick Heads CBD and would appeal to an investor or owner-occupier.

2/3 Newberry Parade, Brunswick Heads Source: realestate.com.au

Bangalow: Unfortunately, the market for property and even land is very thin under $700,000. This is one area where the first home buyer or investor has limited options.

Mullumbimby: Apart from the odd, rare block of vacant land, the options for residential property in Mullum are limited to a small number of units. For example, 7/116 Stuart Street sold in March 2021 for $605,000. This is a modern one-bedroom unit of 64 square metres in a small complex close to the town's CBD. The unit has an open car space on title.

Ocean Shores: This is one locality in the Byron Shire where buyers will get a little more bang for their buck. Unit 2/6 Durroon Court sold for

$648,000 and is an older style townhouse with two bedrooms and one bathroom and a converted garage. The property is a short walk from the shops and would suit investors or a first home buyer.

2/6 Durroon Court, Ocean Shores Source: realestate.com.au

Whilst it is possible to find a property in the Byron Shire for under $700,000, it will be a task not easily accomplished and will require compromises on property location, size or type.

Mark Lackey
Property Valuer

Ballina Shire

The coastal areas of the Northern Rivers continue to remain strong with limited supply still impacting the local property market. Agents are indicating strong buyer demand in the mid-range property market and a slight slowing of the higher end market, especially the $2 million to $3 million bracket. The smaller inland village areas of the North Coast remain strong due to affordability and premiums are being paid for vacant sites in these small village areas. This coupled with low interest rates is driving demand in the area with properties still selling in excess of local market tolerances. We do note however that there seems to be some stabilising in the less sought after areas of the Northern Rivers with properties reportedly having less interested parties making offers.

The continuing movement of people to the area and the premium prices being paid for properties are still proving to have a detrimental impact on the rental market. Agents are reporting in excess of 30 groups applying for each rental in the coastal and inland areas of the Ballina Shire and surrounds. The more sought-after areas of the coast which have seen significant increases in rents have started to ease due to affordability and with the younger demographic being pushed from the area, there appears to be a slight increase in properties available.

Bernard Walter
Property Valuer

Clarence Valley

Within the Clarence Valley, a $700,000 price level will purchase a rural residential property of between say 10 hectares and 40 hectares improved with an existing non modern residence or alternatively a reasonable quality residential property in western Yamba. These options allow for an enjoyable lifestyle in the country or near the beach. The ability of this finance level also allows the purchase of two or three smaller detached rental properties which could be purchased in Grafton or South Grafton. The Grafton residential area allows for reasonable residential yield returns. The price sector is expected to continue to have steady turnover due to the low interest rates on offer and the view that the Clarence Valley is seen as a cheaper alternative to areas north and south. The recently constructed motorway is enticing buyers from within the region and from interstate.

Simon Evans
Property Valuer

Coffs Harbour

We look back to this time last year and we were talking about the slow recovery out of the initial COVID-19 lock down period with the market remaining very cautious and the majority of people anticipating a downturn. Well, we could not have been more wrong about the effect COVID-19 would have on the property market. What we have seen is an explosion in the market with values rising anywhere between 20 and 30 per cent, which means the lazy $700,000 does not buy what it did last year.

Last year we were looking at a median house price in Coffs Harbour at around the $490,000 mark. Today, realestate.com.au shows it at $590,000 with rental of $500 per week. The reality is that this is only a median and for sub-$600,000, you are looking at an entry level, older product within the suburbs which will require some work. The standard family home with four bedrooms, two bathrooms and double garage on a 500 to 1000 square metre site is now $700,000 plus depending on age and condition.

Suburban areas such as Boambee East, Toormina, Bonville (East) and West Coffs Harbour are typical locations for this type of product and well suited to

At around $700,000, you will get an ocean view and depending on the street location, a varying age (10- to 40-year-old) family home with four bedrooms, two bathrooms and double garage.

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the family. Although the rental market is becoming extremely tight, you would expect a weekly rent in the order of $600 to $650 for this product. Although there is a shortage of rental products out there as well, we are finding that weekly rents being achieved are not keeping up with the pace of the capital gain. In a sense this is not good for the investor, however capital gain is what we are all looking for and this market has not yet ended, with further short-term gain to be expected.

Moving closer to the beach, you will struggle to purchase a freestanding dwelling for $700,000. If you can, it will be a renovator's delight or suited more to demolition. The popular locations such as Sawtell, The Jetty precinct, Diggers Beach, Korora, Sapphire Beach, Moonee Beach, Emerald Beach and East Woolgoolga now see entry levels in the mid $800,000s which again will need some serious work.

$700,000 is now the entry point for new homes. If you can find a flat block for sale, it will set you back a minimum of $400,000 and with build cost also on par with increasing property prices, you will struggle to get a decent sized family home built under $300,000. There are some cheaper blocks of land around, however they will have some slope which will increase build cost and put you in the same ballpark.

If you are looking for the greenchange and land size is important, you will struggle to find much in the sub-$700,000 bracket. We have seen a greater surge in demand for acreage land as a result of COVID; people are not only escaping the cites but also want some land around them. If you are chasing some land and do not have the dollars in the pocket to afford the more central localities around Coffs Harbour, then your best bet is the Nambucca Valley and Kempsey Shire (west of the Pacific Highway). We are still seeing good value for money in these locations and still only a 15 to 40 minute drive from the beach or towns of Port Macquarie and Nambucca Heads. You can pick up property from two to 50 hectares with varying improvements for $500,000 to $700,000 which will need some TLC and quite possibly a non-sealed road access, however if it is the affordable greenchange you are after, then it's definitely worth a look.

While you are there, why not also consider Nambucca Heads as an option? Dollar for dollar, it has a lot going for it and $700,000 is still considered expensive there. Realestate.com.au is stating a median house price of $444,000 with rental of $405 per week. At around $700,000, you will get an ocean view and depending on the street location, a varying age (10- to 40-year-old) family home with four bedrooms, two bathrooms and double garage. Nambucca Heads has some excellent surfing beaches, pristine estuary system, golf course and extensive mountain biking and walking tracks which ticks a lot of boxes for the lifestyle enthusiast. I acknowledge some buyers may also be looking at the quality of schools and shopping facilities which are all available and only 35 minutes south of Coffs Harbour.

As always, there is a diverse choice within the Coffs Coast region. Whilst prices are on the move up, comparatively we still offer value for money which is why we will continue to experience strong levels of demand.

Grant Oxenford
Property Valuer

Newcastle

Trying to get into the current Newcastle residential market with $700,000 feels like when you buy a packet of chips and half of the bag is air. In short you feel like you're having to make compromises for the money spent. But fear not, there are still opportunities to make $700,000 count and you can have an experience more like a full tube of Pringles.

Now historically, the $700,000 entry level is typically the first home buyer market and as we mentioned in our previous issue of the Month in Review, in the past six months these buyers have been driving demand for the Newcastle residential sector. Competition is fierce in the $650,000 to $900,000 range so finding a value for money investment can be a little tricky. The key is finding the right suburb where there is enough yield to justify the opportunity cost of alternative investments but also a steady amount of capital growth to ensure long-term stability. Luckily enough there is such a suburb that provides this... Waratah.

Waratah is tucked in between Georgetown to its east, Lambton North to its west, Broadmeadow and Lambton to the south and the train line separates it from Mayfield and Mayfield West to the north. It is approximately seven kilometres or 15 minutes from Newcastle CBD and the beaches. Waratah has almost all boxes ticked in terms of desirable location. It has excellent access to public transport with Waratah Train Station and amenities with the Waratah Village Shopping Centre. Education is covered being so close to the University of

Waratah is the next suburb to expect a huge spike with neighbouring suburbs such as Georgetown and Lambton seeing record sales and very strong capital growth in the past year.

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Newcastle and sought after schools in the Lambton and New Lambton area. Finally, it is also close to major employment sectors such as The Mater Hospital and the university.

Waratah is the next suburb to expect a huge spike with neighbouring suburbs such as Georgetown and Lambton seeing record sales and very strong capital growth in the past year. In terms of numbers, the median property prices for Waratah are approximately $627,500 for houses and $436,500 for units as at 31 March 2021 (Corelogic). In terms of investment, houses in Waratah rent for $475 per week with an annual rental yield of 3.9 per cent and units rent for $355 per week with a rental yield of 4.2 per cent. Based on five years of sales, Waratah has seen a compound growth rate of 7.4 per cent for houses and 0.9 per cent for units (realestate.com.au).

The key here though is what to buy and why. You want to be looking for properties with sufficient land to add extensions or have large floor areas that will allow for an additional bedroom. As you are able to get into the market at the sub-$700,000 mark, your investment is future proofed by being able to renovate once the spike reaches Waratah as buyers are priced out of the more expensive neighbouring suburbs. To show your growth potential, the current median house price for a three-bedder in Georgetown is $802,500 and $950,000 for a four-bedder in Lambton respectively (realestate.com.au).

So, you may think you have to be looking out in the sticks for a decent investment for $700,000 in the Newcastle market, but there are still some value-add suburbs in the middle ring to give those on a more conservative budget a chance.

Tom Mc Douall
Property Valuer

Central Coast

Central Coast edition

The Central Coast region is seen by many as an affordable neighbour to the Sydney metropolitan area. Out of area buyers have always been participants in the local market, whether as first home buyers looking for an affordable alternative to their current place of residence, or investors believing in the long-term prospects of the region. No matter the buyer, there's variety wherever you look.

Residents who have lived in the region for a long time remember only a short time ago that the $700,000 price point for many suburbs used to be labelled the upgrader market. Now, as a result of the swiftly moving property market post COVID-19, $700,000 is seen as an entry point into suburbs and for some beachside and rural residential areas, property at this price point is non-existent.

Focusing on the southern end of the Central Coast, suburbs such as Woy Woy, Umina Beach and Ettalong Beach offer a diverse choice of property with freestanding dwellings, villas and townhouses making up most of the supply within the area. It's becoming increasingly more difficult to secure a freestanding dwelling sub-$600,000 with properties typically advertised as knockdown and rebuild sites. It gets marginally better if your budget can be extended to between $600,000 and $700,000 for generally older style fibro cottages and brick and tile dwellings comprising two to three bedrooms, however this is heavily dependent on the location of the property.

New residential lowrise unit complexes are beginning to be an attractive alternative for developers in the area over the bread-and-butter villa and townhouses development sites. These unit complexes can be found on the fringes of local neighbourhood shopping hubs with convenience to daily shopping and easy accessibility to public transport front of mind for owner-occupiers and investors alike. A new unit complex currently under construction and nearing completion at 211-213 West Street, Umina Beach is a four level mixed use complex with retail and office suites available on the ground floor and residential units above. Central Coast Realty is the selling agent acting on behalf of the developer. Depending on the floor level and aspect of the unit, instructions have been received from lenders to provide valuations for mortgage security on two-bedroom, two-bathroom units ranging in purchase price from $655,000 to $705,000.

Many beachside locations are now becoming out of reach for discerning buyers with a budget up to $700,000. According to CoreLogic RPData records, since 1 January 2021 no known properties have sold below $700,000 in Avoca Beach and Copacabana. Don't be too disheartened if you want the ocean sounds to wake you of a morning – Terrigal, a little further north of Avoca Beach provides more choice with unit style living readily selling between $600,000 and $700,000. This can be as a result of higher

Residents who have lived in the region for a long time remember only a short time ago that the $700,000 price point for many suburbs used to be labelled the upgrader market.

stock levels with affordable living alternatives in older unit complexes and villa and townhouses located in the back streets of Terrigal.

In our 2020 review, we outlined Wadalba and The Entrance as two areas of the Central Coast where you could invest $700,000. While this is still true, your options may be more limited in these areas in 2021. In Wadalba and the surrounding newer suburbs of Hamlyn Terrace and Woongarrah, you would have been able to find a brand new four-bedroom, two-bathroom house for this price. However, in 2021 this would be a little more difficult. The property below at 2 Poppy Road, Hamlyn Terrace is a circa 2010, four-bedroom, two-bathroom house which sold for $678,000 in April 2021 (source: RP Data).

2 Poppy Road, Hamlyn Terrace Source: RP Data

Unless you're looking at a smaller block of land, you can probably forget about a brand-new house.

If you go a little further east, Toukley and Gorokan will provide more options in the sub $700,000 price range. While 12 months ago you would have had more options, in 2021 you will generally be limited to older three-bedroom dwellings. The property below at 60 Dalnott Road, Gorokan is an original three-bedroom, one-bathroom house with a pool which sold for $650,000 in April 2021

60 Dalnott Road, Gorokan Source: RP Data

If you happened to purchase in these suburbs in 2020, you may have already seen some growth on your investment since the shift in the market in 2021.

In the central areas of the Central Coast region, owner-occupiers and investors with a $700,000 price budget would most likely secure entry level units in beachside suburbs such as Blue Bay and Bateau Bay and those looking for freestanding dwellings can secure properties in areas such as Springfield, Wyoming, Narara, Ourimbah, Niagara Park, Berkeley Vale, Glenning Valley, Chittaway Bay and Killarney Vale. Properties in these suburbs are considered to be entry level buying thus they are being snapped up quickly with short one-to-four-week marketing campaigns recorded. Demand for rental properties in these areas is enticing investors to the market with favourable rental yields and low vacancy rates.

Below are some examples of properties that have recently sold in the $700,000 price segment:

2/112 Elsiemer Street, Toowoon Bay 2261 – three-bedroom, one-bathroom townhouse with single garage approximately 400 metres to the beach sold on 26 April 2021 for $710,000.

2/112 Elsiemer Street, Toowoon Bay Source: CoreLogic

184 Wells Street, Springfield – four-bedroom, one-bathroom renovated brick and tile home with garage and carport is currently under contract for $725,000.

184 Wells Street, Springfield Source: CoreLogic

5 Roger Crescent, Berkeley Vale – three-bedroom, one-bathroom brick and tile home with detached single car garage sold on 8 April 2021 for $676,300.

5 Roger Crescent, Berkeley Vale Source: CoreLogic

In conclusion, the Central Coast region has plenty to offer when it comes to a buyer's budget up to $700,000, however if strong market conditions continue, many more properties will become out of reach with buyer checklists requiring review if securing property on the Central Coast is a non-negotiable.

Todd Beckman, Julia Miller and Jemma Briscoe
Valuers

Illawarra

Not that long ago, $700,000 would have been enough to purchase a nice house in the Illawarra. However recent strong market activity and increased sale prices has really limited the buying power of $700,000.

If we start off in the northern suburbs, you might be able to pick up an older two-bedroom unit in Thirroul or Bulli, but don't expect it to be pretty. From Woonona south, the options open up a bit more to be able to buy a two-bedroom townhouse or a modern two-bedroom unit in Corrimal or Fairy Meadow.

It's only really when you get to Figtree that three-bedroom properties become available in the form of older three-bedroom townhouses. If it's a house you're looking for, you'll need to start looking in Unanderra and further south. You'll get more for your money around Berkeley and Warrawong, although these areas have also seen big increases recently.

New housing is available for around the $700,000 mark with modern duplex dwellings being built and sold in Kembla Grange and standalone houses on 300 sqm lots in Calderwood and Tullimbar. In Wollongong, decent size older two-bedroom units are going for between $600,000 and $700,000 and while you might still be able to purchase a modern two-bedroom, two-bathroom unit in a new development for just under $700,000.

First home buyers are having to re-think their options and either shift to areas outside their initial picks, or to downsize their requirements. It's going to be interesting to see how the rest of the year plays out with this strong demand not going to be sustained indefinitely, however there is little evidence that things are dampening down anytime soon.

Chris McKenna
Region Director

However recent strong market activity and increased sale prices has really limited the buying power of $700,000.

Nowra / Shoalhaven

The Shoalhaven residential property market has continued to strengthen and improve from the start of 2021 with strong, and even some record, sale results being recorded. If a property was purchased at the start of the year, it's safe to say that after the first six months of the year it's now worth more. Low interest rates, demand outweighing supply and strong interest from out-of-town buyers as a result of the COVID-19 pandemic have contributed to resulting in a booming market in the Shoalhaven region. So where would a purchaser look to spend $700,000? The booming Shoalhaven residential property market has created a new 'entry price' and benchmark for some suburbs in the region.

Less than one year ago $700,000 could gain you entry into most suburbs along the coast in the Shoalhaven region. For some of the popular coastal suburbs such as Huskisson, Callala Beach, Vincentia and Hyams Beach $700,000 does not get you much in terms of a free-standing Torrens title property. For instance, in the last six months no sales were recorded in Huskisson, Callala Beach, Vincentia and Hyams Beach for under $700,000 for a free standing Torrens title property according to RP Data records. This is matched by properties currently for sale on realestate.com.au with again, no free-standing Torrens title properties listed for sale in these suburbs for under $700,000, such are the current strong market conditions in the region.

However, it's not all doom and gloom in search for a free-standing Torrens title coastal property. The purchaser looking to spend $700,000 might have to look at nearby suburbs around these popular suburbs listed above. The coastal suburbs of Culburra Beach and Callala Bay, although it may be becoming harder, a free-standing Torrens title property can be found. A three-bedroom home in Park Row Culburra Beach sold for $630,000 in February 2021 and a property at Barden Close Callala Bay with a three bedroom home sold for $659,000 in April 2021.

Other coastal suburbs in the Shoalhaven region where a purchaser can get plenty of value for your $700,000, and still be near the local beaches or close to the shores of Jervis Bay, include suburbs such as Sanctuary Point, Erowal Bay, Basin View, Sussex Inlet or St Georges Basin. Closer to the Nowra CBD, suburbs such as Worrigee, South Nowra and West Nowra a modern four-bedroom home can be purchased for under $700,000. A four-bedroom home in Wattlebird Road South Nowra sold for $690,000 in May 2021.

Joshua Devitt
Director Valuer

Southern Highlands

The surging regional property market over the past 12 to 18 months, has resulted in a severe shortage in sub-$700,000 dwellings within the Southern Highlands regional areas. However, there are still some options available within the region, specifically within the smaller satellite suburbs, which have historically been considered slightly less desirable than the main townships.

