HERRON TODD WHITE

Month in Review

November 2022

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

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A message from our CEO

Welcome to the November edition of Month in Review

The closing months of 2022 continue to test us all with the Bureau of Meteorology declaring we are in the midst of a third La Nina weather event in as many years. This so called "triple dip" incident is predicted to deliver intense rainfall and potential flooding across many locations, especially along the country's east coast.

Flood events have been a presence for property owners across Australia for decades. We have a concentrated coastal population, and near water real estate is among the most prized in the nation, but this doesn't come without risk. Unfortunately, floods have become more frequent in recent years.

And the impacts of flooding on our lives extend well beyond the immediate devastation. Apart from losing possessions and potential displacement, property owners must confront how their property's value will be affected. The vast majority of Australia's wealth is tied up in real estate, so the economic fallout from flooding is widespread and substantial.

But understanding the real-dollar consequence of flooding is not easy. It requires intimate knowledge of specific locations and an understanding of buyer and seller sentiment.

This month, as the rains continue, our residential valuation teams have compiled a special report as an addition to our regular Month in Review theme. It's an outstanding study on the way flooding affects property in their service areas.

The key takeaway is there is no single magic formula that can calculate the impact of flooding on property values. For example, in North Lismore, our valuer reports that houses effectively gutted by flood waters have seen their values halve. Meanwhile in the recent flood epicentre of Echuca, our teams have said the expected fallout on property will be economic rather than structural. Then there's Brisbane which has had to deal with several "one-in-100-year" flood events over the past 14 years. Theirs is a compelling analysis about the way sentiment plays its part in price recovery.

This special report demonstrates the value of local, up-to-the-minute knowledge about market changes in response to extraordinary trials and tribulations.

Then there's the main theme for this month's issue which looks at something quite different from flooding. Each November, we compile submissions detailing Australia's most expensive and interesting property sales and this year is no exception. It's a striking collation of data and photos, resulting in a bumper issue of Month in Review. It's fascinating to see how the prestige price sector in various locations is reacting to economic challenges. In some cases, demand appears to have continued unabated and the result has been incredible prices for some of our country's most striking residential property.

The commercial section this month is a study of the retail sector's performance in 2022. It shows that while differing locations have seen varied market performance in response to economic headwinds, quality retail assets continue to garner strong interest from buyers.

Finally, our rural offices dissect property market performance across our primary industries, including descriptions of some of 2022's most substantial transactions. I'm unaware of this sort of centralised information and keen analysis being so readily available anywhere else.

Our November Month in Review once again demonstrates the extraordinary value of analysis and advice delivered by locally based property specialists.

Gary Brinkworth
CEO

The key takeaway is there is no single magic formula that can calculate the impact of flooding on property values.

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Prestige property 2022

There's something tangible about the rarefied air of the prestige property market.

Breeze into an open home where the asking figure is equivalent to a small country's GDP, and you can feel the opulence wrap itself around you. They're the types of properties that make us both green with envy and grateful for the experience of being in them.

Of course, prestige means different things to different folk. Some like the contemporary architectural feel of an inner-city new build. Those sculpture-like spaces where an architectural wunderkind has had free reign to create an extraordinary abode.

Others might go for the classics. Period homes or turn-of-the-century celebrations to our national heritage set on lush grounds fronting waterways or with extensive views.

Then there are apartment connoisseurs – high in the clouds, many floors above the everyday spaces. Two-level penthouses with their own pools and gymnasiums.

For those who prefer the isolation and space, a pretty penny will be paid for a country estate where you can wander, tend horses or simply stay away from prying eyes.

Then there's beachfront behemoths where every room looks across white sands to breaking waves.

There is ultra-luxe real estate in Australia for everyone with the means to buy it, whatever catches your fancy – and much of it changed hands in 2022.

This month, our valuers not only detail the biggest, brightest, best and most envy-inducing sales of the year, they also discuss the prestige market's performance and why it should be of interest to everyone – even owners of less salubrious homes.

Before we leave the residential space, a special bonus section has been included in this November edition. A select number of offices from around Australia discuss the effects of flooding on their property markets. It's a mesmerising summary of what caused the rising waters and how buyers and sellers have reacted. This is a unique and topical insight every reader will find fascinating.

Looking to commercial and this month's special subject is the retail sector's performance throughout 2022. From coast to coast, our commercial experts discuss retail investment – prices, yields and rentals. You'll be surprised to learn what sold, what succeeded and what failed over the past year or so.

There is ultra-luxe real estate in Australia for everyone with the means to buy it, whatever catches your fancy – and much of it changed hands in 2022.

Finally, it's our rural team's turn. Along with some fantastic market wraps, they share details of some of the most substantial and striking sales across our primary production sector. There is simply no other summary like it for those with interests in regional Australia.

There we are everyone – yet another outstanding edition as we approach year's end. There's plenty here to enjoy (including eye-candy photos of fabulous houses) but there's still so much to learn about your particular markets of interest.

If you need the inside running, the solution is simple. Connect with our teams at Herron Todd White. They have the know-how and coverage to address all your property queries.

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Commercial

November 2022

National Retail Overview

Growth in retail trade has slowed in recent months. The Australian Bureau of Statistics (ABS) reported that monthly Australian retail turnover (seasonally adjusted) rose 0.6 per cent in September 2022 and by the same percentage in August 2022 following a 1.3 per cent increase in July 2022. The largest increases in the month to September 2022 were in the categories of clothing, footwear and personal accessory retailing (two per cent) and cafes, restaurants and takeaway food services (1.3 per cent). Declines were recorded for household goods retailing (-0.8 per cent) and department stores (-0.4 per cent) as the trend for home improvement spending during the COVID-19 pandemic period continued to slow. Further data from the ABS indicates that in the September quarter 2022, whilst the volume of retail sales eased, retail prices increased by two per cent, reflecting the strong rise seen in the consumer price index (CPI) for this period.

It appears very likely that further cash rate rises will occur during the remainder of 2022 and in 2023. This follows the recent rate increases in each of the seven months from May 2022. The increased cost of borrowing is placing pressure on many household budgets and is likely to have a negative impact on retail spending. Recent resilience in retail spending is likely due to factors such as delays in higher costs being passed on to borrowers and the significant percentage of mortgage holders with fixed rates, although many of these fixed periods are due to expire in 2023. Retail spending is expected to continue to slow further.

Consumer confidence has been dampened by higher inflation and the expectation of further interest rate rises. The Westpac-Melbourne Institute Consumer Sentiment Index dropped 6.9 per cent in November 2022 to 78 and is now only slightly above the level when the COVID-19 pandemic period began in April 2020.

Reduced retail spending in addition to rising costs such as wages and energy puts pressure on retailer affordability of rents and other outgoings. In many areas of Australia, retail leasing conditions are challenging and downward pressure on rents for retail tenancies is evident. Tenants are seeking greater flexibility including shorter initial terms and are seeking to negotiate lower rents and higher levels of incentives such as discounted rent or rent-free periods upon commencement of new leases or renewals.

Although general leasing conditions in some areas are difficult, there is still good demand within prime locations, particularly from food based and retail service tenants. More positively, some retail leasing segments have shown particular strength in recent months such as international luxury goods retailers who are taking the opportunity to expand their retail footprints in Australian CBDs.

The retail investment market has recorded varied results over the past 12 months across different market sectors. Since the implementation of recent cash rate increases, investor demand has weakened considerably for retail properties in secondary locations, particularly within areas with low tenant demand and high vacancy rates. There is still a

Recent resilience in retail spending is likely due to factors such as delays in higher costs being passed on to borrowers and the significant percentage of mortgage holders with fixed rates, although many of these fixed periods are due to expire in 2023.

good level of demand for quality retail properties in strong retail locations from investors, particularly high net worth buyers and those with strong cash reserves and good borrowing capacity.

Investment demand for some retail property types such as neighbourhood shopping centres (with less exposure to discretionary spending), freestanding supermarkets and fast food outlets with long term leases to major national tenants, which showed significant resilience during the COVID-19 pandemic, continued to strengthen throughout the year to date due to large volumes of capital seeking high quality secure investments. Opportunistic investors with access to capital are reducing their exposure to riskier property types and seeking defensive assets with stability of income by redirecting their funds to properties with secure long-term leases to major national operators.

The volume of sales transactions of retail property assets in Australia has slowed in recent months, with fewer active buyers and sales taking longer to transact and there currently appears to be a gap between vendor and purchaser expectations. Due to current economic uncertainty, the effects of higher inflation and rising interest rates, some retail property asset types are likely to experience a softening in yields and correction in values.

Vanessa Hoey
Director

National Property Clock: *Retail*

Entries coloured purple indicate positional change from last month.

New South Wales - Retail 2022

Sydney

The retail sector in Sydney has been somewhat subdued throughout 2022. The sector has been slower to recover post the lockdowns of 2021 with rising interest rates and lack of confidence in the local economy starting to be felt.

Established areas within Sydney with a history of strong retail trade are performing reasonably well although there is noticeably less interest. Generally speaking, those with a lower entry point but established retail trade are performing well. Assets with good lease covenants seem to be in favour. Investors in the retail market are cautious and are typically looking for secure assets with long-term leases that deliver good returns.

A great example is the sale of a property in the local retail precinct of Revesby. The property is an older style, single level shop of approximately 129 square metres. The property is currently occupied as a newsagency and was sold fully leased. The property sold for over $2.35 million however the selling agent indicated a price range during the marketing campaign of $1.5 million to $1.6 million. The selling agent was surprised by the amount of interest in the property and the number of calls from valuers looking to confirm the sale.

Showing that there is still interest from investors in the lower end of the market for assets with a good return was the sale of 104 square metre strata shop on Church Street, Parramatta. The sale reflected a 6.75% net passing yield. The initial indications from the agent were that they were pursuing a 6.00% yield.

Rents for retail shops remain subdued, with secondary locations struggling to attract good tenants. Prime locations are seeing some increase in demand, however incentives seem to be on the rise.

An interesting transaction is the lease of a shop at Coogee. Whilst the face rent is in line with current market rates, the incentives provided were strong and included six months rent free plus four months of rent at 50 per cent.

There will be challenges ahead for the retail market over the next 12 to 18 months. Further interest rate rises are likely to trigger a reduction in household spending which in turn will impact the retail market.

Angeline Mann
Commercial Director

Established areas within Sydney with a history of strong retail trade are performing reasonably well although there is noticeably less interest.

Hunter Region

Retail sales in the Newcastle and Hunter Region have been particularly scarce throughout 2022. Yields for strongly tenanted non-discretionary properties such as supermarkets have holding strong in the face of rising interest rates. At this stage at least, given perhaps high levels of equity in place from previous strong market conditions as well as a trend towards defensive assets and a tightly held market, we've actually seen some recent regional sales activity that reflects an increase in market value in this sector in the past twelve months. This doesn't really make sense in the face of the rising cost of money, inflation increases and an overall lack of affordability of living in 2022.

We have seen a relatively stable to slightly weaker market in the strip retail market in suburban areas that lack a retail anchor. Retail is intrinsically linked to household spending though which is at an all-time high, hence the Reserve Bank is busily making mortgages more expensive. As such we see the market peak has occurred and somewhat weaker market conditions in 2023 are anticipated.

Ed Thwaites
Director

Wollongong

Conditions in the retail market improved as the year progressed coming off the back of the COVID-19 lockdown years when conditions were extremely challenging to say the least.

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Despite the general improvement in conditions, rents have remained static and tenant incentives are still common.

Leasing agents report sound interest for shop fronts in the key precincts throughout the Wollongong CBD and improvement in the vacancy rate. The suburbs continue to perform relatively well, particularly up north in the highly regarded strip shopping precincts such as Thirroul and down south in the Shellharbour and Shell Cove shopping precincts.

Despite the general improvement in conditions, rents have remained static and tenant incentives are still common. Most sales have involved strata titled shops in the sub $1 million range with only a handful of larger, multi-tenant complex sales.

Broadly, we are starting to see the impact of higher interest rates on investment yields although blue chip assets protected by long term corporate leases with guaranteed annual rental increases are still selling at the sharp yields that have been the mainstay over the past few years.

Scott Russell
Director

Victoria - Retail 2022

Melbourne

They say hindsight is perfect. While the year is not yet over, it is closing in, so it's time for a retrospective on how the market has changed since January in the retail sector.

Towards the beginning of 2022, the Melbourne retail property market was experiencing a continuation of the mixed results seen throughout 2021. Changes in April 2022 which removed the isolation requirements for close contacts, vaccine requirements and mandatory mask wearing for retail workers marked a significant shift towards living with the COVID-19 virus. Whilst the easing of restrictions had been generally well received, the longer-term impacts of extended lockdowns and reduced foot traffic in Melbourne were still having a negative impact on many retail tenants, in particular food and beverage operators.

The end of the Commercial Tenancy Relief Scheme in March 2022 meant that tenants who were previously eligible for rent relief under the scheme did not benefit from the same levels of protection. Discussions with leasing agents at the time indicated that the end of the scheme did result in a slight increase in evictions, however tenants were generally keen to retain occupancy and repay deferred rents where applicable in accordance with the agreements made under the scheme.

The full impact of the Reserve Bank of Australia's upwards cash rate cycle (beginning in May 2022 and expected to continue into 2023) is still not fully known with a mix of sales results, some displaying resilience to this upwards cycle. The increasing cost of borrowing will place further pressure on household budgets and may have a negative impact on retail spending. There appears to be delineation of retail markets in Melbourne between the CBD, inner to middle ring suburbs and outer ring suburbs.

We have started to witness more examples of softening yields for properties in secondary locations or vacant properties with low levels of leasing demand.

Yields have generally remained stable for some retail properties in strong retail locations with essential retail and service tenants. Some retail property types such as supermarkets and national fast-food outlets have shown significant resilience since the onset of the COVID-19 pandemic and have continued to strengthen throughout 2022 with yield compression evident due to an abundance of capital seeking investment. We have started to witness more examples of softening yields for properties in secondary locations or vacant properties with low levels of leasing demand. It is expected that yields may soften further for retail properties in secondary locations, particularly in areas with low tenant demand and high vacancy rates.

At a June 2022 portfolio auction conducted by Fitzroys, 16 properties sold with an average net yield of 2.99%. This portfolio was underpinned by the tenancy structure and strength of the various commercial locations, being well positioned within suburban retail strips and precincts. Three freehold properties in Alfrieda Street, St Albans sold with long term leases to food and beverage operators. The resultant average net yield reflected 2.4%. This auction was held shortly after the June interest rate rise with the subsequent July cash rate rise (lifting by 50 basis points to 1.35 per cent) appearing to be already accepted by the market.

Over 2022, retail rents in a number of areas remained somewhat stable with tenants confident to execute option terms, however anecdotal evidence tells us that the decision to renew in sub prime inner retail strips and open-air shopping centres is largely based on tenant demand for a particular location. Landlord goodwill to lessees throughout the pandemic and willingness to negotiate a more favourable rent for the tenant represents a large sector of lessees who have renewed in the outer ring.

Rental affordability remains a key concern for retail tenants in the CBD. There are ongoing changes to work practices with many office workers continuing to prefer working all or most days from home even as government restrictions have eased. In addition, tourist visitors and international students are slowly returning to Melbourne and there are still significantly reduced numbers of people within the CBD. The ability of retail businesses in the Melbourne CBD to generate sufficient turnover and maintain rental payments continues to be negatively affected. Leasing conditions have been challenging

during the past two years, however since the removal of COVID-19 related restrictions, there has been an increased level of demand from food based and retail service tenants for well-located tenancies.

Throughout 2022, investors and tenants have generally demonstrated their confidence in the wider Melbourne retail property market. The upward cash rate cycle, initiated earlier than many had anticipated, is a reflection of strong local economic activity and international events. This upward cash rate cycle, the fastest since 1994, is expected to impact capital values as investors recalculate their risk-free rates. There continues to be many factors at play in the market including inflationary concerns, recent and likely further interest rate rises and the possibility of a global economic recession. These factors make it difficult to predict how the local economy and property markets will perform in the short to medium term, although market fundamentals suggest an increasing likelihood of a downward correction in values.

Nathanial Ramage
Associate Director

Queensland - Retail 2022

Brisbane

With the benefit of hindsight, we can safely look back and say that late 2021 was the peak of the retail investment market with a few deals falling into the early stages of 2022. Comparing now to the start of 2022, the retail market to date has surprisingly been very resilient. The full impact of the recent interest rate rises has not yet been fully reflected in the market, although it will only be a matter of time before we start to see a genuine softening of yields.

Agents are informing us that vendor expectations are still high and there is a reluctance to meet the market. We know of several examples of properties for sale that have been pulled from the market as vendors and purchasers have been too far apart. This would suggest that yields are coming off, however to date we are not being run over by a large volume of sales from which to draw sound conclusions. Our gut feeling is that the retail investment market has come off approximately 0.5%.

Below are five sales in the sub $3 million market that have all sold to private investors. Sales 4 and 5 are strata titled properties.

Comparing now to the start of 2022, the retail market to date has surprisingly been very resilient.

These sales are probably 0.25% to 0.5% softer than what they would have been at the start of 2022. We have not come across any investment sales to date that have started with a six (i.e. plus 6%) and demand at the lower end of the market has been strong with good investment properties in short supply.

In general terms, the retail leasing market has stabilised, although it is not evenly spread and there is an increasing level of variance between prime and secondary retail centres. There has been no real rental growth, however we have seen an increase in incentives, particularly for new or refurbished premises. Current incentives being offered for tenants of this nature are generally in the form of a rental abatement, rent free period or an upfront incentive (such as a contribution to fit out) which normally falls between a minimal five per cent and up to 25 per cent of the first term's gross rent.

In summary, the changes over 2022 have not yet been very significant. We know it is coming, especially on the back of more interest rate rises, inflationary pressure and general economic uncertainty going forward. 2023 may well be the year that we see a bona fide correction in the market and the body of evidence to support this conclusion.

Terry Munn
Director

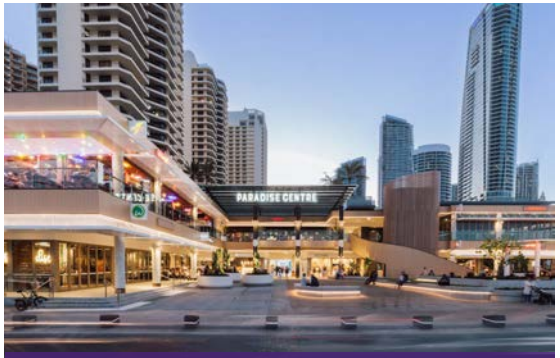
Gold Coast

The retail market on the Gold Coast is arguably the most segmented of all its sectors, providing stark differences in performance between beachside retail villages, tourist meccas and outer suburban areas.

The tourist industry in Surfers Paradise was particularly impacted by the COVID-19 pandemic, which flowed on to greater commercial vacancy rates and downward pressure on rentals. Encouragingly, tourism visitation numbers (and visitor expenditure) to the Gold Coast by both domestic and international travellers bounced back during 2022. According to the latest data from Tourism Research Australia, the Gold Coast welcomed nearly 1.9 million holidaymakers in the 12 months to March 2022, up circa 50 per cent from the previous year. This broader positive trend is evident on the ground in Surfers

No	Address	Sale Date	Sale Price	Land Area (m2)	Lettable Area (m2)	Passing Yield (%)	Analysed Market Yield (%)	$/m2 Lettable Area
1.	6 Keidges Road, Bellbird Park	12/08/2022	$1,245,500	607	412	5.40	5.20	$3,022
2.	73 Panorama Drive, Thornlands	19/09/2022	$1,900,000	2,021	393	3.88	5.82	$4,835
3.	8 Days Road, Grange	06/03/2022	$2,910,000	862	271	4.97	4.97	$10,738
4	Lot 100, 12 Saunders Street,Upper Mount Gravatt	4/10/2022	$1,328,000	-	147	5.77	5.77	$9,034
5.	Lot 36D, 36 Vernon Terrace, Teneriffe	7/07/2022	$1,450,000	-	114	4.99	4.99	$12,719

Paradise, where the vacancy rate in the core retailing areas is visibly improving. It is worth noting that the Soul Boardwalk retail centre is demonstrating near full occupancy for the first time since opening. Notably, the long-awaited extension of the Paradise Centre officially opened for business in September. The $40 million project provides a new beachfront dining precinct with eight new dining offerings and is a timely addition to the Surfers Paradise restaurant scene as tourism returns.



Paradise Centre Source: queensland.com

The retail market in the southern Gold Coast and northern New South Wales region

The tourist industry in Surfers Paradise was particularly impacted by the COVID-19 pandemic, which flowed on to greater commercial vacancy rates and downward pressure on rentals.

continues to show strength despite recent interest rate rises on the perception that rents are anticipated to continue firming. However, it is difficult to pinpoint current market dynamics due to the lack of stock and paucity of transactions. In addition, sitting tenants purchasing their premises has also been a trend as a means of taking ownership rather than shouldering surging rent and outgoings. Depending on the location and property specifics, yields at present are generally ranging in the order of 5% to 5.75%.

Suburban retail has been steady, with limited transactions. The sub-$10 million sales from 2022 generally reflect around 6.00% on an analysed basis, although most sold prior to the interest rate rises from May onwards. Neighbourhood centres have been performing well, again with limited sales.

	Visitors	Holiday	VFR	Business	Expenditure ($m)
Domestic Overnight	**3,264,000**	**1,860,000**	**966,000**	**341,000**	**$3,131.5m**
Annual % change[1]	▲ 33.5%	▲ 51.0%	▲ 11.1%	▲ 39.3%	▲ 65.6%
3-yr trend % change[2]	▼ -7.1%	▼ -5.1%	▼ -5.8%	▼ -17.6%	▼ -5.2%
Change vs Dec 2019	▼ -22.3%	▼ -14.0%	▼ -30.8%	▼ -31.9%	▼ -15.2%
TOTAL OVERNIGHT	**3,289,000**	**1,874,000**	**974,000**	**342,000**	**$3,174.7m**
Annual % change	▲ 34.5%	▲ 52.2%	▲ 12.0%	▲ 39.6%	▲ 67.9%
3-yr trend % change	▼ -14.0%	▼ -15.2%	▼ -9.4%	▼ -19.6%	▼ -15.2%
Change vs Dec 2019	▼ -37.7%	▼ -37.8%	▼ -37.7%	▼ -36.4%	▼ -36.9%

Source: Tourism Research Australia, Gold Coast Regional Snapshot (year ending March 2022

Ormeau Marketplace Source: Shopping Centre News

Ormeau Marketplace transacted for $34 million in August 2022, with a reported yield of 5.24% and a WALE of 11.5 years. The cash rate at the time was 1.85 per cent. This centre previously sold for $29 million in 2019 on a 5.84% yield (cash rate of 0.75 per cent) and $24 million when new in 2015 on a 6.58% yield (cash rate of 2.25 per cent). The $5 million increments each time are relatively strong given that the anchor tenant, Woolworths, has fairly favourable (to them) rental increases. The recent sale is interesting in that the yield continued to firm despite the cash rate increasing.

Ryan Kohler
Director

Sunshine Coast

We entered 2022 with record low interest rates still intact, with a cash rate of 0.10 per cent. This historically low cash rate had been a large proponent of both re-stimulating retail spending and encouraging record yields achieved for retail assets across the Sunshine Coast as we navigated

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the tail end of COVID shutdowns and increased local weekend traffic.

These favourable investment market conditions are now a distant memory. The RBA began lifting interest rates in May and continued to do so over five consecutive months which has impacted investor confidence with rates predicted to continue to increase.

Prior to interest rate rises, the retail investment market on the Sunshine Coast remained strong with good quality properties with strong lease covenants achieving extremely firm yields. A few examples of this from March 2022 are as follows:

Little Mountain Sale Source: realcommercial.com.au

- A stand-alone retail showroom located along Caloundra Road (a main thoroughfare) leased to a national tenant (5.7 year lease term certain) sold for $2.52 million reflecting a yield of 4.41%.
- A 91 square metre retail strata unit in Alexandra Headland leased to a local tenant (4.91 year lease term certain) sold for $1.265 million, reflecting a yield of 5.21%.

As the year further progressed and interest rate rises became an expected monthly occurrence, agents began to report a decreased appetite from retail investors as they weighed their perceived returns against rising borrowing costs. Potential investors are also aware of the impact the rising costs of living are having on retail spending and its relationship to the ability of tenants to afford rent. This has encouraged most purchasers to become increasingly picky in this sector.

Sales volumes are relatively low and there has not been an overwhelming amount of evidence to indicate how much yields have softened, although feedback from agents would suggest circa 50 to 100 basis points. A more recent sale similar to the first sale noted above highlights that softening has occurred:

- A stand-alone retail showroom building located along Nicklin Way (a main thoroughfare) leased to a national tenant and a local tenant (3.8 year lease term certain) sold at auction in September for $4.19 million, reflecting a yield of 5.73%.

Currimundi Sale Source: realcommercial.com.au

Overall, the retail market on the Sunshine Coast is segregated between prime retail areas in tourist locations and secondary retail precincts. Areas such as Noosa Heads continue to perform well however Mooloolaba Esplanade appears to be struggling with a number of vacancies and tenant turnover. The market is currently choppy in light of the headwinds presenting themselves and it will be interesting to see where things go next.

Jaydon McDowell
Associate Director

Mackay

A commercial property at 226 Victoria Street, Mackay recently sold at auction at a price of $1.82 million to show an analysed market yield of 5.71% with a WALE of 3.9 years. It was leased to Bridgestone Australia and Dance Avenue Mackay. The analysed market yield is lower than other recent sales.

A purpose-built gym at 109 Sydney Street is under contract of sale at an undisclosed price with an unexpired lease term of seven years. The sale will show an analysed market yield that is fairly consistent with other commercial property investment sales in the recent past.

Recent interest rate increases do not appear to have dampened demand for fully leased commercial property in Mackay. We suspect that yield rates in Mackay remain relatively attractive in comparison to southern metropolitan markets.

Greg Williams
Valuer

Cairns

Retail in Cairns at present caters to two different markets, locals and tourists. Retail catering to the local market remains reasonably strong with relatively low vacancies and good demand with very limited stock to either rent or buy. Smaller suburban retail rents tend to be in the range of $300 to $400 per square metre and yields in the order of 6% to 7% depending on quality of tenant and building and lease tenure. We see no reason to think this situation will change in the near future.

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

Retail catering to the tourist market, which is primarily located in the central business district and the Esplanade, is very different, with high vacancies and limited demand for retail accommodation. Much of the retail in this precinct is supported by international tourists which have been all but non-existent for almost two years. It is expected to be some time before numbers of international tourists on the ground create a demand for the reopening of many now closed retail outlets.

On a more positive note, domestic tourism has been very buoyant since early in the year and food outlets and restaurants have been trading very well within the prime precincts.

Whilst vacancies within the CBD are high, properties generally remain tightly held by long term owners.

Shane Quinn
Director

Townsville

Like other industries, broader retail in Townsville in early 2022 was hit by a number of factors that continued to shift as COVID restraints were wound back and in turn consumers, markets and regulators responded accordingly.

The most concerning issues are rising costs, inflation and rising interest rates that will ultimately drive property market pressures in the later stages of 2022 and into 2023. Increased shipping costs via overseas container prices have increased four-fold and in some cases, are driving imbalances in the goods importation supply chain. Market commentators indicate that these supply chain disruptions will persist and increase challenges across the broader sectors of the retail market.

Year to date, 2022 has proved to be a strong year for the retail sector. Large format retail centres and mixed retail centres appear to be performing well with rents stabilising in the $150 per square metre to $250 per square metre range, although sales to local investors are limited and tend to be well above the current investor sweet spot of $5 million.

Notably, hospitality and accommodation businesses surged throughout the 2022 financial year with most operators indicating significant revenue upswing, albeit off an abnormally low base. There have been a notable number of sales within the hotel sector, as well as in the motels and large format retail sectors. Podium positions are still held by fuel retailing, childcare and standalone fast-food assets by yield comparison.

We anticipate overarching regional retail investment property will continue to attract strong interest from investors for the remainder of 2022, however tempering of activity is expected as pressure continues around the cash rate and ultimately the investor's return on investment. This may not have a major impact on debt free investors locking away long-term cash flows in the sub $5 million bracket, although asset risk may be heightened for entry level stock with sub-optimal cash flows, retail investments with high vacancy (or unrecognizable tenants) or higher priced assets that are typically fully debt funded.

A notable sale is of a 3045 square metre fully leased mixed retail asset within Domain Central (bulky goods and large format cluster) for $10 million, revealing an analysed yield of 5.57% and a WALE of just 2.14 years (by income).

Domain Central Source: realcommercial.com.au

On the other hand, an inner-city shopping centre (City Arcade and City Lane) sold for $42.25 million with a mix of key retail tenants, restaurants, bars and James Cook University, with a full line Woolworth's supermarket as anchor. The property reveals the following metrics: 100 per cent occupied, initial yield of 6.60% and a WALE of 8.30 years (by income).

City Arcade Source: Herron Todd White

Jason Searston
Valuer

Wide Bay

The commercial property market in the Wide Bay continued its momentum from 2021 into 2022. Investment properties were well received by the market throughout the year and generally achieved yields in the circa 7% to 7.5% range depending on quality of lease covenants and property particulars (outliers did occur).

Like all markets, we held our breaths as the RBA commenced the cycle of raising the cash rate and waited with anticipation to see how this would impact our local markets. The limited sales that have occurred post May 2022 have not yet indicated a change in achievable market yields to date. Anecdotal evidence suggests that a larger challenge facing the local market is the limited supply of investment grade stock relative to demand. While supply remains low relative to demand, it remains difficult to anticipate a change in achievable market yields.

Ben Harnell
Property Valuer

Toowoomba

Retail leasing activity in Toowoomba increased slightly in 2022. This followed two years of subdued demand with the market negatively impacted by the effects of COVID-19.

Investor demand has remained strong but the lack of quality, fully leased properties has significantly limited the number of investment sales. The only retail investment sale of note in Toowoomba in 2022 was 13-19 Princess Street, Newtown in February for $4.25 million. This is a former Aldi supermarket that was converted to a fitness centre and leased to Gold's Gym on a 12-year lease which sold to an interstate investor with a passing net yield of 6.14%.

Retail development activity in 2022 included:

- commencement of a partial redevelopment of the Wilsonton Shopping Centre. The redevelopment includes the demolition of older sections of the centre and construction of a 7-Eleven service station, fast food tenancies (including Starbucks), car wash and a showroom tenancy; and
- a new food outlet leased to Oporto constructed in Anzac Avenue in the suburb of Harristown.