Bowral, Mittagong and Moss Vale have all moved forward considerably and there is now very limited supply left within the sub-$700,000 price bracket for detached dwellings, with any properties that hit the market within this price range being quickly acquired. The main suburbs for detached dwellings within this price point include suburbs such as Hill Top, Colo Vale, New Berrima, Welby and Wingello. Dwellings within these suburbs can still be found for between $500,000 and $700,000 on a regular basis, with variance in the land size and quality of overall improvements. New Berrima, Welby and Colo Vale are more likely to be toward the upper end of that range, given excellent proximity to the Hume Motorway for commuters.

If buyers are unwilling to part with the idea of being located within the main townships, there are still good options for older style strata townhouses, villas and units within Bowral, Mittagong and Moss Vale. This section of the market generally appeals to an older demographic but given a surge in rental prices over the past 12 months, investors are beginning to see good yields for this style asset. These strata assets are typically located within excellent proximity to the local town centres and are of high appeal to renters wanting to be within walking distance to local cafes and restaurants.

In the short-to-medium turn, this price sector looks set to continue to surge forward. We are seeing a continual trend of tree changes flocking to the area, who are driving up the middle market of $750,000 to the $1.5 million price point. This in turn has priced out local first home buyers, who had previously been able to afford property within the more central townships. As a result, they are now seeking to grab a hold of affordable real estate anywhere within the region and continuing the upward pressure on entry level housing within the region.

Kurt Bismire
Valuer

Within regional centres of Tamworth and Armidale, $700,000 can offer a significant amount of purchasing power within the upper middle residential markets.

Tamworth

Indicative of most markets this calendar year, residential markets within the New England, North West and Upper Hunter continue to show strong performance. Local real estate agencies are experiencing listing shortages coupled with above average buyer demand. Local trusted agents have communicated there being a sustained above-average level of enquiry for new or emerging listings prior to online marketing campaign launches. Residential prices are expected to remain firm in the short term considering a general market acceptance of the broader market uplift within the region and comparative affordability to nearby coastal and metro markets.

Speaking of comparatively affordable, this month's topic is the hypothetical question of what you can purchase for $700,000.

Within regional centres of Tamworth and Armidale, $700,000 can offer a significant amount of purchasing power within the upper middle residential markets. Here are some markets with potential:

East Tamworth: established three- or four-bedroom, two-bathroom family home with covered car parking, swimming pool positioned within the favoured high East Tamworth area. The locality is within close proximity to Tamworth CBD, school campuses, public parks and playing fields. Sale prices within the past eight months range from $600,000 to $695,000. Purchasers securing property for occupation with small to medium (live-in) renovation projects, flexible work/life lifestyle and capital growth in mind.

Moore Creek: This rural lifestyle locality offers property which is still generally considered to be with close proximity to Tamworth CBD. Typically, property within the Moore Creek area offers property with land sized from 2000 square metres up to two hectares. New home construction has surged in the area, offering modern brick veneer style dwellings and additional shedding on large land parcels attracting growing families or tree changers searching for a little extra room to move.

Generally, within Tamworth and surrounding locations, there are many homes priced at or below $700,000. Market drivers are typically availability of developed vacant land allotments, new home construction activity, favourable rural seasonal conditions and interest rates.

Nick Humphries
Property Valuer

Victoria

Melbourne

Introduction

Despite the insecurity and uncertainty of the property market across Melbourne throughout the second COVID spike, Victoria as a state has responded strongly up to Quarter 4, 2020. In the Melbourne city region, buyer sentiment has remained strong and is boosted by low interest rates, government aid and high household savings. This paired with above-forecast GDP and rising employment rates sets up a healthy and rapidly growing market that helps to further increase buyer optimism and confidence.

$700,000 for many is an achievable price range and target. Although the constantly increasing market may dishearten prospective buyers fearing being priced out of the market, there are still many options to capitalise on market growth and security. With changes in lifestyle and working arrangements, areas and suburbs with larger land size further from the CBD can be seen to be more desirable, which in turn is likely to see these regions and suburbs experience higher than average capital growth.

In the unit market, it is forecast that approximately 34,250 high-density homes will be supplied across Melbourne by 2024, well under the 42,250 in the past three years. This under supply will typically cause unit prices to rise as international migration returns after COVID restrictions ease, creating opportunity for potential investors and helping to reduce doubt in the unit market.

Melbourne CBD and Inner City

The price point of $700,000 is one that many singles, couples and families feel is realistic in order to enter or strengthen their position in the established property market of Melbourne. This amount can fetch a range of properties from high end CBD apartments to spacious blocks of land on the Mornington Peninsula.

With Melbourne's median house price recently passing the million-dollar mark, now could possibly be a good time to take advantage of the limited properties available at this price. With over 90 per cent of residences in the CBD being units or apartments, it is clear that $700,000 will not get you a house in Melbourne City. However, $700,000 will likely get you a luxurious two-bedroom apartment in one of the many trending inner-city suburbs.

The median price for a two-bedroom apartment within the popular suburb of Collingwood is $745,000, a quarterly increase of 4.4 per cent (source: reiv.com.au, 2021). This should be seriously considered by buyers as it abuts the CBD. The suburb takes advantage of its close proximity to the city whilst providing a cosmopolitan lifestyle driven by professionals and creatives. Smith Street, one of the main retail and cafe streets in the area, was recently voted the coolest street in the world according to Time Out.

This amount can fetch a range of properties from high end CBD apartments to spacious blocks of land on the Mornington Peninsula.

4/32 Ballarat Street, Collingwood sold on 08 May 2021 for the reasonable price of $695,000:

4/32 Ballarat Street, Collingwood   Source: realestate.com.au, 2021

4/32 Ballarat Street, Collingwood   Source: realestate.com.au, 2021

The two-bedroom, one-bathroom, one-car apartment boasts two spacious levels and is one of only four in the complex. This is a great example of

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using $700,000 to capitalise in the current inner city property market of Melbourne.

South-east

With numerous property opportunities in estates popping up in the Clyde and Cranbourne area as well as the attraction of the nearby Mornington Peninsula, we are seeing many choose to make the move to the outer south-east.

The Mornington Peninsula has always been priced highly due to its beauty and proximity to the coast. This has seen median prices of suburbs such as Rye, Sorrento and Portsea rise well over the million-dollar mark. The has seen a ripple effect on the surrounding suburbs that are able to take advantage of the Peninsula's features via a short drive.

Langwarrin is one of these suburbs, where the median price is just $740,000 (source: reiv.com.au, 2021) despite being just a 20-minute drive to the township of Mornington, which has a median sale price of $1 million (source: reiv.com.au, 2021).

13 Elsan-Lea Court, Langwarrin sold on 04 June 2021 for $692,000.

13 Elsan-Lea Court, Langwarrin Source: realestate.com.au, 2021

13 Elsan-Lea Court, Langwarrin Source: realestate.com.au, 2021

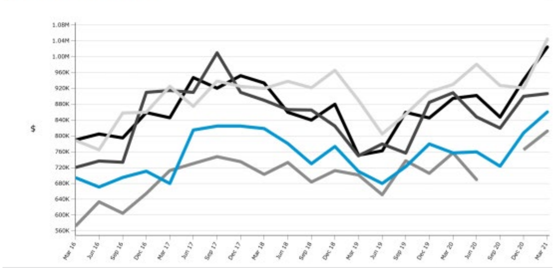
The three-bedroom, two-bathroom, one-car dwelling represents great value for those looking to take advantage of the Peninsula lifestyle without the burden of the Peninsula price tag.

Inner and Outer East

The inner east features many of Melbourne's prestigious and glamorous properties located at the city's fringe. The Quarter 1, 2021 median house prices within the municipalities of Boroondara ($2.295 million), Manningham ($1.446 million), Monash ($1.36 million) and Whitehorse ($1.31 million) sit well above the $700,000 price tag and reach of first homebuyers who may easily be priced out of these markets for a house. Although it is possible to find value along the eastern corridor, it is more than likely that buyers will have to look further away from the CBD to find larger detached housing on generously sized land while still being among the high-priced neighbours and nestled within the east's famous greenery.

In the Maroondah LGA, the median house price has shown healthy growth from Quarter 1, 2020 to Quarter 1, 2021, rising from $812,000 to $951,000 (source: PropertyData.com.au, 2021). The region features suburbs such as Ringwood, Ringwood East, Bayswater North, Heathmont and Croydon which, as shown in the graph below, have followed a similar trend and experienced significant growth from March 2020 to March 2021.

HOUSE Median Price



		Current Median House	Current Median Unit
Ringwood		$1,025,000	$658,000
Ringwood East		$907,000	$655,000
Bayswater North		$812,500	$575,000
Heathmont		$1,045,000	$752,750
Croydon		$860,888	$675,000

Source: PropertyData 2021

36 Bedford Road, Ringwood sold for $690,000 in March 2021. This partially renovated 1958 double storey house features four bedrooms and one bathroom as well as formal living and dining rooms on a substantial 819 square metre block with a detached double car garage. Ringwood is positioned on the Whitehorse-Maroondah border, with exceptional access to the arterial Maroondah Highway and Mount Dandenong Road as access points to the Eastlink Freeway.

36 Bedford Road, Ringwood Source: CoreLogic 2021

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36 Bedford Road, Ringwood   Source: CoreLogic 2021

In Croydon, 1/28 Dorset Road is a modern three-bedroom, two-bathroom and two-car garage townhouse that sold for $700,000 in April 2021. Built in 2017, the dwelling is on 291 square metres of land and is located within walking distance of transport, shopping, parks, childcare and schools which is ideal for a young and growing family looking for their first home.

1/28 Dorset Road, Croydon   Source: CoreLogic 2021

1/28 Dorset Road, Croydon   Source: CoreLogic 2021

Slightly further east, located in Knox LGA, 240 Forest Road, Boronia sold for $725,000 in March 2021. This 1970s home is situated on an ample 1,152 square metres, featuring three bedrooms and one bathroom and panoramic views of neighbouring bushlands and suburbs, as well as the fabulous Melbourne skyline in the distance. The Knox LGA, like the rest of the east, has experienced median price growth, rising from $811,000 to $900,000 over the past 12 months (source: PropertyData 2021), and is another option for buyers looking for large land and leafy green surroundings to meet their housing and flexible working needs.

240 Forest Road, Boronia   Source: CoreLogic 2021

240 Forest Road, Boronia   Source: CoreLogic 2021

Inner and Outer North

The outer northern suburbs of Melbourne provide a wide array of property options inside the $700,000 price bracket. Whilst a number of factors such as record low interest rates and government stimulus have increased competition and prices in the outer north, there is still real value to be found at this inclusive price point.

Located 33 kilometres north of Melbourne's CBD, Kalkallo is a relatively under the radar suburb showing promising signs of significant future growth. Over the past 12 months, average views per listing on Realestate.com.au for properties in Kalkallo have jumped by 17.47 per cent (source: realestate.com.au). In addition to this, it has seen an increase of 47.73 per cent in sale volumes, the fifth largest increase of all suburbs in Melbourne. With a current median house price of just $599,000 (source: REIV, 2021), Kalkallo should be a suburb on the radar of owner-occupiers and investors alike.

Whilst a number of factors such as record low interest rates and government stimulus have increased competition and prices in the outer north, there is still real value to be found at this inclusive price point.

4 Euclid Road, Kalkallo Source: Realestate.com.au

4 Euclid Road, Kalkallo Source: Realestate.com.au

The above property, located at 4 Euclid Road, Kalkallo, recently sold for $689,000. This Cloverton Estate home features four bedrooms, two bathrooms and a two-car garage and sits on 350 square metres of land.

As you move closer towards Melbourne's inner northern suburbs, the amount of quality property available in the $700,000 mark begins to vary, with apartments becoming the dominant property type available. However, Coburg, located just nine kilometres north of Melbourne's CBD is still providing affordable freestanding homes that should appeal to investors and owner-occupiers. With a current median house price of $1.16 million and a median rent of $530 a week, Coburg offers great investment opportunities for low-budget investors compared to other inner northern suburbs (source: REIV, 2021).

For example, the below property located at 203 Bell Street, Coburg recently sold for $700,000. This corner block, California bungalow style home boasts two bedrooms, one bathroom and one car space and sits on 278 square metres of land.

203 Bell Street, Coburg Source: Realestate.com.au

203 Bell Street, Coburg Source: Realestate.com.au

Western Suburbs

In the western suburbs of Melbourne, $700,000 could buy you an array of property types. In the inner west in areas such as Williamstown, Essendon and Footscray, $700,000 would enable a purchase of a unit or apartment. In middle and outer west areas such as Point Cook, Tarneit, Truganina and Melton, $700,000 equates to a house on a larger land parcel.

Looking at consumer demand and current market conditions, less people are purchasing apartments and units largely due to the impacts of COVID-19. The demographic of people who largely occupy these property types, being overseas students, migrants and travellers, are lacking and in turn creating a lack of investor confidence and demand for these property types. A shift in focus towards the more traditional Australian dream home has occurred with buyers looking more towards outer suburbs. Larger land parcels with bigger dwelling areas and a backyard are more feasible and appealing to what is a largely owner-occupier dominated market. With this, we would suggest that the best performing property for $700,000 would be detached housing around the Point Cook, Tarneit and Truganina areas.

These areas present buyers with multiple options that are feasible given the price point. Purchasing land and then building or purchasing an existing home are both options that are good value propositions given the proximity to the city, the high demand for more spacious properties and its affordability. Purchasers should feel comfortable with this product type as demand and value will continue to be strong in the short to medium term. This purchase could also act as a stepping stone for future upgrades. Rent in these areas could be between $400 and $450 a week depending on size and improvements.

As prices continue to increase in the outer western suburbs, the price point may start to test affordability, however will remain a starting point for the majority of people's property journey.

Geelong
With rising demand from new buyers and construction continuing throughout the region, Geelong has continued its trend of being one of the fastest growing regional areas in the country. Government stimulus incentives, historically low interest rates, an influx of Melbourne buyers and an increasing trend to work from home have all played a role in strengthening the Geelong property market.

One of the main attractions of the Geelong market is its relative affordability in comparison to metropolitan Melbourne. This is evident within the growth suburbs of Armstrong Creek and Mount Duneed. Holding a median sale price of $565,000 (source: REIV, 2021), Armstrong Creek has proven to be a popular choice for first time homeowners. The adjoining suburb of Mount Duneed, while being more expensive, still offers great value for homes under the $700,000 price point. With access to major arterial roads and lifestyle amenities, these suburbs will continue to be popular for those looking to enter the market.


30 Armstrong Boulevard, Mount Duneed. ($687,000) Source: realestate.com.au

Across the Bellarine, St Leonards offers a lifestyle location for those wanting a more relaxed way of living.


13 Howard Street, St Leonards ($687,000) Source: realestate.com.au

While having less amenities and services than that of nearby Ocean Grove, St Leonards has a much more enticing price point. With a quarterly price change of 7.1 per cent (source: REIV, 2021) This region has proven to be popular with Melbourne buyers. It appears that the upward pressure on values will continue over the coming months, however it is difficult to predict the longevity.

Perron King
Director

Warnambool

A lazy $700,000 is an active price point in Warrnambool and surrounds and something we feel will only become more active as investment activity continues. This price covers almost all property types and the majority of locations.

Typically, we see first time buyers excuse themselves from the $700,000 price point with a variety of lower priced alternatives available in the Warrnambool area. The most common purchasing groups are the upgraders, investors and sea-changers.

For sea-changers especially, the $700,000 mark provides the ability to secure a parcel of land with some degree of ocean or river views while leaving some spare change to fund the start of a new home build. Examples of such sites are:

38 Motang Drive, Warrnambool VIC 3280 – sold March 2021 for $415,000, this sloping parcel of 3441 square metres features river views.


38 Motang Drive Warrnambool VIC Source: Realestate.com.au

9 Dunvegan Court Warrnambool sold in January 2021 for $455,000, and is a gently sloping parcel featuring broad river views.


9 Dunvegan Court Warrnambool Source: Realestate.com.au

Moving to options for established property for owner-occupiers or investors, a modern detached dwelling of good size and located in a reputable area is available for anywhere between $600,000 and $700,000. Sitting near the mid-point of this range is 55 Mitchell Street, Warrnambool which sold for $642,000. The property comprised a well-kept three-bedroom, two-bathroom dwelling sited on an 882 square metre block with detached shed and solar system.

55 Mitchell Street, Warrnambool Source: Realestate.com.au

For investors, a solid buy would be a centrally located townhouse or unit. One of the newest builds to hit the market is 95 Koroit Street, Warrnambool. Only recently completed, this property is situated within the CBD and within one kilometre of the main patrolled surf beach. Selling at $598,000, this two-bedroom, two-bathroom townhouse would offer investors all the usual benefits of ongoing tenancy or short-term holiday letting along with some handy depreciation benefits.

95 Koroit Street, Warrnambool Source: domain.com.au

Jordan Mowbray
Valuer

Mildura

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

$700,000 will purchase a large home located in an inner-city location in Mildura, or an above average standard dwelling in an established, modern subdivision on an allotment of around 1000 square metres. Within the inner city, it is possible at this price point to find an older, extensively renovated dwelling underpinned by a high underlying land value.

A recent example of a property with these characteristics is at 3 Peter John Court, Mildura. Listed for less than two months and achieving a sale price of $705,000, the property is a large, circa 2005 built dwelling with four bedrooms, two bathrooms with a pool and shed on an 866 square metre allotment.

3 Peter John Court, Mildura Source: RP Data

Surrounding Mildura are several well-regarded smaller towns such as Gol Gol, Nichols Point and Irymple, which include good quality homes on larger allotments ranging from 2000 to 6000 square metres. These homes are generally popular with growing families and purchasers looking to upsize from smaller homes in standard residential subdivisions. For properties in the vicinity of $700,000, it is possible to find homes built within the past ten to twenty years which include good ancillary improvements such as sheds, pools and extensive landscaping. Buyers at this price point tend to prefer locations within close proximity to the Mildura CBD, however provide a larger allotment allowing for significant shedding and room for children.

A recent example is 286 Cureton Avenue, Nichols Point selling for $700,500. The property is a circa 1992 built, four-bedroom, two-bathroom brick veneer dwelling with a pool, bungalow and large shed on a 3001 square metre allotment.

286 Cureton Avenue, Nichols Point Source: RP Data

These higher value homes are almost always purchased by owner-occupiers with investors looking instead to buy more compact properties with lower maintenance requirements and higher rental yields.

For an investor buyer, our advice would be to purchase two smaller but still modern dwellings for $350,000 each, three older dwellings in secondary locations for $225,000 each or even a large block of flats (however we rarely see blocks of flats come on the market). These types of properties currently provide a higher gross rental return of around five to six per cent. Mildura's vacancy rates remain low, resulting in investment properties generally being tenanted within a short period of time

Jake Garraway
Valuer

Bendigo

In Bendigo, the median house sale price is $572,000 and the median sale price for a unit is $540,000 (REIV 2021). These values change substantially from postcode to postcode. Bendigo's developing outer suburbs have seen strong growth in recent months. Our valuers forecast growth to stabilize, as values have been underpinned by the overall cost to build. Build costs have increased drastically this year as a result of the building industry facing shortages of building materials, especially timber. This has had the flow on effect of escalating the cost of materials, negatively impacting on builders' margins on existing contracts.

In the Greater Bendigo region, $700,000 would currently buy you a modern four-bedroom dwelling with adequate ancillary features in most suburbs around outer Bendigo. A lazy $700,000 would go a long way in Greater Bendigo; as it is above the median sale price, you would have a lot of purchasing power in the local market.

Our valuers believe that inner-city Bendigo remains the most viable investment as demand remains stable and there is less uncertainty surrounding future growth. The best investment for $700,000 would be buying two to four units in close proximity to the Bendigo CBD. Bendigo still boasts less than one per cent vacancy rates across rental markets; units can achieve a return of greater than five per cent.

For the Macedon Ranges, the outlook is slightly different. Our valuers have confirmed that $700,000 doesn't get you very far in the Macedon Ranges. Prices have sharply increased due to a combination of Melbourne based buyers and the demand for lifestyle properties. The median house sale price in Macedon is $1.13 million (REIV 2021), accompanied by a quarterly growth of 9.8 per cent. At this point in time, the best option with this budget in Macedon would be a parcel of land.

In the Mount Alexander Shire, $700,000 is an appealing price point for some of the fringe towns such as Newstead, Muckleford and Chewton. Detached houses in Castlemaine have been highly sought after by Melbourne buyers relocating from northern suburbs, as they are still able to commute to the city for work. For investment purposes, these areas would be capital gains based investments, with rental returns closer to three to four per cent. Our valuers forecast that growth will remain strong in these areas, with supply of housing to remain limited in Castlemaine especially.

James Watson
Residential Valuer

A lazy $700,000 would go a long way in Greater Bendigo; as it is above the median sale price, you would have a lot of purchasing power in the local market.

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Queensland

Brisbane

Brisbane's market is the very definition of the ripple effect capital growth model. When price growth picks up the pace, the first suburbs to feel the rise are those closest to the CBD. Then, like a pebble in a pond, the wave of value gains radiates out as buyer interest moves progressively away from the city seeking more bang for buck.

So, as you can imagine during the current boom run, the localities where $700,000 delivered reasonable buying opportunities last year have now shifted further to the outer reaches. This is another reason why Brisbane's market has often been seen as a safe haven for purchasers. When the value rises start steaming, we provide a reasonably predictable track of gains that buyers can follow.

And Brisbane is in a hot market right now.

CoreLogic data to 18 July revealed the city has seen a 14.6 per cent increase in home values over the past 12 months, with a 12.1 per cent increase in just 2021 to date.

Those double digits will have excited property owners high jumping for joy (Olympic Games reference intended).

Buyers are now having to travel further afield to scratch their $700,000 itch, but just how far is far enough?

Well, head to the north and you're looking at North Lakes, Burpengary and Mango Hill. These areas are riddled with new and near-new homes on standard size allotments in master-planned estates.

Buyers are now having to travel further afield to scratch their $700,000 itch, but just how far is far enough?

$700,000 will buy you a modern four-bedroom, two-bathroom, two-car home with a pool on a standard size block. A prime example is 57 Numbat Street, North Lakes which sold in June for $715,000.

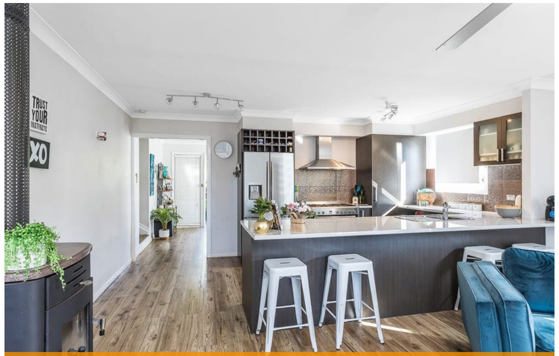
57 Numbat Street, North Lakes Source: realestate.com.au

Heading to our peninsula suburbs and you'll find there's plenty on offer as well. We're talking locations within the canal-front suburb of Newport – although $700,000 won't get you on the water.

Then there's Redcliffe, although you will have to make compromises to stay around $700,000. The housing at this mark is on the western side of Oxley Avenue (i.e., further from the shoreline). Dwellings for this sort of money typically comprise renovated post-war style houses situated on 400 to 500 square metres. Redcliffe remains a popular location due to its bayside lifestyle and proximity to the water.

This property at 18 Centaur Street, Redcliffe is a great example. It's well renovated and on a good size block -and it sold in June this year for $667,000.

18 Centaur Street, Redcliffe external Source: realestate.com.au



18 Centaur Street, Redcliffe internal Source: realestate.com.au

Other northern locations worthy of mention

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are Banyo, Geebung and Nudgee. Mind you, you won't get much in the way of a home. It could well be a holding proposition as you make plans for a demolition and rebuild, or some extensive renovations. But these well-established suburbs have great potential. There are plenty of services and facilities in close proximity and there's solid real estate with excellent long-term capital growth potential if you select the right asset.

Everton Park, positioned 8.5 kilometres north of the CBD, is another suburb at the $700,000 price point. There are plenty of entry-level options available. Most will be 1960 to 1980 brick constructions on 600 square metre sites.

In a similar vein is housing in nearby Arana Hills and Ferny Hills where approximately $700,000 will land you a mid-to-high set 1960 to 1980 brick dwelling as well. A great example is this three-bedroom, two-bathroom home at 9 Mitchell Street, Arana Hills which sold for $695,000 in June this year.

9 Mitchell Street, Arana Hills Source: realestate.com.au

How about to the south? The popularity of Moorooka, Upper Mt Gravatt and other nearby suburbs has grown in recent years. These well-established suburbs are positioned approximately seven to eight kilometres from the CBD. Our magic price point will deliver some decent housing. Most will be entry-level post war style three-bedroom, one-bathroom stock situated on 600 square metres. Again, this is solid property with great long-term growth potential.

Our eastern suburbs heading out to the bayside are also finding plenty of appeal. $700,000 will deliver a home in Capalaba, Thorneside or Alexandra Hills. Expect to find something like this property at 7 Doolan Court, Capalaba which is a four-bedroom, two-bathroom home situated on 725 square metres. The property sold for $725,000 in May 2020.

7 Doolan Court, Capalaba Source: realestate.com.au

Another spot worthy of mention is Pallara, positioned in Brisbane's western growth corridor. Pallara feeds off the Forest Lake master planned estate which saw its final stages completed some years back. The Forest Lake project transformed this area, delivering comprehensive infrastructure including parklands and community facility.

In Pallara you'll find that a two-year-old modern home of four-bedroom, two-bathroom, two-car accommodation situated on a 450 to 500 square metre sits at the $700,000 price point.

Now to those suburbs east of Brisbane's CBD such as Wynnum West and Hemmant. These are, again, well-established areas with solid real estate options. $700,000 should land you a circa 2010 project home providing four-bedroom, two-bathroom, two-car accommodation situated on around 450 square metres of land.

An example would be this property at 44 Peplow Street, Hemmant which sold for $675,000 in July this year.

44 Peplow Street, Hemmant Source: realestate.com.au

So, given this wealth of examples, where would the smart money look to invest $700,000 in Brisbane at present?

Our call would be sticking with the fundamentals. You'd be safest buying something in those mid-ring localities. Essentially, seek somewhere as close to our CBD as possible within your budget as there will likely be upward pressure on prices as the year progresses. Moorooka, Mount Gravatt, Geebung, Banyo and Nudgee could all be on your short list as either a homebuyer or investor.

Also – try to stick with detached housing where possible and look for nearby retail, transport and lifestyle facilities.

For those thinking about putting their money towards attached housing, there are huge numbers of units and townhouses within this price point right across south-east Queensland. The tip here is to, again, make sure you spend your $700,000 on good fundamentals. Also, seek properties in projects with reasonable body corporate fees. While new buildings with lots of facilities may be pleasing to the eye, body corporate costs can be a real kick in the guts.

Here's one final tip for unit investors. Try to buy something that will appeal to both renters and owner-occupiers. Investor-only designed stock can be tough to sell and will experience far less chance of capital gains than units with owner-occupier appeal.

In summary, things bode well for $700,000 buyers in Brisbane at present. Prices are expected to continue rising steadily. This sort of money is at a reasonably affordable level for first homebuyers, owner-occupiers and families, and demand from those groups doesn't look like pulling up anytime soon.

David Notley
Director

Gold Coast

Southern Gold Coast and Northern NSW

Market demand in the southern Gold Coast and Tweed Shire continues to remain very strong. Stock levels are low and buyer enquiry is high. People are looking for an alternative beach lifestyle to the higher density areas of the central Gold Coast. Tugun, Bilinga and Coolangatta are popular with owner-occupiers, investors and people looking for a beachside holiday getaway property. Further south, the beachside localities of Fingal Head, Kingscliff and Casuarina have continued to remain highly sought after. In light of the strong demand in the Kingscliff and Casuarina areas of the Tweed Coast, purchasers are focusing on the more affordable localities of Bogangar and Pottsville. As a result we are seeing a catch-up in property values within these localities. An example of this is 8 Edinburgh Court, Pottsville which sold via Openn Negotiation, an online digital bidding platform. This property is an internally renovated, low-set, four-bedroom, three-bathroom waterfront dwelling situated on a 934 square metre allotment, with double car accommodation. The property sold for $1.67 million and had 5,643 page views, 33 enquiries, 16 inspections and five registered bidders. It previously sold in January 2017 for $790,000.

As a result, we are now seeing strong demand for areas within the Tweed Shire which have historically been more affordable such as Tweed Heads West, Tweed Heads South, Banora Point and Bilambil Heights. Agents are reporting highly reduced average time on market as well as many off market transactions.

A budget of approximately $700,000 in these localities would typically enable you to purchase a modest, 1990s style single-storey brick dwelling in Banora Point. 14 Nandina Terrace, Banora Point, a three-bedroom, two-bathroom dwelling with single lock up garage on a 609 square metre allotment, sold in May this year for $675,000. The forecast weekly rental was advised by the selling agent at $650 per week. The property previously sold in May 2017 for $450,000.

Market demand in the southern Gold Coast and Tweed Shire continues to remain very strong. Stock levels are low and buyer enquiry is high.


14 Nandina Terrace, Banora Point, NSW recently sold for $675,000
Source: RPData CoreLogic

There are also other opportunities to be found in areas to the west of Banora Point around the $700,000 price level for buyers looking for detached housing. 13 Vail Court, Bilambil Heights reportedly sold in May 2021 for $709,500. The property comprises a high-set, three-bedroom, two-bathroom dwelling with double garage and elevated position affording good valley views. The property previously sold in December 2013 for $425,000.


13 Vail Court, Bilambil Heights, NSW reportedly sold in May 2021 for $675,000
Source: realestate.com.au

For investors and occupiers looking to purchase in the Coolangatta area, a budget of $700,000 would limit you to only unit style properties. 10/15-17 South Street, Coolangatta sold in May 2021 for $665,000. The property comprises a single level,

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1990s style, two-bedroom, two-bathroom walk-up strata unit with single car accommodation in mainly original condition. Restricted ocean views are available and the property is in close walking distance to Kirra Beach. It previously sold in May 2017 for $348,500.

10/15-17 South Street, Coolangatta sold in May 2021 for $665,000
Source: realestate.com.au

Gold Coast Central Areas

Residential property between the coastal suburbs of Burleigh Heads and Surfers Paradise is still highly sought after at present and stock levels remain very low. Opportunities to buy a detached house at the $700,000 price level are becoming harder to find. Buyers may have to look at buying an attached duplex or townhouse unit as an alternative option. The ones which seem to represent reasonable value are in suburbs such as Varsity Lakes, Robina, Miami and Burleigh Waters.

The best performing properties at present appear to be in the Miami and Burleigh Heads or Burleigh Waters areas but again with a $700,000 budget here you will be limited to buying a strata unit. Finding a unit within an older style, small, walk-up complex on a block with future redevelopment potential might be your best bet.

Other areas to consider are the pockets surrounding Bond University where the demand for rental properties is reportedly quite strong as rental values are on the rise.

We note that many buyers at this price point are either first or second home buyers or renovation flippers who are looking for a project with a quick turnaround. Local agents advise that confidence is high with first home buyers as interest rates remain low and the market is still very buoyant.

Demand for highrise apartments in Surfers Paradise and Broadbeach is at the strongest levels it has been over the past decade. It appears that there has been good interest from owner-occupiers and investors in this market segment. Buyers should look out for relatively modern two-bedroom, two-bathroom apartments with good ocean views or city and river views. Local agents have reported that stock levels are even at very low levels within the large highrise developments of Chevron Renaissance, Q1 and Circle on Cavill which is considered a rare event given traditionally there is always a good amount of stock to choose from in these buildings. It appears that buyers are less concerned with body corporate fees at the moment as rental values have been moving upwards post the impact of the COVID-19 pandemic in 2020.

We note that 1301/4 Wahroonga Place, Surfers Paradise is reportedly under contract as at June 2021 for $695,000. The property comprises a modern, single level, two-bedroom, two-bathroom highrise apartment situated on level 13 in a modern, highrise building in the Surfers CBD area. The unit features a basement car space and has excellent river and city skyline views.

9/67–71 Broadbeach Boulevard, Broadbeach sold in April 2021 for $685,000. The property comprises a single level, two-bedroom, two-bathroom highrise apartment situated on level 3 in a circa 1982-built highrise building with parkland and beachfront located opposite. The unit features a basement car space and has reasonable ocean views with mainly dated finishes throughout.

Northern outlook from 1301/4 Wahroonga Place, Surfers Paradise
Source: realestate.com.au

View from Main Living Area of 9/67–71 Broadbeach Boulevard, Broadbeach
Source: RPData CoreLogic

Central-Northern Gold Coast

There are many properties in Labrador that appear to represent good value in the current market if you are looking in the central north area of the Gold Coast. Buyers will find that there are various options to choose from here, ranging from older style three- or four-bedroom detached houses to modern style three- or four-bedroom duplex units to two- or three-bedroom modern apartments with many of these units offering water views or good proximity to schools and shops.

An example of a property in Labrador which recently sold just under the $700,000 price level is 1/11 Billington Street, which comprises a 2015 built, modern style, detached, three-bedroom plus study, two-bathroom townhouse unit with double garage. The property has good internal and external condition and presentation, featuring 2.7 metre ceilings, open plan layout and private fenced yard areas.

1/11 Billington Street, Labrador sold in April 2021 for $685,000
Source: RPData CoreLogic

Other examples of properties which could be obtained with a $700,000 budget include modern style two storey three- or four-bedroom duplex units or modern three-bedroom highrise apartments with Broadwater views in Biggera Waters. Continuing north there are circa 1990 to 2000 built three-bedroom units and townhouses selling under $700,000 in Runaway Bay as well as two- to three-bedroom units with Broadwater views in Hollywell and Paradise Point.

Heading up to Hope Island, there are various options available here around the $700,000 price level (or below). Buying options include circa 1990 to 2000s villas and townhouses providing three- or four-bedroom accommodation, circa 2000s two- or three-bedroom strata units with golf course frontage or canal views. However, we do note that just recently asking prices for small lot modern detached housing has moved above the $700,000 level. 6 Jingella Street, Hope Island sold recently for $709,000. This property is a refurbished, two-bedroom, two-bathroom split level dwelling with converted garage providing secondary non-approved accommodation under the house. It features an in-ground swimming pool and solar panels and has a land area of 607 square metres.

6 Jingella St, Hope Island sold in April 2021 for $709,000
Source: RPData CoreLogic

Detached housing under $700,000 in suburbs such as Parkwood, Arundel and Helensvale has been highly sought after in the past couple of months. Housing stock is fairly limited in this price range at the moment. Helesvale has particulaly been perfoming very well as reported by local agents. Properties in these suburbs in this price range are typically 1980s to 1990s style dwellings which provide either three- or four-bedroom accommodation. Some small lot modern housing (less than three years old) can be found in Arundel but most of these properties are priced above $700,000 now.

We note that 21 Vale Avenue, Arundel reportedly sold in May 2021 for $701,000. The property comprises a 2018 built, modern, four-bedroom, three-bathroom dwelling located in the popular Arundel Springs residential estate which has good access to the M1 Motorway and light and heavy rail connections. The property sold with a tenant in place paying rent of $720 per week reflecting a 5.3 per cent gross return.

21 Vale Avenue, Arundel reportedly sold with a tenant in place paying $720 per week.
Source: RPData CoreLogic

Twelve months ago, the Labrador and Arundel area would have been our pick if you wanted to buy two properties totalling close to the $700,000 mark, however given the increase in prices over that period, a buyer in today's market will find it hard to find stock priced under $375,000 for a single duplex unit in these areas. Duplex product in Helensvale or unit product in Biggera Waters appear to be the next best option for now.

For solid detached housing investments, be sure to keep an eye on listed properties which have good proximity to the Broadwater or Paradise Point business district or Esplanade parkland.

Detached houses are generally returning four to 5.3 per cent gross and townhouses are approximately

5.5 per cent gross in this part of the Gold Coast based on recent rental information.