There are a number of development applications for food outlets currently under consideration by Council. The majority of these are located in the western suburbs and include:

- construction of two detached food outlets for KFC and Taco Bell by the owners of Clifford Gardens Shopping Centre;
- a new Hungry Jack's at 171 Anzac Avenue, Harristown (adjoining a Puma service station);
- two detached food outlets on the corner of Bridge Street and Richmond Drive in Wilsonton with one to be leased to Guzman y Gomez;
- a food outlet with drive-through at 360A and 360B Bridge Street, Wilsonton (opposite Wilsonton Shopping Centre);
- a food outlet with drive-through at 350 Bridge Street, Wilsonton (adjoining Red Rooster). This project has been linked with Mad Burgers.

Ian Douglas
Director

Investor demand has remained strong but the lack of quality, fully leased properties has significantly limited the number of investment sales.

South Australia - Retail 2022

Adelaide

The suburban retail market in Adelaide remained broadly stable with minor improvements in 2022 for both rents and yields. Despite increased month on month consumer spending and growth in the economy, the retail sector is still recovering from the effects of COVID lockdowns and the growth in online shopping. The recent interest rate rises along with the reduction in the consumer sentiment index from a high of 102.2 in January to 83.7 in October paints a potentially bleak future for retail markets in Adelaide in the medium to long term as the RBA does its best to curb inflation.

The premium suburban retail market in Adelaide started 2022 strongly with the sale of 158 The Parade, Norwood by McGees Property. This sale represented a broader trend of an owner-occupier (National Pharmacies) looking to sell their property and provide security to purchasers with strong lease covenants in the form of leasebacks. This sale was offered with a ten-year lease beginning on settlement and two further options of five years each. The net rent offered was $216,000 ($1005 per square metre) plus GST and outgoings. The property attracted high levels of interest given its premium location on The Parade, Norwood within Adelaide's tightly held eastern suburbs and its bluechip tenant, National Pharmacies, along with the strong lease covenant. The sale price of $5.4 million represented a passing yield of just 4% and a rate of $25,116 per square metre of lettable area.

158 The Parade, Norwood Source: realcommercial.com.au

The retail market in the Adelaide CBD has had a tumultuous time in the past 12 months, having previously been one of the largest victims of COVID restrictions which saw office workers flee the city. Since the easing and removal of restrictions in late 2021 and early 2022, there has been renewed confidence in the CBD retail market with local agents noting a lift in enquiry, mild increase in face rents and reduction in incentives needed to secure tenants. The commitments in 2022 from federal and state governments not to re-introduce COVID restrictions and the opening of international borders has provided prospective tenants with the confidence to lease in the CBD. Although consumer sentiment has now eroded, the increased consumer spending and business profitability across Australia has meant that for businesses able to survive through COVID, some of them are now experiencing higher profitability than before COVID. Anecdotal evidence from local agents suggests that particularly in the café and restaurant sector, stronger performance than prior to COVID is being experienced. This may be explained by the low international travel numbers for Australians, many of whom are still preferring to either travel locally or not at all, the flow on effect being that more money has remained in local retail markets than expected. The recovery in the Adelaide CBD has also been aided by the relatively well managed response to COVID which saw minimal disruption.

Another flow on effect of South Australians spending more locally was that neighbourhood shopping centres were hotly contested by interstate investors. Neighbourhood shopping centres were perceived to provide more secure returns than other assets as they are often strategically located within their respective localities, and they are populated with non-discretionary retail tenants. Non-discretionary spending has been resilient in COVID and the continued price rises and business profitability has neighbourhood shopping centres well placed to continue to perform well. Given their strategic locations and soaring constructions costs, these

Another flow on effect of South Australians spending more locally was that neighbourhood shopping centres were hotly contested by interstate investors.

assets are unlikely to face new competition in the near future, meaning established well performing assets are expected to continue to do well.

Fairview Green Shopping Centre Source: realcommercial.com.au

A local example of this interstate appetite for neighbourhood shopping centres is evident in the purchase of a portfolio of five neighbourhood shopping centres across Queensland, Adelaide and Perth by the SCA Property Group which is an Australian real estate investment trust. The centres were purchased for a total of $180 million, including $39.5 million for the Fairview Green Shopping Centre located in the north-eastern suburb of Fairview Park. The centre was advertised with a net passing income of $2,679,817 per annum, being 100 per cent leased with a WALE of 7.69 years and having an estimated 40,000 people within the trade area. This transaction represented a passing yield of 6.78% and was marketed by Leedwell and JLL.

Chris Winter
Commercial Director

Western Australia - Retail 2022

Perth

The 2022 calendar year began with some trepidation for the retail sector ahead of the re-opening of the state's borders on 5 February. When the border restrictions were imposed, the cash surplus created from government stimulus and the state's mining boom had been largely retained in Western Australia and found its way to consumers' pockets - the beneficiaries being local-based retailers.

However with the help of savings accumulated during the pandemic lock-down periods and equity gains from rising house prices, concerns were allayed as the removal of border restrictions did little to curb consumer spending habits, at least in the early stages.

Unfortunately, there was no wave of intrastate and overseas migration post the opening of the state's borders to solve the worker shortage that had been plaguing the retail sector, especially for food and beverage operators. Compounding the problem has been the high wages on offer from mining companies in the state's north-west.

Demand for local retail assets from eastern states-based buyers continued throughout the year, even against a background of rising interest rates, with the yields on offer in Western Australia remaining above and beyond those available within eastern states' markets, particularly New South Wales and Victoria.

As expected, investment-grade retail property (e.g. neighbourhood shopping centres) remained a highly sought after yet tightly held asset in 2022, meeting key criteria that sophisticated investors continue to seek such as long remaining lease terms (i.e. WALE), non-discretionary tenancy mix backed by strong lease covenants (typically associated with Coles or Woolworths) and sound locational attributes with a growing population catchment.

Traditional high streets and suburban shopping hubs, despite much-publicised trading difficulties and visible vacancy, retained their convenience-driven customer pull. In fact, it could be argued that such destinations benefited from the work from home movement, especially those located in middle and outer-ring residential suburbs.

Demand for landholdings in established high street locations has endured despite the level of tenancy risk, being a function of the scarcity of sites offered to the market in these locations, the high underlying land value and prospect for mixed-use redevelopment.

There has been some evidence to suggest that such assets that possess sound real estate fundamentals are being repositioned or redeveloped by landlords weary of ongoing vacancy and substandard rental returns.

Prior to the succession of rises in the cash rate by the RBA, the yield compression that had largely characterised the 2021 calendar year stabilised during 2022.

As predicted though, rising inflation triggered the RBA to raise the cash rate sooner than originally forecast and major lenders quickly followed suit.

The sustainability of yields previously achieved for retail assets is now questionable.

At this stage, with a lack of transactional activity, it is too early to confirm what impact these interest rate rises may have, but combined with other macro-economic headwinds, there are likely to be further challenges for the retail sector as we welcome in 2023.

Greg Lamborn
Director

At this stage, with a lack of transactional activity, it is too early to confirm what impact these interest rate rises may have, but combined with other macro-economic headwinds, there are likely to be further challenges for the retail sector as we welcome in 2023.

Northern Territory - Retail 2022

Darwin

The major transaction this year in Darwin's retail property market was the sale of Casuarina Mall for a reported $418 million to the Sentinel Group. Casuarina is Darwin's largest retail destination. It does face its challenges, especially with crime issues. Over time, it has become disadvantaged by its location in Darwin's northern suburbs, as most of Darwin's growth is planned for the south-east corridor including Palmerston and beyond. There have already been two new regional centres built in the past five years or so at Gateway Palmerston and at Coolalinga Central (which sold in 2021 for $83 million). This was a market where Casuarina held a virtual monopoly, so it will need to continually re-invent itself as a destination to maintain its market share in this environment.

Across the board generally, Darwin has not enjoyed anywhere near the property boom of other capitals, and this should mean that Darwin is at less risk of large declines in property values over the next few years. The outlook for major projects should mean an increased demand for property, which would be consistent with Darwin's historic countercyclical property markets compared to the rest of the country.

On a different topic, the Gumatj clan is claiming $700 million in compensation from the Commonwealth for its acquisition of land in 1969 on the Gove Peninsula for the construction of the bauxite mine and refinery there. The Constitution requires that the Commonwealth compensates a dispossessed property owner on just terms for the loss of their property, however in this case, the Commonwealth asserts that this provision does not apply in its Territories, citing a 1969 High Court case in New Guinea when it was an Australian Territory. Regardless of one's opinions on this particular case, this assertion by the Commonwealth should send a chill through every property holder in the Northern Territory (and the ACT for that matter). Since the Northern Territory became self-governed in 1978, most compulsory acquisitions have been affected by the NT Government, which is legally required to provide just terms compensation. However, the concept that the Commonwealth can effectively seize any property without just terms compensation just re-affirms the status of Territorians as second-class Australian citizens and we would urge the Commonwealth to reconsider this argument.

On a more positive note, the Northern Territory was a big winner in the infrastructure stakes in the recent Federal budget, with its $2.5 billion share exceeded only by Victoria. This includes about $1.5 billion for the Middle Arm Sustainable Development Precinct, a large strategic site on Darwin Harbour which is to be developed to capitalise on natural gas and renewable energy for projects such as low emission hydrocarbon processing, green hydrogen, advanced manufacturing and minerals processing. It is unlikely that there is such a large greenfield waterfront industrial site close to a capital city anywhere else in Australia and development of these types of industries will be of significant benefit to the Northern Territory economy and property markets.

Terry Roth
Director

Across the board generally, Darwin has not enjoyed anywhere near the property boom of other capitals, and this should mean that Darwin is at less risk of large declines in property values over the next few years.

HERRON TODD WHITE COMMERCIAL

HERRON TODD WHITE RESIDENTIAL

Residential

November 2022

National Residential Overview

2022 will likely be remembered in property markets as a year of extremes. There was almost universal price growth kicking off the year before prices and sentiment shuddered with the realisation that a national and global inflation spike would require the lifting of interest rates earlier and harder than expected and initially inferred by the RBA.

Our ability at the macro level to respond to the COVID pandemic and aftermath has largely involved blunt instruments. The reaction to rapidly increasing inflation has followed this trend through continued increases in interest rates, however addressing the supply side challenges contributing to inflationary pressures has been harder to tackle.

The test for the government and RBA is how they resolve continued supply side issues increasing prices to complement demand interventions through rate increases. The RBA's two recent 25 basis points increases (lower than previous 50 basis point rises) could be a sign of caution about the approaching headwinds.

The inflation and interest rate changes are incredibly impactful on the property market. In the first instance, the cost of new buildings has affected economic inflation measures. But potentially more importantly, the lifting of interest rates, used to curb demand, directly influences mortgage holders through their loan repayments and purchasing power.

Rate increases are now pressing on the recent serviceability buffers used by lenders to assess a borrower's ability to repay higher loan amounts.

The test for the government and RBA is how they resolve continued supply side issues increasing prices to complement demand interventions through rate increases.

This could indicate some mortgage holders are about to, or are already, under stress. However, record low unemployment levels may be holding up distressed sales as we have not seen significant increases in listing activity yet.

The purchasing power of buyers can also rapidly change prestige markets, particularly in Sydney, Melbourne and, to a lesser extent, south-east Queensland. In addition, this buyer and seller segment can be more cautious on the wider economic outlook and, if not pressed, can retreat from buying or selling decisions until there's more certainty.

In other capital cities such as Adelaide and Perth, activity exceeds the east coast capitals, as the price points are relatively lower and buyers coming from higher priced cities are less impacted.

As the inflation dragon persists, existing mortgage holders can find themselves in a tough scenario as they may curb their individual spending habits, but can still be impacted by further rate increases should the wider economy not reduce spending at the same pace or inflation not recede as planned.

As we look to 2023, a key risk will be that if current price pressures hitting households on multiple fronts are being held back like a dam wall, at what point does the wall break? On the horizon is the potential for further significant power price rises, ongoing interest rate rises, borrowers rolling off favourable fixed-rate mortgages or a sharp increase in unemployment as the economy slows and businesses are hit with reduced demand and increased costs.

While the start of this year was celebrating a pathway out of the pandemic and return to a more normal daily life, unfortunately 2022 may be ending with more headwinds and uncertainty that could create new challenges requiring more drastic responses throughout 2023.

Ben Esau
National Director
of Residential

National flood events and the property market

There's been a lot of weather activity throughout the nation over the past few years with flood events causing devastation across several population centres. Of course, the causes, levels of inundation and impacts from flood waters are particular to each region.

This month, we've asked our teams across the country to provide some on-the-ground commentary about flood events in their service areas. They've provided details about what's occurred and how it's affected property market performance throughout Australia's cities, towns and suburbs.

NEW SOUTH WALES

Sydney

In Sydney, the areas that tend to be most affected by flooding are flat low-lying areas in south-west and north-west Sydney along the Hawkesbury-Nepean and Georges River systems, although this year saw some other areas also affected by flooding events including Woronora in the Sutherland Shire and some intense flash flooding on the Northern Beaches in March.

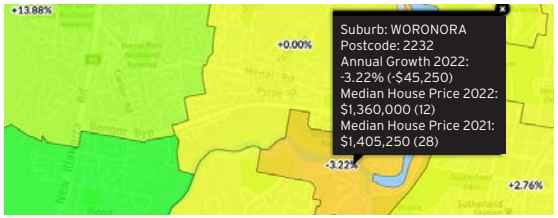
Moving forward, the recent New South Wales floods did hit some areas in the south-west and we have seen some reported buyer hesitancy from agents in flood-prone areas along the Nepean and Georges Rivers, in particular, Camden, Chipping Norton and Menangle. However, we have not yet seen any clear indicators in the sales evidence or any mass exodus represented in significant increases in stock levels. This may take time as property is a slow transacting asset but we suspect some of the negative impacts will be absorbed by the already softening Sydney property market.

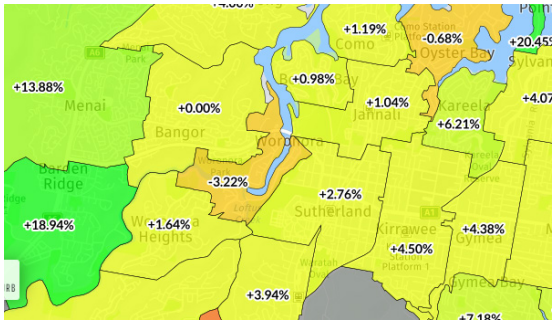
However, if history is anything to go by, the property market is resilient. If there is a dip in prices, the shock is temporary and prices recover over the long term. If we take the devastating Brisbane 2011 floods for example, greater Brisbane prices dropped 6.1 per cent after the floods but recovered within 3.1 years. Rocklea, which dropped a staggering 17.4 per cent, recovered its value within 3.7 years. People have an innate desire to live near water and we tend to have short-term memories when it comes to infrequent events, taking an overly optimistic view that flooding won't ever happen to us.

This is not to say that there will not be any financial or physical risk in these areas. It is clear that climate change has increased the severity and frequency of these flooding events. We suspect what will play a bigger role long term though is the cost of insurance in these parts. As newer flood studies and maps are conducted by councils, including the increasing changes in the climate, we could see an increase in insurance costs for frequently flooded areas, which will have an overall dampening effect on property prices. Moreover, we recommend thoroughly going over your insurance coverage if buying in or close to flood-affected areas.

Overall, while it's difficult to assess the effects the floods have had on the property market as yet, what we can say for certain is that people are resilient, optimistic and have short-term memories, with more of the latter for some of us.

Southern Sydney is generally fairly safe from major flooding events, however there are some low-lying areas and riverside suburbs such as Woronora and Bonnet Bay within the Sutherland Shire that have been affected by flooding in recent times.





Source: heatmaps.com.au

It is clear that climate change has increased the severity and frequency of these flooding events. We suspect what will play a bigger role long term though is the cost of insurance in these parts.

An interesting observation is that Woronora house prices appear to have dipped slightly by 3.22 per cent (heatmaps.com.au) whereas almost all surrounding suburbs have increased from 2021 to 2022. There are many factors which could impact these statistics although it is highly possible that market sentiment has weakened in flood affected areas in recent times.

Shaun Thomas
Director

Newcastle

The greater Newcastle area is generally free from major flood risks due to the lack of rivers through the city and surrounding suburbs. More outlying regions such as the Maitland, Cessnock and Singleton LGAs are more prone to flooding due to the merging of several large rivers and the general low-lying regions close by.

Singleton is generally a flood risk town where the river can rise rapidly by 10 to 12 metres within a day or two. This can result in the town centre being put on high alert and local roads closed for days.

The same can be said for the Maitland area where regular flooding is experienced in the Gillieston Heights and Cliftleigh areas, resulting in suburbs

Testers Hollow Source: Herron Todd White

Wollombi Tavern Source: Herron Todd White

being cut off, roads closed and commuters requiring to detour some 25 kilometres in extreme cases.

Wollombi Tavern suffered severe flooding during mid 2022 and Tester Hollow at Gillieston Heights required the road to be realigned and heightened due to regular flooding.

Although the flood risk is high, it is considered a temporary inconvenience rather than a substantial problem that affects values and is mainly restricted to weeks of the year. Residents are used to the issue and incoming purchasers probably are unaware and therefore do not reflect the issue in their purchase prices.

Darren Sims
Property Valuer

Central Coast

2022 has brought unforeseen challenges. La Nina has impacted the region with two prominent flooding events, one in March and another in July. The extent of flooding was region-wide with our lakes systems overwhelmed by the body of water flowing from upstream in the local estuaries. Tuggerah Lakes was adversely affected with rising flood waters inundating homes along the lake front and reserves. The properties affected were identified as being in flood risk areas, however much of the housing in these areas is older style homes built prior to the introduction of tighter building regulations when building in flood risk areas.

Other areas impacted included the rural areas of Yarramalong, Wyong Creek, Dooralong, Jilliby and Cedar Brush Creek. The area is serviced by many creek systems along low-lying flood plains generally used for agriculture and agistment purposes. The recent floods saw the creek systems swell in parts, causing flooding over local roads and through vast paddock areas. Reports of flood water inundation to homes were to a lesser extent than along the lakes systems, however the flood waters cut off roads for prolonged periods and electricity was also cut off for days.

Market transactions in these flood-affected areas are yet to filter through and therefore it is too early to conclude the effects on local property markets. Historically buyers have been cognisant of flooding issues in these areas, however the most recent flood events have brought it more to home buyers' attention. As the year progresses and we move further away from the flooding events, the effect if any on market values will become ever more passive until the next flood event occurs.

Todd Beckman
Associate Director

Lismore, Casino and Kyogal

And.... then came the flood. All reportedly 14.4 metres Australian Height Datum (AHD) of it in Lismore City.

Prior to February 2022, the highest recorded Lismore flood event levels were on 21 February 1954 (12.27 metres AHD) and 11 March 1974 (12.15 metres AHD). The record flood height was

Partially impacted homes that have been subsequently renovated or updated since the flood event are particularly awkward to estimate a price.

comprehensively broken by more than two metres on 28 February 2022. To rub salt into the wound, the second major flood of 2022 occurred on 30 March 2022 and breached the levee once again at a reported peak of 11.4 metres AHD.

The Corelogic data for the median price trends for the flood-affected suburbs of North Lismore, South Lismore and Lismore Central for the period January 2022 to May 2022 are generally regarded as NOT being indicative of the current market. To be sure, the swathe of properties sold and the sale prices being achieved prior to 28 February 2022 were staggering. Never before had we seen renovated, highset homes in known flood prone areas such as North Lismore and South Lismore breach $500,000.... but they did, multiple times between June 2021 and early February 2022.

But now, it is a very different story. As a bare basic rule of thumb, a renovated, three to four-bedroom highset home in North Lismore purchased for say $500,000 in December 2021 would now fetch around $230,000 to $250,000 as a shell (no internal walls, just timber framing and exterior walls, no kitchen or bathroom facilities and needing to be re-wired and re-plumbed). That is a 50 per cent plus drop in value! Prices for seriously impacted residential properties within Lismore City range broadly between $120,000 and $320,000 depending on location and level of flood impact.

Partially impacted homes that have been subsequently renovated or updated since the flood event are particularly awkward to estimate a price. Whilst restored to a pre-flood condition with an updated interior including a new kitchen and bathroom, the fact remains that the demand for residential property in these flood-affected areas will likely be low with the fresh realisation of the stigma associated with being located in a flood prone neighbourhood.

For many, we may dream that such a catastrophic event would never occur again – or at least not in the near future... it felt unprecedented. But can we really afford or dare to dream such a hope? It would be wise to prepare now for the future while the experience is still within our present conscience. All too often, the experiences of such events become dull over time.

Vaughan Bell
Valuer

Nowra / Shoalhaven

The recent flood events that occurred during 2022 did have an impact on some suburbs within the Shoalhaven Local Government Area. Local roads were closed to some areas around St Georges Basin, Sanctuary Point and Sussex Inlet, limiting access to and from these areas. Some residents from Sussex Inlet had to be evacuated during the heavy rainfall periods. In these suburbs we haven't seen any significant side effects on the housing market with sales in known flood precincts still transacting. We note however that the floods did heavily impact some of the roads from Nowra and Berry to Kangaroo Valley and from the Southern Highlands, such as from Robertson to Jamberoo and their surrounding suburbs. There are some areas around Kangaroo Valley, Jamberoo and Brogers Creek where the roads are still damaged which has resulted in properties that were on the market not being able to sell due to access issues for open inspections. Local businesses were also adversely impacted and dwellings that were under construction have been unable to proceed for a period.

Joshua Devitt
Associate Director

Illawarra

Wollongong was impacted by flood events earlier in 2022 although the extent of damage to property has been very limited and nothing anywhere near the scale of that experienced in Sydney, out west or the north coast of New South Wales. We haven't seen any effects on the housing market with sales in known flood precincts still transacting. Wollongong City Council does have a flood buyback scheme which is jointly funded by Council and the state government. This is in place for a handful of the most flood prone properties in the Council area and is in consultation with the property owner only if they are interested in selling and funds are available at the time.

Chris McKenna
Region Director

Southern Highlands

Although heavily impacted by a few torrential downpours early in autumn with direct impacts on some individual homes, the Highlands as a whole was not impacted by any significant or ongoing flood issues. This has had little to no impact on the property market in the area, with the only minor effects being mould and damp issues for some dwellings and access issues to some rural lifestyle properties.

Kurt Bismire
Valuer

VICTORIA

Melbourne

The threat of flooding is one that has been prevalent in Queensland and New South Wales over the past couple of years and a threat which we hope stays well clear of Melbourne, however as climate change threatens, we may see this threat upon us much sooner than expected.

CBD and South-East

"Floods cause more damage than any other natural disaster in Australia" – (Floodvictoria.com.au)

Melbourne inner city and south-eastern suburbs including the Mornington Peninsula are very fortunate not to have suffered from many flooding issues.

However, according to a report by The Sydney Morning Herald, up to 1.6 million Australian homes are currently in moderate to high risk from extreme weather conditions and forecast to increase by more than 60 per cent by 2050. Some of the most affected areas in the Melbourne CBD are are Port Melbourne and Albert Park and in the south-east, Seaford and Carrum. An estimate of up to 6375 properties in Port Melbourne will be at high risk by 2050 (ABS).

Experience has been learned from the Brisbane floods in 2011, when the property market decreased by as much as 6.1 per cent and took close to three years to recover to pre-flood levels, but it is very difficult to isolate the impact due to other factors such as Australia's recovery from the GFC and tightening of monetary policy.

While most inner city and south-eastern suburbs have not had a history of major flooding, we need careful consideration and preparation for the future, taking into consideration experts' forecasts of climate changes, rising sea levels, the number of properties predicted to be affected and the cost of potential damages.

Melbourne's eastern suburbs have been fortunate not to be severely impacted by any major floods in the past twelve months. Instances of flash flooding have occurred but have not caused any major dramas, however consideration should be given to the future of the environment and climate change and how this may impact your property.

Now, to look elsewhere. Floods alerts were issued in 2021 in some suburbs such as Footscray, especially near the Footscray railway bridge. Since this time, the northern suburbs have been safe from floods however still face wet climate conditions due to the La Nina conditions. This however has not impacted the property market in these suburbs in contrast to micro economic factors such as inflation and interest rates.

Western region

Some suburbs in the western region could be subject to some sort of flooding much sooner than expected according to some experts. By 2100, rising sea levels will increase the risk of coastal flooding in suburbs near the water, some of which are located in the western region of Melbourne.

Saltwater inlets running through the city's inner west and north have put some suburbs far from the foreshore at increased risk as tides become higher. Aspendale Gardens, Point Cook, South Wharf, Maribyrnong, Ascot Vale, Flemington and Kensington are other Melbourne suburbs that could be more affected than previously thought.

Local councils in Melbourne's west are already grappling with the issue. As saltwater starts to affect grassy parks, there is a push to improve drainage to better handle floods.

Looking at Geelong, it has not experienced any major flooding over the past 12 months. There has been heavy rainfall causing flash flooding and elevated river levels, however nothing that has impacted the Geelong housing market.

Perron King
Director

Echuca and Moama

While the flood has been severe and looks likely to be ongoing in Echuca, there has fortunately been limited damage to houses and commercial businesses.

The bigger issue surrounds the local economic impact. Echuca/Moama relies heavily on tourism with this sector severely impacted. The Murray River is currently closed to boats, most caravan parks have been affected and are empty and there has been extensive crop damage and stock losses in the surrounding region.

We anticipate longer selling periods for both residential and rural properties due to the economic uncertainty and a stigma around flood affected areas.

There are also significant road closures and access issues surrounding flood affected towns that will continue for coming months.

Localised areas such as Rochester (population 3150, situated approximately 30 kilometres south of Echuca) will likely have significant decreases in value over the next 18 months, with most houses and commercial buildings in the town damaged and requiring repairs before they are livable. The hospital in Rochester is currently closed and not expected to reopen for six months.

Graeme Whyte
Director

HERRON TODD WHITE RESIDENTIAL

QUEENSLAND

Brisbane

Given we're known as "the River City" with hectares of suburban housing on land designated as floodplains, it should come as no surprise that floods are part of the historic fabric of Brisbane's property scene. Long-term locals still refer to 1974 as a benchmark year. You can see telephone poles marked with painted lines showing where the waters reached during that disaster. Of course, 1974's significance has paled somewhat in comparison to more recent flood events.

So, we are adept at dealing with floods and their impacts, clean-up and rehabilitation. In terms of their effect on real estate prices and sales activity however, the fallout from flooding is uncertain and nuanced.

As was pointed out in some submission above, after our 2011 floods greater Brisbane property prices dropped as a broad average by around six per cent but recovered within 3.1 years. Rocklea, which dropped by 17.4 per cent, recovered its value within 3.7 years.

Of course, these sorts of price recoveries are dependent on multiple factors – most of which revolve around buyer and seller confidence. Flood mitigation work along with a compelling argument by the authorities convinced many of us that major events would be a thing of the past after 2011. Then, of course, last year's La Nina hit and started the roller coaster once more.

Let's look at how that's played out in 2022.

In and around 1 March, the federal election and rising interest rates slowed the market, with few sales transacting, either flooded or otherwise. Since then, a greater volume of property has changed hands.

Of course, these sorts of price recoveries are dependent on multiple factors – most of which revolve around buyer and seller confidence.

Most of the flood impact at the start of the year was from the river into higher-value suburbs where water breached the banks – think areas such as Chelmer, Graceville, Sherwood and Yeronga. Overflow flooding was the main reason areas such as Rocklea, Oxley and Fairfield were hit.

We have witnessed a lot more sales transacting in the lower value areas such as Rocklea, Bundamba and Oxley this year where the underlying land value isn't as high. As such, the cost to repair improvements is relatively affordable compared to rebuilding. That said, owners are more inclined to sell in these cheaper suburbs as often they can't afford the rebuild and holding costs. Also, at these lower price points, the end value of the property hasn't been impacted as dramatically in dollar terms compared to more expensive areas. Put another way, a 10 per cent fall in value for a $300,000 home is less than the same percentage of a $1 million home. As a result, most owners in affordable suburbs are selling – and they're doing just fine because the majority are realising the capital gains made throughout the 2020/21 boom.

Rocklea is a good example. Gutted, flood-impacted homes are selling here for around $400,000 while those that weren't flood affected achieve $620,000, which indicates a 30 per cent difference between the two. That said however, in 2019 all of these houses were selling for below $400,000 anyway.

The story is different in high value areas where owners have more funds at their disposal. Many have been able to afford rectification of the damage. These owners are also more inclined to hold onto the property when prices take a hit, hoping future capital gains will make them whole in the long term. As a result, there are fewer sales of flood impacted properties in areas such as Chelmer, Graceville and Yeronga.

Flood impacted properties that do hit the market in higher priced suburbs have seen a dramatic dollar drop in their values. Purchasers are factoring increasing knockdown, rebuild and holding costs into their offers. In some cases, when you work backwards from the "as if rectified value" and allow for all these costs, the end figure comes in below the market value of the land. There is no getting around the fact that rebuilding in these areas is very expensive right now. For rectified properties in these suburbs, the market is similar to what we saw in 2011 when an approximate 10 per cent discount was applicable. Mind you, given Brisbane property values have retracted since the start of the year, it's difficult to define how much of this discount is due to flood and how much reflects rising interest rates, building costs and generally negative reporting.

Before we sign off, I wanted to spend some time looking at the Ipswich market as well. This city was affected by river and creek flooding in 2022, but levels reached approximately two metres below the 2011 flood peak. We saw discounts of approximately 40 per cent on single-level homes that were effectively at frame stage because of flood waters. These properties had seen water enter the living area so had been substantially stripped back,

including the removal of internal linings and floor coverings, prior to sale.

We also saw highset homes trading at a 15 per cent discount where the subfloor area had been impacted, but the living area to the upper level was untouched.

So, in summary, those who have insurance are generally keen to rectify their home, while those without insurance will tend to cut and run, but important determining factors will include the extent to which your property was inundated and where it sits in terms of price point. More expensive homes are likely to be retained while affordable properties are more likely to be listed for sale.

David Notley
Director

Gold Coast/Tweed

Unfortunately, since the major flooding event of February 2022, we have seen some negative market implications in the areas hardest hit. The low-lying suburbs of Chinderah, Tweed Heads West, Bogangar, Fingal Head and Kingscliff have seen evidence of a slowdown in transactions and some distressed sales of flood impacted and damaged properties. There has been evidence, particularly in the flood prone areas of Bogangar, of price drops of as high as 30 per cent from peak levels at the end of 2021 and beginning of 2022. Agents have reported many buyers specifically asking about the individual property in relation to the flood at first point of contact. One example of this is 12 Tamarind Avenue, Bogangar that recently sold at auction for $706,000. The property is approximately 500 metres from the surf beach at Cabarita Beach, however was flood inundated prior to selling in August 2022.