Northern Gold Coast Corridor

Last year, $700,000 would have got you a large four- to five-bedroom house on a fairly large block with modern fixtures and fittings and perhaps a swimming pool in the Pimpama to Ormeau corridor. In fact, your home would have been considered above average in a neighbourhood populated by dwellings that are generally well below the $600,000 level. In the more upmarket area of Coomera Waters, this amount would have bought you an older style house with a swimming pool.

Today, $700,000 may still buy a fairly large home with 150 to 170 square metres of living area on an allotment of more than 500 square metres. However, the age of the house is more likely to be more than 20 years old and there may not be a swimming pool. Last year, you may have been able to purchase a rural residential property with a land area of 4,000 square meters or more but today, it would be hard to find any property less than $800,000, even an old house that needs to be renovated.

For investors, $700,000 would likely get you two older style townhouses in Coomera, Pimpama or Eagleby if you were looking to buy two properties with the total budget. The good thing about these properties is that the rentals have continued to spike and therefore provide positively geared investments.

In Jacobs Well, older houses are still being sold in the $500,000 to $600,000 level but new houses on 500 to 1000 square metre allotments are now being sold well above $600,000. A few months ago, you could buy a canal frontage vacant allotment in Calypso Bay for less than $600,000 but now you will need to fork out another $200,000 or just be satisfied with a dry lot.

If a new or near new home is essential, this amount would be best invested in the Gainsborough Estate, Pacific Cove or Foreshore Estate. These estates are preferred by owner-occupiers and the capital appreciation of properties during this COVID time have been phenomenal. As these areas are increasingly being priced beyond the reach of the average tax payer, the second choice areas which neighbour these estates are slowly turning from high rental areas into neighbourhoods of mixed owner-occupied and rented homes.

For $700,000, new duplex pairs in second choice areas are performing exceptionally well due to the high rental demand, and gross rental yields in the vicinity of six per cent are not uncommon, however larger duplex pairs providing six or more bedrooms together are now unaffordable for those with only $700,000, more or less, to spend.

This northern corridor of the Gold Coast is becoming one of the fastest growing areas in the country and the population level here is still rising. There is still plenty of land to accommodate new estates and infrastructure continues to be improved each year. The future Coomera Connector will greatly enhance accessibility to this area, although some areas may be negatively impacted by increased traffic noise. A Costco Wholesale Warehouse is planned for the Coomera area, the first for the Gold Coast and could potentially be a magnet for further growth in the suburb. Buyers looking to purchase in this district however should be wary of the future Coomera Connector Road, a highway that is to provide the alternative transport corridor to the M1. It is a known fact that excessive traffic noise can bring down the value of houses and the smart investor should consider carefully the alignment of the future highway to avoid potential degradation in quality of living and potential loss in value.

At this time, the rise in rental values don't seem to be keeping up with the rate of capital appreciation, however landlords are slowly increasing rents by $10 to $50 per week to take advantage of the high demand and diminishing accommodations for rent. For properties that are purchased for about $700,000, the level of gross rental returns would still be low because existing tenants are still generally paying less than $600 per week. This is why duplex pairs typically provide better returns as the combination of two dwelling on the same lot can provide a total rent in excess of $700 per week. Alternatively, two townhouses bought for $700,000 can be potentially rented out for at least $350 each.

Janine Rockliff
Director

At this time, the rise in rental values don't seem to be keeping up with the rate of capital appreciation, however landlords are slowly increasing rents by $10 to $50 per week to take advantage of the high demand and diminishing accommodations for rent.

Sunshine Coast

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

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

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

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

As always, the diversity of the property mix on the coast and hinterland provides a number of opportunities for owner-occupiers and investors. It is difficult to identify one specific market as $700,000 doesn't go as far as it used to. There are always options but you just have to look a bit further.

Stuart Greensill
Director

Rockhampton

What will a lazy $700,000 buy you in the Rockhampton region? Owner-occupiers have a few different options, whether that is a modern home in the northern suburbs of town or in the northern growth corridor of Parkhurst and Rockyview, or an established and renovated Queenslander south of the river on The Range.

As an example, 44 Sunset Drive, Norman Gardens recently sold for $695,000. This property comprises a low-set brick dwelling providing four-bedroom, two-bathroom accommodation with a three-car garage. The dwelling is about 10 years old, on a 754 square metre allotment which backs onto national park, in a highly regarded north Rockhampton pocket.

31 Inverary Way, Rockyview Source: realestate.com.au

In the park residential space, 31 Inverary Way sold for $710,000. Again, a modern on-ground brick home, above average quality fitout on about one acre of land on the fringe of north Rockhampton.

In comparison to 12 months ago, for the same money you could buy a similar home with a pool or shed. The market has improved to the point where you can no longer purchase the full package for $700,000.

South Rockhampton remains thinly traded around the $700,000 mark as was the case 12 months ago, however the market in Allenstown at price levels up to $600,000 has improved. Wandal has improved with the typical price ceiling increasing from around $600,000 to around $650,000 and market activity on The Range over $750,000 has also increased over the past 12 months.

One unique sale is 70 Pennycuick Street, West Rockhampton which sold in February 2021 for $721,000. This is a fully renovated and restored 1860 Queenslander home on an 809 square metre allotment on the western side of The Athelstane Range. This sale is well above average for the suburb.

70 Pennycuick St, West Rockhampton Source: realestate.com.au

Moving onto an investor's point of view, $700,000 can buy you multiple homes at entry level prices in our older, established areas such as Berserker, Park Avenue, Koongal, Rockhampton City, Wandal or Depot Hill. This would provide a better return than one higher quality dwelling for $700,000.

Compared to 12 months ago when we last visited the lazy $700,000 topic, entry level homes are now difficult to purchase out of flood prone localities at prices below say $160,000 to $200,000, with average rents for a two-bedroom home now around $300 per week (up from $220 per week twelve months ago).

Sets of flats however are still likely to provide the best return on investment. Gross yields range broadly between seven per cent and 8.5 per cent across the region. Standard two x two-bedroom duplexes mostly fall in the $300,000 to $350,000 price range (depending on the level of renovation, as most in the region were constructed in the 1970s and 1980s). These gross yields typically fall in the 7.4 to 7.6 per cent range. Last year, we were reporting entry level duplexes costing in the mid to high $200,000s to buy into and returning seven to eight per cent gross.

The Capricorn Cost has also had a run of sales of flats in the past 12 months, reflecting tighter gross yields around 5.7 to 6.85 per cent. 3 Clair Court, a modern, architecturally designed duplex with restricted ocean views, was purchased for $765,000 in May 2021 reflecting a 5.7 per cent gross yield.

Across the region, our unit market is generally small and thinly traded, however there are select complexes that can fall into the $700,000 price point, typically providing a modern unit in a high-rise complex with either ocean views on the Capricorn Coast or river views in the Rockhampton CBD.

Whilst $700,000 remains a healthy budget for the region, compared to 12 months ago, the dollar is not stretching as far as it did. Into the short to medium term, we anticipate this market sector to continue as it has been, given that external influences on our local markets are expected to continue over the short to medium term.

Cara Pincombe
Property Valuer

Gladstone

For $700,000 in the Gladstone region, you have a couple of different options depending on what takes your fancy.

First up, if you're an owner-occupier buying just the one property, you can get a large, well-appointed home with all the bells and whistles in an established suburb, typically on a 1,000 square metre plus allotment with a pool, sheds, etc. Alternatively, for around the same money, you can drive 10 to 15 minutes out of town to the rural residential suburbs of Beecher, Burua, Calliope or Benaraby and you will get roughly the same improvements but on a larger allotment.

Investors wanting to enter our local markets with $700,000 have the option of purchasing a number of smaller, older homes. This would provide a better return to the investor than purchasing one property for $700,000 with a view to lease. With a continued tightening of the vacancy rate, rents continue to rise and returns are becoming more attractive. Add to this the benefit of continued capital growth that is expected over the next couple of years!

Entry level into the residential market in Gladstone, for instance for a three-bedroom home in West or South Gladstone, is around $200,000 to $250,000 with rents between about $250 to $300 per week. Alternative to this, an investor could buy close to two modern, four-bedroom, two-bathroom brick homes in the suburb of Kirkwood with achievable rents of around $400 to $450 per week. A more modern home brings depreciation benefits which are also attractive to investors.

Duplexes or sets of flats are likely to provide the best returns from an investor's perspective. Gross yields on sets of flats in the region range broadly between six and 12 per cent, with the majority of flats returning around eight to ten per cent gross. Standard duplexes typically require an initial investment of between $200,000 and $300,000. Larger sets of flats of up to a group of four to six flats are also definitely obtainable with a budget somewhere between $400,000 and $600,000 depending on location, condition and room accommodation.

Regan Maye
Associate Director

Bundaberg

A lazy $700,000 can buy quite a lot in Bundaberg and local coastal suburbs.

$700,000 can buy a large modern family home with pool and sheds in good locations in Bundaberg close to schools, shops, etc, and even in Bargara and coastal suburbs. It wouldn't buy on the oceanfront at Bargara however would buy within walking distance to the ocean, cafes etc. This amount can even buy you an esplanade block with

With a continued tightening of the vacancy rate, rents continue to rise and returns are becoming more attractive.

ocean views to admire in the outer coastal areas including Woodgate.

If you want a tree change, this amount would be sufficient for a large acreage with modern home and sheds.

Currently, investors could pick up three investment properties around $200,000 each and reap great rentals and partly renovated 1950 to 1970 homes. It can even buy a unit or two in Bargara or a few duplexes in Bundaberg.

Bundaberg and local coastal and rural communities remain really affordable at the moment, however you need to be quick as they are selling fast.

Catherine Kersnovske
Property Valuer

Mackay

This month, we look at the lazy $700,000 and what you can buy in the Mackay market. Unfortunately, it's a little bit less than you could this time last year! The Mackay residential market has not been immune to the buoyant real estate conditions seen right across regional Queensland.

So, what can you get for $700,000? Quite a lot actually, depending on your fancy. If new is your preference, then $700,000 will still buy you a good quality modern executive home in most of the estates in Mackay, however we are now seeing large modern homes with pools and sheds exceeding $700,000 regularly in the good quality estates, something not seen in Mackay for quite a few years!

If older homes and character are the preference, $700,000 will still purchase these types of houses right across Mackay. Large good quality Queenslanders, fully renovated with sheds and pools, are still available well under $700,000.

Older property along the waterfront Esplanade in Hervey Bay has been available in the past below this price point, however this is now becoming more difficult to source.

Overall, the median house price for Mackay is still under $400,000, so $700,000 has good purchasing power right across the market.

Mick Denlay
Director

Hervey Bay

A lazy $700,000 can buy a great deal on the Fraser Coast, despite the rapid capital growth in recent times. Listings continue to dwindle as demand outstrips supply and rentals remain few and far between. Older property along the waterfront Esplanade in Hervey Bay has been available in the past below this price point, however this is now becoming more difficult to source.

River Heads is located just ten minutes to the south of Hervey Bay and boasts outstanding ocean views over the Great Sandy Straits and Fraser Island. Over the past few years, this area has been a very affordable location with land selling for just over $100,000 for 2,000 square metres offering ocean views. Most improved property sells below $700,000 in this area for modern homes with a pool or shed constructed within the past ten to fifteen years. Other seaside localities such as Burrum Heads and Toogoom also represent good value for money with properties close to the ocean of varying ages selling from $400,000 to $700,000.

It's possible to purchase two to three older homes in the heritage city of Maryborough with the majority of housing stock selling from $200,000 with expected rental yields above six per cent (gross). Buyers in the market report that the biggest challenge at present is the speed at which property is selling against unprecedented demand.

Tracy Lynd
Property Valuer

Emerald

Either side of $700,000 in the Emerald area puts you in the very upper residential market in town, or the entry level of the rural residential market.

In town, a 2010, low-set, four-bedroom, two-bathroom home with very large verandah, detached double lockup garage, 286 square metre high bay shed with built-in granny flat all on an extensively landscaped 4000 square metre lot is available for $670,000.

On acreage, you're looking at properties with land area of eight to 40 hectares. One property at $790,000 was improved with a 2010, very large four-bedroom, two-bathroom home with double lockup garage and small shed on 24 hectares. Then back in town at $695,000 on a 1037 square metre lot was a modern 2011, five-bedroom, two-bathroom, double lockup garage, concrete feature pool, pergola and large shed with nothing to change and multiple buyers on the waiting list.

It will buy you a property with a home built in the last boom of 2009 to 2012 that's been well maintained with nothing left to do, usually in a good location and with most ancillary improvements in place. In town, this price range has only been reached in the past 12 months and properties that tick all the boxes are sought after and reaching premium prices.

Kerry Harrold
Valuer

Townsville

Our residential property market continues to see solid activity on the back of the strong fundamentals of high business confidence, recovery in the labour market and strong rental market conditions.

In 2021, a lazy $700,000 will get you less than what you could have purchased in 2020! Like last year in considering where to park this sort of money, the inner-city suburbs of North Ward, Belgian Gardens, Rowes Bay and South Townsville provide most appeal. These suburbs are sought after locations due to their proximity to The Strand and entertainment hubs.

North Ward is arguably the prime location for an entry level buy and for $700,000, you would get a renovator on a quarter acre lot or a partially renovated home on a small lot. Belgian Gardens has a lower entry price for a renovator at around $500,000 and for $700,000 depending on the land size, you could secure a fully renovated home.

South Townsville is located on the south side of the Townsville City Centre but is in close proximity to The Strand and entertainment hubs. To date, price growth has not been as strong as that in North Ward and Belgian Gardens which are both located on the northern side of the city centre. A $700,000 investment in South Townsville would net you a large renovated home typically on a quarter acre lot. Another option, with entry level buying in the low $300,000s, is to buy and undertake extensions and renovations, which would allow you to tailor to your taste.

Darren Robins
Director

Toowoomba/Darling Downs

Coverage of the Darling Downs area we service is vast being bound by the Scenic Rim and Brisbane Valley to the east, the south Burnett to the north, the Queensland and Northern Territory border to the west and northern New South Wales and Moree Plains area to the south with a considerable difference in the products being offered for sale and selling in the $700,000 market segment.

Given the specific focus on the $700,000 price point, in the Toowoomba region this will secure a renovated colonial dwelling in the eastern suburbs such as East Toowoomba, North Toowoomba or Mount Lofty while a modern, four-bedroom, brick veneer dwelling can be secured in Middle Ridge and Rangeville.

An example is a 1200 square metre allotment comprising an original 1995 four-bedroom, two-bathroom property at Middle Ridge which presented in good condition. The property sold for $692,000 in February 2021.

Middle Ridge sale Source: RPData

We are anticipating steady to continued strong market conditions in the short to medium term for this locality, however it is observed that the market segment at $700,000 and above does remain out of reach for a large number of potential buyers and families. The majority of dwelling sales in the Toowoomba region are in the sub-$600,000 price bracket with the market less active in the higher price points.

The Lockyer Valley and Brisbane Valley locality has seen a significant increase in sales volumes in the past 12 months and a definite increase in values is now evident. Agents report that up to 30 to 40 interested parties view properties at the first open house showings and properties generally receive multiple offers. We consider the $700,000 market segment for properties within this locality, particularly within the Mount Crosby and Karana Downs area on acreage, to continue to show positive performance throughout 2021 and into 2022. The general demographics of the buyers within these markets and around this price point are young to older families who prefer the space and size of these properties compared to smaller inner city properties. Given current market conditions, we consider that there is a strong degree of confidence with their purchase.

An example is a 6179 square metre allotment comprising a renovated 1990s three-bedroom, two-bathroom acreage property at Mount Crosby which presented in good condition that sold for $675,000 in April 2021.

Mount Crosby sale Source: Herron Todd White

Historically, the market segment above $700,000 in the South Burnett Region has, and continues to be, extremely thinly traded with very limited sales occurring and is generally tightly held by owner-occupiers. Given recent favourable market conditions, this price sector is expected to remain strong in the short to medium term. Generally buyers for this type of property are owner-occupiers downsizing from larger aggregations, retirees, and buyers relocating from interstate, coastal areas or Brisbane for a tree change. Over the past 12 months confidence has returned to the property market throughout the entire South Burnett region with price increases evident across all residential sectors. This confidence is expected to continue for at least the short term.

An example of a recent sale property in this upper market segment within the South Burnett Region is a 5045 square metre allotment comprising a semi modern 2004, 236 square metre, five-bedroom, two-bathroom acreage property in Kingaroy which presented in very good condition. This property sold for $605,000 in February 2021. The market segment at or above $700,000 can secure a potential buyer an exceptional property in this locality.

Kingaroy sale Source: RP Data

The previous six to twelve months has also seen the Southern Downs region benefit from the migration of buyers relocating from interstate, coastal areas or from Brisbane seeking a tree change. The mixed rural and rural residential area to the east of Allora has gained in popularity due to the increase in construction of modern, well-constructed homes and good quality soil types in this locality.

An example is a 32 hectare allotment at Berat which comprised a circa 2005 three-bedroom, two-bathroom reproduction dwelling which presented in good condition, featuring good quality support (ancillary) structures such as workshops with lands comprised of good quality black Basaltic soils which had been cleared and developed to open grazing. This property sold for $700,000 in early 2021.

Berat sale Source: HTW

To the west (Roma), this price point will place you into the very upper asset class across a broad range of property types including well-appointed rural lifestyle properties on the outskirts of town. Buyers of these properties are typically retired farmers looking for land to play with or those who enjoy the lifestyle or hobby of horses and cattle. Alternatively, a prestige residential property of exceptional quality and presentation with a high quality of features can also be secured in this market segment. At this price point you would also have the ability to purchase multiple single residential properties or flat buildings with recent yields returning over 11 per cent for multi-residential properties. The state of the rural sector most often impacts all areas of the residential and lifestyle property market within the western region.

Overall, within the Darling Downs and Toowoomba service area, this segment of the market is dominated by owner-occupiers with rental evidence and yield information being limited within the region. Broader evidence however indicates that gross rental yields have generally remained unchanged in the previous 12 months and remain in the vicinity of 3.5 per cent to six per cent at this price point. Overall, we foresee this market sector continuing to perform at a steady rate throughout all areas that we service and with current market conditions, a prudent purchaser can feel confident investing in these market sectors and localities. This is further confirmed by the continued general feedback from sales agents that the main issue at present is the lack of stock on the market given the current high demand.