Murwillumbah, South Murwillumbah, Condong and Tumbulgum were affected by the worst flooding on record in February and March 2022. Dwellings where the main living area was above the one in 100-year-flood levels had water go through the main living area and the damage this time round made 2017, which was the last and previous record major flooding event, look minor in comparison. The flooding came from the Tweed River and the damage done to roads, particularly Kyogle Road between Murwillumbah and Uki, is something hard to comprehend unless seen in person. The river and force of the water coming down stream simply did not care for the bends and decided that it was going straight. Once you could be forgiven for not realising that the river was down below – now the river has replaced where roads once were and stripped all vegetation from the banks. The landscape has simply altered and the council has been left scratching its head to come up with solutions to move or fix roads.

What are the effects of this event on the property market? Well, this time round, people want out and the listings are starting to come thick and fast. Some properties were moderately flood affected with bathrooms and kitchens stripped out and the owners either don't have insurance to cover the work needed or they can't afford to wait the 12 to 18 months for the insurance company to repair their properties. Others who were happy to stay around after the 2017 floods are not content to stay this time around. Two major floods in five years (especially ones that are supposed to be a once in a lifetime event) have simply been too much for many and this has taken a major financial and mental toll. Talk of another La Nina event over the coming summer and the constant images of different parts of eastern Australia is also putting home owners in flood affected areas on edge.

Properties currently listed (as of 2 November 2022) that were flood affected are below:

- Tumbulgum – 5 properties listed
- South Murwillumbah – 20 properties listed
- Murwillumbah – 11 properties
- Condong – 2 properties listed

Sales since the flood event

Houses inundated with flood waters – bathrooms, kitchens stripped

- 8 Railway Street, South Murwillumbah – $430,000 July 2022
- 60 Wardrop Street, South Murwillumbah – $420,000 August 2022
- 15 Stafford Street, South Murwillumbah – $400,000 August 2022
- 454 Tweed Valley Way, South Murwillumbah – $300,000 September 2022

Houses with limited internal flood damage (a couple of centimetres through living area)

- 12 Stafford Street, South Murwillumbah – $620,000 April 2022. Was under contract prior to flood for $630,000 with contract falling over post flood.
- 46 Wardrop Street, South Murwillumbah – $630,000 May 2022
- 76 River Street, South Murwillumbah – $821,000 August 2022

Houses with no water in dwelling, however subfloor affected

- 121 Tweed Valley Way, South Murwillumbah – $630,000 April 2022. Was under contract prior to flood for $620,000 with contract falling over post flood

- 8 Stafford Street, South Murwillumbah – $625,000 September 2022
- 49 Brisbane Street, Murwillumbah – $717,000 August 2022
- 7 Hartigan Street, Murwillumbah – $727,500 August 2022
- 16 Hartigan Street, Murwillumbah – $780,000 May 2022
- 7 Charles Lane, Murwillumbah – $630,000 August 2022
- 37 Bawden Street, Tumbulgum – $842,000 April 2022. Was under contract prior to flood for $935,000 with contract falling over post flood.

From the data provided above, it appears there wasn't a substantial discount on dwellings where there was no or limited damage through the main dwelling. The only property showing a major discount was the Tumbulgum property, which may have had a motivated seller and the price bracket was much higher than Murwillumbah and South Murwillumbah properties.

The dwellings with major flood damage are selling for approximately 35 to 40 per cent less than those with only minor flood damage. This is down to two factors, being difficult lending conditions for these damaged properties and the costs and time associated with restoring and lifting these dwellings.

The issue over the last couple of months and going forward with the flood affected properties now is a combination of interest rates and inflation and the inundation of flood affected properties currently hitting the market. This goes back to the basics of supply and demand and agents are advising there is very little demand for flood affected properties from purchasers. Six weeks ago, there were nine South Murwillumbah properties on the market; that number has now more than doubled to 20 properties as noted above. It appears those who made the decision to sell earlier, particularly those in minor flood affected dwellings, have fared better than those who currently have their property on the market.

On 28 October 2022, the state and federal government announced the $800 million Northern Rivers Resilient Homes Package in conjunction with the Resilient Land Program. The Resilient Homes Package includes voluntary buybacks of homes and land, house raising or house retrofitting with eligible homeowners being contacted as soon as November 2022 or applying online.

At this time, it is a little early to determine what the details of the buyback scheme will involve or who will be eligible. So far, the only guidelines are Northern Rivers residents located in the most vulnerable areas where major flooding would pose a catastrophic risk to life. It has been presumed that the buyback scheme will be house values prior to the flood event in February and March 2022, however it is not clear at this stage.

The Resilient Land Program is available to landowners with land area of two hectares or greater of adjoining developable land to provide more housing options in the Northern Rivers that is flood free.

Agents involved with selling houses in the flood prone areas advise that the Resilient Homes Package has been a hot topic amongst their vendors. At this stage, vendors haven't removed their houses from the market due to the announcement. It is early days and until the details are clearer, it is hard to know how this will impact the market.

There are pockets of residential areas that are low lying and are identified as typically having a one in 100-year flood event risk, however generally speaking, flooding is not a major concern in this area. There was the inconvenience of road closures. The exception to this was flooding off the Logan and Albert Rivers to the very north. Long term residents in Alberton (a rural residential area) reported river flood levels exceeding past flood levels, however there has been no significant evidence of price corrections in these areas although there is a heightened local awareness.

Jerusha King
Associate Director

Sunshine Coast

The Sunshine Coast escaped the worst of the major flooding events over the past year with most of the impact being felt further south in Brisbane or north in Gympie. There was some localised flooding however these issues do not appear to have significantly impacted prices on the Sunshine Coast.

Stuart Greensill
Director

From the data provided above, it appears there wasn't a substantial discount on dwellings where there was no or limited damage through the main dwelling.

Rockhampton
Rockhampton has been fortunate not to have had a major flood for some years. Rockhampton has a long history of major flood events and being towards the end of one of Australia's biggest river systems, there is always a risk. Traditionally the lower lying areas of Rockhampton have time to prepare for flood events with flood waters travelling down the Fitzroy River taking days and sometimes over a week to reach the area.

The most affected areas of Rockhampton tend to be the suburbs closest to the river, being Depot Hill, Berserker, Lakes Creek and Park Avenue with some lower lying areas of Allenstown, West Rockhampton, Wandal, Koongal and Kawana also affected during major flood events. Traditionally the areas that are flood affected have a selling price below that of non-flooded areas. We tend to see these areas drop in both sales price and the total number of sales after a major event. Over time we then see these areas get back to normal with sales prices improving and sales numbers again getting back to pre-event levels.

Steve McDonald
Valuer

Bundaberg
Bundaberg has not been affected by flooding for a number of years, with the most recent major flood events occurring in 2010 and 2013 due to riverine flooding. North Bundaberg property in particular was heavily affected post the floods, with flood affected properties being significantly discounted compared to other non-flood affected locations. The flooding effect appears to have worn off, with properties in known flood areas of North Bundaberg achieving values almost in line with the current market.

Megan Matteschek
Valuer

Mackay
Mackay has not experienced a large river flood in over 70 years. The last flooding event in Mackay was in 2008 when the region was bucketed with 60 inches of rain in six hours, which caused widespread surface flooding as both the natural and stormwater systems failed to cope with the huge volume of water. The flooding event only lasted a few hours as it drained away, however caused large scale flooding. The worst affected areas were in Glenella, particularly a modern estate known as Valletta Gardens. After the flood event, the market did recognise these areas and values did fall relative to other areas. However, over the past 14 years, council has undertaken extensive flood mitigation works and the general public has realised just what a once in a lifetime storm event occurred. As of writing, there is now little market difference in this estate relative to other areas in Glenella.

Michael Denlay
Director

Hervey Bay
The issue of flooding has not impacted the Hervey Bay area in recent times, however Maryborough did experience some flooding to the lower lying areas earlier in the year. The cause of the flooding was mainly the heavy consistent rainfall further upstream inland. Properties listed for sale in these flood zones were taking up to six months to sell, however this year, two flood affected dwellings sold within three months in the low $200,000s. Overall, there has been minimal impact to the property market due to relentless high demand and very low supply.

Tracy Lynd
Valuer

Emerald
Emerald is located on the Nogoa River in the Fitzroy Catchment. In the past 15 years, large swathes of residential property have been directly impacted by flooding and it is estimated that in the last flood at the end of 2010 and start of 2011, over 1000 houses were inundated.

Kidd Street was badly inundated in this flood. A review of the sales of four-bed, two-bath, two-car dwellings in Kidd Street before and after the flood indicates that there was a significant decrease in sales volumes with no sales occurring in 2011. This is understandable as dwellings during this time were in the process of being repaired. In 2012, during the peak of a booming market, there were six sales of four-bed, two-bath, two-car houses selling for discounted prices of around 10 per cent. From 2012 to 2017 during the resource industry downturn, there were no sales at all. What this might indicate is that when the market is strong and supply is low, sales of houses in flood areas sell as frequently as houses outside flood areas with a small discount, however when the market is oversupplied, these properties are avoided.

Kellie Blomfield
Valuer

Toowoomba/Darling Downs
The flood events across much of Queensland in early 2022 that affected the Darling Downs area were centred around the Lockyer Valley. Low lying areas predominantly near the townships of Laidley and Grantham were inundated when heavy rainfall caused flash flooding and the Lockyer and Laidley Creeks burst their banks. The high flood mark occurred around 13 May 2022 after a downpour of up to 260 millimetres within 48 hours. This followed an already wet period with some previous minor flooding in late March 2022.

Low lying areas of Grantham, which was the scene of a major flash flood event in 2011 where twelve lives were lost and a portion of the town was

washed away, was again flooded by rising water with low lying businesses and some residences inundated.

Farming land in low lying areas around Forest Hill and Glenore Grove flooded and numerous roads were cut, in particular, the Warrego Highway which is the main arterial link between Brisbane and Toowoomba.

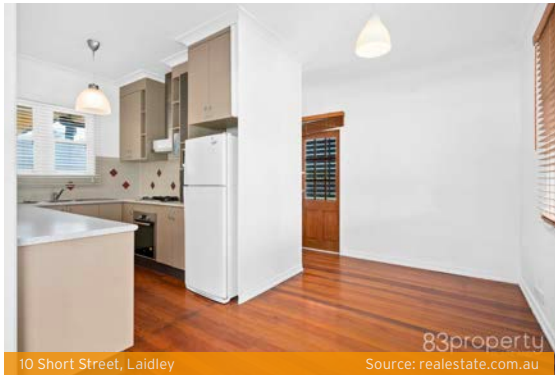
Hardest hit was the township of Laidley where the Laidley Creek inundated the central business area, causing flooding to businesses and approximately 240 nearby homes and yards while cutting off various access roads to the town.

These areas are certainly not new to flood events with mitigation having already been undertaken due to previous flood events. In Grantham, what became known as the Grantham Land Swap was instigated after the 2011 flood devastation when the Lockyer Valley Regional Council purchased a nearby cattle property on higher ground and involved locals in a voluntary land swap. There are now 110 dwellings built on this higher ground with about 50 dwellings remaining in the older part of town, however most of these have been raised to deal with flooding.

Similarly in Laidley, many houses in the low-lying areas have been raised with water inundating only the lower levels of dwellings and sheds and ground level improvements.

These areas are generally well known as flood prone areas with property values generally already discounted to accommodate this. An example of a recent sale of a flood prone dwelling is 10 Short Street, Laidley having sold in May 2022 around the time of the flooding for $360,000. This property within a high flood hazard zone is a renovated circa 1960, three-bedroom, one-bathroom weatherboard


10 Short Street, Laidley Source: realestate.com.au



10 Short Street, Laidley Source: realestate.com.au

on high steel pier dwelling featuring a large covered outdoor entertaining area, polished timber floors and reverse cycle air conditioning on a 4080 square metre level block.

A comparative sale is at 80 Railway Street, Laidley, on higher ground above known flood levels, which sold in late March 2022 for $450,000. This is a semi original circa 1924, three-bedroom, one-bathroom weatherboard dwelling on low timber stumps and features covered outdoor entertaining, reverse cycle air conditioning and wood fire heater on an easy sloping 2722 square metre block.

Another property in a medium flood affected area is 36 Patrick Street, Laidley which is on the main street close to the Laidley CBD. This renovated circa 1920s dual level weatherboard five-bedroom, two-bathroom dwelling features polished timber floors, clawfoot bath, covered outdoor entertaining area, verandah and wood fire heater on a 1012 square metre block. Agents report that the property was for sale for offers over $425,000 with the owners eventually settling for $400,000 due to the flood discount.


10 Short Street, Laidley Source: realestate.com.au


10 Short Street, Laidley Source: realestate.com.au

Agents report that a similar property on higher ground at 17 Wickham Street, Laidley is currently unconditionally under contract for $555,000. This circa 1910 renovated three-bedroom, two-bathroom chamferboard high set dwelling features verandah,

covered outdoor entertaining area, reverse cycle air conditioning, pressed metal ceilings, polished timber floors and inground concrete swimming pool on a 1012 square metre level block.

17 Wickham Street, Laidley Source: realestate.com.au

17 Wickham Street, Laidley Source: realestate.com.au

As can be seen, both properties within known flood zones represent a substantial discount. Agents report that plenty of people are moving to the area from greater Brisbane and the Sunshine and Gold Coasts due to affordability and easy and direct transport links to Ipswich and Brisbane. They also report that since the floods and the media reporting of the events, these buyers are prudent and using due diligence in asking about flood zones with a large percentage of buyers not interested in properties near known flood areas. The pool of buyers is therefore smaller for flood affected areas and subsequent discounts still currently apply.

Marissa Griffin
Director

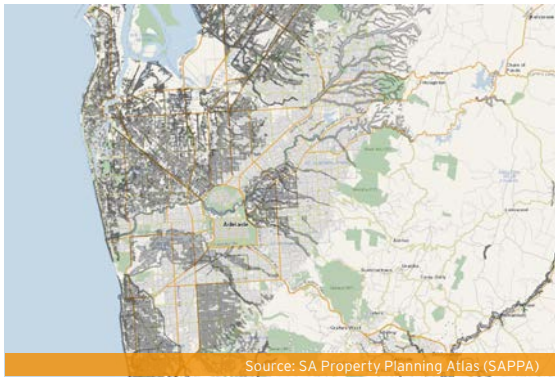
SOUTH AUSTRALIA

Adelaide and surrounds

The inner Adelaide metropolitan area is intersected by several water courses which each run in an east-west direction from the Adelaide Hills to St Vincent's Gulf. The Torrens River is the major waterway which is fed by several other smaller tributaries which include First to Fifth Creeks and Brownhill Creek.

The valleys and ridges to the eastern side of the CBD restrict the flow of these waterways which limits areas considered to be flood prone. As the gradient of metropolitan area levels out towards the Adelaide Plains, areas considered to be flood prone become more prevalent. This was acknowledged in a June 2022 news.com.au article titled "Climate Council flags ten areas where it will become impossible to insure your home by 2030". The article lists the City of Hindmarsh on the western side of the Adelaide CBD as being one of the ten at risk areas with the suburbs of Port Adelaide, West Lakes, Grange and Ethelton being most at risk.

Flooding events in the inner metropolitan area are considered uncommon and are typically precipitated by periods of acute extreme weather events.



Source: SA Property Planning Atlas (SAPPA)

As seen in the mapping above, all areas with a highlight are located in an area considered flood prone. A significant portion of metropolitan Adelaide has some form of flood risk. Given the uncommon nature of a serious flood event and the knowledge that large portions of the metropolitan area are considered flood prone, the risk is accepted by the market.

The outer northern suburbs situated on the Adelaide Plains are also known to be prone to flooding. This region is intersected by both the Light and Gawler Rivers which run in a north-east to south-west direction. Adelaide's last serious flooding event occurred in the region in 2016. This region has historically been characterised by rural living properties of greater than one hectare. Within this location, established dwellings and vacant land considered flood prone tend to transact at a marginally lower price point than the remainder of the market due to stricter development guidelines requiring

Flooding events in the inner metropolitan area are considered uncommon and are typically precipitated by periods of acute extreme weather events.

site build up to mitigate water inundation of improvements.

Over the past ten years, this region has had significant growth in medium density residential development. In most instances these developments have been in regions considered flood prone. These developments faced community criticism and required extensive flood mitigation site works to be completed prior to the commencement of the development. Most notably, the proposed development at Buckland Park received negative media when it was affected by the 2016 flood event. The development within Buckland Park has since received full planning approval and is now known as Riverlea.

Buyers within these outer suburban greenfield developments buy with confidence that the developer has done everything possible to mitigate any real or perceived flood risk.

South Australia is currently experiencing one of its most significant weather events with both metropolitan and regional areas having their wettest Septembers since 2016. Within the metropolitan area, storm water catchments and metropolitan watercourses have done their jobs with no significant flood events occurring. Within regional South Australia. many townships have limited storm water and flood mitigation infrastructure. There have been reports of regional towns, particularly in the mid north and Clare Valley, which have experienced road closures and minor property damage due to swollen water courses.

River Murray townships are currently preparing for flood levels not seen in 50 years. The Murray is expected to peak in December with flows coming from local and interstate rainfall and the eastern states' spring snow melt. Shack owners have been sandbagging for weeks in preparation with water levels already lapping at the front doors of some properties. It's an accepted risk that properties located on the river may be affected by a flooding event. For purchasers in this market, the lifestyle benefits of owning a river shack outweigh the sporadic occurrence of a significant flood event.

Nick Smerdon
Property Valuer

WESTERN AUSTRALIA

Perth

As we head towards the start of the cyclone season, we also take a look at flood risk in our flood prone areas and the effects flooding can have on those property markets. As we have seen in the eastern states with significant La Nina flooding events over the past two summers, the risk of severe flooding is ever increasing. With another La Nina event predicted for the forthcoming summer, we are likely to see further flooding around Australia, so we investigate whether this is an issue in Western Australia.

Over the past 12 months, Western Australia has been rather fortunate in terms of flooding events in comparison to the rest of Australia, particularly our compatriots in New South Wales and Queensland. Our state has only seen minor flooding events in this time period. The main areas of the state to be affected were the Gascoyne and Kimberley regions, with minor flooding events in the south of the state throughout the winter months.

This doesn't mean the state is free of flood risk. Various flooding events have occurred in the state in recent memory, with the most recent severe event being the Gascoyne River floods in February 2021. Fortunately, the effects of this flood weren't devastating, and the main implications revolved around the destruction of plantations and horticultural properties, as well as major roads, leaving some residents cut off for a period of time. Properties in the townsite were largely saved by flood levees built following the 2011 floods in Carnarvon.

Gascoyne River Catchment Area
Source: Dep. of Water and Environmental Regulation

Cyclonic and thunderstorm activity in the north have the biggest effect on flooding in our state. Natural flooding events occur periodically during the summer months and with Carnarvon playing a large role in Western Australia's horticultural industry, flooding events have the potential to impact the state's economic output regarding the fruit and vegetables grown in the region.

As we have seen in the eastern states with significant La Nina flooding events over the past two summers, the risk of severe flooding is ever increasing.

The Carnarvon Floodplain Management Report was issued in May 2022 in response to 2021 flooding events that occurred because of tropical lows moving through the state's north, dumping a very significant amount of water on these low-lying areas. The Carnarvon horticultural area accounts for approximately eight per cent of Western Australia's gross value of the horticulture industry and therefore requires a mitigation strategy for the adverse effects of these flooding events. The results and recommendations of the report show several plans that can be put in place to mitigate the risks associated with periodic flooding events:

- high resolution digital elevation modelling through the practice of modern surveying of the river and floodplain;
- an updated floodplain model to account for the changes since the previous model (20 years) was put in place;
- a greater communication and flow of information with BoM and DFES to prepare for flood events; and
- the installation of visual gauge boards along the river for growers to observe local river levels, improving awareness and decision making.

When taking a look at the flood risk for Perth's own Swan and Canning River catchment areas, we begin to see the possible risk in the future compared to the fairly low risk we experience at present. We are fairly sheltered from flood risk in Perth metro, however according to research conducted by renowned sustainability expert at Curtin University, Peter Newman, a one in 100-year event could see water levels of the Swan and Canning Rivers rise to four metres which would inundate a significant amount of land along their banks. Even a lowly rise of two metres would see a vast amount of property under water and at risk of flooding.

Two metre water level increase of Swan River
Source: Dep. of Water and Environmental Regulation

Suburbs such as Midland, Guildford, Bassendean, Ascot, Henley Brook and Herne Hill which were developed prior to any flood mapping being conducted are most at risk of inundation. With major weather events the basis of the risk areas associated with elevated water levels, it is easy to see the affected areas of sustained increase in sea levels associated with climate change. As with any mitigation strategy, it is important to act and prepare as early as possible to guard from any effects. With areas along the banks of the Swan and Canning Rivers being so urbanised, there may be a serious risk to property in these locations in the future. The recommendations in the Carnarvon Floodplain Management Report are likely to resonate with future flood prone areas in the Perth metro area as well. Enhanced flood mapping and flood preparation strategies will significantly reduce the impact of one-off weather events and climate change on the property market. Reducing risk, impact and disruption will in turn reduce the insurance costs associated with flooding and in turn make any event that is likely to occur not only cause less damage and disruption but also reduce the economic impact of such events.

With regard to flooding, we are all aware that the risk is low for the Perth metro area at present. Low however does not mean zero. With the climate in constant change and one-off severe weather events always a potential, it means that preparation for such adverse events is a must if we are to protect both the property market and in turn the economy. As we have seen in the north throughout the wet season, these events can occur with devastating consequences. The potential strategies indicated in the Carnarvon Floodplain Management Report will be beneficial in protecting and mitigating the risk of the adverse impacts of such events.

Chris Hinchliffe
Director

NORTHERN TERRITORY

Darwin

Despite what many may believe with its high rainfall during the wet season months of October to March, the City of Darwin does not experience prolonged major flooding. As a result of being situated on a peninsula, heavy rainfall can quickly drain away and development has been avoided in low lying areas. However, homeowners and interested buyers should be wary of storm surge affected areas in low lying suburbs such as parts of Coconut Grove, Ludmilla and Rapid Creek. Some parts of the Darwin rural area are presented with a moderate risk from seasonal waterlogging, which is different to flooding. Seasonal waterlogging is common in the wet season and renders many low-lying areas inaccessible and unserviceable for the wet season months.

Further inland to the township of Katherine, there is currently large earthmoving and drainage works underway to better equip the low-lying suburbs of

River flows are something that might happen two or three times a year and can range from a gentle stream trickling down the middle of the riverbed all the way to a full on, bank to bank torrent.

Katherine South and Katherine in the rare event of a major flooding event. Flooding was experienced in the 1950s but then not again until 1998 and 2006, with the 1998 flood being the highest on record. New developments in Katherine are mainly in Katherine East which is situated further away from the river and on slightly higher land.

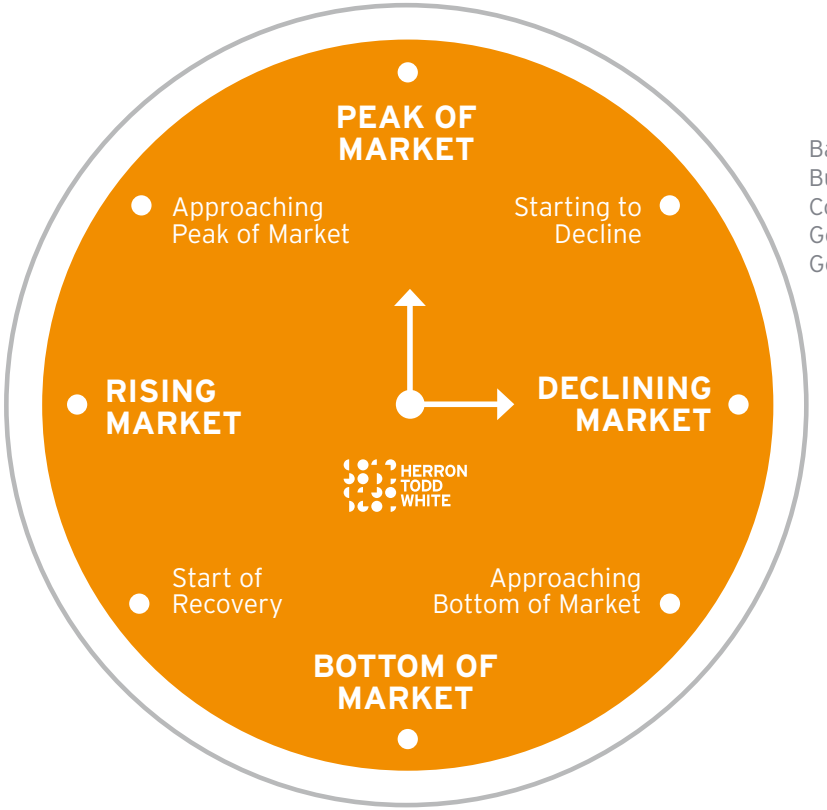
Alice Springs

Being situated in the middle of a desert, you wouldn't expect flooding to be an issue for Alice Springs and for the most part it isn't, except for times when the catchment areas to the north and along the MacDonnell Ranges receive heavy rain, causing the usually dry Todd River to flow. River flows are something that might happen two or three times a year and can range from a gentle stream trickling down the middle of the riverbed all the way to a full on, bank to bank torrent. The last major flood in Alice Springs that had any significant impact on buildings and homes was back in 1988. Flood mapping completed by the NT Government has highlighted areas adjacent to the Todd River that may be affected by a one in 100-year flood event and much of this mapping was based around information gathered during the 1988 event. Overall, Alice Springs is reasonably immune to the effects of flooding, but every 50 to 100 years, a weather event may come along that causes sufficient water flow to inundate some buildings.

Peter Nichols
Valuer

National Property Clock: *Houses*

Entries coloured orange indicate positional change from last month.



Adelaide
Adelaide Hills
Albany
Albury
Barossa Valley
Bathurst
Canberra
Central Coast
Dubbo
Mildura
Mount Gambier
Shepparton
South West WA
Sunshine Coast
Tamworth
Toowoomba

Alice Springs
Broome
Bundaberg
Fraser Coast
Kalgoorlie
Mackay
Newcastle
Port Hedland
Wodonga

Ballina/Byron Bay
Burnie/Devonport
Coffs Harbour
Geelong
Gold Coast
Hobart
Launceston
Lismore
Melbourne

Cairns
Darwin
Emerald
Esperance
Geraldton
Gladstone
Karratha
Perth
Rockhampton
S'thn Tablelands
Townsville
Whitsunday

Brisbane
Illawarra
Ipswich
Southern Highlands
Sydney

National Property Clock: *Units*

Entries coloured blue indicate positional change from last month.

Adelaide
Adelaide Hills
Albany
Albury
Barossa Valley
Bathurst
Brisbane
Burnie/Devonport
Central Coast
Ipswich
Mildura
Mount Gambier
Shepparton
South West WA
Sunshine Coast
Tamworth
Toowoomba

Alice Springs
Bundaberg
Fraser Coast
Kalgoorlie
Mackay
Newcastle
Perth
Port Hedland

Ballina/Byron Bay
Coffs Harbour
Geelong
Gold Coast
Hobart
Launceston
Lismore
Melbourne

Broome
Cairns
Darwin
Dubbo
Emerald
Esperance
Geraldton
Gladstone
Karratha
Mt Gambier
Rockhampton
Townsville
Whitsunday
Wodonga

Canberra
Illawarra
Southern Highlands
Sydney

Southern Tablelands

New South Wales - Residential 2022

Sydney

Prestige properties in Sydney are generally considered to be those with a value in excess of $5 million, however in some Sydney suburbs, the median house price is above $5 million, while in others a price tag of $3 million might be considered prestige.

In general, the top quartile of properties has seen the largest decline in value in 2022, however properties above $5 million only make up a small subset of the top quartile of properties and prestige buyers tend to be less sensitive to interest rate movements than others within the top quartile. Whilst we have seen softening in the prestige market, the decline in new listings of prestige properties has helped to somewhat offset the drop off in buyer demand.

Eastern Suburbs

After a very strong 2021, the prestige eastern suburbs market remained strong until early 2022. Since April however, activity in this market has declined quickly as a federal election, interest rate rises and volatile equity markets as a result of inflationary pressures and the war in Ukraine have reduced both buyer demand and vendors looking to sell. Whilst prices are softening, the lack of supply is helping to hold up prices in this market.

The two suburbs which traditionally see the highest volume of prestige house sales in the eastern suburbs are Vaucluse and Bellevue Hill. According to PriceFinder, for the period from the start of this year to early October, Vaucluse saw the number of $5 million plus transactions decrease from 90 to 39 compared to the same period in 2021, with the number of $10 million plus transactions decreasing from 29 to 20. For Bellevue Hill, the number of $5 million plus transactions decreased from 61 to 30, while $10 million plus transactions decreased from 26 to 15.

Bronte is another highly regarded prestige suburb on the ocean side of the eastern suburbs. It has also seen a decrease in the number of prestige houses above $5 million selling, from 38 to 24, however the number above $10 million has remained the same, with seven selling above this mark in both years (over the same time period).

The highest on-market sale in the eastern suburbs so far in 2022 was a harbourfront property in Darling Point, which sold for a cool $60 million in March through Agency by Alison Coopes. Positioned on a 2587 square metre lot with an approximate 70 metre frontage to the harbour, the property comprises a modern two storey dwelling with five bedrooms, five bathrooms, self-contained secondary dwelling, covered parking for six cars, pool, boathouse and timber jetty. The property enjoys expansive harbour views towards Sydney Heads. It previously sold in 2013 for $32 million, prior to a major extension and renovation.

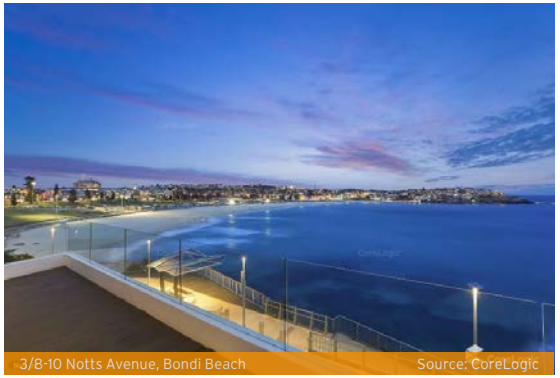
3 Lindsay Avenue, Darling Point — Source: CoreLogic

Other notable house sales so far in 2022 include: 20 Wolseley Road, Point Piper, which sold for $45 million in April; 11 Collins Avenue, Rose Bay, which sold for $29 million in February; and the largest house sale on the ocean side, 42 Gardyne Street, Bronte in April for $21 million.