Marissa Griffin
Director

South Australia

Adelaide

The Adelaide metropolitan area has multiple price points which fluctuate from location to location. Depending on buyer motivation, a lazy $700,000 could buy the astute purchaser one property or many properties in varying condition depending on location. With the current metropolitan sale price at a median of $518,000, $700,000 provides purchasers an entry into the upper quartiles of the market. Price points are at their highest in the inner ring and gradually reduce to a more affordable level in the outer ring, meaning the $700,000 price point could represent the top, middle or bottom of the market in any given suburb.

Higher density stock such as units and townhouses are most prevalent at this price point in the inner ring. Detached dwellings do become available however expectations must be lowered in terms of property condition and accommodation. The sales of 50 Sheldon Street, Norwood, a two-level partly renovated townhouse disposed as three bedrooms and two bathrooms and 73 Percy Street, Prospect, a single-level detached character dwelling disposed as three bedrooms and one bathroom represent what's available at this price point in the inner ring. These properties achieved sale prices of $730,000 and $710,000 respectively.


50 Sheldon Street Norwood Source: realestate.com.au


73 Percy Street Prospect Source: realestate.com.au

Within the middle ring, detached dwellings dominate the streetscape, becoming the most prevalent property type available. With increased stock levels, purchasers in this market find themselves with greater bang for buck. Purchasers can expect modern medium density detached dwellings and early to mid-century dwellings on larger allotments available at this price level. Examples include the sales of 23c Cranbrook Avenue, Magill, a circa 2012 single-level detached dwelling providing three bedrooms and two bathrooms on a community titled allotment of 311 square metres and 17 Russell Terrace, Woodville, a circa 1900 partially renovated cottage providing four bedrooms and one bathroom on a 653 square metre allotment. These properties achieved sale prices of $701,000 and $681,000 respectively.


23c Cranbrook Avenue Magill Source: realestate.com.au


17 Russell Terrace Woodville Source: realestate.com.au

Higher density stock such as units and townhouses are most prevalent at this price point in the inner ring.

RESIDENTIAL

HERRON TODD WHITE RESIDENTIAL

With the metropolitan area squeezed between the Adelaide Hills to the east and coast to the west, the outer northern and outer southern suburbs are acknowledged as the outer ring. The market within the outer north represents the lowest price point within metropolitan Adelaide. Price levels typically hit a ceiling at $500,000, allowing those with $700,000 access to the cream of the crop. Purchasers at this price level can expect large family homes on half acre allotments with significant site improvements. Properties of this nature are typical of the suburbs providing rural lifestyle characteristics. Examples include the sales of 18 Burnett Drive, One Tree Hill, a circa 1992 single-level detached partially renovated dwelling providing four bedrooms and two bathrooms on a near 3,000 square metre allotment and 5 Oliveto Court, Angle Vale, a circa 2014 single-level detached dwelling disposed as four bedrooms and two bathrooms on a 1830 square metre land holding. Both properties include swimming pools, entertaining areas and significant shedding and achieved sales prices of $720,000 and $740,000 respectively.

18 Burnett drive One Tree Hill   Source: realestate.com.au

5 Oliveto court Angle Vale   Source: realestate.com.au

Proximity to the coast proves popular with the market, with the outer southern suburbs being the beneficiary. With increased demand compared to the outer north, the $700,000 price point becomes more prevalent. A mixture of housing stock is available with modern infill development in Seaford Rise and Seaford Heights and a mixture of older 1970s to 1980s and infill stock in Seaford, Moana and Port Noarlunga. 89 Second Avenue, Moana is located 150 metres from the beach and is a circa 1986 two-level detached dwelling providing three bedrooms and one bathroom on an allotment of 844 square metres and 55 Vista Parade, Seaford Heights is located 2.5 kilometres from the beach and is a circa 2016 two-level detached dwelling providing four bedrooms and two bathrooms on a 420 square metre allotment. These properties achieved sale prices of $660,000 and $690,000 respectively.

89 second avenue moana   Source: realestate.com.au

55 vista parade seaford heights   Source: realestate.com.au

The general property market has had well documented growth over the past 12 months which has put a squeeze on this price point. Many purchasers have had to adjust their buying requirements as they become priced out of areas which previously appeared to provide affordability. Owner-occupiers are considered the most active market participants at this price point, whilst we are seeing investors cashing out on the back of the market's growth. Investors who do choose to enter the market at this price point are typically seeking capital gains over rental returns. Across the greater metropolitan area, weekly rentals of between $450 and $650 are common at this price level indicating gross yields

Price levels typically hit a ceiling at $500,000, allowing those with $700,000 access to the cream of the crop.

of between three and five per cent, well below the achievable six to nine per cent at the lower end of the market.

The best performing markets at this price point are considered the bottom end of the inner ring and the top of the middle ring. These markets historically have had increased levels of demand and have the greatest prospect for price growth in the medium to short term.

Purchasers should feel confident entering the market at the $700,000 price point. Purchasers may feel that their money is not getting what it did 12 months ago, however the market does not appear to be slowing and sitting on the sidelines may see their bang for buck diminish further.

Nick Smerdon
Property Valuer

Mount Gambier

A lazy $700,000 will allow you to treat yourself to the top end of the market, however stock within this price range is limited with few properties in this value range reaching the market each year. Within the past 12 months, there has been a higher trend of properties achieving this figure.


24 Power Street, Mount Gambier Source: CoreLogic

The below property at 24 Power Street, Mount Gambier was slightly above the $700,000 limit, selling for $711,585 in January 2021. The property comprises a three-bedroom, two-bathroom circa 1920 dwelling on a 1366 square metre allotment in a highly desirable location within close proximity to the town centre.

The best performing properties around the $700,000 are typically within close proximity to the town centre and will feature a character dwelling on a large allotment or be situated on the fringe of the town in a rural living environment on small acreage.

The below property at 4 Albatross Terrace, Worrolong recently sold for $635,000 and is situated in a country living area on the fringe of the township. This property features five bedrooms and two bathrooms set on 4,000 square metres with good detached shedding and outdoor areas. Properties in rural living areas have had increased demand over the past 12 months with values increasing.

Investing $700,000 in the current market would allow numerous options and investors are currently very active in the market which has led to an increase in prices. $700,000 would allow the


4 Albatross Terrace, Worrolong Source: CoreLogic


8 Illawong Drive, Mount Gambier Source: realestate.com.au

purchase of multiple properties which would be a good way to spread the risk. The $200,000 to $350,000 price range is broad, however investors are seeking most properties in this price range. We are seeing housing within less sought-after areas achieve higher prices than we have previously seen, with investors purchasing sight unseen, purely on rental returns. Rental returns are strong, with yields ranging anywhere from four to eight per cent. A current rental shortage is putting further pressure on rents. The property below at 8 Illawong Drive, Mount Gambier, situated in a less desirable location, sold for $224,000 and achieves a gross yield of 6.3 per cent. Housing in this location comprises a mixture of owner-occupier, housing trust and tenants and has usually made less than $200,000.

Adrian Castle
Valuer

Western Australia

Perth

Unsurprisingly (for residents of Western Australia at least), our capital city has once again been internationally recognized as one of the world's most liveable cities, claiming sixth spot on the international ranking and edging out other Australian cities such as Melbourne, Brisbane and Sydney! Western Australian residents already knew this of course, but having it officially recognised brings a high level of satisfaction. As well as being a better place to live, Western Australia is still the most affordable state in which to buy and rent.

So how much does it cost to live in the sixth most livable city in the world? In this issue, we look at what you will get for a lazy $700,000 – and I'm happy to say that buying at the median house price will put $200,000 change in your pocket! We've spoken with our team of valuers spread throughout this vast state and come up with some options for every single buyer profile, from inner city apartments to the suburbs, coastal living and regional lifestyle - a plethora of opportunities awaits.

We start our hunt in the inner-city suburb of Leederville, situated three kilometres north of the Perth CBD, being well regarded for its trendy coffee shops and lively nightlife – an ideal location for those after a fast paced lifestyle. The following townhouse on Aranda Place, Leederville, is a circa 1982 built, two-storey, fully renovated, three-bedroom, one-bathroom townhouse with two bay carport. Ancillary improvements include a balcony and enclosed courtyard. Living Area: 108 square metres. The property transacted for $670,000 in March 2021.

Aranda Place Leederville, WA, 6007 Source: RP Data

Aranda Place Leederville, WA, 6007 Source: RP Data

Inglewood is a well-established, highly sought-after suburb, located five kilometres north of Perth, and offers ample recreation facilities and very good proximity to cafés and restaurants down the Beaufort Street strip. The area consists of older style character housing as well as recent low to medium density strata title developments. Houses contribute 62 per cent of total properties in the suburb whilst townhouses and villas make up 16 per cent. REIWA lists the median house price in Inglewood for the March 2021 quarter as $837,000, a 9.1 per cent increase from the same period last year.

With a lazy $700,000 in hand, a buyer can expect to purchase a townhouse or villa in a strata development that is nice and close to the action. For example, this property in Sixth Avenue, Inglewood sold in May for $655,000 after being on the market for just five days. The property is part of a circa 2003 strata development and comprises a three-bedroom, two-bathroom group dwelling with rendered brick walls, Colourbond roof and a two-car garage. The dwelling offers 136 square metres of living area and 208 square metres of land. The property is a stone's throw from the local park, walking distance to the Beaufort Street precinct and very close to public transport.

So how much does it cost to live in the sixth most livable city in the world?

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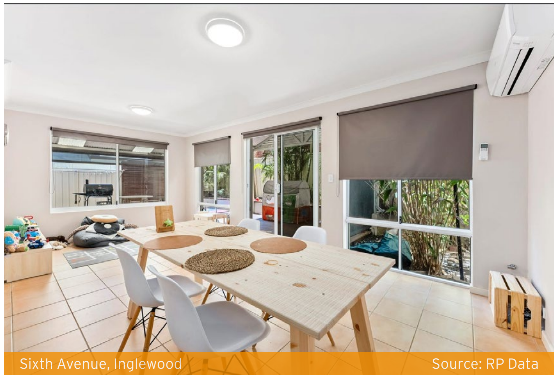
Sixth Avenue, Inglewood Source: RP Data



Sixth Avenue, Inglewood Source: RP Data

Another area to look at is Burswood, located just 4.5 kilometres south-east of the Perth CBD. Home to Crown Casino, Optus Stadium and just down the road from Belmont Park Racecourse, Burswood offers a wide variety of entertainment facilities and associated infrastructure. It's no wonder the suburb has seen a large increase in high density residential developments of late.

This unit on Goodwood Parade recently sold for $710,000, being a circa 2019 built apartment offering two bedrooms and two bathrooms, with an internal living area of 79 square metres.

Goodwood Parade Burswood, WA, 6100 Source: RP Data

Goodwood Parade Burswood, WA, 6100 Source: RP Data

Just a few kilometers west of Burswood lies the suburbs of Victoria Park and East Victoria Park. These suburbs are seeing quite a boom of late, with an 11.67 per cent and 10.7 per cent increase in median house price respectively. These localities boast great amenities, being built around the prominent entertainment strip of Albany Highway.

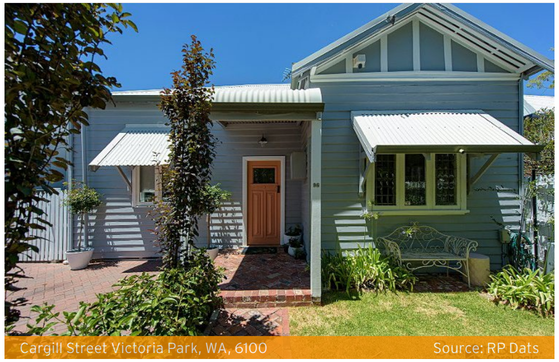
This charming character dwelling, fittingly dubbed Blue Moon, located on Basinghall Street, East Victoria Park is a circa 1918 built fully renovated dwelling offering two bedrooms and one bathroom and a reported living area of 92 square metres on a 390 square metre allotment. The property transacted in March 2021 for $655,000.

Basinghall Street East Victoria Park, WA, 6101 Source: RP Data

Basinghall Street East Victoria Park, WA, 6101 Source: RP Data

Sticking with the theme of blue colored character dwellings, this property on Cargill Street, Victoria Park was purchased for $707,000 in February 2021. It features a circa 1915 fully renovated dwelling offering three bedrooms and one bathroom, with a reported living area of 91 square metres on a 287 square metre allotment.

Burswood offers a wide variety of entertainment facilities and associated infrastructure. It's no wonder the suburb has seen a large increase in high density residential developments of late.


Cargill Street Victoria Park, WA, 6100 Source: RP Dats


Cargill Street Victoria Park, WA, 6100 Source: RP Dats

As we would expect, heading out of the inner city and its surrounding suburbs, bang for your buck noticeably increases a bit further out from the CBD.

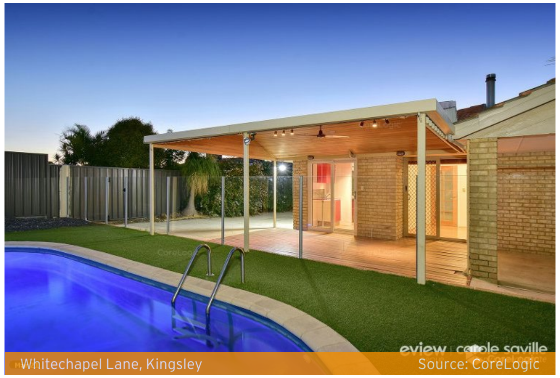
Morley is a suburb that will offer buyers an abundance of options for the $700,000 budget, with a number of four-bedroom, two-bathroom family homes being offered in the market. With a train station set to open in 2023-24 on the Morley-Ellenbrook railway line, its prospects appear to be solid. Currently the median house price of the suburb is at $466,000 and has seen a 3.6 per cent annual increase over the past 12 months. In the suburb you can find properties dating back to circa 1970s that have been renovated and are on generously-sized blocks, perfect for families. In February 2021, this large property on Robinson Road, Morley sold for $700,000. The property is a circa 1972, double storey, four-bedroom, two-bathroom dwelling with a two-car attached carport situated on a 959 square metre block.


Robinson Road Morley, WA, 6062 Source: RP Dats

Also In the northern corridor, suburbs such as Warwick, Hamersley, Greenwood and Kingsley also offer strong reasons to part with $700,000. Warwick and Hamersley in particular are experiencing solid demand, benefiting from their location close to major infrastructure (Reid Highway, Mitchell Freeway and train stations). Just north of these suburbs, however, lies Kingsley, approximately 19 kilometres north of the Perth CBD. With a median house price of $585,000, many amenities and close to transportation links, the suburb presents as an interesting prospect.

This property on Whitechapel Lane, Kingsley is a circa 1986, renovated four-bedroom and two-bathroom dwelling offering 146 square metres of living area on a 683 square metre lot. Ancillary improvements include solar panels, alfresco area and below ground swimming pool. This property transacted for $635,000 in April 2021, giving plenty of change from our $700,000 budget.


Whitechapel Lane, Kingsley Source: CoreLogic


Whitechapel Lane, Kingsley Source: CoreLogic

Heading away from suburbia and into the Perth Hills, Darlington presents a few options around the $700,000 price point. Situated 26 kilometers north-east of the CBD, Darlington's median house price sits at $645,000, reflecting an increase of 1.4 per cent over the year and proving that semi-rural lifestyle properties are very much achievable under the $700,000 mark. These properties undoubtedly provide an idyllic spot to rest one's feet amongst nature while a warm fire burns. The majority of allotments in Darlington are circa 1,000 to 2,000 square metres in size - plenty of room for some toys. This property in Hubert Street, Darlington sold for $690,000 in March 2021 after just seven days on the market.

The 2,140 square metre allotment is improved with a circa 1977, renovated, four-bedroom, two-bathroom home and features a large timber decked patio overlooking bushland.


Whitechapel Lane, Kingsley Source: CoreLogic


Whitechapel Lane, Kingsley Source: CoreLogic

Sticking to the Darling Scarp theme, Jarrahdale is also another attractive suburb for those after a change of pace. It is an historic suburb located 45 kilometres south-east of the Perth city centre. The suburb comprises mainly larger rural lifestyle properties ranging from 2,000 square metres to five hectares with a wide variety of housing options. REIWA reports the median house price for the March quarter as $425,000, well below the metropolitan average of $515,000. $700,000 can purchase a decent sized parcel of land here with good quality improvements. Surprisingly, Jarrahdale has seen an 8.1 per cent decline in its median house price from March 2020 – which we don't believe reflects market activity, but more reflects the vagaries of published statistics in smaller suburbs where a flurry of sales of smaller properties can negatively influence median house price reporting. Local knowledge is far more important!

This property on Jarrahdale Road recently sold for $725,000 after nineteen days on the market. The property is a circa 2009, single level, four-bedroom, two-bathroom dwelling with a double carport. Ancillary improvements include solar panels, solar hot water system, timber decking, alfresco area, a 10,000 litre rainwater tank, large shed and a large range of native flora and fauna. The dwelling has a reported living area of 201 square metres and 3,834 of land area and is within walking distance of local shops and amenities. This example is just one of many properties available in the suburb that have custom built improvements on nature's doorstep but are still within an hour of the Perth CBD.


Jarrahdale Road Jarrahdale, WA, 6124 Source: RP Dats


Jarrahdale Road Jarrahdale, WA, 6124 Source: RP Dats

With a lazy $700,000 in the south-west of Western Australia, it would be hard to go past the seaside town of Busselton. Popular amongst Perth locals for a weekend getaway, the region has also recently seen a boom in activity. The following property is located in Geographe, a coastal suburb of Busselton and is situated approximately 1.5 kilometres east of the town centre. The property is a circa 2009, two-storey, three-bedroom and two-bathroom detached conventional dwelling with brick walls, Colourbond roof and two-car garage. Ancillary improvements include cedar lined alfresco area and timber decking. The $645,000 price leaves plenty of change from our $700,000 budget.