The highest sale price of a prestige unit so far this year was in Bondi Beach with a Notts Avenue penthouse selling in May for $24 million. Positioned in a small, 2004 built complex of three at the southern end of Bondi Beach, the unit comprises

In general, the top quartile of properties has seen the largest decline in value in 2022, however properties above $5 million only make up a small subset of the top quartile of properties and prestige buyers tend to be less sensitive to interest rate movements than others within the top quartile.

three bedrooms, three bathrooms, basement parking for four cars and enjoys high calibre beach and ocean views. The unit sold with development approval for an internal reconfiguration and increased internal living area through enclosing the rear balconies. The unit previously transacted in 2006 for $9 million.



3/8-10 Notts Avenue, Bondi Beach Source: CoreLogic

Another notable sale was 5/30 Dalley Avenue, Vaucluse, a large, modern, dual-level, five-bedroom, five-bathroom, six-car park unit with city, harbour and Harbour Bridge views, which sold in January for $17.5 million. Unit 1/44 New Beach Road, Darling Point, a 2010 built, dual-level unit comprising five bedrooms, three bathrooms and two car garage with restricted harbour and Harbour Bridge views, sold in April for $16.2 million after being purchased 12 months earlier for $11.15 million, with an internal renovation between sales.

A notable listing we are keeping an eye on is that of a newly built penthouse unit on the top floor of a medium-rise 1960s complex at 20 Illawong Avenue, Tamarama. The complex is undergoing a major refurbishment with balconies being added to the existing 78 units which are also being stripped and renovated internally and gaining security parking in the new basement car park. Two penthouse units have been added to the top floor of the complex and with the building being significantly higher than surrounding development, the three-bedroom, three-bathroom, three-car space penthouse listed will enjoy expansive district and ocean views incorporating Tamarama Beach. The unit is listed for sale through Michael Pallier and Francis Egan of Sydney Sotheby's International Realty, with price expectations of $20 million.

There are a number of properties currently listed for rent in the eastern suburbs with a weekly asking price of $5000 and above. These include: a five-bedroom, five-bathroom home in Point Piper for $10,000 per week; a seven-bedroom, five-bathroom home in Bellevue Hill with eight-car garage, pool and tennis court, asking $15,000 per week; and a newly completed four-bedroom, four-bathroom home in Clovelly close to the beach, asking $10,500 per week furnished.

North Shore

The gap between the conventional property market and the prestige market is continuing to widen on the North Shore. As we read about declining median prices, reduced activity and negative market sentiment in the daily media, the North Shore prestige market is moving in the opposite direction, with record sale results occurring across multiple suburbs this year. A recent table titled Northern Stars was published by Domain and lists 20 North Shore suburbs (including seven northern beaches suburbs and Epping) which have seen records set in 2022.

There are a number of properties currently listed for rent in the eastern suburbs with a weekly asking price of $5000 and above.

Northern stars

20 North Shore suburb records set in 2022 (January to October)

Suburb	Type of property	Sold price
Mosman	house	$33.00m
Cremorne Point	apartment	$27.50m
Kirribilli	house	$19.10m
Artarmon	house	$6.80m
Manly*	house	$23.00m
Freshwater*	house	$14.20m
Palm Beach	house	$27.50m
Whale Beach	house	$14.13m
Mona Vale	house	$13.00m
Dee Why	house	$9.23m
Curl Curl	house	$9.40m
Wahroonga	house	$14.50m
Pymble	house	$13.00m
Turramurra	house	$11.20m
Warrawee*	house	$16.00m
Roseville Chase	house	$6.67m
Castlecrag	house	$23.50m
Castle Cove	house	$22.20m
Northbridge	house	$25.00m
Epping	house	$7.50m

** Exact sale price to be confirmed at settlement.*

Source: Domain

The North Shore prestige market is proving that it is not deterred by the conventional market factors we associate with property market cycles. With rising interest rates being the leading factor in broader market weakening, cashed up buyers for whom interest rates are near irrelevant are more active than we have ever seen on the North Shore. The quality of a particular prestige property seems to be the main market driver, with a reported deepening pool of buyers willing to set the market price, which is currently amplified by a shortage of high quality product.

A prime example of this is the sale of a seven-bedroom penthouse apartment in the Lower North Shore suburb of Cremorne which sold for $27.5 million. The whole-floor apartment is set atop a converted boarding house and comprises a large rooftop terrace, six car garage and expansive views across Sydney Harbour. Not only

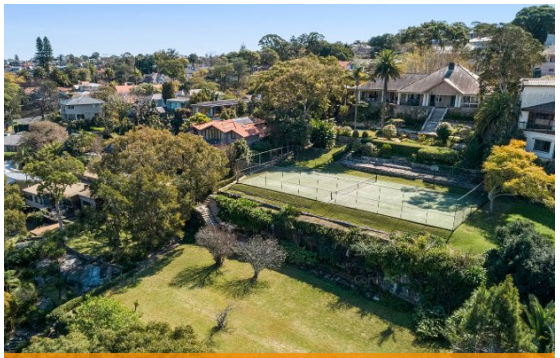
did this eclipse the apartment record price for Cremorne Point, it is the highest apartment sale north of the Sydney Harbour Bridge on record. This is quite a benchmark to break during what is deemed to be a declining market across the broader Sydney market.

$27.5 million penthouse sale in Cremorne Point Source: Domain

There have also been records broken in the smaller, less well known North Shore suburbs of Castlecrag and Castle Cove. This just provides further evidence of the strength of the high-end prestige market spanning the whole North Shore geographical area. An expansive waterfront reserve property in Castle Cove known as Neerim House Estate, set on almost 9,400 square metres of land, settled earlier this year for a record breaking $22.2 million. The reported 2377 square metre home appears to have been sold off-market, having previously been purchased in May 2018 for $15.05 million, yielding an increase of almost 47.5 per cent.

On a less celebratory note, a recent record-breaking property on the Lower North Shore in the suburb of Northwood has made the news again for a completely different reason. The heritage listed residence on Cliff Road was purchased in November 2021 for $24.1 million, reportedly by the neighbouring property, resulting in what would be an approximately 7500 square metre waterfront estate. A development application had previously been lodged by the neighbouring property prior to this purchase and was refused by Lane Cove Council partly due to having "an unacceptable impact on the heritage" of the neighbouring property.

In September this year, the heritage property was completely gutted by a fire, which is currently under police investigation. Although it has been stated that "there is no suggestion the DA rejection is related to the fire", it has certainly become a story of interest on the North Shore being such a high-profile prestige property.



Cliff Road sale, Northwood Source: CoreLogic

Cliff Road sale, Northwood Source: CoreLogic

In discussing all of the records being broken on the North Shore so far this year, it is clear that the prestige market is in a different realm. With a reported deepening buyer pool, continued lack of high-quality trophy home stock and an increasing trend towards off-market sales to exclusive buyers, it appears that the North Shore prestige market is going to continue outperforming the mainstream property market for the foreseeable future.

Northern Beaches

The prestige market has performed admirably throughout the course of 2022. Higher value markets and quality stock, particularly $10 million plus, continue to see strong demand with a healthy level of active buyers and chronically low stock levels, however the $5 million to $10 million range has experienced greater levels of decline.

A recent prestige house sale was 2 Reddall Street, Manly. The property sold for $21.5 million in October after a competitive auction campaign that lasted around 40 minutes involving five serious bidders. This iconic three storey property sits directly above the southern end of Manly Beach appreciating commanding Manly Beach and ocean views. The property was purchased by a surgeon as an investment and was last listed for rent for $3600 per week in March 2021.

2 Reddall Street, Manly Source: Domain

A high-end unit sale in 2022 was 2/110 Bower Street, Manly. This rare oceanfront freehold unit is one of four architecturally designed apartments located between Manly and Shelly Beach with direct access to Marine Parade. This high end, four-bedroom, two-bathroom apartment sold discreetly for $16 million in June 2022 after apartment 1 sold for $15.55 million in November 2021, highlighting the underlying strength of the prestige market.

A listing to watch out for is 35 Ocean Road, Palm Beach. This jewel is one of few absolute beachfront trophy homes located in Palm Beach. Affectionately referred to as Bellona, this seven-bedroom property was architecturally designed and completed in 2002 by the current owners. The property is listed quietly through Forbes Global Properties and expectations are currently in excess of $40 million, which would vastly eclipse the current Palm Beach and Northern Beaches record of $27 million.

35 Ocean Road, Palm Beach Source: Forbes Global Properties

Inner City

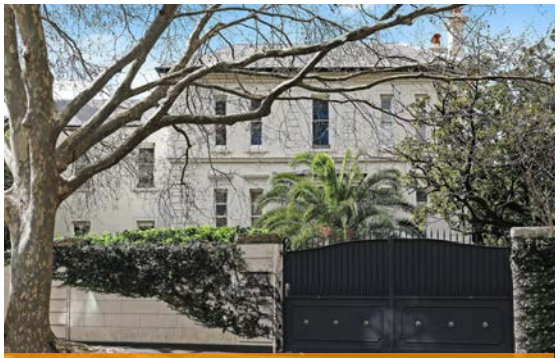
As with the broader property market, prestige property had a bumper 2021 thanks largely to low interest rates and strong demand for upsizing driven by the necessity to work from home. During 2022, the broader market has cooled and, in most cases, declined, however many prestige dwellings appear to be holding their value with some slight declines visible within the unit market. This comparative stability may be due to rising interest rates being less of a factor in these buyers' decision making, although it is important to note that transactions are becoming less frequent throughout this segment of the market and listings are typically spending longer on the market.

One example of a prestige unit selling recently is 2/1 Grantham Street, Potts Point for $10 million through Richardson & Wrench Potts Point. This is a modern Alex Popov designed, three-bedroom, three-bathroom whole floor unit with two car spaces, city skyline, Woolloomooloo Bay and Harbour Bridge views. With 318 square metres of internal and external space and being positioned in a boutique complex of eight units, it ticks a lot of boxes on the prestige buyer's shopping list, however in the current market, it spent an above average 97 days listed for sale (as per RP Data).

2/1 Grantham Street, Potts Point Source: realestate.com.au

In nearby Paddington, 112 Sutherland Street sold for $6.1 million, being a three-bedroom, two-bathroom dwelling with a single car garage on 186 square metres of land. This property had undergone an extensive renovation, appearing to have been largely rebuilt with a marble kitchen, modern bathrooms and split system air conditioning units. This property sold in August and is the most recent sale above the $5 million price point. The limited supply of such dwellings means these properties transact quickly, with RP Data showing that this property only spent nine days on the market.

Prestige properties tend to transact less frequently as the price point increases, largely due to the stamp duty involved and the scarcity of comparable properties for owners to move into. 2 Macleay Street last transacted in 2009 for $15 million and is currently listed for sale through Highland Double Bay. This is one of the original homesteads built in the area in 1850 and with a circa 1900 square metre parcel of land, this six-bedroom, eight-bathroom property is a heritage lover's dream, although since its previous purchase in 2009 there have been three attempts to sell the property with the house spending a total of 1165 days on the market.



2 Macleay Street, Potts Point Source: realestate.com.au

Moving towards the water in Sydney usually means an increase in price point and this is also reflected in rental prices. 1401/19 Elizabeth Bay Road, Elizabeth Bay is currently listed for rent at $5600 per week fully furnished. This property is a three-bedroom, two-bathroom, split level apartment with

two basement car spaces. The unit appears to have been renovated recently and has expansive views to the east over Sydney Harbour.

Inner West

There has been somewhat of a scarcity of listings and sales of prestige property across the inner west of Sydney in 2022. The market for lower priced properties experienced a softening in sale prices since circa April 2022 and in turn the prestige market has been somewhat affected by this overall softening. However, the prestige sales data recorded in 2022 indicates that the prestige sector of the market has been more resilient in relation to price reductions.

The year 2021 experienced strong levels of capital growth for many prestige properties, with the general market reaching a peak towards the start of 2022. In comparison to 2022, there were a higher number of sales and listings in 2021 as well as stronger capital growth levels. The strong market sentiment at the time fueled many off market sales as well as a higher number of listings. Market sentiment in 2022 has somewhat eroded mainly due to the uncertainty surrounding inflationary pressures on the economy as well as uncertainty and volatility experienced in equity markets. As such, the total number of prestige property sales and listings has fallen from 2021 levels.

Although overall market sentiment in 2022 has fallen, there have been sales of some outstanding prestige properties in 2022 across the inner west. The strongest sale in the area was 24 Pearson Street, Balmain East which sold for $19,760,825 on 1 February 2022. The property comprised an extensively renovated and extended circa 1860s Victorian era home. The allotment is quite a large land parcel for the area, comprising a total land area of approximately 819 square metres. Its non-waterfront position indicates the sale price to be somewhat of a strong result, however its positive attributes include its direct and expansive harbour and water views towards the Anzac Bridge and Barangaroo, as well as its internal fittings and fixtures completed to a very high standard.

24 Pearson Street, Balmain East Source: realestate.com.au

Another notable sale was 16 Drummoyne Avenue, Drummoyne which sold for $15.5 million on 18 March 2022. The property comprised a very large waterfront land allotment of approximately 2,982 square metres. The dwelling comprised a circa 1898 Queen Anne style manor house which was in a dated condition at the time of sale.

In terms of apartments, the highest sale recorded in the inner west was 9/40-42 St Georges Crescent, Drummoyne at $11.2 million on 2 September 2022. Historical sales data from CoreLogic indicates the previous sale was off the plan via the developer on 6 September 2020 for $9.25 million. The property comprises a circa 2022 waterfront apartment with expansive harbour and water views incorporating the Sydney Harbour Bridge. Internally it accommodates three bedrooms and three bathrooms with three secure basement car spaces. It also has a reported internal living area of approximately 260 square metres. Other features include access to a private boat shed.

Although there is a limited amount of prestige properties currently on the market across the inner west, one of the most unique properties currently listed is 272 Johnston Street, Annandale known as The Abbey, which has price expectations of circa $15 million. The property comprises a sandstone Victorian-era Free Gothic style manor house which resembles a cathedral. Built in 1881, the property accommodates nine bedrooms and six bathrooms situated on a relatively large land allotment of approximately 1309 square metres. The dwelling was originally built by Mr John Young, one of the original builders of St Mary's Cathedral, and the property contains a mixture of cathedral style features including leadlight windows and detailed mouldings, as well as moulded gargoyles which folklore says were intended for St Mary's Cathedral.

272 Johnston Street, Annandale Source: realestate.com.au

The prestige sales data recorded in 2022 indicates that the prestige sector of the market has been more resilient in relation to price reductions.

Southern Sydney

The St George and Sutherland Shire regions south of the Sydney CBD have always provided stunning waterfront properties at relatively affordable prices compared with other waterfront locations such as Sydney's eastern suburbs. One of the main reasons for this price difference is due to its proximity to the CBD, however this became less of a requirement for buyers throughout the pandemic. This region of Sydney has actually provided a perfect option for people wanting to get out of the hustle and bustle however still be within 30 kilometres or a one-hour drive (most of the time) of the CBD.

There appears to be less activity in this top end of the market as we move towards the later stages of 2022, however this is likely to be a result of limited supply rather than purely less demand. This prestige sector is generally less sensitive to typical economic principles such as employment levels and interest rates, although it is not immune to these. Other aspects such as business confidence and equity markets are more likely to have some impact on overall sentiment in this market.

In May we saw the sale of 33 Woolooware Road, Burraneer for $20 million. This is a substantial property within one of the region's most well-regarded locations and is one of the last few remaining original streets to waterfront land holdings on Woolooware Road. This sale has set the highest record price for the Sutherland and St George regions. Interestingly, the vendor of this property was the purchaser of a new penthouse apartment for $8.25 million in the neighbouring suburb of Cronulla.

333 Woolooware Road, Burraneer Source: realestate.com.au

The highest unit sale to date in 2022 is 701/27 Tonkin Street, Cronulla which sold in February for $8.3 million after previously selling off the plan in July 2020 for $7.28 million. This penthouse is within a near new development in one of Cronulla's most sought-after streets for high end apartments. The development known as Waterline has direct access to the esplanade and overlooks Gunnamatta Bay. Tonkin Street is unique and differs from the other high end developments in Cronulla given that it is positioned on the bay rather than the eastern side of Cronulla which faces the ocean. Tonkin Street developments generally benefit from increased privacy in comparison to the other parts of Cronulla which typically front the busy public esplanades.

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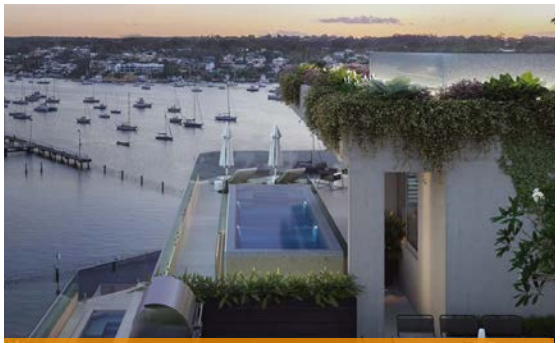


701/27 Tonkin Street, Cronulla Source: realestate.com.au

A listing we were watching earlier in the year was 325 Woolooware Road, Burraneer, which was advertised for sale throughout 2021 and into early 2022 with a price guide of $50 million plus.

This property was under construction for several years and won various construction awards. The property is known as Nautilus and is set over four amalgamated blocks resulting in a total land holding of over 4000 square metres or slightly more than one acre of premium street to waterfront land in the Sutherland Shire.

The residence spans six levels with approximately seven bedrooms and 19 bathrooms. Some of the unique features include a full-size bowling alley, 2000-bottle cellar, three internal lifts, six kitchens, waterfront boating facilities and self-contained boathouse, a 25 metre lap pool and a substantial drive-through basement area known as the bat cave which connects the front of the property to the rear and waterfront areas.

Our understanding is that this property did not sell and is no longer officially advertised for sale. While this obviously cannot be relied upon as market sales evidence, it does confirm that there is a market for ultra-high-end property in this part of Sydney. Based on other record sales in recent

times, it would be very interesting to see what kind of premium price this property would command in the current market and whether that $50 million plus price tag comes to fruition.

Western Sydney

Western Sydney offers some unique prestige property with the vast majority being larger lifestyle holdings. These properties both grew in value and transacted more frequently over the past two years as affluent buyers saw greater value further west as the need for a daily commute to the CBD diminished and many buyers were attracted to the lifestyle that larger parcels provide.

The prestige market in Western Sydney does not appear to have been largely impacted by the recent rate raises of the past few months. Local agents note that whilst enquiry levels are lower than before, stock levels are also low, resulting in solid sales across the board.

The $9.5 million sale of 11 Pellitt Lane, Dural, which sold through Di Jones, is an example of a solid result in a sought after suburb. This property offers a modern luxury dwelling with resort style pool, tennis court and landscaped grounds. It is also walking distance to local shops, restaurants and cafes.

11 Pellitt Lane, Dural Source: realestate.com.au

Another beautiful property that sold for a reported $8.25 million through Cullen Royle this year was 335-417 Settlers Road, Lower Macdonald. This riverfront property known as Cross Park provides a circa 1830s sandstone residence with approximately three kilometres of frontage to the Macdonald River. The parcel is approximately 150 acres and provides some of the best horse and cattle land in the area.

335-417 Settlers Road, Lower Macdonald Source: realestate.com.au

335-417 Settlers Road, Lower Macdonald Source: realestate.com.au

South-West Sydney

The south-west property market and prestige market are generally not spoken about in the same sentence, however the owners living in these parts wouldn't have it any other way. If open space and privacy is what you are after, then the unassuming south-west prestige market buyers are getting a lot more value for their money compared to their neighbours to the east.

Looking back, 2021 was an incredibly strong year for the south-west prestige market. The key driving factor for this was low interest rates, but also cashed up buyers who had sold their inner-city properties, or in particular, large land owners around the south-west growth areas. These buyers were generally seeking a new or revitalised rural lifestyle and had the money to purchase a larger more modern dwelling. The lack of stock in these tightly held communities inevitably pushed up prices. Nevertheless, depending on the buyer, the area still presents relative value compared to other prestige areas.

Demonstrating the point, this colossal architecturally designed Bickley Vale property has over 1000 square metres of building area and is equipped with all the luxuries a growing family or modern-day Howard Hughes could ever want. Situated on two hectares of land, it sold for $4.92 million in September 2021. A property like this under $5 million would be unheard of if we were to travel east.

170 Westbrook Road, Bickley Vale Source: realestate.com.au

To further bring home the point, a luxury Kirkham property on a 2.6 hectare block with space for seven cars sold in April 2021, again sub $5 million at $4.47 million. While these areas are tightly held, such properties can be found in other areas such as Mt Vernon, The Oaks, Razorback and Glenmore.

This trend continued into 2022 although since May, we have seen a softening of the prestige and rural lifestyle markets due to the multiple interest rate hikes. As buyers see their borrowing capacity contract, it has knocked the top off the top-end of the market. Nevertheless, while buyers are being more cautious, the voracious demand for housing is still present, as shown by the below one per cent vacancy rates we are seeing nationwide. Well-presented and well-located properties matched with the right buyers will still fetch a premium, especially in these tightly held suburbs where buyers have been waiting and rubbing their hands in anticipation for their chance to finally get in.

Moving forward, recent sales such as the following in Mt Vernon demonstrate that demand for such product is still prevalent in the south-west. Spanning 3.3 acres to offer a six-bedroom mansion, guest house, park-like gardens, grand swimming pool, basketball half-court and a five-car garage, the property sold for $6.6 million in Sept 2022, rivalling its eastern counterparts and maybe refuting the notion some may have about the south-west and prestige properties.

231 Capitol Hill Drive, Mount Vernon Source: realestate.com.au

Shaun Thomas
Director

Lismore/Casino/Kyogle

Prestige property... Some own it, many dream it. But if you work hard and save hard, it could all be yours surely? Dream it and it will become true! As much-vaunted Ginaz swordmaster, Duncan Idaho from the House Atreides once mused:

"Dreams make good stories. But everything important happens when we're awake. Because that's when we make things happen."

Like most regional areas, most of the prestige property within Lismore, Casino and Kyogle is primarily indicated by price point.

Residential properties that fit the prestige description in the Kyogle and Casino regions are relatively rare. For these rural towns, any detached house within the residential zoned area achieving a sale figure above $800,000 certainly raises a few eyebrows. A case in point is the sale recorded at 8 Laurie Place, Casino for $995,000 in September 2022. An elegant, single level home with five bedrooms, two bathrooms and three-car accommodation stands out from the rest, having been fully renovated and including an inground pool. This property in the prestige satellite suburb of Gays Hill are only five kilometres west of Casino CBD.

Rural residential properties within close proximity of Casino and Kyogle usually command the upper price levels as they benefit from rural views and having the space and opportunity to go nuts on landscaping and ancillary improvements. A very tidy and well-presented rural residential property located on a 1.63 hectare site is 27 Tareeda Court at Spring Grove which sold for $1.03 million in May 2022. Contemporary in its design with four bedrooms, two bathrooms and a detached five-car garage and carport, the house site affords rural residential views to the north and north-east and is only nine kilometres north-east of Casino.

Meanwhile, something special has happened over the past two years (during COVID) within the established suburb of Goonellabah. As the sound of a shattered glass ceiling permeated throughout Lismore City, we all just marveled at the now frequent occurrence of the event – a single residential zoned dwelling breaching the magic $1 million mark. To date, since the start of 2022, we have had nine sales of single dwellings in Goonellabah that have breached $1 million. Compare that to five in 2021. Other suburbs in Lismore City have also contributed with the popular suburbs of East Lismore, Lismore Heights and heritage suburb of Girards Hill kicking-in with five sales over the $1 million mark for 2022 so far.

For larger rural lifestyle properties near Lismore City, Casino and Kyogle, the $1 million-plus price bracket listing is becoming more common for well presented, rural lifestyle properties with a plethora of features such as creek or river frontage, elevated rural or mountain views and good quality and range of improvements.

Lately, thanks in part to rising interest rates and general softening in the property market, it is worthy to note that agents are having to work harder to get some of these prestige properties over the line with asking prices having to be adjusted and vendors having to reassess their expectations.

So, whilst you may not find the sprawling, John Dutton owned rural Yellowstone-esque ranches in Mummulgum or the ocean clifftop mansions of Tony Stark on the frontage of the Wilsons River, the notion of prestige property in these parts is usually found in the personal preference of its current occupier. Whether that be the lover of

heritage character, a babbling brook on the edge of the property or the wide-ranging panoramic vistas from the verandah, there is something of prestige for anyone in the Northern Rivers.

Vaughan Bell
Property Valuer

Clarence Valley

Across the Clarence, the prestige market has long been considered properties selling in excess of $1 million, however as median house prices climb, this figure is on the rise. From the beginning of 2021 to 2022 the median house price in Yamba rose from $660,000 to $805,000 and at present sits a mere $75,000 below $1 million. 83 sales in excess of $1 million were recorded in Yamba in 2021 compared to 61 so far in 2022, however the rate of sale across this sector has visibly eased since the election.

A few examples of prestige properties available across the Clarence include dwellings or units with ocean or canal views in Yamba and rural properties and near to town acreage with modern features.

Whilst across the Valley this segment has gained significant momentum during the recent period of positive growth, agents are reporting reduced buyer enquiry and even extended selling periods in some instances.

Caitlin Davies
Property Valuer

Coffs Harbour

One of the biggest movers to come out of the COVID market from 2001 to 2022 was the prestige market. Up until 2001, the Coffs Harbour region had experienced very few residential sales over $2 million, being a very thinly traded market with long selling periods often in excess of 12 to 24 months. As we all are aware now, the government response to the pandemic with lockdowns, work from home orders and record low interest rates saw a mass exodus of cashed up capital city buyers moving to the regions. This in turn produced a prestige market the likes of which had never been seen before in our region.

2001 rewrote the record books with not only several $2 million plus sales but sales which broke the $5 million barrier. One property which took out that honour was 111A Bruxner Park Road, Korora at $5.1 million, being a rural residential mansion with second home and benefiting from extensive coastal views. The highest recorded beachfront property in 2021 was 3 Sapphire Crescent, Sapphire Beach at $4.6 million, also an extensive beach side property set on 2416 square metres of land with beach access and coastal views. Along with this sale, there were half a dozen other sales between $3 million and $ 4 million. This was a significant lift in a market which typically was non-existent and more notably these sales were occurring within days not years.

This brings us to 2022 and how haven't things changed. With the COVID pandemic seemingly now not an issue, lockdowns a thing of the past, pressure on workers to go back to the office and soaring interest rates, we have the total reverse of the previous market drivers. This has put the brakes on the prestige market which has seen approximately 18 sales between $2 million to $3 million for beachside and rural residential properties with the majority being between $2 million and $2.5 million. Two sales have topped the $3 million with one notable record price being a vacant 637 square metre beachfront block at 16 First Avenue, Arrawarra Headland for $3.521 million. The second part of these statistics is that most of these sales occurred prior to May 2022 when interest rates started to rise. Since May, the $2 million plus has only been achieved a few times which is an indication that the out of town market which typically drives this market sector is now slowing down.

What we are seeing now is a return to longer days on the market and a significant increase in properties for sale above the $2 million mark. As the market slows it will be the prestige sector which suffers the most and time will tell how sustainable the values achieved during the 2001 COVID boom are.

Grant Oxenford
Property Valuer

Tamworth

Tamworth's prestige home market has traditionally represented a very thinly traded market, with a small number of transactions each year and typically within the suburb of East Tamworth or within a tight perimeter of Tamworth's greater

Whilst across the Valley this segment has gained significant momentum during the recent period of positive growth, agents are reporting reduced buyer enquiry and even extended selling periods in some instances.

rural residential suburbs. With a focus on regional migration, affordability and change of lifestyle influencing current market trends, it begs the question: what does the prestige residential market look like and how has it performed through an ongoing pandemic?

Tamworth prestige markets have long been characterised by properties located within the leafy suburbs of East and North Tamworth, golf course frontage in the ever-emerging Hillvue area or on slightly larger block sizes (2000 square metres to four hectares) with elevated views and close proximity to Tamworth CBD, i.e. Moore Creek. Traditionally, properties considered to be within the prestige market attract sale prices which break through the magic million-dollar mark. Nowadays, you'll need a little more to snag a high-end residential property.

The new record, achieved this calendar year, was a modern Hamptons-style painted brick veneer dwelling in the suburb of Hillvue which achieved a sale price of $2.1 million. The dwelling constructed in 2020 features six bedrooms, 3.5 bathrooms, high ceilings, double-sided fireplace, triple garage under main roof, in-ground swimming pool and an elegant alfresco which boasts golf course frontage

16 Rodeo Drive Hillvue Source: realestate.com.au

A distinct shift has emerged for a portion of the upper end buyer profile towards substantial modern or recently constructed dwellings which are proving to be in high demand.

and elevated views over Tamworth CBD to the north (see image below).

Located on the decorated Rodeo Drive, with land areas of 4000 square metres, the street had yet to really test the market until this year. Year to date there have been three (improved) sales of modern style dwellings, all of which cleared the $1 million dollar price tag.

A distinct shift has emerged for a portion of the upper end buyer profile towards substantial modern or recently constructed dwellings which are proving to be in high demand. The current proposed project timelines and inflated and potential variable cost to build are influencing prices for recently constructed homes (built in the past two years). Strong upward pressure has been seen in the established (new) housing market, felt all the way to the top.

After some strong momentum in the prestige Tamworth residential market throughout 2021, a continued shortage of stock available on the market has held prices steady. A slight downturn in metropolitan markets and interest rate rises have softened market sentiment in the Tamworth area. This in turn has influenced selling periods on existing listings priced over the $1.5 million mark.

It is expected that markets will remain steady and prestige property will remain thinly traded with a limited number of properties listed on the open market. What is advertised on the market may take longer to sell due to the heat from out of town buyers receding in comparison to the previous calendar year. It is anticipated that there will be an active spring and summer period with local and downsizer (from rural holdings) buyers continuing to actively seek the right property.

Nick Humphries
Property Valuer

Newcastle

The prestige market's ever-increasing values continued to amaze local valuers and property investors during 2022. The location for this market is focused on Merewether and Bar Beach with a sprinkling of Newcastle East to keep our attention and excitement.

With the previous record sitting at a staggering $8.7 million for 44 Kilgour Avenue, Merewether, the talk of the town was whether this could ever be beaten. The property is an attractive, large period home sitting on 1698 square metres of land just a stone's throw from the beach.

Then in April it became old news when 32 John Parade was sold for $10.25 million. The property was a modern, albeit slightly dated large dwelling, just metres from the beach. The location is probably regarded as the most sought-after street address in Newcastle, being a corner lot conveniently providing two street frontages and was simply a case of being just too good to turn down when it came to the market. A sale off the market was achieved and the rumours started all over again about whether this could ever be beaten.

Prestige sales did not just end at the large house in the right location either. 15 Parkway Avenue achieved a sale of $5.5 million in March for 734 square metres of vacant land. As a record sale of land goes, this is high for a block of land with no ocean views, not on the front-facing street to the ocean but conveniently located within walking distance of the beach when there is no other land available without the hassle of a knockdown and rebuild.

If units and penthouses are the flavour of the month, then Newcastle East was the place to look in September when 801/1 Scott Street, an eighth-floor penthouse overlooking the surrounding coastline, sold for $8.3 million. This penthouse achieved some $2.9 million above the previous record in October 2020.

Overall there were six dwelling sales over $5 million across the Newcastle region with Memorial Drive, Merewether being the most popular location with sales of $6.9 million, $6.85 million and $5.8 million.

Market growth throughout 2021 was nothing short of crazy, with reported increases of circa 28 per cent across the region. Prestige buyers however were struggling, with money to spend but a very limited number of properties available over $6 million. In total, there were five sales over $6 million during 2021 and five in 2022.

The market reportedly cooling and interest rates rising from May 2022 indicated a much calmer year, however as the above evidence shows, 2022 outperformed 2021 in the prestige market with the house, land and penthouse record sales all being smashed by quite considerable margins.

Sales

32 John Parade, Merewether at a cool $10.25 million was nice.

32 John Parade, Merewether Source: realestate.com.au

32 John Parade, Merewether Source: realestate.com.au

801/1 Scott Street, Newcastle East is a penthouse at $8.3 million which faced the wrong way?

801/1 Scott Street, Newcastle East Source: realestate.com.au

801/1 Scott Street, Newcastle East Source: realestate.com.au

Listings

The story continues as we reach the later part of the year with 22 & 24 John Parade, Merewether coming to market under one owner but two titles. The agent is asking a staggering $12 million to $13 million per property. Only time will tell if the records will be broken and the media hype of a falling market is actually true.


22 & 24 John Parade, Merewether Source: realestate.com.au

What is for sure is that at some point in the future, the record sale at $10.25 million will be broken, but for now, as a valuer, it will do just nicely as good comparable evidence for all those prestige valuations below $10 million.

Darren Sims
Property Valuer

Central Coast

The Central Coast region's geography is one of great lakes and waterway systems intertwined in natural undulating bushland, giving rise to a wide range of property types, from beachfront properties that hug the eastern coastline of New South Wales to waterfront properties on Brisbane Waters and further north, Tuggerah and Budgewoi Lakes. Not only can prestige properties be found along the water's edge, the Central Coast has acreage masterpieces scattered throughout the region from Kulnura and Yarramalong on the western side of the M1 Motorway to Matcham, Holgate and Picketts Valley nestled in the valleys on the fringes of the beachside suburbs of Terrigal, Wamberal and Avoca Beach. There is no epicentre of prestige properties on the Central Coast which is considered unique and something which attracts our capital city neighbours.

To fully appreciate what our region has to offer within the prestige market segment and to prove that prestige properties can be found scattered across our region, we have created a list of properties sold in 2022 that command attention and warrant their positions in the prestige market segment.

North Avoca has proven itself one of the most sought after beachfront locations on the Central Coast, with sales that have surprised even the property professionals in the local area. 18 North Avoca Parade, North Avoca sold in June 2022 for $10.85 million. Sold by Belle Property, the marketing campaign lasted 124 days before the sale was achieved. The dwelling is architecturally designed, drawing inspiration from a classic Queenslander style home with a contemporary twist. Featuring five bedrooms, two bathrooms, the home sells itself on its open plan living, capturing the beach views and summer breezes. If taking a dip in the ocean from your back yard is not your thing, then you can relax by the swimming pool in your own private paradise located between the detached garage and the house.

18 North Avoca Parade, North Avoca sold in June 2022 for $10.85 million
Source: Belle Property

If living by the beach doesn't interest you and high-rise strata unit living does, then look no further than Gosford. Gosford has long been attempting to change its image by transforming the suburb from its older inherent buildings of the 1960s and 1970s to a modern day commercial and retail hub, supported by residential apartment living. The unit complex at 8 St George Street, Gosford is only a few years young and in July 2022, a penthouse unit on the top floor overlooking Brisbane Waters and the CBD area sold for $2.45 million. Impressively, the property was sold after only 10 days listed on the market through Brand Property. The unit features three bedrooms and two bathrooms and its jewel in the crown is its wraparound balcony at an overall size of 213 square metres – that's bigger than most freestanding dwellings in the local area!


Penthouse at 8 St George Street, Gosford Source: CoreLogic RPData

Looking at the northern end of the Central Coast, it would seem there were fewer prestige property sales in 2022 than during the very strong market of 2021, however unlike some other markets, prestige properties are still achieving strong sale prices.

The coastal suburb of East Bateau Bay has seen strong growth during recent years. It would have previously been unlikely to achieve a sale price of over $2 million in this area. Bateau Bay Road and

the surrounding beachside streets have become a sought-after pocket and as such, sales at this higher price point are becoming more frequent.

The sale of 15 Harbour Street, Bateau Bay for $2.95 million was one of the higher sales of the year. It is worth noting that the property was on the market for almost eight months prior to achieving this price. The property offers a modern dwelling with a pool and a short walk to Bateau Bay beach.

15 Harbour Street, Bateau Bay Source: CoreLogic RPData

Further north, the beachfront sale of 31 Elizabeth Drive in Noraville for $4.28 million in June was one of the highest sales in the area in 2022. This architect-designed house sits on Hargraves Beach and offers views to Norah Head lighthouse.

31 Elizabeth Drive in Noraville Source: CoreLogic RPData

The rural residential suburbs of Glenning Valley and Tumbi Umbi are becoming increasingly popular for buyers looking for an acreage property while remaining close to the beach and amenities. The sale of 37 Anderson Road, Glenning Valley in February is a good example of the growth in the prestige market in recent years. The property sold for $3.33 million in February 2022 and prior to this, sold for $2.45 million in October 2020. The property offers a modern five-bedroom home sitting on just over one hectare with a pool, established landscaping and site improvements.

37 Anderson Road, Glenning Valley Source: xgxgxgx CoreLogic RPData

Looking further out to Wyong Creek, the sale of 633 Yarramalong Road for $4.3 million in February 2022 is one of the higher rural residential sales in the area this year. The property offers two modest homes on 18 hectares, with established landscaping and site improvements.

633 Yarramalong Road, Wyong Creek Source: CoreLogic RPData

Although recent interest rate increases and cost of living pressures have played a major role in falling median value prices in the region, the prestige property market remains resilient, defying market pressures. However, as this segment inherently is known for low sale volumes at any given point in time, it may only be a matter of time until it surrenders to the gravitational pull that has seen its lower end counterparts across the region experience falls in values.

Todd Beckman and Julia Miller
Valuers

Shoalhaven

As a result of the sixth interest rate rise by the Reserve Bank so far in 2022, the Shoalhaven residential property market, like much of New South Wales, has continued to soften. Agents are advising of fewer prospective purchasers attending open homes and more time spent on the market for properties in order to achieve a sale result. Overall, so far, the cash rate set by the RBA has risen by

Although recent interest rates increases and cost of living pressures have played a major role in falling median value prices in the region, the prestige property market remains resilient, defying market pressures.

2.5 per cent per annum in 2022. So, let's see how the prestige residential property market in the Shoalhaven has fared in 2022 as we have a look at some of the key postcodes in the region.

According to RP Data, there have been four residential sales in the 2540 postcode since January 2022 which have achieved a sale result of greater than $4 million. These sales were achieved in the popular coastal towns of Vincentia, Culburra Beach and Woollamia. It is interesting to note that no sales over $4 million have occurred in the past three months. These four sales were achieved before June 2022 which shows the effects that the interest rate rises are having on the upper end of the market. The 2022 market differs significantly from the booming market conditions experienced in 2021. According to RP Data, from January 2021 to December 2021, there were nine sales over $4 million and two of these sales in Vincentia and Culburra Beach achieved sale results over $5 million.

If we look at the 2541 postcode, there have only been two sales of residential properties over $2 million since January 2022. These two sales occurred in the rural residential lifestyle suburb of Bangalee. In the popular and highly sought after 2535 postcode, which includes the suburbs of Berry, Woodhill, Jaspers Brush, Broughton Vale and Bundewallah, there have been 11 sales of residential and rural residential properties that have achieved a sale price of greater than $3 million. Again, it is interesting to note that only two of these sales occurred post July 2022, highlighting the softening market conditions.

Overall, the Shoalhaven residential prestige property market is still seeing some high sale results in 2022, however it appears evident that as the year has progressed, these sale results have stalled as a result of the softening market conditions. Rising interest rates and the increasing cost of living combined with high inflation are key factors causing the current slowdown in market conditions.

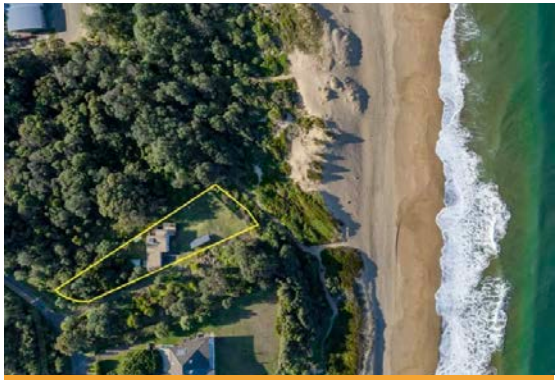
Joshua Devitt
Associate Director

Illawarra

The prestige market in the Illawarra has followed the trend of other levels of the market and softened as 2022 has gone on. Only a couple of years ago, $4 million was a ceiling for residential property in the Illawarra. Given strong COVID-fuelled growth, this is now the entry point into the prestige market and while things have slowed, it's still been active with eight $4 million plus residential sales since June 2022. These sales have occurred in Stanwell Park, Clifton, Austinmer, Bulli, Wollongong, Minnamurra and Kiama (two properties). Of particular interest is the Clifton sale for $5 million given the property had previously traded two years earlier for $3.375 million, a 48 per cent increase in value, both times selling to Sydney-based purchasers for use as a holiday home or rental.

347-349 Lawrence Hargrave Drive, Clifton, sold September 2022 for $5 million
Source: realestate.com.au

Indications that the market has slowed are the Stanwell Park sale along with a couple of properties that have not managed to achieve a sale. 31 Stanwell Avenue, Stanwell Park is a rare private beach-fronting property on a 1370 square metre lot. While properties such as this do not come on the market often, it is expected that the sale price would have been higher than the end result of $5 million if the market was still as hot as it was at the end of 2021 and start of 2022.



31 Stanwell Avenue, Stanwell Park sold in September 2022 for $5 million
Source: realestate.com.au

Two houses in Bulli, on Point Street and Trinity Row, are yet to sell despite having been listed for three and six months respectively. Bulli ran particularly hot while the market was strong with three $5 million sales and despite Point Street being one of the premium locations and the Trinity Row home being contemporarily designed, they haven't managed to find the right buyer at the right price.

The developer market has also still been active with $9 million paid for a 1850 square metre double block in Edward Street, Wollongong and $5.5 million paid for a one hectare R2 zoned lot in Cordeaux Heights.

Despite the cooling market, prestige property owners are still listing their properties for sale. There are approximately 13 properties on the market throughout the region with asking prices over $6 million. The majority are acreage properties in the Jamberoo, Berry and Kangaroo Valley areas. We have our eyes on the infamous, incomplete Minnamurra Mansion in Dunmore which has recently been listed for sale with a guide of $6 million. Will this property find a buyer and when will they finally finish the development?

71 Fig Hill Lane, Dunmore, listed for sale with a guide of $6 million
Source: realestate.com.au

Chris McKenna
Region Director

Southern Highlands

The Southern Highlands prestige market has arguably bucked the trend of most other levels of the local market throughout 2022. Coming out of the first quarter of 2022, the local prestige market looked as if it may quieten down as overall volumes of transactions appeared scarcer, which appeared to be in theme with the wider market.

However, it quickly became apparent towards the middle of the year that Sydney based purchasers still had an appetite for quality rural lifestyle assets in the New South Wales countryside. Within central Bowral we saw several large sales over $7 million, all of which were located on less than two hectares. A notable sale on Kimberley Drive of $8.5 million in May quickly showed that the prestige market was unlikely to be baulked by the rising interest rates. This was reiterated in August with a sale on Oxleys Hill Road of a similar land size fetching $10 million after only one month on the market.

Despite continued cooling market conditions at other levels of the market locally and across the region, the local prestige market looks set to continue its quest for record breaking prices.

XGxgxgx Source: Core Logic

Whilst days on market began to grow slightly, it was clear that high quality assets were able to continue to command record or near record prices. This is largely still being driven by continued impacts of flexible working arrangements as more and more families and high net worth individuals began to set up primary residences in elite properties across the Southern Highlands.

The Highlands also saw significant results for larger acreages with another sale for over $20 million which is the second notable sale over that mark within the past 12 months. The previous sale was of Gretel Ainsworth's Braesyde which settled in 2022 for $22.59 million after exchanging contracts in November 2021.

Braesyde Source: Domain

Despite continued cooling market conditions at other levels of the market locally and across the region, the local prestige market looks set to continue its quest for record breaking prices. Most notably, Alan Jones has been looking to offload his Fitzroy Falls based Elizabeth Farm and Charlieville which recently hit the market with the hope of selling before the year is out.

Kurt Bismire
Valuer

Victoria - Residential 2022

Melbourne

The prestige property market has remained resilient over 2022 as more international and local buyers are competing intensely for the scarce supply of luxury homes offered on the market. The luxury upper end of the property market of $10 million and above has remained strong and this upper end has continued to outperform the broader property markets.

We saw 2021 provide some of the strongest market conditions on record in the luxury price bracket of the market. Sales above the $10 million mark in 2021 totalled 100, which was a 96 per cent rise compared to the more challenging 2020 calendar year. While 2022 had a slightly slower start, there have still been several trophy home sales reported.

Melbourne Inner City

In 2021 we saw some of the strongest market conditions for prestige properties. Unlike the broader markets which are historically more sensitive to interest rate increases, the top-end luxury market is renowned for a different set of drivers such as share market performance and outlook, business executive bonuses and international interest and diversification. There is continued healthy demand for luxury properties in 2022 despite a softening in activity and value gains compared to 2021.

66 Dow Street, South Melbourne Source: realestate.com.au

66 Dow Street, South Melbourne Source: realestate.com.au

The property at 66 Dow Street, South Melbourne sold for $5.025 million in April 2022. Converted from a former bottle warehouse, this architecturally designed residence with three bedrooms and two bathrooms features the original exposed brick walls, ironbark timber beams and trusses and soaring vaulted ceilings displaying a truly inner-city property.

The apartment at 7301/7 Riverside Quay, Southbank sold for $6,999,999 in April 2022.

7301/7 Riverside Quay Southbank Source: realestate.com.au

7301/7 Riverside Quay Southbank Source: realestate.com.au

Situated on the 73rd storey of the iconic Eureka tower, this vast four-bedroom and four-bathroom

The luxury upper end of the property market being $10 million and above, has remained strong and this upper end has continued to outperform the broader property markets.

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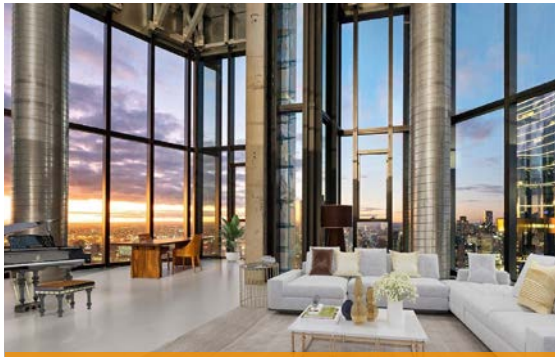
apartment provides an unbeatable inner city living experience, where the occupants can enjoy a panoramic view over the Yarra River and across Port Phillip Bay to Queenscliff. Set right on the Yarra River, this unit is just above the cafes, restaurants, bars and nightlife in the thriving heart of Southbank.

We came across this rather unusual property marketed for sale at 6701 and 6702/18 Hoff Boulevard, Southbank. This is a penthouse apartment in the Melbourne Square development's east tower, featuring 360-degree views with 1,185 square metres of floor area across two levels. This unit will be sold as a shell without any fittings or finishes. The buyer will instead receive a $1 million renovation package to customise the penthouse with leading Australian interior design firm Coco Republic. It is currently for sale with an asking price of $23 million.



6701 & 6702/18 Hoff Boulevard Southbank Source: domain.com.au

South East

The Reserve Bank of Australia's decision to raise rates by a less-than-expected 25 basis points may kick more life into the spring home-buying season if owners, seeing an end in sight to rate increases, become more confident about market stability.

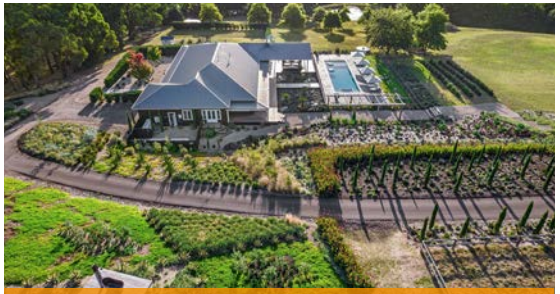
With the tapering of the latest rate rise, commercial bank economists were less hawkish, forecasting a peak cash rate of between 2.85 and 3.35 per cent, down from a market forecast of exceeding four per cent by mid-2023 prior to the latest RBA decision.

The opening of the international borders has allowed the big players from across the world to return to their favourite destinations.

The opening of international borders has allowed the big players from across the world to return to their favourite destinations. These cashed-up purchasers want to leverage the resilience of the Australian economy and political stability. Since the country was not as severely affected by the pandemic as other developed nations, it has increased the interest of homebuyers in the destination.

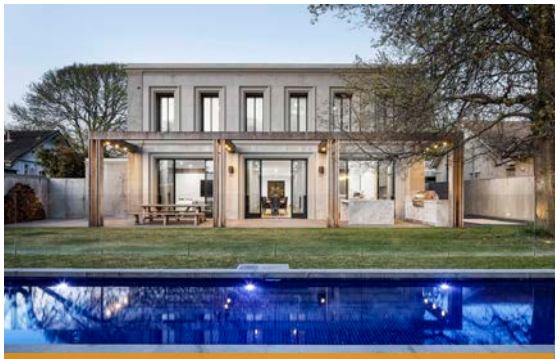
2/636 Nepean Highway, Frankston South Source: domain.com.au

The property at 2/636 Nepean Highway, Frankston South (domain.com.au) sold for $11 million in October 2022. This five-bedroom and five-bathroom grand beachfront property sits on 7435 square metres of land and offers breathtaking sea views complemented by a fantastic backdrop of the Melbourne city skyline in the distance.



31 Pardalote Rise Red Hill Source: domain.com.au

The property at 31 Pardalote Rise, Red Hill (domain.com.au) sold for $13.25 million in April 2022. This luxurious six-bedroom and five-bathroom farmhouse style property spans 24 acres of land, equipped with a resort style swimming pool and spa, as well as providing a panoramic view of the surrounding area.



6 Wilson Street Brighton Source: domain.com.au

6 Wilson Street, Brighton VIC 3186 (domain.com.au) is currently listed for sale with a price guide of between $13 million and $14 million.


12 The Heights Sorrento Source: domain.com.au


12 The Heights Sorrento Source: domain.com.au

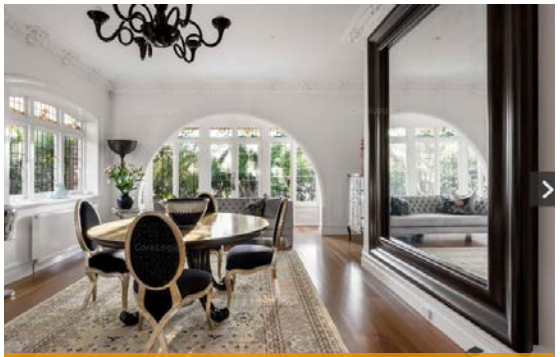
12 The Heights, Sorrento VIC 3943 (domain.com.au) is currently for rent with an asking rent of $2,200 per week.

East

Melbourne's inner eastern patch attracts a breadth of wealth and affluence to the region with some of Melbourne's most coveted suburbs including Hawthorn, Kew, Deepdene and Balwyn. The leafy inner pocket is formed by sizeable residential properties on large land areas, elite private schools including MLC, Xavier, Trinity College and Scotch College, Swinburne University, public transport lines, parks and recreational spaces and local retail strips.

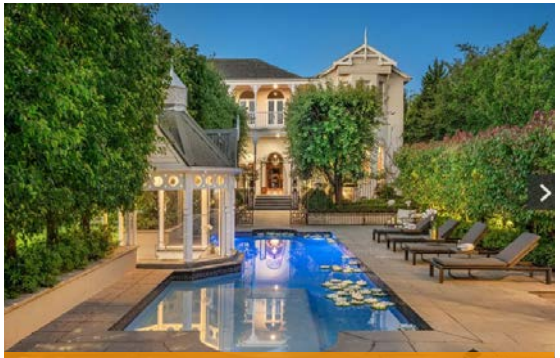
A standout sale in 2021 was 26 Studley Avenue in Kew, transacting for $12.51 million in May. The property itself is a 1925 Edwardian built five-bedroom and three-bathroom residence in the heart of the Studley Park estate, a secluded residential area expanding across 2,300 square metres. The property was listed on the market for a mere 39 days before changing hands, demonstrating the demand for luxury suburban homes fuelled by a year of growth across all markets.


26 Studley Avenue Kew Source: domain.com.au

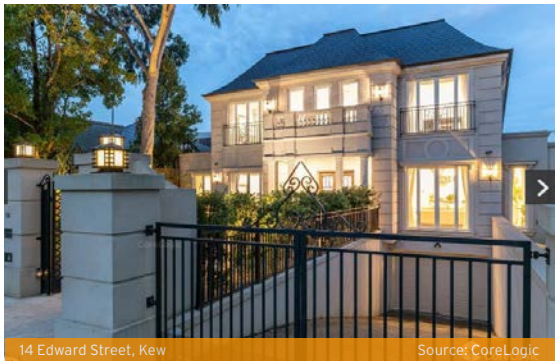

26 Studley Avenue Kew Source: domain.com.au

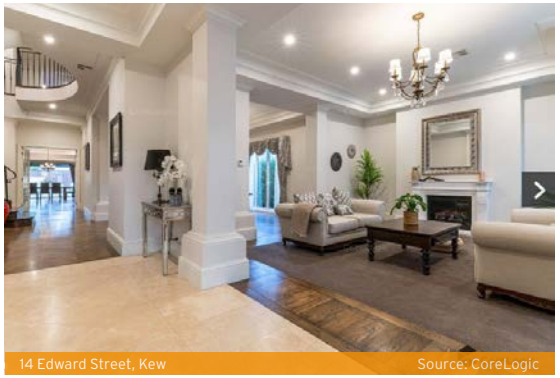
Another extraordinary sale closed in 2021 was 1 Molesworth Street located in Kew. The circa 1896 Victorian build is located in one of the most exclusive family estates, drawing many of Melbourne's industry leaders and professionals to enjoy their privacy on large land holdings and luxurious residences. This particular property sold on 29 October 2021 for $11.75 million after spending 55 days on the market.


1 Molesworth Street, Kew Source: CoreLogic


1 Molesworth Street, Kew Source: CoreLogic

More recently, 14 Edward Street, Kew recorded a successful transaction of a prestigious family home built in 2016 for $9.9 million. The grand contemporary residence includes an expansive three level interior having five bedrooms and six bathrooms as well as indoor lift, swimming pool, theatre room, wine cellar, underground garage and more across 1100 square metres of land.


14 Edward Street, Kew Source: CoreLogic


14 Edward Street, Kew Source: CoreLogic

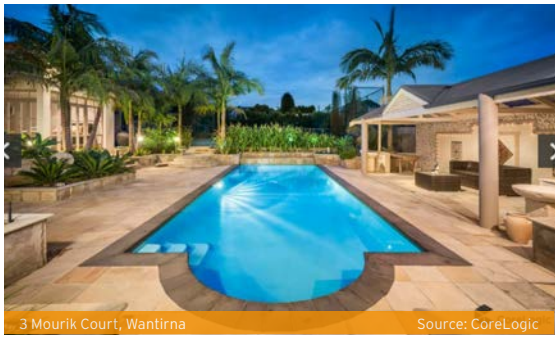
In line with the expansive growth experienced in 2021, Melbourne's outer eastern suburbs posted successful results across the board throughout the year. Many pushed their preferences to outer suburbs in a year disrupted by COVID-19 restrictions and lockdowns to enjoy lower density living which appears to be a common theme.

The outer eastern suburb of Wantirna has benefited from double digit gains (12 per cent) across the rolling twelve-month period, with a median price of $1.142 million and 34 days listed on the market. Additionally, Mount Dandenong represented a substantial 25.3 per cent growth in prices across the past twelve months with median time on the market of 18 days and $1.12 milliion price point.

Most if not all suburbs across Victoria have been subject to price declines throughout 2022 due to the tightening of monetary policy actioned by the Reserve Bank of Australia.

The sale of 3 Mourik Court, Wantirna illustrates the demand for luxury properties in the outer eastern suburbs throughout 2021. The five-bedroom, three-bathroom residence expands across 1600 square metres and was originally constructed in 1990, having extensive renovations completed over the years. This particular property transacted for $2.535 million in 2021 and is a fine example of ultimate living in the outer suburbs.


3 Mourik Court, Wantirna Source: CoreLogic


3 Mourik Court, Wantirna Source: CoreLogic

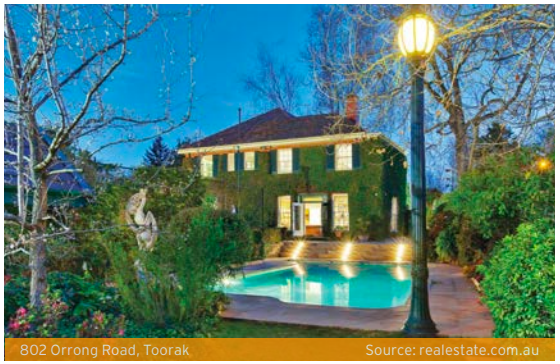
Most if not all suburbs across Victoria have been subject to price declines throughout 2022 due to the tightening of monetary policy actioned by the Reserve Bank of Australia. The actions of increasing interest rates to slow rampant inflation and employment levels are some that are likely to be maintained for the foreseeable future.

As a result, it is reasonable to suggest property prices will maintain a gradual downtrend due to supply simply outweighing demand, however rental yields may sharpen as it becomes increasingly unaffordable to own homes, resulting in many current homeowners selling their property and finding it more affordable to rent.

Inner South East

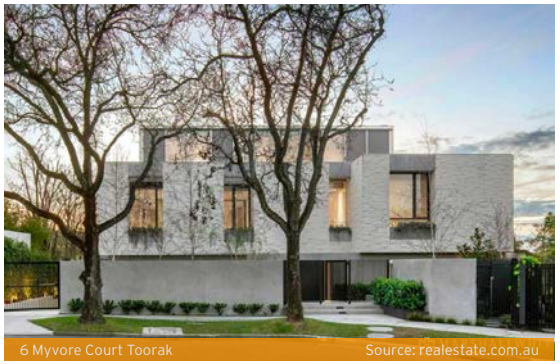
The inner south east is home to some of Melbourne's most prestigious suburbs such as Toorak, Richmond and South Yarra.

The highest sale of 2022 so far is 802 Orrong Road, Toorak for a reported $38.5 million in early March 2022. This will be the third highest residential sale on record in both Melbourne and Victoria once settled. The property sits on a 1995 square metre lot with a classic 1940s residence comprising of four bedrooms, four bathrooms and a three-car space garage. The property includes premium ancillary features such as tennis court, swimming pool and lush garden surrounds. This property sets the standard for opulent homes with its European styling, expansive proportions and versatile floor plans.


802 Orrong Road, Toorak Source: realestate.com.au

802 Orrong Road, Toorak Source: realestate.com.au

Another exclusive property in Toorak currently listed for sale is 6 Myvore Court. This property is a circa 2020 four-bedroom, four-bathroom and six-car garage space on an 878 square metre block. This home was architecturally designed by well-known Charlie Inglis which includes a four-level interior of luxury living with a built-in lift. It also includes bespoke finishes such as Venetian plaster walls, oxidised steel cladding, terrazzo and oak floors. The home also includes a premium marble kitchen and butler's pantry with a full suite of Gaggenau appliances including an integrated fridge freezer.


6 Myvore Court Toorak Source: realestate.com.au

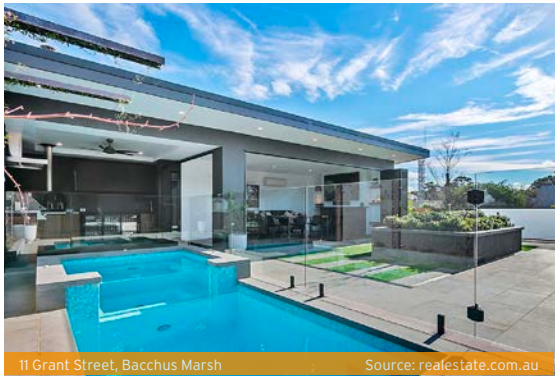

6 Myvore Court Toorak Source: realestate.com.au

Western Suburbs

Melton's highest priced sale of the year so far has been $1.5 million. The rental market has shown signs of increase in both Melton and Bacchus Marsh with increases in rental yield of 3.1 and five per cent respectively. Although housing rent in Melton has increased, the unit rental market has held steady showing no increases from last year, while Bacchus Marsh has seen a growth of 9.4 per cent.

We found this unusual property in Bacchus Marsh that sold for $2.1 million. Located on 11 Grant Street, this property is a state-of-the-art penthouse. The interesting aspect about this property is that it also contains two revenue creating shop fronts underneath. Some of the features of the property include iron front doors, a glass door elevator and an outdoor kitchen located next to the heated pool and spa.


11 Grant Street, Bacchus Marsh Source: realestate.com.au


11 Grant Street, Bacchus Marsh Source: realestate.com.au

Geelong

In 2021, Geelong experienced record-breaking sales within the prestige residential market and despite interest rate rises and inflation pressures in 2022, the prestige residential market is yet to show signs of slowing.

Within a ten-kilometre radius of Geelong Central Business District, there were 46 homes that sold for over $2 million in 2021, whilst there have

already been 40 homes sold for over $2 million in 2022 (as at October).

The property at 39 Laurel Bank Parade, Newtown sold for $4.45 million in August 2022 after being on the market for just 16 days. This property met all requirements of a prestige buyer: a top street, grand rooms, soaring ceilings and an open-plan north-facing entertainment and living area (news.com.au). .