4 Anchor View Geographe, WA, 6280 Source: RP Dats

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4 Anchor View Geographe, WA, 6280 Source: RP Data

Demand throughout Western Australia remains strong although as discussed in previous issues, there are still many bargains to be had, particularly in "nearology" plays. With the median house price in the majority of areas in Western Australia being below $700,000, value for money remains strong throughout the state, but especially in the sixth most livable city in the world!

Chris Hinchliffe
Director

Northern Territory

Darwin

In recent years, organic capital growth in residential property has been non-existent and so it would seem that the best strategy to invest $700,000 in Alice Springs would be in property that first and foremost promises a strong rental return and that may offer slight capital gains as some cream on top.

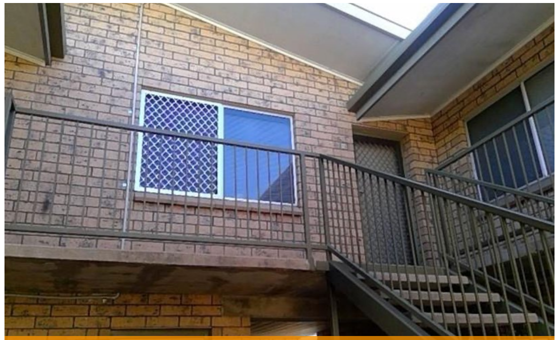
With this sort of money to spend, the Desert Springs and Mount Johns area surrounding the golf course would be a good place to start. Available properties in this price range would typically include at least three bedrooms, two bathrooms, a decent sized outdoor entertainment area, under cover car accommodation and perhaps a small pool. Age and condition would range from circa 1980s through to early 2000s built homes of brick or rendered finish, either fully or partly renovated or perhaps in original condition. Properties such as these are regularly rented out for $750 to $800 per week, providing a gross return of 5.5 to 5.9 per cent per annum. There are also similar opportunities in pockets of Braitling, Araluen and Larapinta, with comparable levels of investment and return. Look for properties that have been constructed in the past 15 or so years for best value-for-money.

An alternative would be to look at investing in two or three separate units or perhaps a duplex complex. Units and duplexes are in all areas throughout the town and as an investment vehicle, the location is not quite so important. Demand for rental units has

This Mount Johns property recently went under contract for $700,000 and would be expected to return $800 per week in rent. Source: HTW

been strong in Alice Springs for many years, with the most recent figures from the REINT showing vacancy rates for units at 2.7 per cent. Older circa 1980s constructed unit complexes have taken a serious hit in capital losses over recent years, with some recent sales showing prices having come off up to 30 per cent from the highs achieved in 2011 and 2012. It may be wise to steer away from these, although a more bullish investor may take a punt on the premise that these units have bottomed out. A number of recent sales of two-bedroom units in the high $200,000s or low $300,000s have taken place with rental returns of up to $450 per week in some instances. Doing the math, this works out to a gross return of approximately 7.5 to eight per cent.

If you're purely chasing cash flow, consider two or three older style two-bedroom units, which can be purchased for between $220,000 and $300,000



This upper level two-bedroom unit on the fringe of the CBD recently sold privately for $230,000 and would return $380 per week in rental income. Source: HTW

depending on location and condition. At the lower end of the scale, a $220,000 unit would typically return anything up to $375 a week (8.85 per cent) and a more modern style $300,000 unit could fetch up to $450 a week (7.8 per cent).

Alice Springs presents a sound opportunity for investors chasing a secure income stream with few vacancies and a stable history of strong returns. If however, you're looking for a property that will provide strong capital growth, you're unlikely to find anything of interest here. Most buyers here are either owner-occupiers motivated by the thought of getting off the rental roundabout or investors chasing strong returns, with little prospect for capital growth in the short to medium term.

Peter Nichols
Valuer

Alice Springs presents a sound opportunity for investors chasing a secure income stream with few vacancies and a stable history of strong returns.

RESIDENTIAL

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Australian Capital Territory

Canberra

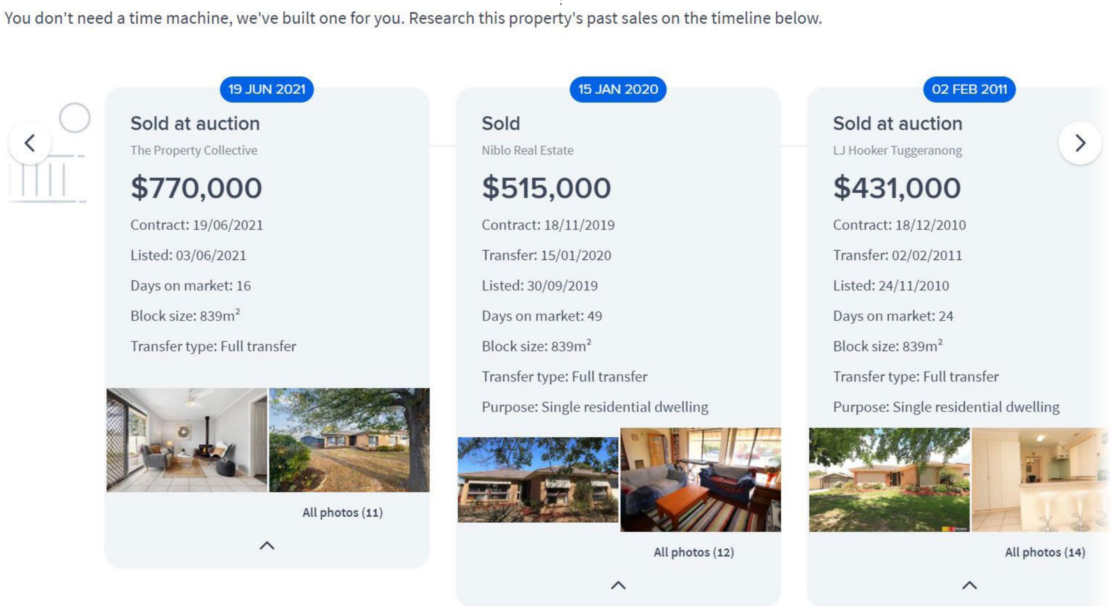
With a currently hot residential property market, what $700,000 could you buy as little as two years ago is very different to what $700,000 can buy you in June 2021.

It is fair to say that the market has defied the consensus of economists' predictions over the past 18 months. You would have been seen as an outsider, someone rebuking good old fashioned common sense, if you were to predict record market growth, high auction clearance rates, suburb price records and properties selling well above advertised price guides off the back of the bleak economic picture that was 2020.

Given the market overall has not stalled and stagnated since the COVID-19 pandemic began, what can $700,000 buy in Canberra's southern districts of Tuggeranong? At the beginning of 2020, someone with a budget of $700,000 to $750,000 could have been making offers on four-bedroom, two-bathroom dwellings on 700 plus square metre blocks of land across the three suburbs of Tuggeranong's deep south, colloquially known as Lanyon Valley: Gordon, Conder and Banks. Nowadays in mid-2021, someone with the same budget would find themselves looking at three-bedroom, two-bathroom dwellings on smaller blocks of land anywhere from 500 through to around 800 square metres.

Moving further north from Lanyon Valley, but still within the southern side of Tuggeranong, in the suburbs of Richardson, Chisholm and Gilmore your budget of circa $700,000 will buy you even less in a group of suburbs historically known for being the cheaper suburbs of Tuggeranong. In as little as only 12 months ago, this sort of money would have bought you a four-bedroom, two-bathroom dwelling or renovated three-bedroom, two-bathroom dwelling. This price segment of the market is now occupied with three-bedroom, two-bathroom dwellings on 700 plus square metres with dated fit outs. In more recent months, three-bedroom, one-bathroom dwellings have been selling in excess of $700,000 in these three suburbs, something previously uncommon.

A recent example is the sale of 5 Casson Street, Richardson ACT 2905, which recently sold at auction for $770,000. The property comprises a three-bedroom, one-bathroom dwelling on 839 square metres of land with a single carport and single garage. In late 2019 the same property sold for $515,000 and prior to that sold in December 2010 for $431,000. In the short space of around 18 months, this property has more than tripled the capital gains it took nine years to accumulate, having increased by $84,000 between 2010 and 2019 and by $255,000 between 2019 and 2021. Each sale of the property was an agent's sale.



Source: Allhomes.com.au lisitng for 5 Casson Street, Richardson ACT 2905

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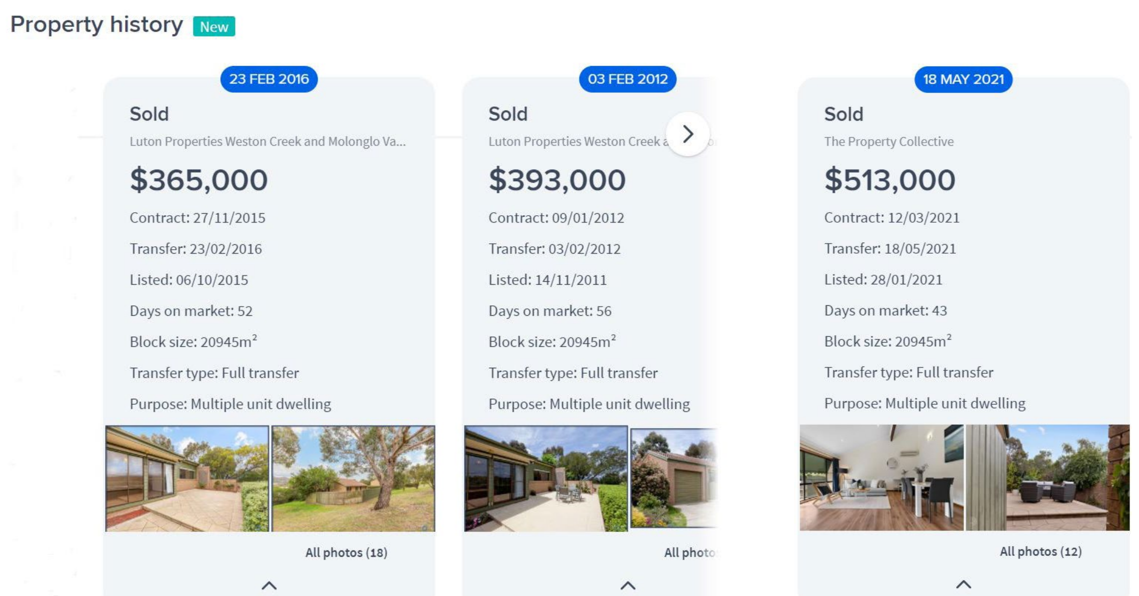
Appropriately advertised and put to the open market. An analysis of the supplied advertising photos shows no significant changes to the fit out of the property. Talk about record growth!

The Richardson case, although an extreme example of market growth, has not been an isolated experience encountered by the Canberra residential valuation team, with many valuations for freestanding separate-titled dwellings under contract reflecting this strong growth. For those who bought a property 12 or so months ago or those who have owned a property for even longer, then the odds are very much currently in their favour.

As a buyer in this market, it would not be silly to have a degree of caution and some deep-down reservations before buying at the peak time of the market and paying top dollar for a property that was worth considerably less only 12 months prior. Assuming this growth can go on forever and that market corrections (price adjustments downwards) don't occur is foolishly optimistic. Looking at a recently sold example of a detached townhouse in an established location is a reminder that markets do change and fortunes aren't always made. 15/77 Newman-Morris Circuit, Oxley ACT 2903 recently sold through a private treaty campaign with an advertised price guide of $439,000 plus. The property comprised a two-bedroom, one-bathroom townhouse with dated (circa 1980s) fit out and single garage. n early 2012 it sold for $393,000. Almost four years later in November 2015 it sold for $365,000, a decrease in value of around 7.13 per cent. The townhouse recently sold in March 2021 for $513,000, an increase of around 40.55 per cent from its purchase price in 2015. Again, each sale of the property was an agent's sale and analysis of the supplied advertising photos shows no significant changes to the fit out of the property. An individual example of market volatility!



Source: Allhomes.com.au lisitng for 15/77 Newman-Morris Circuit Oxley ACT 2903

For those who find themselves searching for a property in the current market, it may be difficult knowing what to do. Buying at the peak of the market is riskier than buying in a steady stable market when growth is less volatile, but it can still be done sensibly if the buyer follows good due diligence using the resources they have access to in order to conduct their market research. For instance, using a single real estate advertising site and its sales database of sold properties may only give you half the picture of what has sold in the local area. Use multiple sites to search for what has sold in the local area and those that don't restrict how far back you can search. For instance, if you're buying a property that is unique for its location, there will be less comparable sales, so you will likely need to search in other locations and further back than the past two months, which some real estate advertising sites limit its users to. Also factor in the condition and fit out of the property you are buying and how much you pay. For example, buying a dated property at a competitive auction that is in average condition and in need of renovations may not be a smart buy. Why? If the competitive nature of the auction has meant you have bought at the very upper end of a market range for that property, don't forget that it will still need renovation works. Depending on its age and condition and how much is needed to renovate the property, you may over-capitalise as you've pushed the total expenditure on your property into a higher price segment dominated by superior properties. If the current market trend continues, you may be alright, but if this unprecedented growth does come to an end you may be left in a

As a price segment, we expect that properties in the low to high $700,000 range will consistently be in demand and perform well across Canberra.

less than ideal situation. With auctions being very popular with Canberra's agents at the moment, this may be something useful to remember if you are searching for a property.

As a price segment, we expect that properties in the low to high $700,000 range will consistently be in demand and perform well across Canberra. As a general rule of thumb, a property priced around the median house price of a city is considered an affordable buy, assuming it is in a reasonable state. As at the end of the March 2019 quarter, the Domain House Price Report put Canberra's median house price at $722,440. Moving forward to the current market of 2021, the same Domain report put the median house price at $927,577 for the March 2021 quarter. A property priced in the $700,000 price segment would be considered affordable in light of the city's new median price.

Going back to Lanyon Valley, only a couple of years ago the $700,000 price segment was predominantly made up of dual income families buying a four-bedroom property, however in 2021, first time home buyers are now actively participating in this segment looking for three-bedroom properties. There are still more affordable properties in Lanyon Valley below this segment selling within a price range of $450,000 to high $500,000, but the tradeoff is markedly different to three-bedroom properties in the $700,000 segment. Properties in the lower price segment tend to be two or three bedrooms and only one bathroom on smaller courtyard style blocks of land around 350 through to over 500 square metres. Living area is also compromised with 95 to 110 square metres being common.

So in short, the $700,000 price segment of Tuggeranong has seen significant changes over the past 18 months. We anticipate this segment will continue to see changes both in price and the demographics of those who are actively looking within the segment. As for the direction of those changes, given the volatility the residential property market for 2021 has experienced so far, this remains less certain.

Marc Allegretto
Valuer

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Tasmania

Hobart

Looking back twelve months, if you had $700,000 to invest in the Hobart and outer lying areas, you could have acquired two dwellings or attached units and would expect a solid rental return. In today's market, you would be struggling.

There are a multitude of properties currently listed for sale on realestate.com.au under this price, however many are listed as offers 'over $XXX' with those listed close to the $700,000 mark expected to exceed well over the listed price.

More affordable suburbs in the vicinities of Claremont, Austins Ferry, Brighton, New Norfolk, Oakdowns, Midway Point and Sorell offer many properties under $700,000 with good rental returns (in today's environment) of around 4.5 to six per cent depending on the location and condition of the property.

The sub $700,000 market is expected to perform well into the near future with cheap money and demand well exceeding supply. More and more residential allotments are being released at present with expressions of interest being offered months prior to the release of the titles. These blocks are placed under contract in a very short time frame, on some occasions prior to earthworks commencing. The demand for builders is extremely high with long lead times for commencement of construction. Lack of construction materials and labour is also impacting construction times.

134 Main Road, Claremont sold Jul 2021 for $660,000. Source: realestate.com.au

According to the Real Estate Institute of Tasmania, Hobart's median house price increased 8.5 per cent for the March quarter with a median house price of $623,750, so getting something under $700,000 is believed to be hard to achieve in the near future.

Regardless of whether you are looking at detached houses or units, Hobart is going gangbusters at this point in time and there is no reason why it won't keep going with interest rates at record lows.

As always, seek independent advice prior to making the plunge into this hot property market.

Mark Davies
Property Valuer

The sub $700,000 market is expected to perform well into the near future with cheap money and demand well exceeding supply.

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Property Market Indicators

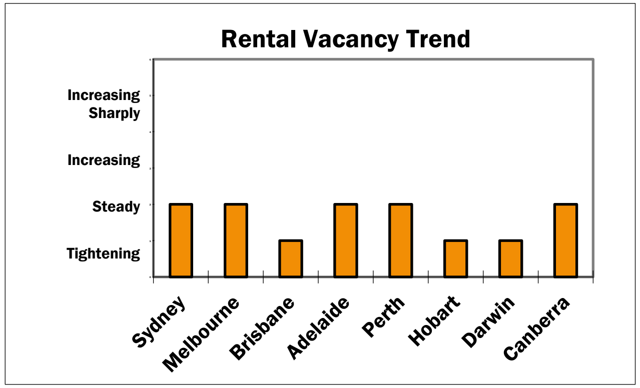
July 2021

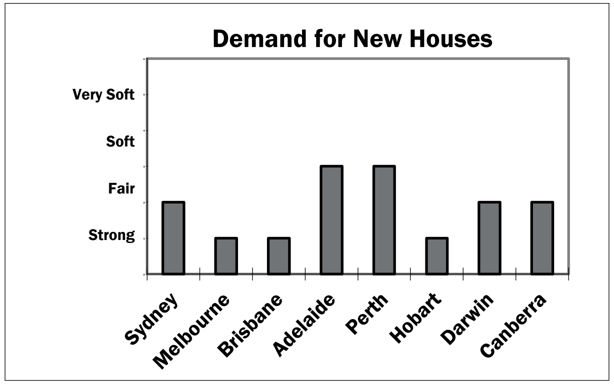
Capital City Property Market Indicators – Houses

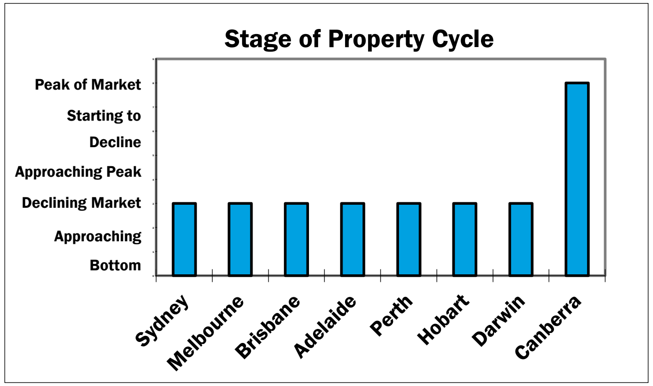
Factor	Sydney	Melbourne	Brisbane	Adelaide	Perth	Hobart	Darwin	Canberra
Rental Vacancy Situation	Over-supply of available property relative to demand	Shortage of available property relative to demand	Severe shortage of available property relative to demand	Shortage of available property relative to demand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

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

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







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 sharply	Tightening
Demand for New Units	Fair	Fair	Strong	Fair	Strong	Very strong	Fair	Fair
Trend in New Unit Construction	Increasing	Steady	Steady	Increasing	Declining	Declining significantly	Declining	Declining
Volume of Unit Sales	Steady	Increasing	Increasing	Steady	Increasing	Increasing strongly	Increasing	Steady
Stage of Property Cycle	Start of recovery	Start of recovery	Start of recovery	Rising market	Rising market	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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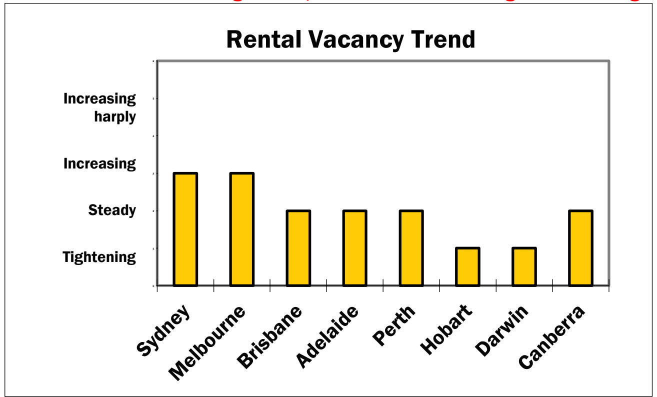

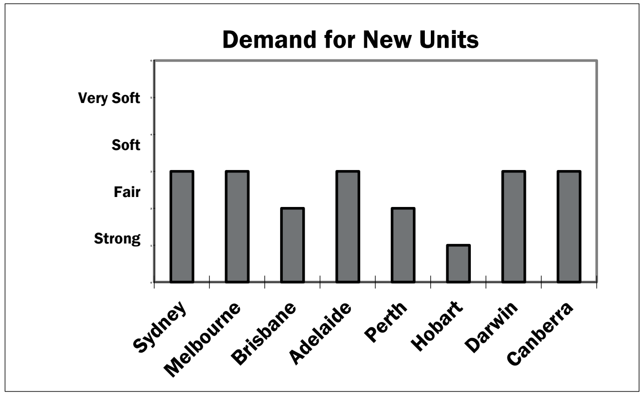

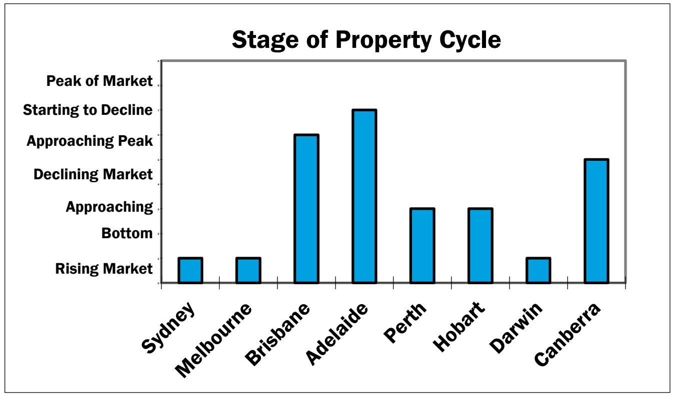

East Coast New South Wales Property Market Indicators – Houses

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	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	Over-supply of available property relative to demand
Rental Vacancy Trend	Tightening	Tightening	Tightening sharply	Steady	Steady	Tightening	Tightening	Tightening
Demand for New Houses	Strong	Fair	Fair	Fair	Strong	Strong	Strong	Strong
Trend in New House Construction	Declining	Steady	Declining	Declining	Declining	Declining	Declining	Steady
Volume of House Sales	Increasing strongly	Increasing	Steady	Steady	Steady	Increasing	Increasing strongly	Increasing
Stage of Property Cycle	Peak of market	Approaching peak of market	Rising market	Rising market	Rising market	Rising market	Rising market	Rising market
Are New Properties Sold at Prices Exceeding Their Potential Resale Value	Occasionally	Occasionally	Almost never	Almost never	Almost never	Occasionally	Very frequently	Occasionally

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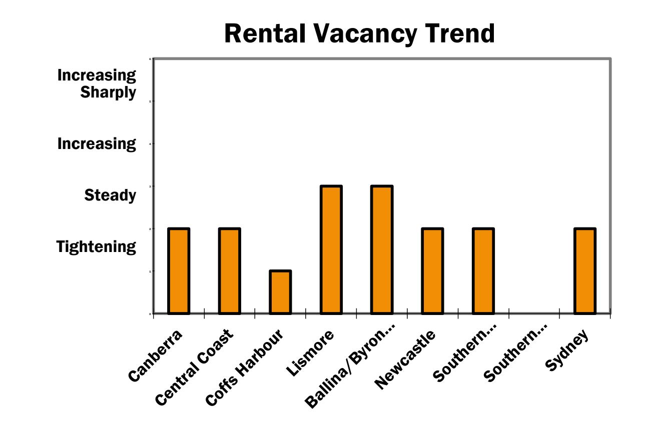

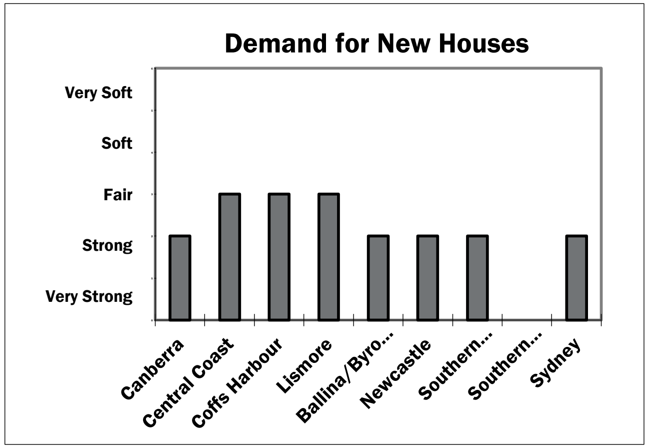

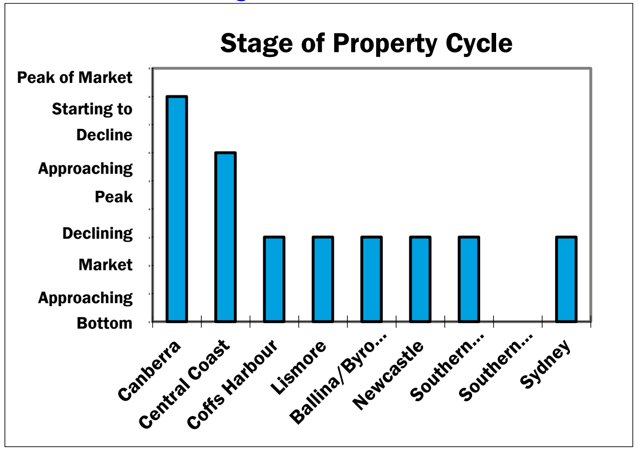

Country New South Wales Property Market Indicators – Houses

Factor	Albury	Bathurst	Wodonga	Dubbo	Tamworth	Illawarra
Rental Vacancy Situation	Shortage of available property relative to demand	Balanced market	Shortage of available property relative to demand	Balanced market	Balanced market	Balanced market
Rental Vacancy Trend	Tightening	Steady	Tightening	Steady	Steady	Steady
Demand for New Houses	Very strong	Fair	Very strong	Fair	Fair	Strong
Trend in New House Construction	Declining significantly	Steady	Declining significantly	Steady	Declining	Steady
Volume of House Sales	Increasing strongly	Increasing	Increasing strongly	Increasing	Steady	Increasing
Stage of Property Cycle	Approaching peak of market	Peak of market	Approaching peak of market	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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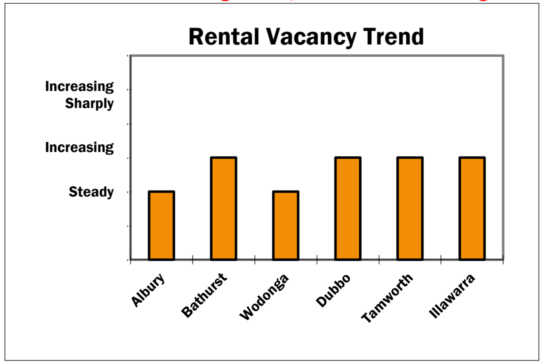
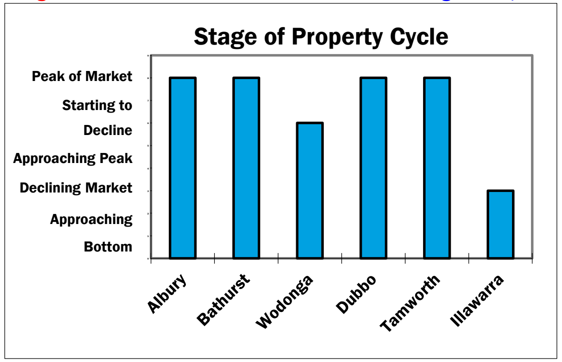
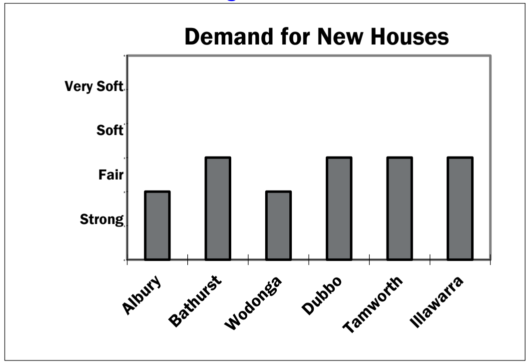


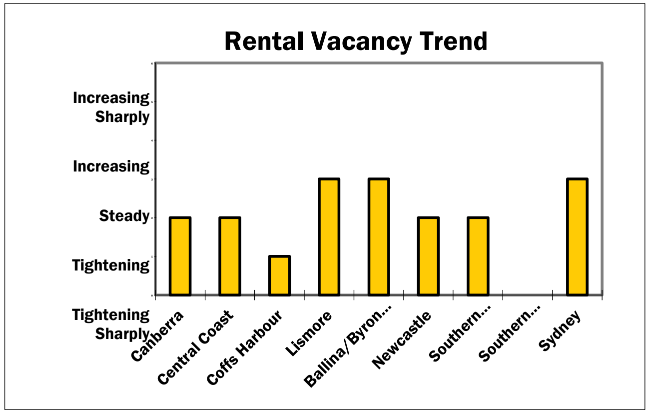


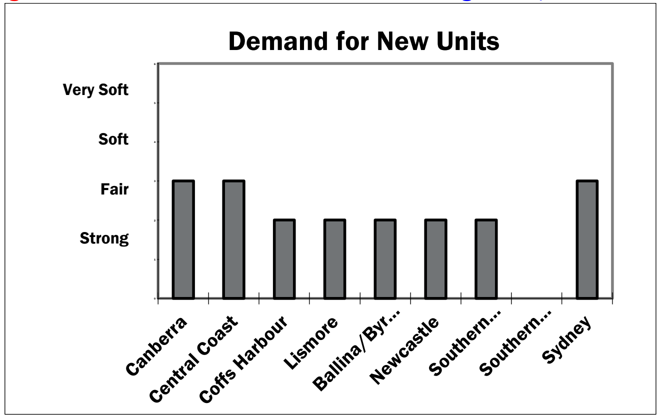


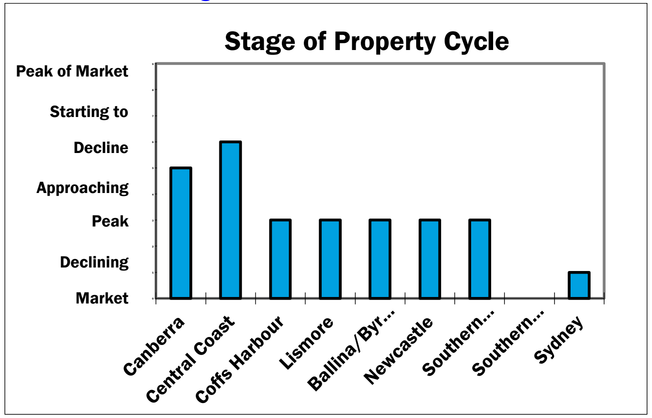
East Coast New South Wales Property Market Indicators - Units

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	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	Over-supply of available property relative to demand
Rental Vacancy Trend	Tightening	Tightening	Tightening sharply	Steady	Steady	Tightening	Tightening	Steady
Demand for New Units	Fair	Strong	Strong	Strong	Very strong	Strong	Strong	Fair
Trend in New Unit Construction	Declining	Declining	Steady	Steady	Declining significantly	Steady	Declining significantly	Increasing
Volume of Unit Sales	Steady	Increasing	Increasing	Increasing	Increasing strongly	Steady	Increasing	Steady
Stage of Property Cycle	Declining market	Approaching peak of 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

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





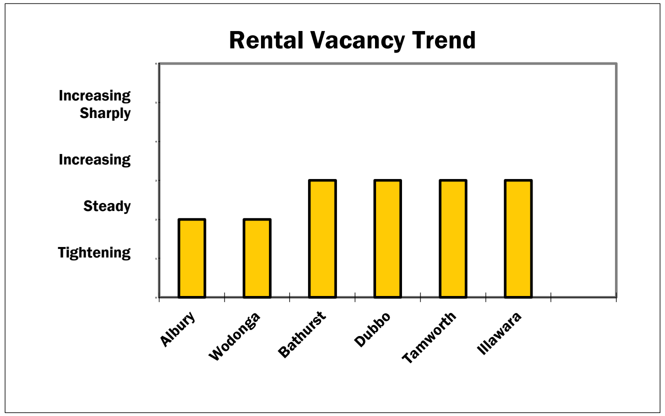


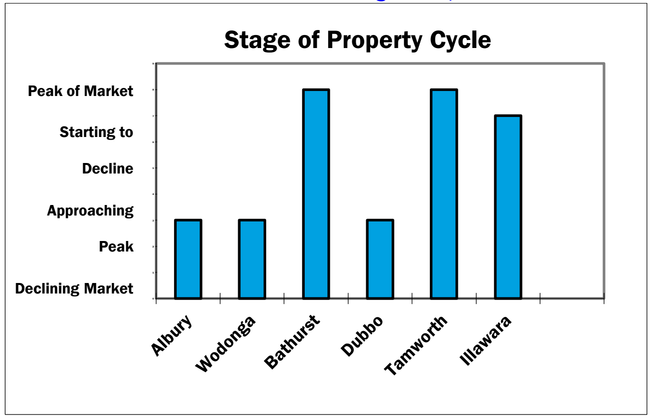
Country New South Wales Property Market Indicators - Units

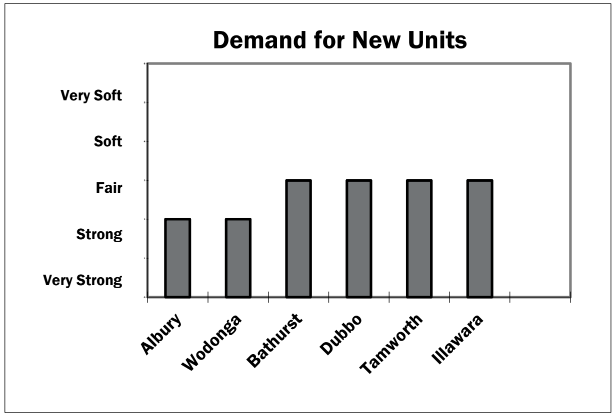
Factor	Albury	Wodonga	Bathurst	Dubbo	Tamworth	Illawarra
Rental Vacancy Situation	Shortage of available property relative to demand	Shortage of available property relative to demand	Balanced market	Balanced market	Balanced market	Balanced market
Rental Vacancy Trend	Tightening	Tightening	Steady	Steady	Steady	Steady
Demand for New Units	Strong	Strong	Fair	Fair	Fair	Fair
Trend in New Unit Construction	Steady	Steady	Declining	Declining	Increasing	Steady
Volume of Unit Sales	Increasing	Increasing strongly	Increasing	Steady	Steady	Steady
Stage of Property Cycle	Rising market	Rising market	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