39 Laurel Bank Parade, Newtown Source: news.com.au

39 Laurel Bank Parade, Newtown Source: news.com.au

Geelong's historic mansion with foreshore views along Corio Bay, 5 The Esplanade, Geelong sold via a competitive auction for $5.225 million in September 2022, setting a new record for the suburb, overtaking the previous $5 million record set in 2012 with the sale of 56-58 Eastern Beach Road. The property sold for $1.425 above the vendor's reserve of $3.8 million (Herald Sun).

Corio Bay, 5 The Esplanade, Geelong Source: realestate.com.au

Corio Bay, 5 The Esplanade, Geelong Source: realestate.com.au

Geelong penthouse Source: realestate.com.au

Geelong penthouse Source: realestate.com.au

Number 5 The Esplanade isn't the only record-breaking sale of 2022. A custom designed penthouse with panoramic views at Mirmar Geelong sold for $4.2 million in August, being the highest sale price for an apartment in the suburb.

These record-breaking recent sales continue to exceed expectations within this market, indicating that prestige buyers aren't concerned by rising interest rates and are willing to pay a premium for quality homes.

Perron King
Director

These record-breaking recent sales continue to exceed expectations within this market, indicating that prestige buyers aren't concerned by rising interest rates and are willing to pay a premium for quality homes.

In January 2022, the highest ever sale of a residential property in the local area occurred at 14 Riverview Rise, Gol Gol with a sale price of $3.65 million.

Mildura

The prestige property market throughout the Sunraysia region continued to show strong results in the first half of 2022, with several historically high sale prices being achieved.

In January 2022, the highest ever sale of a residential property in the local area occurred at 14 Riverview Rise, Gol Gol with a sale price of $3.65 million. With excellent river views and a Tuscan design, the sale was achieved relatively quickly with a time on market of only 95 days.

14 Riverview Rise Source: RP Data

The market has seen a softening since the early period of 2022 and buyer sentiment has eased. Local agents have reported longer listing periods and a decline in overall listings. This has also been evident in the prestige end of the market with only a few higher end properties hitting the market in recent months.

The most recent sale of a property at the top end of the market occurred at 51 Carramar Drive and achieved a sale price of $2.9 million in June 2022. The property was listed for 30 days.

51 Carramar Drive Source: RP Data

Most buyers of prestige properties are either local business people or retired farmers who have benefited from the uplift in rural land values. There also tends to be interest from medical specialists and other professionals who relocate to Mildura for work and find our prestige homes affordable compared to better standard homes in metropolitan areas. There is usually enough depth in the market to support several sales above $2 million each year.

The highest price listing presently on the market is 11 Mitchell Lane, Gol Gol with a listing price of $1.75 million to $1.85 million. This property has been on the market since April 2022.

Jake Garaway
Valuer

Bendigo

The prestige residential market in Bendigo has been robust during the past 12 months. The highest sale of a house was $3.3 million, which we understand to be a record price for Bendigo.

Highest sale of a house - 134 Forest Street, Bendigo (Sold March 2022 for $3.3 million).

The 1912 built brick dwelling with four bedrooms and four bathrooms has been extended and extensively renovated. It is set on a 1113 square metre site with dual street frontage and sold off market by McKean McGregor Real Estate.

The property was previously listed with a local agency from April to December 2021 at an asking price range of $2.95 million to $3.24 million.

134 Forest Street, Bendigo Source: RP Data

There is a significant drop to the second highest sale. 71-73 Neale Street, Kennington sold for $2.6 million and comprises a circa 1928 brick dwelling on a 4750 square metre site.

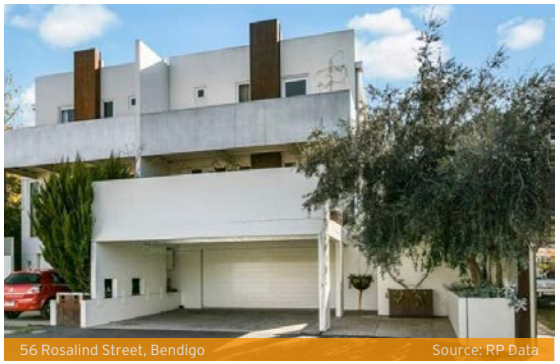

71-73 Neale Street, Kennington Source: RP Data

The highest current listing price for a house is 14-15 Golden Glade, Strathdale at an asking price of $2.95 million. It has been on the market for five months with an initial asking price of $3.45 million.


14-15 Golden Glade, Strathdale Source: realestate.com.au

Townhouse – 56 Rosalind Street, Bendigo (Sold December 2021 for $1,215,500).

2010 built semi-detached, three level townhouse with three bedrooms, two bathrooms and double garage. Sold by Ray White Bendigo with an asking price range of $925,000 to $975,000.


56 Rosalind Street, Bendigo Source: RP Data

Apartment – 202/141 Mollison Street, Bendigo (Sold April 2022 for $970,000).

2016 built single level apartment within a four-storey building with two bedrooms, two bathrooms and undercover single car space. Sold by McKean McGregor within two months at an asking price of $960,000 to $990,000.

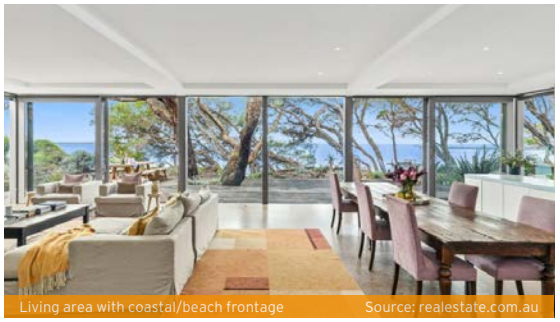

202/141 Mollison Street, Bendigo Source: RP Data

Malcolm Swan
Valuer

Warnambool

From the perspective of outsiders in true household name prestige areas, the Warrnambool region does not offer a prestige property segment. A price point exceeding $2 million dollars in our region is generally considered to be the top end of the market. This is a notable increase over the twelve months prior when we would have typically considered the range of $1 million to $1.5 million as a top end price.

Prominent sales which made headlines in our region over the past twelve months include:


Living area with coastal/beach frontage Source: realestate.com.au

- Reaching an agreed price of $5,511,770, 3/10 Griffiths Street, Port Fairy made for a very expensive Christmas gift, selling in early December 2021. This money bought the new owner an architect designed, four-bedroom, three-bathroom dwelling sited on a 675 square metre absolute beachfront parcel.


328 Hopkins Point Road Source: realestate.com.au

Reaching $4.3 million in February 2022, 328 Hopkins Point Road offers a modern five-bedroom, five-bathroom home set on an 11 hectare coastal allotment with broad ocean views and only five minutes drive from Warrnambool's city centre.

Two current listings within the upper levels of the Warrnambool region price bracket we're watching are:

- 210 Griffiths Street, Port Fairy - Yet another beachfront property listed with a price range of $5 million to $5.5 million, comprising a 2,000 square metre allotment with modern architect designed timber clad dwelling.
- 9a Snell Court, Warrnambool - With a $2.4 million to $2.6 million asking price, this property features a clear line of sight south over the Hopkins River and river mouth to the ocean beyond.

Travis Turnbull
Director

Queensland - Residential 2022

Brisbane

One of our city's great attractions for prestige property buyers – especially those from interstate and overseas – is the extraordinary value for money in Brisbane. While Sydney's harbourfront estates are trading for eye-watering amounts among the billionaire set, a riverfront mansion in our town will be around $10 million including pontoon and easy access to the CBD.

It's this buying power that continues to see purchasers at these heady heights snap up quality homes throughout our capital.

Prestige property has remained reasonably buoyant here throughout 2022. We have seen continued demand with 36 sales recorded in excess of $5 million to date – 12 of which are currently under contract. This turnover is not as strong as 2021 when a record 52 sales were recorded in excess of $5 million, however the fall in sale numbers this year is more about supply.

There are plenty of exceptional abodes in Brisbane, but very few are on the market at any given moment. So, if you are in the market for an impressive holding in Queensland's capital, you will be competing with other luxury buyers for the few homes on offer.

Highly regarded inner city locations are particularly prized and property at prestige price points tends to be of supreme finish and presentation. Given we remain in a tough construction and renovation environment, it should surprise no-one that a move-in ready prestige property will attract plenty of interest compared to a sprawling estate that may feel a little dated. Purchasers are willing to pay a premium for the time and effort that goes into constructing modern high-end homes in light of construction cost uncertainty around the supply and demand issues associated with residential building materials and products. There's also been a blowout in construction times with great builders and subcontractors booked sometimes years in advance.

So, what have been some of the most outstanding transactions in our city this year?

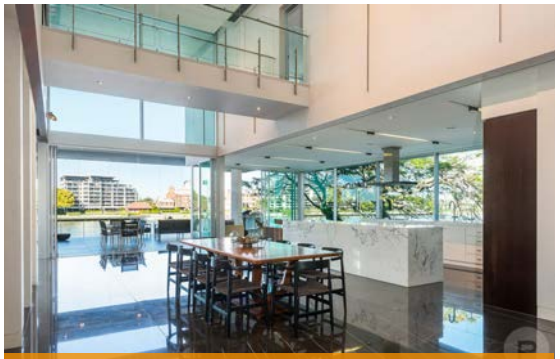
Sales

29 Laidlaw Parade, East Brisbane sold on 27 May for $12.5 milllion. A five-bedroom riverfront home that delivers a stark contrast to other properties with its dark façade designed by Greg Natale and positioned on a 597 square metre riverfront site, the three-level home includes a private lift, venetian glass tapware, concrete-formed curved staircases, theatre, marina berth, four-car garage, gym, sauna, steam room, ice-bath room and space for a wine cellar.

29 Laidlaw Parade East Brisbane Source: realestate.com.au

80 Uhlmann Street, Hawthorne also sold in May this year and achieved a price of $10.505 million. The property delivers a three-level, five-bed, five-bath, two-car home on an 807 square metre riverfront lot. The home includes two in-ground swimming pools, pontoon, three-metre-plus-high ceilings, marble slab floors and marble floating staircase, a limestone feature wall and floor-to-ceiling glass. There's also a library, media room with a wet bar, gym and a riverfront terrace.

80 Uhlmann Street, Hawthorne Source: realestate.com.au



80 Uhlmann Street, Hawthorne Source: realestate.com.au

128 Crosby Road, Ascot sold for $12 million this year. A seven-bedroom, six-bathroom home with renowned "bat tunnel" entry to its 10-car garage that is a feat of engineering, the home is set on a 1120 square metre site. The home features an internal lift, inground pool and one of the best views in Brisbane.

128 Crosby Road, Ascot Source: Domain

128 Crosby Road, Ascot Source: Domain

The "Bat tunnel" at 128 Crosby Road, Ascot Source: Domain

49 Union Street, Clayfield is a Sean Lockyer designed five-bed, three-bath home on 1169 square metres that sold very recently. The contemporary dwelling of timbers and concrete is striking. The finishes are top-notch with all high-end appliances throughout, heated flooring, fireplace and additions that include a 16.6 metre lap pool, plus gardens designed by an award-winning landscaper... and did I mention the putting green?

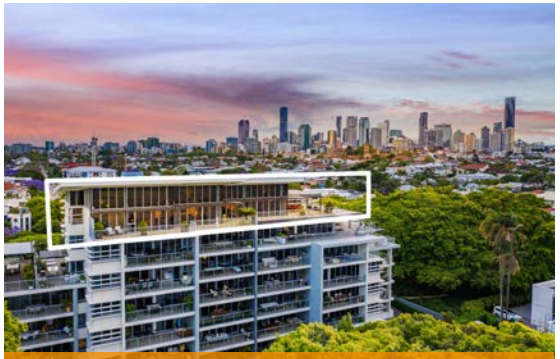
49 Union Street, Clayfield Source: realestate.com.au

3/81 Moray Street, New Farm sold for $6.8 million this year. Not a bad outcome given the property had previously sold in June 2020 for $4.8 million.

If holding a block of land with a monumental house isn't quite your style, perhaps some prestige unit sales might be more up your alley.

3/81 Moray Street, New Farm sold for $6.8 million this year. Not a bad outcome given the property had previously sold in June 2020 for $4.8 million. Located in the ultra-prestige Aquila project, this apartment covers 418 square metres of living in this one-per-floor development. The property has incredible city skyline views with floor-to-ceiling windows and provides four-bed, three-bath, three-car accommodation.

1821/22 Refinery Parade, New Farm sold for $10 million. Occupying the entire top level of its complex, the apartment delivers incredible views via full length windows to a double-height ceiling. It's of home-like proportions and includes a wraparound terrace with outdoor entertaining and a monumental eight-car garage as well.

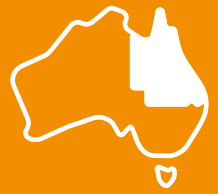


1821/22 Refinery Prade, New Farm Source: replace

Listings

While it's all well and good looking at what others have bought, those with dollars to spend are eager to know what's on offer.

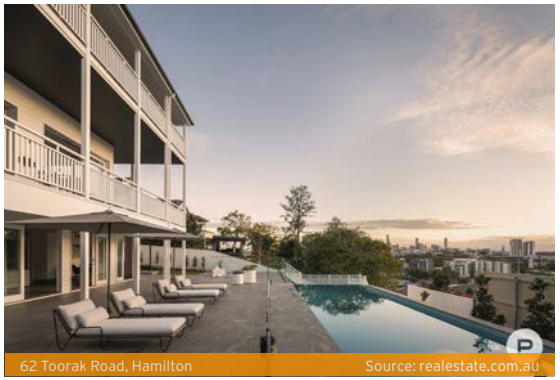
Well – as at the time of writing there were several options available.



28 Zelita Road, Moggill is a six-bed, seven-bath, six-car homestead located on 4.64 hectares of land in our western rural-residential suburbs. Along with 300 metres of river frontage, the property includes a private study and executive office space, club-style lounge with full-size billiard table, wine cellar and a tasting bar that has a keg system. There are Gaggenau appliances and even teppanyaki and internal BBQ cooktops. Ground improvements incorporate pool, tennis court, a summerhouse, an orchard and comprehensive landscaping.

22A Crescent Road, Hamilton is a four-bedroom, four-bathroom, four-car garage, three-level home on an elevated 1240 square metre site. Accommodation includes a gym fitted with a commercial grade sauna, a wine cellar and tasting room, a fully fitted out home cinema and a custom copper lift giving access to all three levels. There's also the spectacular cantilevered wet-edge pool.

62 Toorak Road, Hamilton is looking for offers over $12.5 million. The three-level, five-bedroom home is set on a 1271 square metre site delivering extensive views. The prestige fitout includes Wolf, Gaggenau and Miele appliances in its designer kitchen. There's a central lift as well as a media or games room, wine tasting room, alfresco kitchen, comprehensive landscaping and an infinity pool.



62 Toorak Road, Hamilton Source: realestate.com.au

25 Langside Road, Hamilton is a home being sold "as if complete". The existing home is undergoing an extensive refurbishment. Once finished, the property known as Katanga will incorporate six bedrooms, six bathrooms and a six-car garage all on a 1113 square metre hillside allotment. The home will include a rumpus room with a fireplace, sitting room and an office with integrated desks, as well as pool and comprehensive landscaping. There will be a lift, home gym, home theatre and full automation.

132 Virginia Avenue, Hawthorne is a three-level home of five-bed, six-bath, four-car accommodation with an office, gym and internal lift as well. The property is set on a 1118 square metre riverfront site. There's an emphasis on outdoor entertaining with comprehensive landscaping, a 16-seat concrete fire pit area and travertine pattern stone throughout the gardens. There's also an in ground saltwater mosaic-tiled swimming pool and a 12 metre pontoon for a deep water boat.

132 Virginia Avenue, Hawthorne Source: realestate.com.au

If you are looking to make a real statement among the neighbours, then ask Place agents about their Robertson listing. No address is being advertised for this property, but if you drive down Musgrave Road and choose which home you think is the most opulent, then you'll probably have found it. Set on 1.01 hectares of land, the property delivers five-bedroom, five-bathroom accommodation in a French Provincial style mansion that is ornate throughout. The home is surrounded by incredibly intricate grounds with landscaping that is absolutely head turning. Ancillaries include a championship flood-lit tennis court and pool house next to the three-lane, 25 metre swimming pool with separate spa.

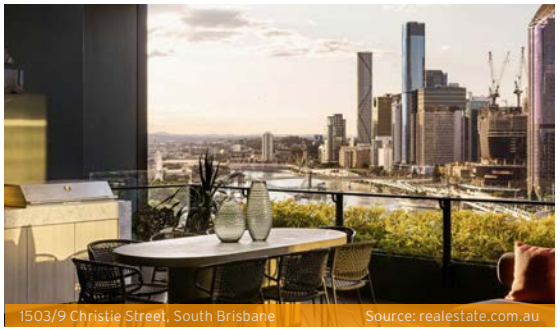
Robertson listing Source: realestate.com.au

Looking for a flash apartment and have pockets as deep as the Grand Canyon? Here are the listings lighting up our city's elite unit buyers.

1503/9 Christie Street, South Brisbane (the penthouse at Oxley + Stirling) has three bedrooms, three bathrooms, three balconies and eight-

If you are looking to make a real statement among the neighbours, then ask Place agents about their Robertson listing. No address is being advertised for this property, but if you drive down Musgrave Rd and choose which home you think is the most opulent, then you'll probably have found it.

car accommodation. The apartment provides 360 square metres of living area and enjoys uninterrupted north facing river and city frontage. Fit out includes custom timber veneer wall panelling and French timber flooring.



1503/9 Christie Street, South Brisbane Source: realestate.com.au

3/1 Macquarie Street, Teneriffe is a three-bed, two-bath, four-car apartment in the One Macquarie complex with direct frontage to the river. Views from the beautifully appointed apartment are wide and uninterrupted. There's 338 square metres of living area and residents have access to One Macquarie's exclusive marina. There's also a heated lap pool, a leisure pool, a gymnasium, direct access to the riverside boardwalk, landscaped outdoor spaces, a meeting room, private storage areas and audio and video intercom security. And did I mention the on-site concierge?

4/60 Moray Street, New Farm is in the Maison complex – one of the first multi-unit projects by high-profile building group Graya. This sub-penthouse has 239 square metres of living area and provides four-bed, three-bath, three-car accommodation. Apartments in this complex have been finished to an exceptional standard with its hanging gardens design a local talking point. The views of the city are direct and uninterrupted.

Maison by Graya Source: realestate.com.au

2802/140 Alice Street, Brisbane City is a four-bed, five-bath, four-car apartment in Abian, one of the most recognisable projects in the heart of the CBD. This two-level apartment has been fitted out to a prestige level and includes a wine cellar, high-end kitchen appliances and an architectural curved staircase joining the two levels. There's also four secure car parks with storage. The property benefits from a 24-hour concierge and building amenities which include a wellness centre, lap pool, gym, sauna, steam room and cold plunge pool.

Rentals

Perhaps you're looking for a breathtaking home but don't want to commit to ownership. Well, there are plenty of rental options on hand as well.

As a first up guide, 56 Charlton Street, Ascot is currently rented for $3000 per week. A five-bed, four-bath, three-car home of classic design for Ascot, the property is of ornate, Art Deco finish but has been fully renovated and rejuvenated.

At the time of writing, there were a couple of properties available for rent as well.

9 Prospect Terrace, Hamilton is asking an eye-watering $6500 per week but for that princely sum, you'll secure accommodation in Noir, a

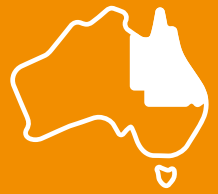
56 Charlton Street, Ascot Source: realestate.com.au

striking all black, one-off home positioned high on the hill in one of Brisbane's most impressive locations. The home delivers five-bed, eight-bath, eight-car accommodation across five levels all set on 1050 square metres of land. Accommodation includes an internal lift, swimming pool, spa, gym, sauna, office and cinema. It would be fair to speculate that the ex-pat buyer who reportedly purchased Noir for around $10 million in 2020 mustn't be quite ready to come back to our shores yet given it's available for rent.

Not to be outdone, 11 Ryan Avenue, Balmoral is listed for rent at $5000 per week. An incredible contemporary home sitting high on the hill and delivering panoramic views across the suburb and to the CBD, the home provides six-bed, three-bath, three-car accommodation with cantilever-style balconies delivering its extraordinary views.

As you can see, Brisbane's ultra-prestige property market continues to impress despite the headwinds delivered across most other sectors this year. It will be compelling to watch these price points and how they move as we head into 2023.

David Notley
Director



Gold Coast

It certainly has been another eventful year at the prestige end of the Gold Coast property market. We have seen abundant sales activity above the $4 million price level and record sales results for some of the Gold Coast's most upmarket homes. In fact, the Gold Coast was at one stage in early 2022 Australia's best performing prestige property market in terms of luxury property price growth, as noted in a research report by Knight Frank.

Whilst there has been an upward trend in prestige sales volumes in the past three or four years, it was around Quarter 3 of 2021 when the prestige market segment really started to gather serious momentum. The significant shift in demand levels for prestige property was brought about by extraordinary events and this boom period carried on into early 2022. The strength in the prestige market was without doubt consolidated by demand from interstate buyers and also ex-patriates returning from overseas. The market's frenetic activity and rapid price growth over a relatively short period certainly made it a very challenging period for valuers!

According to the latest statistics gathered by the Ray White Surfers Paradise group, there have been about 191 house sales and 51 unit sales at or above $4 million on the Gold Coast in 2022 (to date), already surpassing 2021 total figures where we saw 136 house sales and 37 units sales. These stats demonstrate the consolidated strength recently experienced within the luxury housing market.

One of the biggest trends recently observed is that buyers in this market segment are willing to pay a big premium to secure near-new prestige residences that are ready to occupy. Despite the sharp increases in luxury home building costs of late, there has still been a big resurgence in the number of very high quality homes which have recently been built, or are currently under construction in the more sought after, trendy suburbs of the Gold Coast.

A tightening economic environment in 2022 has certainly cooled the Gold Coast property market and the latest property data indicates that residential property values across the coast are now in decline, and by as much as 15 per cent in some cases. Many local agents who specialise in selling prestige property however are still upbeat about the current state of the market, reporting that there are still plenty of buyers willing to spend big on multi-million dollar homes and a number of huge transactions in the second half of this year supports this viewpoint.

There have been plenty of transactions at this very top end of the market, so let's take a look at some of the most eye-catching sales of upper echelon property on the Gold Coast to date. We'll begin at the northern end of the coast and make our way down to the border. The following house sales certainly demonstrate that the Gold Coast prestige housing market in 2022 continues to capture the attention of elite home buyers:

8082 Riverside Drive Source: RPData CoreLogic

- 8082 Riverside Drive, Hope Island (sold in March 2022 for $11 million)

This property is nestled within the exclusive Sanctuary Cove estate and reportedly won the Master Builder's Best Individual Home award in 2009. The three-level residence, once owned by two-time MotoGP World Champion Casey Stoner, was built in 2008 and has a unique multi-pavilion design, providing five-bedroom, five-bathroom accommodation with a 10-car basement garage. The dwelling has a gross floor area spanning well over 1,000 square metres and is built on a fan shaped 1,114 square metre allotment with an approximate 39 metre canal frontage. The property has fantastic views to the west overlooking a canal junction and is within 100 metres from the main river. Some of the impressive features of the property include a commercial grade elevator, extensive use of travertine tiling, 10-metre-high ceiling to main living area, various resort style water features, swimming pool with infinity edge, 15 metre pontoon, gymnasium and theatre room.

Whilst there has been an upward trend in prestige sales volumes in the past three or four years, it was around Q3 of 2021 though where the prestige market segment really started to gather serious momentum.

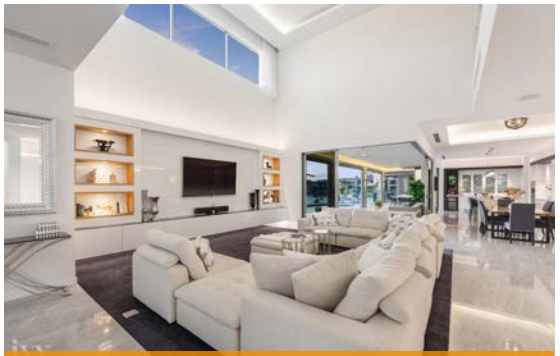
What's a little surprising is that this property fronts the canal whereas most of the top sales (exceeding $10 million) within the estate in recent years have been of luxury homes typically fronting the Coomera River. The property previously transacted in February 2017 for $4.75 million.

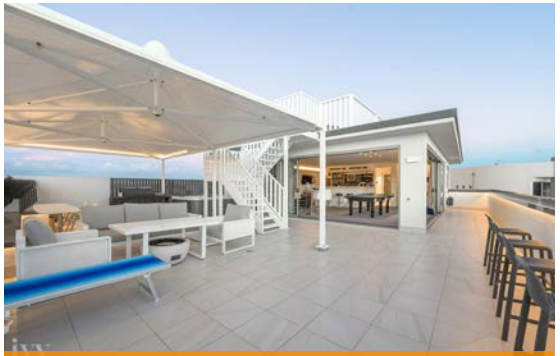
What's a little surprising is that this property fronts the canal whereas most of the top sales (exceeding $10 million) within the estate in recent years have been of luxury homes typically fronting the Coomera River. The property previously transacted in February 2017 for $4,750,000.

- 16 Parklane Terrace, Paradise Point sold in March 2022 for $9.6 million

The architect-designed, three storey residence which covers a gross floor area of 1,440 square metres was completed by award winning builder Alan Marks in 2019 and provides five-bedrooms, six-bathrooms and two three-car garages and also has a rooftop terrace level that provides distant city skyline views and views towards Stradbroke Island. The property is on a prime 1,476 square metre allotment that faces west and south-west to the canal with a whopping 53 metre water frontage with excellent boating access to the Broadwater. Other outstanding features to the property include


16 Parklane Terrace, Sovereign Island Source: RPData CoreLogic


16 Parklane Terrace, Sovereign Island Source: RPData CoreLogic


16 Parklane Terrace, Sovereign Island Source: RPData CoreLogic

theatre room with tiered seating, entertainment lounge with mood lighting, steam room, sauna, 24 metre (super yacht sized) pontoon and 12 metre pontoon with jet ski floats, swimming pool, rooftop bar and gigantic walk-in robe. The property was marketed by Ivy Realty and the agency reportedly found a buyer in the first two weeks of the advertising campaign. Based on our property searches, the transaction of 16 Parklane Terrace is the highest confirmed sale for a prestige dwelling within the Sovereign Islands estate so far in 2022 but doesn't come anywhere close to the huge price of $20 million paid by Mr Clive Palmer last year for a luxury waterfront house within the same estate.


2601 Ephraim island, Paradise Point Source: Domain

- 2601 Ephraim Island, Paradise Point sold in February 2022 for $5.65 million

The penthouse apartment located within the Ephraim Island development is one of the highest unit sales on the Gold Coast in 2022. With a floor area sprawling over 600 square metres, this huge apartment provides four-bedroom, four-bathroom accommodation with three secure car spaces within the basement car park. The unit on level six is an amalgamation of three formerly adjoining units and has expansive views of the Broadwater along with distant city skyline views to the south. Some of the luxurious features of the property include American oak parquetry flooring, Italian-made wallpapered feature walls, fireplace, Greg Natale carpet floor coverings, custom bar, high ceilings with custom made chandeliers and oversized balcony areas. We understand that this property sold off market through Ivy Realty.

Other notable sales at the northern end of the coast in 2022 include three modern style waterfront homes at Edgecliff Drive and The Circle within Sanctuary Cove, Hope Island transacting between $8 million and $9.75 million at the beginning of this year. It comes as no real shock that there have also been a handful of other

transactions within Sovereign Islands exceeding the $6 million level. Overall, Hope Island (which includes Sanctuary Cove) and Sovereign Islands has contributed about 20 of the total sales in the $5 million plus price bracket in 2022.

Heading towards the heart of the Gold Coast to Surfers Paradise, and so far in 2022 this suburb tops the list for the highest volume of luxury home sales above $5 million with about 14 sales. The suburb encompasses the prestige localities of Paradise Waters and Isle of Capri which are just a short distance away from the CBD area and surfing beaches. Most of the prestige quality homes typically have canal or Nerang River frontage with good boating access.

- 60 Admiralty Drive, Surfers Paradise reportedly sold in June 2022 for $13.6 million

The sale is yet to be fully confirmed in RPData property records, but it has been published online by the selling agency, Kollosche. So far this is the highest sale price paid this year for a luxury home within the Surfers Paradise area. The riverfront mansion comprises an architect designed, circa 2005 built, modern style, part three storey, five-bedroom, five-bathroom residence with gigantic basement level which can accommodate up to 12 vehicles. Built on a prime, fan shaped, 1,094 square metre allotment fronting the Nerang River, the property has excellent views down a long stretch of the river. Main features include a passenger lift, extensive use of marble tiling, coffered ceilings, theatre room with wet bar, tiled inground pool with frameless glass pool fencing, pontoon jetty with power and water connected and jet ski docks. It is worth noting that this property previously sold in March 2014 for $8.7 million, which was near the bottom end of the last market cycle.

- 150/59 Pacific Street, Main Beach sold in April 2022 for $7 million

The penthouse at the Xanadu development reportedly sold only a few weeks into the marketing campaign. Occupying the entire top two floors of the circa 1998 built, 25 level building, the property stretches over 750 square metres in floor space, providing four bedrooms and four bathrooms with four-car accommodation within the basement car park. Featuring mainly an original fitout, the apartment has panoramic district views, incorporating beach and ocean views to the east, views of The Spit and Broadwater to the north, city skyline views to the south and distant hinterland


The penthouse apartment at "Xanadu", Main Beach Source: RPData CoreLogic

views to the west. A private heated indoor pool is situated on the second floor along with a sauna. Other features include impressively high ceilings, a wine cellar, home theatre and wet bar.

- 10 Maryland Avenue sold in June 2022 for $20 million

travelling inland and about 15 minutes drive from Surfers Paradise will take you the suburb of Carrara, a suburb you often don't associate with having elite homes. 10 Maryland Avenue is a contemporary style, three level residence which was designed by Gold Coast architect Jared Poole Design, and provides six-bedroom, six-bathroom


60 Admiralty Drive, Paradise Waters Source: realestate.com.au


The penthouse apartment at "Xanadu", Main Beach Source: RPData CoreLogic


10 Maryland Avenue, Carrara Source: RPData CoreLogic


10 Maryland Avenue, Carrara Source: RPData CoreLogic

accommodation with basement level garage that can accommodate up to 12 vehicles. The dwelling is expansive in size, reportedly covering a gross floor area of nearly 2,000 square metres. One of the big drawcards for this property is that it's situated on a flat 4,238 square metre parcel fronting the Nerang River. Other prominent features include 1,340 bottle wine cellar, floodlit championship sized tennis court with pavilion, boathouse, pontoon with jet ski float, 25 metre heated lap pool with cabana, steam room, porte-cochere and huge walk-in dressing room to the master bedroom.

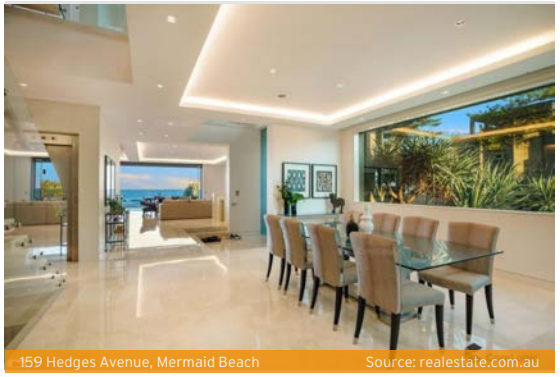
The sale of 10 Maryland Avenue is up there with one the biggest transactions of this year. The riverfront property was marketed by Amir Mian Prestige Group and reportedly sold via an expressions of interest campaign. As mentioned, Carrara is not normally known to be a locality which boasts many house sales above $5 million, but interestingly since May 2021 there have been about six recorded house sales that have exceeded this price level. The more prestigious homes that exist in the suburb are typically on larger allotments (2500 to 12,500 square metres) and have main river frontage.

Within the beachside localities, Mermaid Beach continues to be the most popular suburb for prestige buyers looking for a luxury beachfront lifestyle on the Gold Coast. This suburb, along with Surfers Paradise, traditionally sees the greatest amount of sales activity above $4 million across the central suburbs. To date there have been 10 recorded sales in excess of $5 million within Mermaid Beach this year, with a small number of homes transacting above $8 million.

- 159 Hedges Avenue, Mermaid Beach sold in April 2022 for $21 million

According to RPData CoreLogic, this property transaction is the highest sale price we have seen for a residential dwelling on the Gold Coast so far in 2022. The luxurious three storey beachfront mansion boasts a gross floor area of about 1000 square metres, provides six-bedroom plus study, seven-bathroom accommodation and features a six-car basement garage. The property is on a 564 square metre corner block that has absolute beach frontage, incorporating beach, ocean and distant Coolangatta skyline views to the south. Other standout features include marble flooring and marble staircase, sauna, wine cellar, fully equipped gym, swimming pool, solid concrete construction


159 Hedges Avenue, Mermaid Beach Source: realestate.com.au


159 Hedges Avenue, Mermaid Beach Source: realestate.com.au

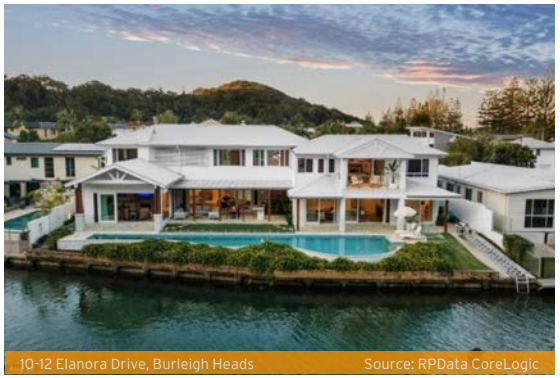
with titanium roof. The property exchanged hands in January last year for $15.75 million. Not a bad profit for the vendor!

Other notable sales this year include 65 Albatross Avenue at $15.85 million and a Bayden Goddard designed, three level residence at 1 Heron Avenue which reportedly was an off market deal brokered through Amir Mian Prestige Group in August for $19 million. The ultra-modern style home is constructed on a block of land that is unique in its dimensions, featuring 17.6 metres of absolute beach frontage and a land area of 556 square metres. On Hedges Avenue, a typical single beachfront lot is 405 square metres in size with a 10-metre frontage and on Albatross Avenue, there are 809 square metre blocks, having a frontage of 12.5 metres to the beach.

At the southern end of the coast, whilst overall sales activity above $5 million has not been quite as strong, there have been a couple of recent luxury home sales that have set new benchmarks, eclipsing the $9 million price level. Whilst we often see some of the biggest prestige sales being off market transactions, lately we have seen a couple of very strong results being achieved through traditional auction campaigns.

- 10-12 Elanora Drive, Burleigh Heads reportedly sold for $9.7 million

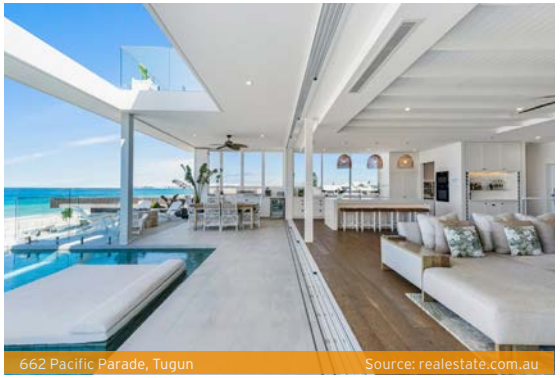
Reportedly sold under the hammer in September 2022, the purchase is in fact a record price for the suburb. Constructed over a double block totalling 1 286 square metres, the property is nestled within a highly sought after pocket known as Koala Park, just south-west of the Burleigh Heads National Park and only a couple of minutes drive to James Street, the main hub for shopping and restaurants in Burleigh. The renovated and extended two storey home was designed by the well-known local architect Bayden Goddard and provides five bedrooms and six bathrooms with a gross floor area spanning close to 800 square metres and has two double garages. Fronting an anabranch of the Tallebudgera Creek, the property has pleasant views of the creek and surrounding bushland as well as views towards the Burleigh headland. Some of the main features of the residence include a 25 metre heated lap pool, gym, six person sauna, home office with sandstone gas fireplace and boat dock roller with winch. It was reported by the selling agent that there was a strong attendance on auction day. The property is considered unique to the market and has exceptional features, however the achieved sale price of $9.7 million far exceeded initial price expectations. At present, this sale smashes the previous record house sale at Burleigh Heads, which was $5.375 million recorded in 2019. We note that the auction result has been reported by Kollosche Estate Agents but the sale is not yet confirmed within RPData CoreLogic records.


10-12 Elanora Drive, Burleigh Heads Source: RPData CoreLogic

- 662 Pacific Parade, Tugun reportedly sold in June 2022 for $9.1 million

Designed by award winning architect Chris Clout Design and constructed by Gold Coast luxury home builder Mactech Constructions, the property reportedly sold via an auction campaign and sets a record price for the suburb. The modern contemporary style, four level, high-end four-bedroom, four-bathroom residence occupies a prime position on Tugun Hill overlooking the beach and there are plenty of quality features inside, including a raked plantation style feature ceiling, five-car garage, French Oak timber flooring, eight metre infinity edge pool with built-in sun bed situated on the third floor, outdoor kitchen, media room, gymnasium and elevator.


662 Pacific Parade, Tugun Source: realestate.com.au


662 Pacific Parade, Tugun Source: realestate.com.au

Other notable sales at the southern end of the Gold Coast this year include a renovated beachfront home at Jefferson Lane, Palm Beach which transacted for $8.275 million and a multi-level, architect designed hillside mansion in Katta Avenue, Currumbin which sold in June for $7.5 million.

Across the border, there has been a real emerging prestige housing market within the popular beachside localities of Kingscliff and Casuarina. Since September 2021 there have been seven high-end homes that have sold for more than $5 million within these suburbs. Local agents have reported that the strengthening interest for prestige beachfront homes in the area has largely been underpinned by demand from out of towners, being mostly based in the Sydney area.

- 15-17 Cylinders Drive, Kingscliff (NSW) sold in July 2022 for $8.97 million

A record price for the suburb, this contemporary style, two storey, custom built, five-bedroom, six-bathroom property is situated on a premium beachfront double block of 1,292 square metres within an exclusive enclave of Salt Village. The house has been finished to a very high standard and key attributes include European terracotta roof tiles, stainless steel guttering, timber lined ceilings, Hebel flooring, stone feature walls, soundproof home cinema, gymnasium, 95,000 litre swimming pool with spa and three-car garage. The property was first listed in December 2021 with the agent


15-17 Cylinders Drive, Kingscliff (NSW) Source: realestate.com.au


15-17 Cylinders Drive, Kingscliff (NSW) Source: realestate.com.au

conducting an expressions of interest campaign before advertising the property with a price guide of circa $10 million.

Now, a couple of side notes.

Based on our property searches, $5 million and above transactions this year have largely been dominated by sales of luxury houses as opposed to luxury apartments. But in saying that, the prestige unit market in the lower price bracket range of $2 million to $5 million has been very strong over the past twelve months.

Observing current listings online and at the time of writing this article, there are a few dozen

Whilst there are no real alarming signs yet within the prestige market, we definitely do expect to see less suburb records and much longer selling periods for listed stock in the next twelve months.

$5 million plus properties listed on the market (excluding new apartment stock listings), being a varied mix of penthouse style units, waterfront mansions and beachfront homes. Interestingly a few of these properties will be tested at auction in the upcoming months. The standout listing has to be 26 Knightsbridge Parade East which is currently on the market for $45 million. The property listed by Ivy Realty has reportedly been on the market since December 2021.

Looking briefly at the prestige rental market and the market has followed a similar trend to the general market where rental values have been boosted in the past two years by the influx of people migrating to the south-eastern corner of Queensland. Property managers report that demand levels remain strong for high end homes and apartments, particularly from people looking to relocate from Melbourne and Sydney. Subsequently, the rental market at the prestige end remains fairly tight.

In summary, despite the current economic challenges, global market volatility, consecutive interest rate rises and reported softening of property prices across the nation, consumer confidence in the prestige market on the Gold Coast appears to be holding up fine, as evidenced by a number of sizable property transactions in the second half of this year. Yes, there is no longer a sense of buyer urgency within the market but according to agents we have just returned to a normal market with stock levels remaining very low. Whilst there are no real alarm signs yet within the prestige market, we definitely do expect to see less suburb records and much longer selling periods for listed stock in the next twelve months and given the astonishing rise in value levels we saw over the 2021/2022 period, we urge prospective buyers in this space to be cautious as a market correction is also a strong possibility.

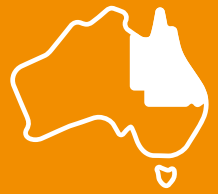
Sam Gray
Associate Director

Sunshine Coast

The prestige property market tends to be a great dinner table discussion topic and grabs the most headlines. With the recent market movement experienced, this is very much the case on the Sunshine Coast with prestige properties here being some of the most expensive in the state.

The highest value region that grabs most of the attention is the northern Sunshine Coast area around Noosa Heads which offers some of the most desirable and expensive property in Australia. This has permeated to other areas on the central and southern Sunshine Coast as well as inland.

The strength in the market in the past few years has been extraordinary and the pace and size of the changes in values breathtaking. When looking back to the start of the pandemic, at the time it felt that there was a lack of supply issue, especially for high end properties within sought after precincts, however the sale volumes in



the table below suggest that this was not the case and was more demand driven. The strong increases in values had the effect of encouraging vendors to sell, with purchasers having to pay record prices. On the back of this we saw selling periods decline dramatically and significant levels of off market activity which made if feel as though there was no stock.

The volume of sales in excess of $4 million is below:

Year	Highest Sale Price	Number of Sales
2007	$8,000,000	23
2008	$6,650,000	16
2010	$5,500,000	9
2011	$5,000,000	7
2012	$6,750,000	8
2013	$6,000,000	5
2014	$7,150,000	14
2015	$7,200,000	15
2016	$9,300,000	15
2017	$10,750,000	19
2018	$18,000,000	32
2019	$9,000,000	18
2020	$17,000,000	70
2021	$21,000,000	127* (+3 under contract)*Settled to date
2022	$28,500,000	65* (+18 under contract)*Settled to date

Since December 2021, we have seen four sales in excess of $15 million on Noosa Sound, with the highest being 53 Witta Circle for $19.5 million. We have also seen settlement in August 2022 of a sale at 52 Mossman Court purchased off market and is a record for this area.

In Sunshine Beach over that same period, we have seen three sales in excess of $15 million. The record was for an improved single site property at 24 Arakoon Crescent for $28.5 million which is a clear premium compared to other sales. This sale is also a reflection of the market effect of purchasers being willing to pay a premium for the time and effort that goes into constructing these modern higher end properties.

24 Arakoon Crescent, Sunshine Beach Source: Shaun Lockyer Architects

There have been limited transactions since April 2022 which appears to be corresponding with the limited stock levels. On the back of this low supply environment, we have begun to see the number of confidential off market transactions increase again at value levels that show that significant strength remains in this market.

The Noosa unit market has also shown significant strength with no major signs of abating. Beachfront apartments on Hastings Street are among the most expensive in Australia on a rate per square metre basis which is indicated in the following examples:

Lot 15 in Tingirana in Hastings Street sold off market in April 2022 for $9 million which analyses to $76,923 per square metre over living and outdoor areas. This is a record rate per metre for a unit sale in Queensland. The previous sale in the Tingirana complex was for Lot 8 in August 2021 for $7.105 million which analyses to over $60,726 per square metre of living and outdoor area.

View from Lot 15 in Tingirana on Hastings Street Source: realestate.com.au

A one-bedroom apartment in the Netanya complex was recently placed under contract for $5.5 million which equates to circa $70,000 per square metre, a record for a one-bedroom unit in Queensland.

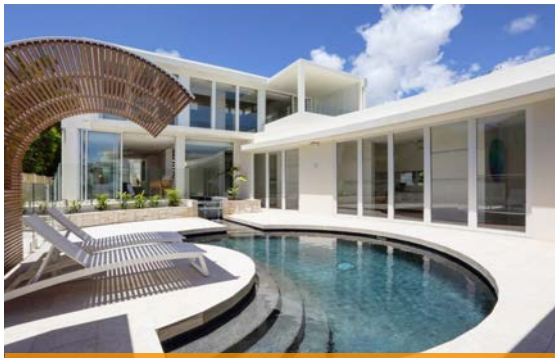
Other examples are:

- **20 Maher Terrace, Sunshine Beach** previously sold for $1.725 million in May 2020. The advised build cost of the dwelling was circa $3 million. The property sold in August 2022 for $9.1 million;
- **18 Witta Circle, Noosa Heads** sold in April 2021 for $4.15 million and re-sold in May 2022 for $7 million;
- **20 Park Crescent, Sunshine Beach** previously sold for $4.2 million in June 2020 and in September 2021 for $6.75 million. This property re-sold in March 2022 for $9.75 million;
- **4/18 Park Road in Little Cove** is currently under contract for $5.4 million. It previously sold for $4.55 million in March 2021.

As mentioned, the strength in the market has moved into the central and southern areas of the Sunshine Coast, albeit at lower value levels.

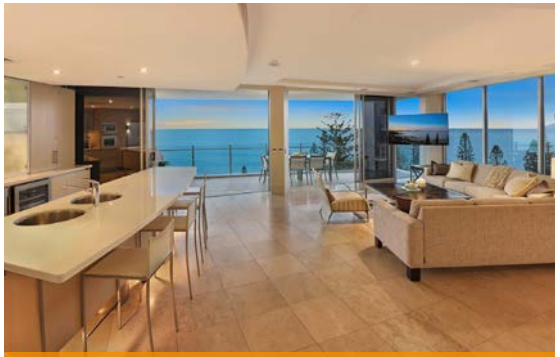
Sales that provide examples of this value growth are:

- **56 George Street, Alexandra Headland** sold in March 2022 for $5 million with a previous sale price of $4.35 million in June 2021 and prior to that, a sale price of $4 million in December 2020;



56 George Street, Alexandra Headland Source: realestate.com.au

- **30 Cypress Court, Minyama** was under contract in September 2022 for $4.51 million with a previous sale price in May 2021 of $3.3 million;
- **Unit 704 in Oceans Mooloolaba** sold for $5.35 million in August 2022 with a previous sale price of $1.805 million in May 2011.



Unit 704 in Oceans Mooloolaba Source: realestate.com.au

- **Unit 1002 in Sea Pearl Mooloolaba** sold for $6.58 million in June 2022. It was previously purchased from the developer in February 2010 for $2.8 million.
- **Two Roads,** a prestigious rural property at 20 Corks Pocket Road, Reesville, sold for $13.5 million in July 2021.

20 Corks Pocket Road, Reesville Source: realestate.com.au

Selling agents report that on the back of the recent market strength and continued constrained stock levels, demand for properties in sought after precincts remains strong albeit with lower volumes of enquiry. The low supply levels should assist in underpinning values in the short term.

If history is anything to go by then the prestige market will have a correction some time down the road, but as we have previously mentioned, the strength in the market feels a little more sustainable this time around. With more of the population hitting retirement age and these purchases being for owner occupation, the pressure created by interest rates may be lessened, however there should always be caution in the market as volatility can swiftly become negative under subdued economic conditions.

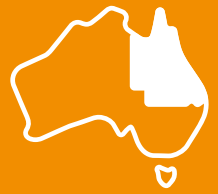
Stewart Greensill
Director

Gladstone

The prestige market in Gladstone has continued to strengthen over the past 12 months in both price and activity. When we wrote about this topic last year, we noted a thinly traded market with three sales over $1 million in 2021 which was the most activity this sector had seen in years. Fast forward to 2022 and we have seen a significant increase in the number of million dollar plus homes in the region with 11 settled sales and a further two under contract, ranging in price between $1.03 million and $1.34 million. The latter is the highest recorded residential sale in a number of years and comprises a circa 2011, five-bedroom, three-bathroom, architect designed dwelling with a double garage. The property is approximately 590 square metres under roof and provides a pool and a large Colorbond shed on a 923 square metre allotment, 100 metres from Tannum Sands beach.

We are aware of half a dozen more properties currently on the market for over $1.2 million in the Gladstone region. Of these, a couple are wishful thinkers whose properties have been on the market for years, however most are recent listings with reputable local agents with price tags that are not unreasonable. Of course, personal preference comes a lot more into play in this market segment. Buyers looking in this sector have the choice of either large modern homes on acreage on the fringe of Gladstone with plenty of room for all the toys or alternatively, an architect designed inner city or beachside home with amazing harbour or ocean views.

Regan Aprile
Director



Bundaberg

The prestige market in the Bundaberg region has continued strongly in 2022. Compared to 2021, sales volumes are down slightly, however there are still buyers out there for properties over the million-dollar mark. Property types and styles in the million-dollar plus price bracket vary from oceanfront properties in the coastal areas of Bargara, Burnett Heads and Elliott Heads, riverfront properties in Branyan and Sharon to larger than average modern builds with all the extras including pool and sheds on acreage style properties on the outskirt areas such as Branyan, Innes Park, Moorlands and Gooburrum.

In 2021, the highest residential property sale recorded was $3.8 million for an oceanfront property at 52 Miller Street, Bargara. The property is a multi-level house with five bedrooms, three bathrooms, three-car garage, swimming pool and stunning ocean views and direct beach access.

52 Miller Street, Bargara — Source: realestate.com.au

In 2022 the highest residential sale recorded was for a rural residential property at 82 Booloongie Road, Gooburrum for $1.952 million. This property is a modern split-level dwelling with three bedrooms and two bathrooms set on 10.12 hectares with swimming pool, multiple sheds, 50 megalitre water allocation and established avocado trees.

82 Booloongie Road, Gooburrum — Source: realestate.com.au

Other notable sales for 2021 include 181 Woongarra Scenic Drive, Bargara which sold for $1.65 million. This property is a two-storey oceanfront house with four bedrooms, three bathrooms, inground pool and ocean views.

181 Woongarra Scenic Drive, Bargara — Source: realestate.com.au

44 Polo Place, Branyan sold for $1.23 million. This property is a modern on-ground house with four bedrooms, two bathrooms and reportedly 425 square metres of floor area set on 1.16 hectares with detached three-bay shed.

44 Polo Place, Branyan — Source: realestate.com.au

Currently there are a number of properties listed for sale over the million dollar range. 392 Woongarra Scenic Drive, Innes Park is currently listed for sale with an asking price of $2.9 million. This property is a two-storey 2019 build with five bedrooms, four bathrooms and whilst not having ocean frontage, the property has good ocean views. Other features include a swimming pool and tennis court.

392 Woongarra Scenic Drive, Innes Park — Source: realestate.com.au

The rental market in Bundaberg has remained tight with current prestige listings including 41 Sea Esplanade, Burnett Heads asking $850 per week for a five-bedroom, two-bathroom house with pool and detached garage. The house has

ocean views and is in walking distance to the beach. Alternatively, $775 a week gets you a modern three-bedroom, two-bathroom unit at 104/32-34 Miller Street, Bargara. The unit has ocean frontage and is in walking distance to local shops and cafes.

Overall, prestige properties vary with each buyer's own interests, needs and tastes, however Bundaberg and the surrounding areas offer a wide range of properties to suit anyone's needs.

Megan Matteschek
Property Valuer

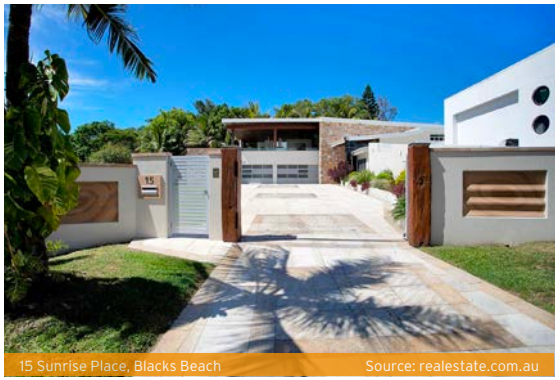
Mackay

The Mackay prestige residential property market performed well over the past 12 months, with strong demand for premium properties across the region. We saw sale prices range from $1 million to $5 million which are well above sales in previous years. Some notable sales include:

1 Coral Drive, Blacks Beach sold in April 2022 for $1.9 million. This property comprises a circa 2020, part two level, four-bedroom, two-bathroom, detached architect designed dwelling and three-car built-in garage. Ancillary improvements include exposed aggregate driveway, fully enclosed yard, vehicle gate with remote control access, exposed aggregate paths and solar back to grid power system. The land area is 809 square metres.


1 Coral Drive, Blacks Beach Source: realestate.com.au

15 Sunrise Place, Blacks Beach sold in December 2021 for $3.9 million. This property comprises a circa 2010, multi-storey, four-bedroom, three-bathroom, detached architect dwelling and six-car built-in garage. Ancillary improvements include sandstone paved driveway, full boundary fencing of mixed construction, vehicle gate with intercom and remote-control access, concrete paths, sandstone pavers, travertine paths, moderate landscaping, sprinkler system and a concrete inground pool featuring sandstone surrounds, an infinity edge, lighting, spa seat, water feature, wet edge and frameless glass pool fencing. The dwelling is a multi-award winning design with excellent level of fitout and condition on a land area of 2270 square metres.


15 Sunrise Place, Blacks Beach Source: realestate.com.au

The big ticket sale in the Mackay region prestige property market however was the sale of 1/69 Lynette Drive, Nindaroo in December 2021 for $5 million. This property comprises a circa 2007, part two-level, five-bedroom, three-bathroom architect designed dwelling and three-car built-in garage. Ancillary improvements include detached shed, driveway, fencing, landscaping, pool, spa and tennis court. The property has good external condition and is on a land area of 3.27 hectares.


1/69 Lynette Drive, Nindaroo Source: realestate.com.au

In comparison to the previous 12 months prestige sales, we had Albatross Street, Slade Point on 921 square metres land area which sold in June 2021 for $1.85 million and 29 Doyles Road, Balnagowan on a 2.39 hectare land area which sold in June 2021 for $2.3 million.

Kym Cook
Valuer

Fraser Coast

The prestige market in the Maryborough district has performed well over the past 12 months. In 2021 there were five sales over $1 million and there have been four sales over $1 million this year to date. This is the most sales we have ever seen over the $1 million mark with record prices being achieved for property. A step below in the $800,000 to $1 million bracket saw a total of 17 sales in 2021 and there have been 22 sales this year to date in this bracket. If we look back to 2020, there was only one sale above $800,000.

Some notable sales include the following:

Lot 3 Mary View Drive, Yengarie sold in March 2022 for $1.355 million. The property comprises a circa 2010, on-ground, five-bedroom, three-bathroom detached architect designed dwelling and two-car built-in garage. Ancillary improvements include bitumen driveway, full boundary fencing of mixed construction, extensive landscaping with sprinkler system and water features, storage shed of 180 square metres, solar back to grid power system, barbecue, clothes line and rain water tanks. The land area is 1.606 hectares.

Lot 3 Mary View Drive, Yengarie Source: realestate.com.au

28 Westwood Way, Oakhurst sold in July 2022 for $1.17 million. This property comprises a circa 2010, low set four-bedroom, three-bathroom detached architect designed dwelling and two-car attached carport. Ancillary improvements include concrete driveway, full boundary fencing with electric gate, 180 square metre Colorbond storage shed with 40 square metre awning, solar back to grid power system, clothes line, landscaping with fruit trees, rain water tanks and dam. The land area is 1.13 hectares.

28 Westwood Way, Oakhurst Source: realestate.com.au

24 Prawle Road, Dundathu sold in April 2022 for $1.28 million. This property comprises a circa 2006, on-ground, three-bedroom, two-bathroom, detached modern dwelling and two-car attached carport. The lot has frontage to the Mary River and has Mary River views to the south. Ancillary improvements include gravel and concrete driveway, well-maintained and presented lawns and gardens, solar panels, pontoon, 144 square metre machinery shed, rainwater tanks, dam, 77 square metre Colorbond shed, 294 square metre Colorbond shed, 84 square metre carport and in-ground swimming pool with concrete surrounds and pool safety fencing. The land area is 1.01 hectares.

24 Prawle Road, Dundathu Source: realestate.com.au

24 Prawle Road, Dundathu Source: realestate.com.au

Doug Chandler
Director

Whitsundays

The prestige market in the Whitsundays has seen some increase in values over the past year.

Here are some sales of oceanfront and oceanfront reserve properties and under $4 million!

- 377 Mandalay Road, Mandalay – Sale date 22 April 2022. Sale price $3.5 million.

This beachfront property was designed by architect Chris Beckingham and comprises a main dwelling, separate guest house, freestanding artist or yoga studio and workshop with 40 metres of beach frontage.

377 Mandalay Road, Mandalay Source: realestate.com.au

- 10 The Cove, Airlie Beach – Sale date 10 October 2022. Sale price $3.326 million.

With the favored northern aspect and some easterly views out to Mandalay Bay, this property is a master crafted Chris Beckingham designed home, featuring four bedrooms, three bathrooms and an inground pool overlooking the ocean.

10 The Cove, Airlie Beach Source: realestate.com.au

I love the Whitsundays. We have so much beauty that surrounds us!

Noelene Spurway
Valuer

Townsville

The Townsville prestige property market continued to perform well in the early part of 2022, although to date shows a slight reduction in sale volumes above the $1.5 million price point compared to the same period in 2021.

The Townsville prestige locale is generally considered the 4810 postcode which includes suburbs such as North Ward, Castle Hill, Belgian Gardens and Townsville City. Within the past 12 months, this postcode saw sales ranging from circa $750,000 for a basic dwelling to circa $2.4 million for a large elevated dwelling with ocean views.

Prestige unit sales generally occur along The Strand foreshore which saw sales reach as high as $1.72 million within the past 12 months and as high as $1.9 million for a unit in the same complex in the 12 months prior.

At present and according to realestate.com.au, the most expensive listing within the Townsville region is 48 Yarrawonga Drive, Castle Hill which is listed at $3.5 million.

48 Yarrawonga Drive, Castle Hill Source: realestate.com.au

As a result of the surge in the Townsville property market within the past 18 to 24 months, there have been million dollar sales and listings within our northern corridor and rural residential areas. An example of this is 29 Britomart Street, Bushland Beach which is a large executive house situated approximately 17 kilometres north-west of the Townsville CBD and is currently listed through M Property Townsville with a price guide of $2.5 million to $2.99 million.

29 Britomart Street, Bushland Beach Source: realestate.com.au

Darren Robins
Director

Rockhampton

The prestige market in the Rockhampton and Capricorn Coast region pre-COVID was traditionally limited with sales numbers of $1million plus properties tending to be in the single digits for the respective areas. The Rockhampton prestige market post-COVID has tracked a little better, however the big improver has been the Capricorn Coast which has gone gang busters for prestige property of $1 million-plus sales.

The numbers for Rockhampton were generally around five sales per year prior to COVID. This trend increased in 2021 with Rockhampton showing eight sales. This year is trending a little better with seven settled sales to date. One of these sales set a new record for a residence in Rockhampton. The property is a fully renovated Queenslander set on over 3000 square metres in the south side suburb of The Range.

As a result of the surge in the Townsville property market within the past 18 to 24 months, there have been million dollar sales and listings within our northern corridor and rural residential areas.

The Range" set a new Rockhampton record Source: Herron Todd White

We do know of a further six sales currently under contract at the time of publication which will see the Rockhampton market break ten sales for $1 million plus residential sales for the year. Could one of these sales break the previously set record by the house above? Something to keep an eye on.

Of the under contract, sales there will also be another record set for the North Rockhampton suburb of Parkhurst in a modern rural residential estate. We are aware of a property under contract that had an asking price of offers over $1.4 million. The agent advises that there were three offers made within a couple of weeks of listing, all above the list price.

House in Parkhurst which sold above $1.4 million Source: RP Data

The Capricorn Coast has been a standout for prestige sales of $1 million-plus. This market trended in a similar fashion to the Rockhampton market pre-COVID with generally less than ten sales a year. This was absolutely smashed both last year (approximately 35 sales) and even more so this year (approximately 50 sales with a further handful of properties also under contract). The prestige market had traditionally been beachfront property or modern elevated property with extensive views. We have seen this trend continue however there has also been significant interest in rural lifestyle property.

Rural property in Inverness which sold for $1.21 million Source: RPData

There have also been a number of units to achieve the $1 million-plus price tag, something we haven't seen for a while.

Rosslyn Bay Boat Harbour unit Source: RPData

A modern unit with harbour frontage to Rosslyn Bay Boat Harbour and its own private mooring recently sold for $1.9 million.

Over the course of the past two years in particular, our market improvement has been led from the top down which goes against our previous market cycles when market activity traditionally improved from the bottom up and eventually forced prices up in the prestige sector. We consider this to be a result of post-pandemic influences, low interest rates, sky rocketing renovation and building costs, labour shortages, southern buyers moving to the area and major infrastructure works in the region all combining to attract the market to better quality, established housing. Whilst the recent interest rate rises have not yet significantly impacted our local markets and government restrictions surrounding COVID-19 continue to ease, this market sector and sales rates will be one to watch closely into 2023.