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 – Houses

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

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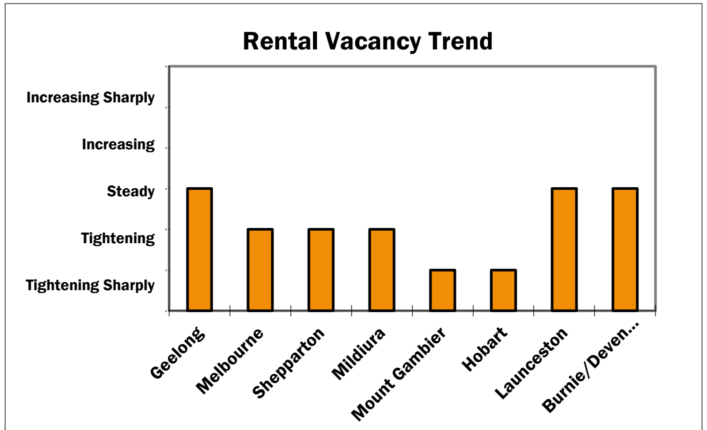
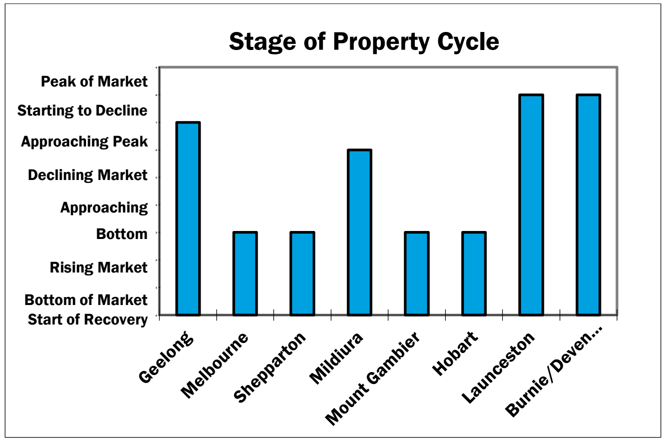
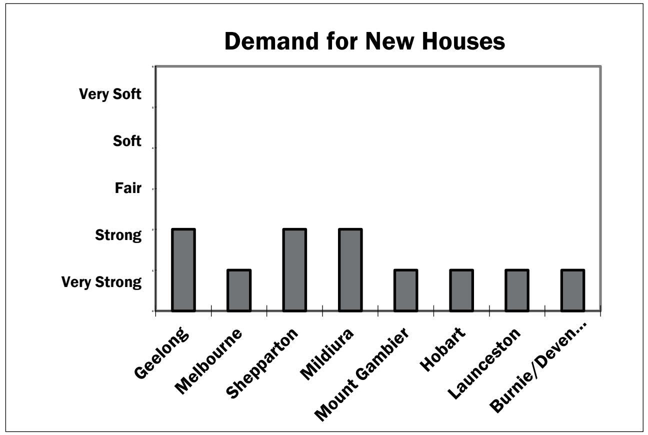
Blue entries indicate change from previous month to a lower risk-rating





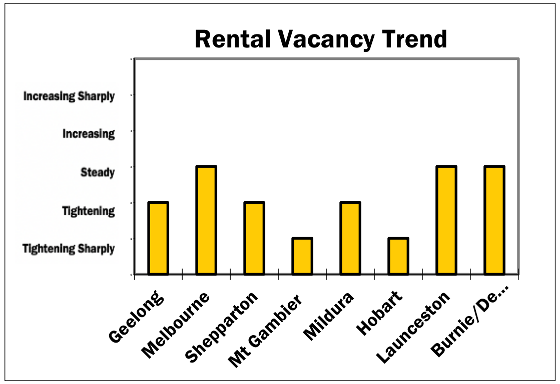


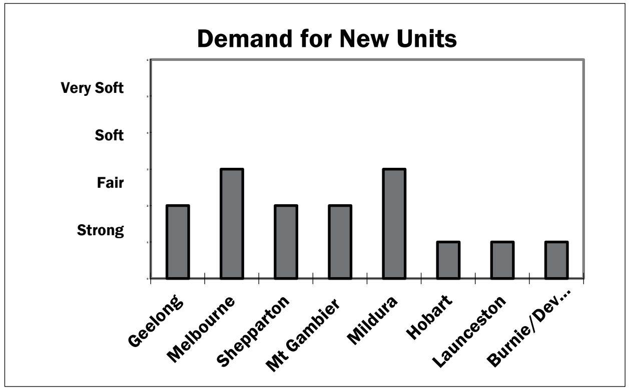
Victorian and Tasmanian Property Market Indicators – Units

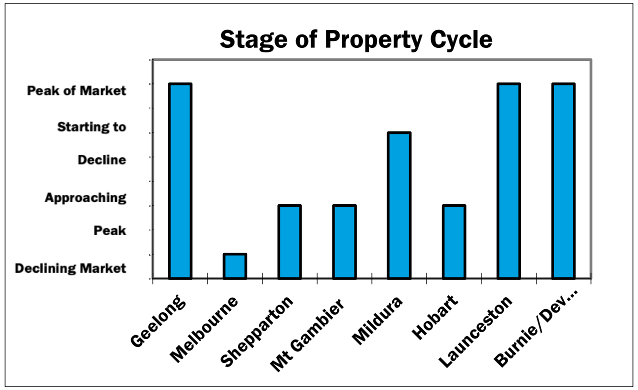
Factor	Geelong	Melbourne	Shepparton	Mount Gambier	Mildura	Hobart	Launceston	Burnie/Develport
Rental Vacancy Situation	Shortage of available property relative to demand	Over-supply of available property relative to demand	Shortage of available property relative to demand	Shortage of available property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





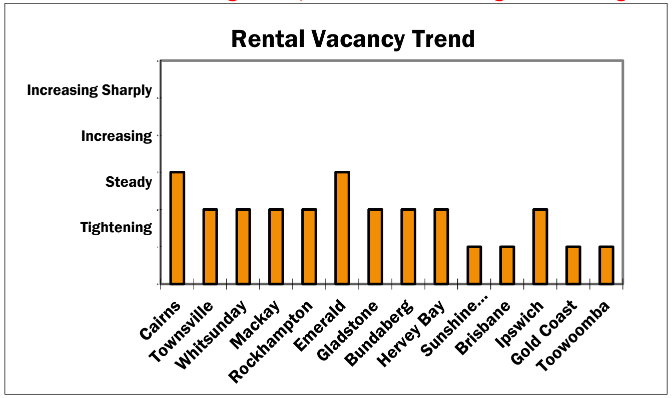


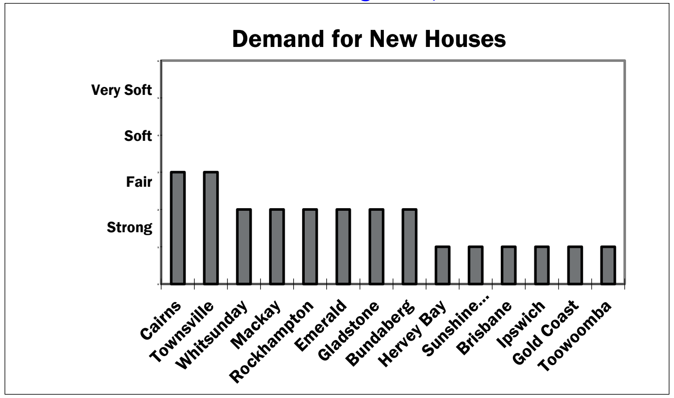
Queensland Property Market Indicators – Houses

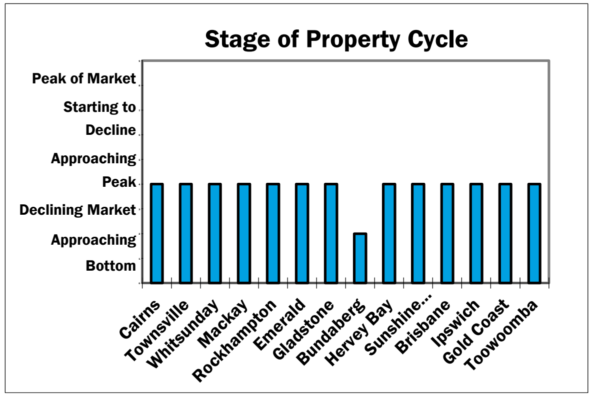
Factor	Cairns	Townsville	Whitsunday	Mackay	Rockhampton	Emerald	Gladstone	Bundaberg	Hervey Bay	Sunshine Coast	Brisbane	Ipswich	Gold Coast	Toowoomba
Rental Vacancy Situation	Shortage of available property relative to demand	Severe shortage of available property relative to demand	Severe shortage of available 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	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	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 sharply	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	Steady	Steady	Declining	Declining
Volume of House Sales	Increasing	Increasing	Increasing	Increasing	Increasing	Steady	Increasing	Increasing strongly	Increasing strongly	Increasing	Increasing strongly	Increasing strongly	Increasing	Increasing strongly
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	Occasion-ally	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





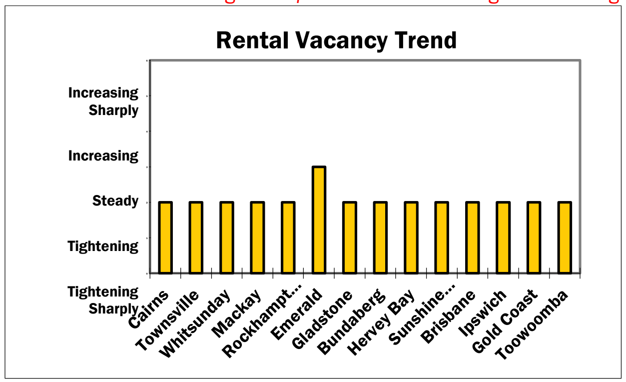


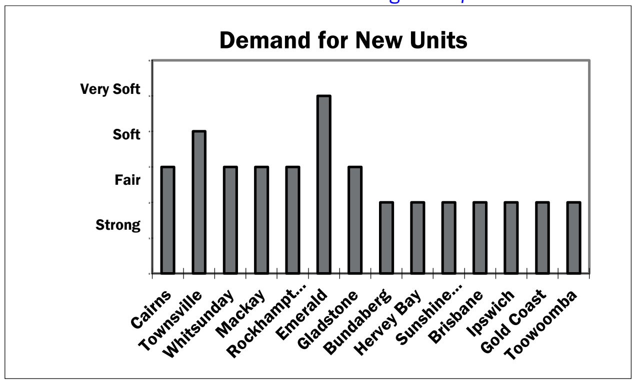
Queensland Property Market Indicators – Units

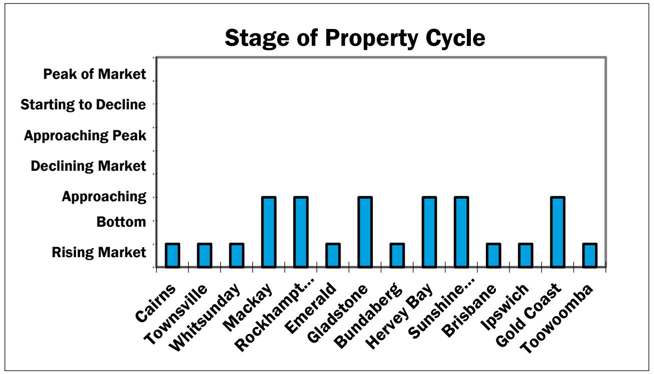
Factor	Cairns	Townsville	Whitsunday	Mackay	Rock-hampton	Emerald	Gladstone	Bundaberg	Hervey Bay	Sunshine Coast	Brisbane	Ipswich	Gold Coast	Toowoomba
Rental Vacancy Situation	Shortage of available property relative to demand	Severe shortage of available property relative to demand	Shortage of available property relative to demand	Shortage of available property relative to demand	Severe 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	Shortage of available property relative to demand
Rental Vacancy Trend	Tightening	Tightening	Tightening	Tightening	Tightening	Steady	Tightening	Tightening	Tightening	Tightening	Tightening	Tightening	Tightening	Tightening
Demand for New Units	Fair	Soft	Fair	Fair	Fair	Very soft	Fair	Strong	Strong	Strong	Strong	Strong	Strong	Strong
Trend in New Unit Construction	Steady	Increasing	Increasing strongly	Declining	Steady	Increasing strongly	Steady	Declining	Declining	Declining	Steady	Steady	Declining	Steady
Volume of Unit Sales	Steady	Increasing	Increasing	Increasing	Increasing	Steady	Increasing	Increasing strongly	Increasing	Increasing	Increasing	Increasing	Increasing	Increasing
Stage of Property Cycle	Start of recovery	Start of recovery	Start of recovery	Rising market	Rising market	Start of recovery	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	Occasion-ally	Occasionally	Occasionally	Almost never	Occasionally	Occasionally	Occasion-ally	Occasion-ally	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



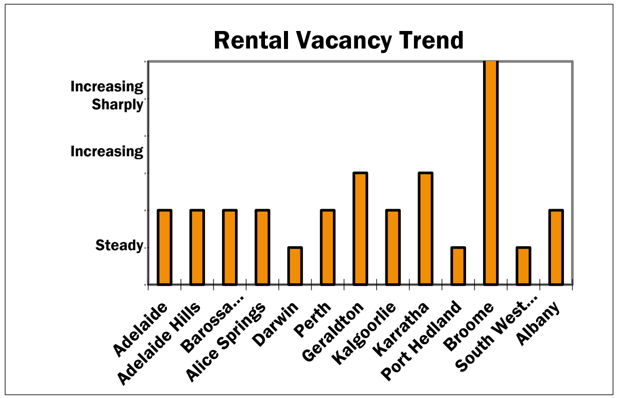


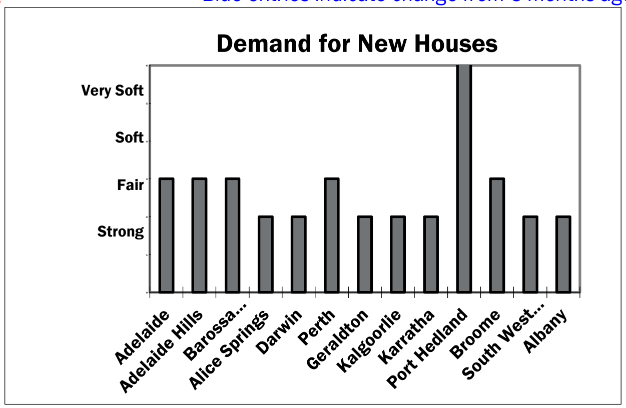


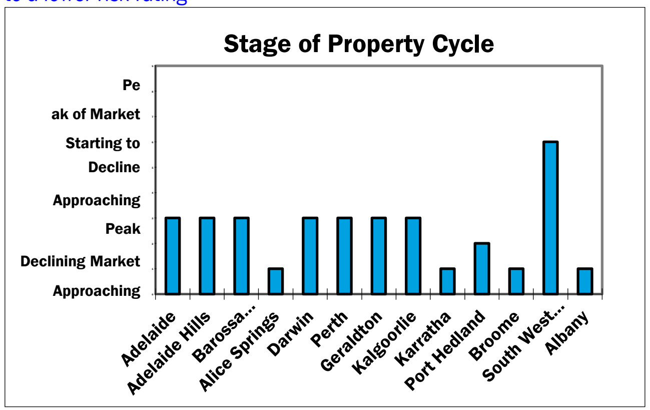
SA, NT and WA Property Market Indicators - Houses

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 sharply	Tightening	Tightening	Tightening	Steady	Tightening	Tightening sharply	Tightening sharply	Tightening
Demand for New Houses	Fair	Fair	Fair	Strong	Strong	Fair	Fair	Fair	Strong	Strong	Strong	Strong	Strong
Trend in New House Construction	Steady	Steady	Steady	Declining	Declining significantly	Declining significantly	Declining	Declining	Declining	Declining	Declining	Declining significantly	Declining
Volume of House Sales	Steady	Steady	Steady	Increasing	Increasing	Increasing	Increasing	Increasing	Steady	Increasing	Increasing	Declining	Increasing
Stage of Property Cycle	Rising market	Rising market	Rising market	Start of recovery	Rising market	Rising market	Rising market	Rising market	Rising market	Rising market	Rising market	Approaching peak of market	Start of recovery
Are New Properties Sold at Prices Exceeding Their Potential Resale Value	Frequently	Frequently	Frequently	Occasionally	Occasionally	Occasionally	Occasion-ally	Occasion-ally	Occasionally	Almost never	Occasionally	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*





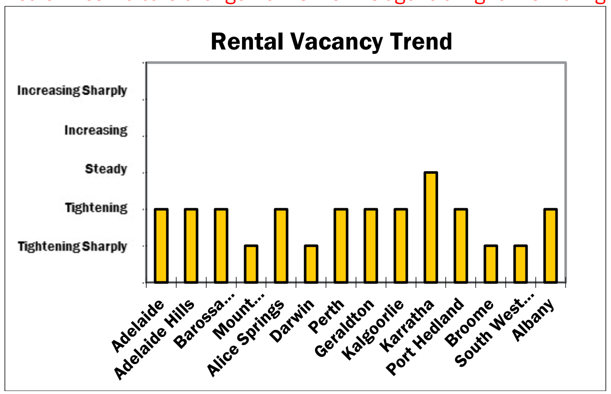


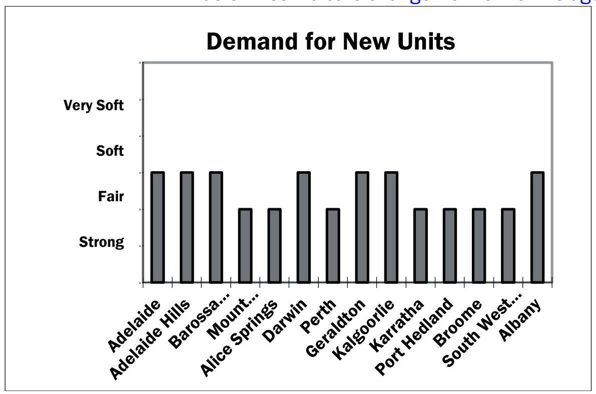
SA, NT and WA Property Market Indicators – Units

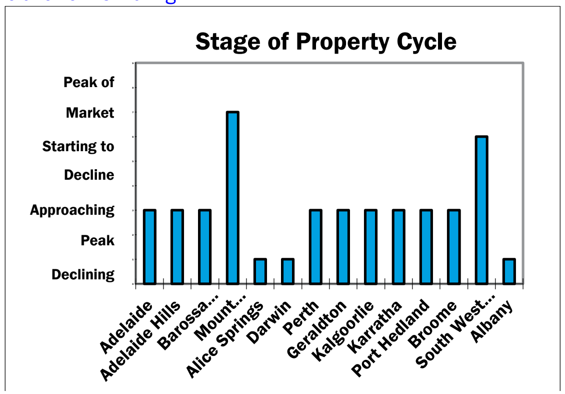
Factor	Adelaide	Adelaide Hills	Barossa Valley	Mount Gambier	Alice Springs	Darwin	Perth	Geraldton	Kalgoorlie	Karratha	Port Hedland	Broome	South West WA	Albany
Rental Vacancy Situation	Shortage of available property relative to demand	Shortage of available property relative to demand	Shortage of available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







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