Steve McDonald
Valuer

Toowoomba/Darling Downs

Even though Toowoomba is renowned as the capital of the Darling Downs and is frequently considered affordable, there are still many stunning properties of a prestige nature to draw in buyers. Some of Queensland's most impressive historic and architecturally constructed residences can be found in Toowoomba. Naturally, our wonderful outdoor lifestyle, laid-back way of life, proximity to the state capital and famous Gold and Sunshine Coasts, mountain views and availability of open space all combine to make Darling Downs prestige property attractive to buyers. With spring in full swing, the end of the year drawing near and signs of the market beginning to soften, let's reflect on some of the most expensive and the

most weird and wonderful properties sold in the Darling Downs region in 2022.

The Toowoomba prestige property market has seen an increase in the volume of transactions since the beginning of 2021 which has generally resulted in increases in sale prices. In some instances, this has been between 10 and 35 per cent on previous sale prices. This has also resulted in an increase in the median property price in a number of these localities. Some of the prestige suburbs within Toowoomba which feature the highest median price for residential properties are:

- Highfields - $760,000 - an increase of 20.63 per cent over 12 months
- Middle Ridge - $622,500 – an increase of 25.19 per cent over 12 months
- East Toowoomba - $700,000 – an increase of 2.19 per cent over 12 months
- Prince Henry Heights - $755,000 – 15 per cent increase over 12 months (low stock levels)
- Preston - $685,000 – 18.09 per cent increase over 12 months (low stock levels)

Sales

The highest priced dwelling sale was 2 Old Toll Bar Road, Redwood.

2 Old Toll Bar Road, Redwood Source: RP Data

This four-bedroom, three-bathroom, two-car garage dwelling situated on a 2324 square metre block featuring a swimming pool, full sized tennis court, basketball ring, multiple living areas and rangeside views sold for $3.3 million in March 2022.

The current highest dwelling listing is 10 Caithness Court, Middle Ridge.

10 Caithness Court, Middle Ridge Source: realestate.com.au

This five-bedroom, three-bathroom, three-car garage property is in one of the most prestigious locations in Toowoomba. This three-storey family home is set over two levels with approximately 748 square metres of living on an allotment size of 1,053 square metres with golf course views. The property is currently listed for $2.75 million.

The current highest dwelling rental is 18 Simla Street, Mount Lofty.

18 Simla Street, Mount Lofty Source: realestate.com.au

This four-bedroom, two-bathroom, two-car garage property is located in one of Toowoomba's prestigious tightly held locations. This single level family home features high ceilings, a media room, well-appointed kitchen with butler's pantry and two outdoor living spaces. The property is currently listed for rent for $900 per week.

The Toowoomba rental market has remained strong with a 0.5 per cent current vacancy rate (as at September 2022), which is similar to this time last year. It got as low as 0.2 per cent in March 2022. Agents are reporting the majority of rental properties are currently being leased within or under 30 days of listing. The demand for rental properties has driven the median weekly rent up a further 10 per cent since late 2021 to now sit at $452 per week (source: SQM Research).

The highest priced unit sale was 615/31 Tourist Road, East Toowoomba.

615/31 Tourist Road, East Toowoomba Source: RP Data

This five-bedroom, four-bathroom, four-car penthouse blue-chip apartment offers approximately 495 square metres of living over two levels. The property has private rangeside and city views. The building's common facilities include swimming pool, outdoor entertaining and BBQ area. This property sold for $2.61 million in June 2022.

The current highest unit listing is 325/235 Rowbotham Street, Middle Ridge.

325/235 Rowbotham Street, Middle Ridge Source: realestate.com.au

This four-bedroom, two-bathroom, two-car newly built penthouse apartment is aimed towards discerning retirees. The property has rangeside views and is adjacent the Middle Ridge Golf Course. Common facilities include gym, billiards area, wine room, library, craft room, multi-purpose function room, outdoor entertaining and BBQ area. This property is currently listed for $1.48 million.

The highest current unit rental is 1/126 Long Street, Centenary Heights.

1/126 Long Street, Centenary Heights Source: realestate.com.au

This three-bedroom, three-bathroom, two-car garage property is located in one of the Toowoomba's most desirable areas. This single level unit has been designed with style and elegance; the living areas are open plan and include an office nook and an alfresco area in the private courtyard. The unit is within walking distance of schools, cafes and parks and is currently listed for rent for $900 per week.

Weird and Wonderful

XGxgxgx Source: realestate.com.au

And just a bit of fun to finish off... If you want an example of something a bit unique in the Darling Downs market, it's tough to go past 1298 Gore Highway, Westbrook, an unparalleled equine centre, which sold for $5.9 million in February this year, complete with its own personal racetrack and four separate residences.

Marissa Griffin
Director

South Australia - Residential 2022

Adelaide

Adelaide's prestige market has continued its strong performance in 2022. Searches have revealed upwards of 130 recorded $3 million plus transactions in the past 12 months compared to 85 in the 12 months prior. This market has been driven by the growth of the broader property market and high net worth purchasers who do not have to rely heavily on lenders during a time of increasing interest rates.

The prestige dwelling market within Adelaide typically begins at a base of $3 million and ranges up to $5 million with an ultra-prestige market of $5 million and above.

Within the prestige and ultra-prestige markets, agents are typically selling properties by private treaty. In several cases during 2022 we have been aware of transactions occurring above $3 million which have been negotiated off market with purchase prices withheld from public viewing. Selling periods vary with location and price point. Within the inner blue-ribbon suburbs, selling periods of up to six months are common. The prestige market to the west of the city and Adelaide Hills can fall into the lifestyle or sea change market segment and requires extended selling periods to achieve sales.

Properties within the prestige market are typified by a number of factors with location being one of the most important. Properties in this market segment typically provide above average levels of accommodation and have significant site improvements such as swimming pools, tennis courts and substantial external entertaining areas. Within the inner suburban areas, renovated character dwellings on large allotments and high quality infill development typify this market segment. Lifestyle properties rely on similar dwelling characteristics as well as proximity to the beach, expansive rural views and significant land holdings. Examples of these differing property types include: 28 Wood Street, Millswood a modern reproduction dwelling on a 1110 square metre allotment which achieved a sale price of $4.22 million; 14 Rossington Avenue, Myrtle Bank, a partially renovated and extended bungalow on a 950 square metre allotment which achieved a sale price of $3.38 million; and 289 Rangeview Drive, Mount George, an original circa 1990s dwelling on a 9.5 hectare allotment with range views and an estate-like presence which achieved a sale price of $3.225 million.

The prestige dwelling market within Adelaide typically begins at a base of $3 million and ranges up to $5 million with an ultra-prestige market of $5 million and above.

Considered one of Adelaide's most prestigious addresses, Robe Terrace, Medindie has again produced one of the metropolitan area's highest sale prices of the past 12 months. This was the sale of 10 Robe Terrace, Medindie, a character dwelling disposed as six bedrooms and four bathrooms which has been extensively renovated and extended. The dwelling has a building area totalling close to 1487 square metres with the improvements set on an allotment of 4000 square metres. The property has high quality fixtures and fittings throughout and includes an indoor swimming pool and six-car garage. This

28 Wood Street, Millswood Source: realestate.com.au

10 Robe Terrace, Medindie Source: realestate.com.au


10 Robe Terrace, Medindie Source: realestate.com.au

property achieved a sale price of $9.25 million. The suburb of Medindie has a median sale price of $2.65 million and is popular for its estate-like residences and proximity to North Adelaide.

The western beachside suburbs of Henley Beach and Henley Beach South have had a number of prestige transactions in 2022. Examples of entry level prestige properties in these suburbs include: 116A Seaview Road, Henley Beach South, an ultra-modern three level dwelling featuring ocean views, passenger lift and swimming pool; and 7 Reedie Street, Henley Beach South, a single level character dwelling featuring a pool and alfresco located approximately 250 metres from the beach. These properties achieved sale prices of $3.05 million and $3 million respectively. The sale of 293 Esplanade, Henley Beach for $5.66 million represents the prestige market in this location. This property comprises a fully renovated bungalow on an 850 square metre allotment adjacent the beach and 300 metres north of the popular dining and retail precinct of Henley Square.


293 Esplanade, Henley Beach Source: realestate.com.au

It's a rarity to have a sale above $1 million in regional South Australia, with prestigious lifestyle properties tending to be tightly held and passed on through family lineage. The year 2022 has been unique with sales occurring above $3 million on Kangaroo Island, Fleurieu Peninsula and Yorke Peninsula.

Kangaroo Island is located 15 kilometres from the mainland and accessible by ferry or plane only. In August 2022, 1185 Cape Willoughby Road, Cuttlefish Bay settled for $3.9 million. This property comprises an ultra-modern two-bedroom, two-bathroom dwelling of rammed earth construction featuring a swimming pool. The improvements are constructed on an elevated 55 hectare allotment with direct beach frontage. The sale of 13 Heggerton Street, McCracken for $3.255 million represents one of the highest prices achieved for a residential dwelling on the Fleurieu Peninsular. McCracken is a beachside suburb of the greater Victor Harbour area. This property comprises a modern four-bedroom, three-bathroom dwelling with dual street frontage and ocean views. One of the most remarkable transactions of 2022 has been the sale of 400 Coopers Beach Road, Nalyappa, achieving a sale price of $8.25 million. Nalyappa is located 175 kilometres north-west of the Adelaide CBD at the top of the Yorke Peninsula. This property comprises an ultra-modern six-bedroom, five-bathroom dwelling which has been constructed into coastal dunes. The property has 2 kilometres of direct beach frontage. Further features include a swim spa, helicopter pad and dune buggy race track.


1185 Cape Willoughby Road, Cuttlefish Bay Source: realestate.com.au


13 Heggerton Street, McCracken Source: realestate.com.au

The year 2022 has been unique with sales occurring above $3 million on Kangaroo Island, Fleurieu Peninsula and Yorke Peninsula.


400 Coopers Beach Road, Nalyappa Source: realestate.com.au


400 Coopers Beach Road, Nalyappa Source: realestate.com.au

The prestige market has continued to perform strongly in 2022 with an increased number of $3 million plus transactions year on year and three of the highest transactions achieved in regional South Australia. Market conditions do appear to be changing as the rising interest environment takes hold. It's expected that demand in this market will continue in the short term with stock levels remaining below typical spring levels.

Nick Smerdon
Property Valuer

Mount Gambier

The prestige property market in Mount Gambier performed strongly this year as it did in 2021. We have seen good growth in prices paid, in particular for modern properties with high end finishes and improvements as well as established character houses in reputable areas.

Here are examples of a high-end modern property and a renovated character dwelling:

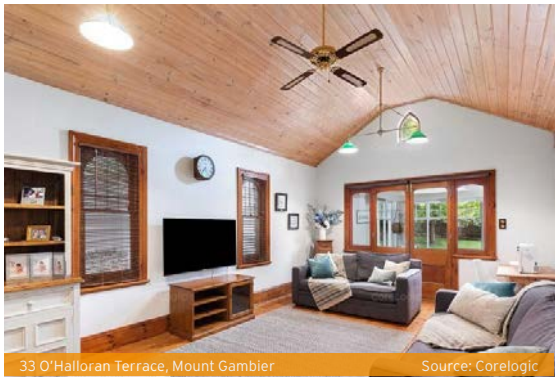
- 3 Redwood Avenue, Mount Gambier was built in 2012 and is a four-bedroom, two-bathroom, five-car garage property on approximately 1400 square metres. This property sold in Feburary 2022 for $1.2 million. It overlooks a reserve in a modern area of town located approximately a five minute drive from the CBD. The home includes a solar heated pool, alfresco and rear yard access to a large, high clearance ten metre x seven metre garage.


3 Redwood Avenue, Mount Gambier Source: CoreLogic


3 Redwood Avenue, Mount Gambier Source: CoreLogic

- 33 O'Halloran Terrace, Mount Gambier was built in approximately 1890 and has been restored to its original grandeur. Located on 2131 square metres approximately 600 metres from the CBD, the property consists of four bedrooms, two bathrooms and a two-car detached garage. The property features original marble fireplaces, decorative cornices, leadlight work and an extension with cathedral ceilings.


33 O'Halloran Terrace, Mount Gambier Source: Corelogic


33 O'Halloran Terrace, Mount Gambier Source: Corelogic

Over the past month, agents have confirmed that property listings are starting to increase now we are out of the winter months. Currently, the highest priced listing on the market in the area is a property on the outskirts of town with acreage.

68 Wynham Road, Moorak sits on approximately 29 acres of farming land with views of the countryside and Centenary Tower. The property consists of four bedrooms, two bathrooms and a ten-car garage and is currently listed under expressions of interest in the price bracket of $1.4 million and over.

68 Wynham Road, Moorak Source: Corelogic

68 Wynham Road, Moorak Source: Corelogic

Lauren Kain
Valuer

Western Australia - Residential 2022

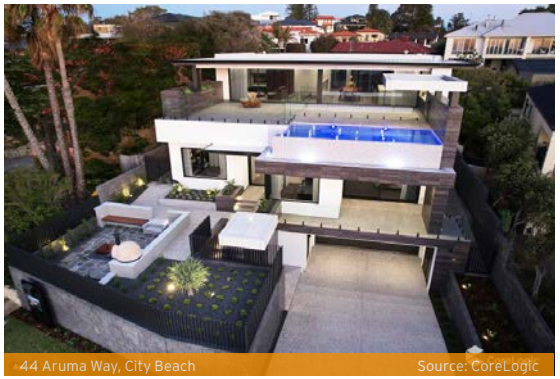
Perth and regions

As we move into the final months of the year, it's time to take a look at the properties that really get the taste buds going. It's time to delve into the creme de la creme of our property market, the dream homes we all wish we could someday own. The prestige market is one that is complex, involving several submarkets as part of a broader market. It's an intricate beast but our team of valuers loves nothing more than analysing properties that are outside the norm. In this article, we will be discussing Western Australia's prestige market and how it has been performing now in comparison to historically and we also take a look and where it might be heading. For good measure, we'll throw in some mouth-watering examples of some of the best money can buy in our great state.

Perth Metro

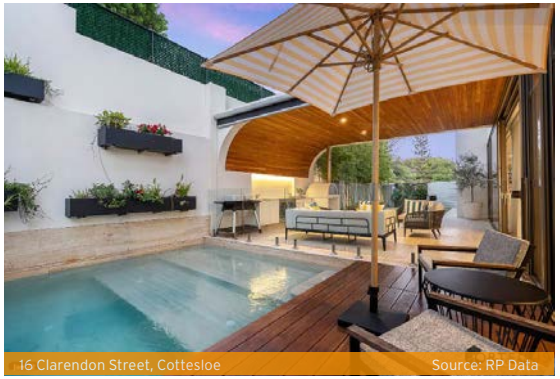
Starting with the Perth metro prestige market, the start of 2022 was a continuation of a strong 2021. The market over winter has settled with factors such as interest rate rises and global economic uncertainty playing a part, however there is still strong demand out there and limited supply, resulting in people waiting for the right property to hit the market and then pouncing, but if you don't have a new place already secured, you can't sell your own property, hence we are stuck in this cycle of pent up demand and no supply!

Looking at City Beach, one of the highest sales reported this year is 44 Aruma Way which sold for $6.5 million in May. A circa 2021 , four-bedroom, four-bathroom dwelling, this was reported to be on the market for 141 days. Featuring a unique Shayne Le Roy design, the home has ocean views from all levels. Additionally, the property previously sold in April 2020 for $1.68 million, with the original dwelling then knocked down in order to build the new home. Although a substantial sum of money was needed to knock down and build the brand-new home, a decent profit was likely generated given the $4.82 million difference in sale prices.


44 Aruma Way, City Beach Source: CoreLogic

Moving down the coast to Cottesloe, we firstly take a look at 16 Clarendon Street which sold for $7.35 million in January this year. The property is a circa 2016, five-bedroom, five-bathroom home that sits on a 637 square metre block and is located 700 metres from Western Australia's iconic Cottesloe Beach. Furthermore, the subject property was previously sold in 2018 for $5.7 million, which displays a $1.65 million increase in value.


16 Clarendon Street, Cottesloe Source: RP Data


16 Clarendon Street, Cottesloe Source: RP Data

2 Salvado Street, Cottesloe is a world class palatial paradise, boasting prestige, beauty and timeless elegance. It is rumoured to have sold for above $15 million but that is yet to be confirmed. Fronting one of Perth's most popular beaches, Cottesloe Beach, it sits on a large 1,492 square metre allotment improved with a heritage listed character dwelling with grand renovations throughout the home.

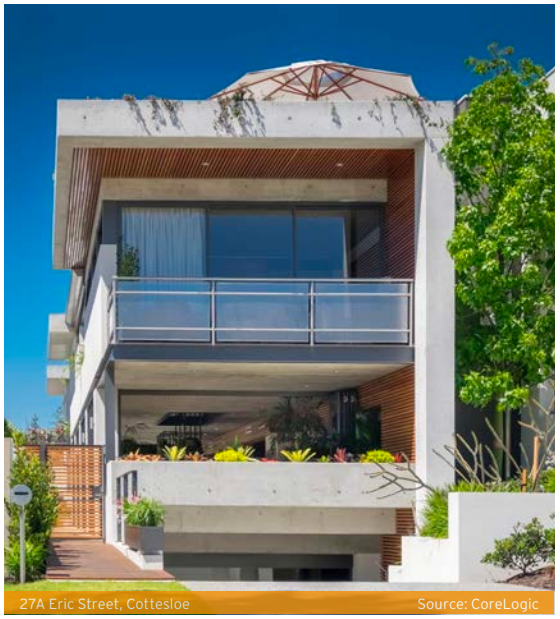
2 Salvado Street, Cottesloe Source: CoreLogic

2 Salvado Street, Cottesloe Source: CoreLogic

Another notable sale is 27A Eric Street, Cottesloe, a circa 2017, four-bedroom, two-bathroom dwelling situated on a 354 square metre block. The property sold for $5.1 million in March this year, but had previously sold in 2018 for $3.9 million and in 2020 for $4.9 million.

This architecturally designed home is unmatched with its fresh contemporary interiors and bespoke high-quality finishes. It was only on the market for a touch over two months (77 days). Additionally, the previous times it was listed in 2018 and 2020 also reveal it was on the market for 77 and 73 days respectively, demonstrating continuously strong demand for the property in varying market periods. Furthermore, rental figures displayed on the subject property indicate the last time the property was listed for rent was in 2019 when the asking price was $2,200 per week. The property would most likely provide a higher rental income now due to the growth in the market in recent times.

27A Eric Street, Cottesloe Source: CoreLogic

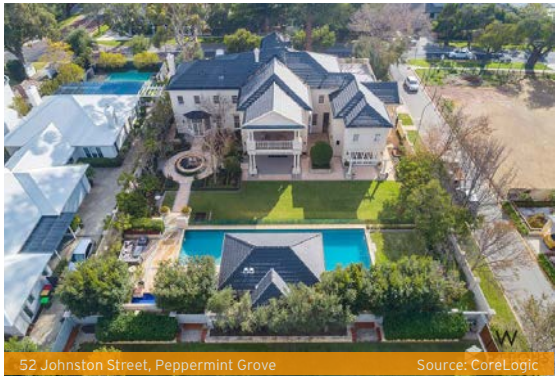


27A Eric Street, Cottesloe Source: CoreLogic

In Peppermint Grove, two notable sales are 52 The Esplanade and 52 Johnston Street. 52 The Esplanade presents a circa 1935, four-bedroom, three-bathroom dwelling with 41.4 metres of Freshwater Bay frontage. Additionally, it is situated on an impressive 3,652 square metre block. The property sold in June for an incredible price of $17 million.

52 The Esplanade, Peppermint Grove Source: CoreLogic

52 Johnston Street on the other hand sold for $10.25 million in February this year. The property is a circa 1967, six-bedroom, six-bathroom dwelling situated on a 2114 square metre block. It features a resort style backyard with a swimming pool that wraps around the outdoor pavilion.



52 Johnston Street, Peppermint Grove Source: CoreLogic

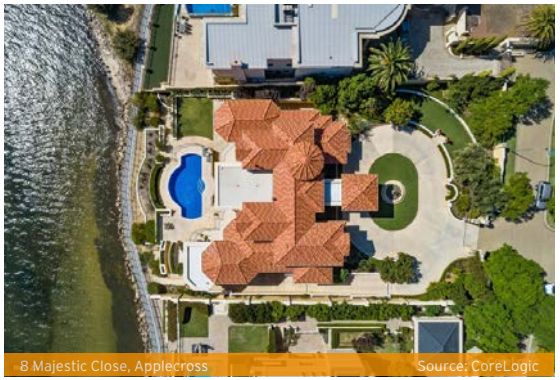

52 Johnston Street, Peppermint Grove Source: CoreLogic

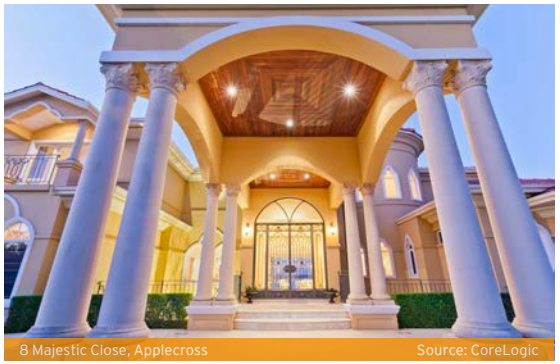
Another notable sale in Perth's western suburbs was 26 Jutland Parade, Dalkeith. A gargantuan property boasting a masterful blend of Roman and Greek design, it sold for $16.5 million in April this year. It is a circa 1973, five-bedroom, five-bathroom, three-level Mediterranean style home set high overlooking the Swan River. Situated on a 2378 square metre riverfront block, the property is located in one of Perth's prestigious suburbs.


26 Jutland Parade, Dalkeith Source: CoreLogic


26 Jutland Parade, Dalkeith Source: CoreLogic

Moving into the riverside suburb of Applecross, 8 Majestic Close is one of the highest sales in Perth for the year, selling for a whopping $19.5 million in February. The dwelling is situated on a 2508 square metre block and has a 38 metre frontage to the Swan River. This three-level, circa 2001 built palatial masterpiece really lives up to the street name of Majestic. The property has a massive 979 square metres of internal living and provides eight bedrooms as well as seven bathrooms and don't forget the garage with space for nine cars.


8 Majestic Close, Applecross Source: CoreLogic


8 Majestic Close, Applecross Source: CoreLogic


8 Majestic Close, Applecross Source: CoreLogic

Taking a look at Mosman Park, 70 Johnston Street is a charming heritage listed home situated on a 1042 square metre block. The subject was originally built in the 1930s, however has undergone multiple renovations throughout its time. It provides four bedrooms and four bathrooms and boasts French influence throughout the home. This has been one of the highest sales in Mosman Park so far for the year. It sold for $5.4 million in January.

Moving into the riverside suburb of Applecross, 8 Majestic Close is one of the highest sales in Perth for the year, selling for a whopping $19.5 million back in February

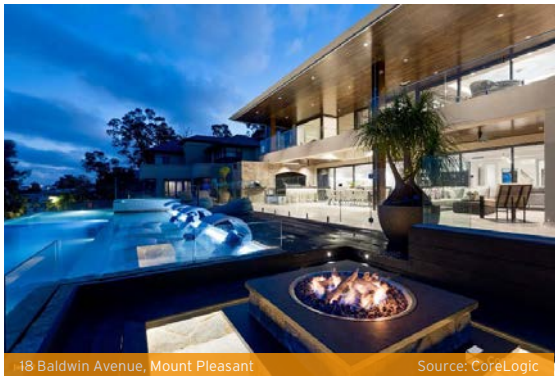

70 Johnston Street, Mosman Park Source: CoreLogic

In Swanbourne, 40 Birrigon Loop sold in July for $4.4 million. The home is a circa 2015, three-level residence that sits above an atmospheric tree line on a 629 square metre block. It has four bedrooms, five bathrooms and provides 537 square metres of internal living space. The uniquely designed home has high class finishes throughout and was only on the market for seven days, highlighting the hot demand for newly built prestige properties.

40 Birrigon Loop, Swanbourne Source: CoreLogic

Moving to Mount Pleasant, 18 Baldwin Avenue sold at the start of the year for $9.35 million. The luxurious home has first class written all over it. It is a circa 2017, four-bedroom, four-bathroom home that sits on a 1016 square metre block and provides incredible dual views of the park from the front or the river from the rear of the property.

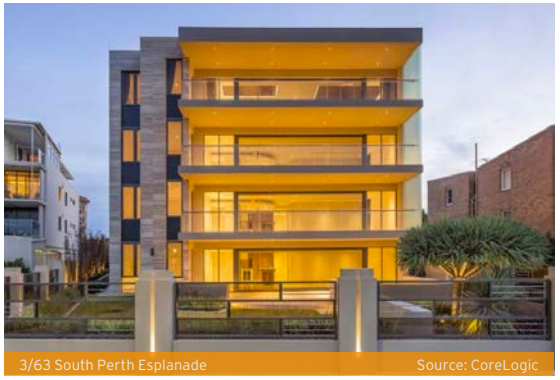

18 Baldwin Avenue, Mount Pleasant Source: CoreLogic


18 Baldwin Avenue, Mount Pleasant Source: CoreLogic

Shifting our attention to the prestige apartment sector, 1/51 South Perth Esplanade, South Perth sold for $4.45 million in March. In an iconic location fronting the South Perth foreshore, the subject is a circa 1995, four-bedroom, three-bathroom ground level unit with 249 square metres of internal living area and provides stunning panoramic city and river views.


1/51 South Perth Esplanade Source: CoreLogic

Moving along the street, 3/63 South Perth Esplanade sold in January for a whopping $9.2 million. The luxury circa 2014, three-bedroom, three-bathroom, second floor apartment provides incredible panoramic city, river and foreshore views while also providing a spacious 285 square metres of internal living area.


3/63 South Perth Esplanade Source: CoreLogic

In terms of the apartment rental market, we can see that although rental prices have continued to strengthen, the prestige apartments being used for rentals are finding themselves more difficult to accommodate and sustain a high rental figure as consumers are more likely to look elsewhere for that kind of price tag.

For example, 10/152 Mill Point Road, South Perth is a stunning penthouse that extends over two levels and is located on the tenth floor of the complex. A circa 2008, three-bedroom, two-bathroom unit, the rental returns have fluctuated recently, with statistics revealing that in 2021 the rental was $1,650 per week before increasing earlier this year to $1,750 before dropping in the past month to be $1,690 per week.

10/152 Mill Point Road, South Perth Source: CoreLogic

10/152 Mill Point Road, South Perth Source: CoreLogic

Further evidence can be seen through 1803/30-44 The Circus, Burswood and 6/70 Mount Street, West Perth. Starting with 1803/30-44 The Circus, the subject is a circa 2007, four-bedroom, four-bathroom penthouse apartment that provides 360-degree views. The property had previously been listed for rent in September for $1,900 per week but the price dropped in early October to $1,750.

6/70 Mount Street, West Perth is a circa 2001, three-bedroom, two-bathroom luxury apartment. This subject was listed for $2,450 in September, however the asking price was reduced to $1,800 per week in October.


1803/30-44 The Circus, Burswood Source: CoreLogic


1803/30-44 The Circus, Burswood Source: CoreLogic


6/70 Mount Street, West Perth Source: CoreLogic


6/70 Mount Street, West Perth Source: CoreLogic

Perth has a significant market for properties in the rural residential category. These large lots with lovely big character homes attract tree changers who want to live a more quiet, slow paced life amongst the Western Australian flora and fauna. From hobby farms to expansive mansions there is no shortage of options to suit a broad range of buyers. Post pandemic, demand for these properties has seen steady growth as a desire to

Perth has a significant market for properties in the rural residential category. These large lots with lovely big character homes attract tree changers who want to live a more quiet, slow paced life amongst the Western Australian flora and fauna.

live away from the CBD or off the grid increases a great deal. The work from home philosophy has made these outer suburbs rather attractive options for people who no longer need to be near their company's offices.

One such suburb is Gooseberry Hill, located in the Perth Hills. One of the more prominent streets in the suburb for prestige properties is John Farrant Drive. The street is home to an array of vast properties that have new or significantly renovated houses. One such property is 41 John Farrant Drive. This home sold in April 2022 for $2.36 million after 64 days on market with offers originally starting from $2.45 million being pursued. This may explain the slightly extended selling period for the property. Situated on 1.14 hectares with 273 square metres of living area, this property boasts a compelling list of features such as solar, pool, outdoor alfresco, self-contained guest quarters, 225 kilolitre rainwater tank, modern chook house, a variety of fruit trees and only 30 minutes to the CBD and 15 minutes to the airport.

41 John Farrant Drive, Gooseberry Source: CoreLogic

41 John Farrant Drive, Gooseberry Source: CoreLogic

115 John Farrant Drive is a perfect illustration of some of the growth that has been achieved as demand has driven prices upward post-pandemic. This property situated on 1.02 hectares boasts 266 square metres of living and features a separate gym, solar panels, large capacity rainwater tank, lovely undulating yard with sweeping views of the surrounding hills and a wonderfully finished alfresco complete with barbecue and ceiling fans.

115 John Farrant Drive, Gooseberry Hill Source: CoreLogic

115 John Farrant Drive, Gooseberry Hill Source: CoreLogic

115 John Farrant Drive is a perfect illustration of some of the growth that has been achieved as demand has driven prices upward post-pandemic.

The property sold in August 2019 pre pandemic for $1.43 million after 32 days on the market, then again in March 2021 for $1.67 million after being listed for 69 days. It has now sold once more in June 2022 for $1.875 million after being on the market for only 12 days. The increase from August 2019 to March 2021 of 16.8 per cent was followed by an increase of a further 12.3 per cent to June 2022. In total, the growth since pre-pandemic of 31 per cent has been significant and the days on market for the most recent sale show that strong demand is there for this type of property in the locale.

Looking elsewhere, there are incredible properties recently purchased in Mundaring and Wooroloo. These lifestyle properties are situated on massive lots truly away from the hustle and bustle of the Perth metro area. 1590 Stoneville Road in Mundaring is a 1973 built, fully renovated dwelling situated on four hectares of land which transacted for $3.45 million in February. The elegant interior features a partly Victorian style finish which is sure to send the tail wagging for those who are after a touch of class. The massive yard features a huge swimming pool with a detached pool room and grassed area. Complete with solar panels, septic tanks, vegetable patch, dog kennels and a chicken coop, the property ticks all the boxes of a lifestyle

dwelling. Interestingly the property features three self-contained properties that are used as Airbnb accommodation, with the listing indicating that full occupancy can generate $14,000 per month. The income generation on offer for the property along with its lifestyle features make this a perfect tree change property.

1590 Stoneville Road, Mundaring Source: CoreLogic

1590 Stoneville Road, Mundaring Source: CoreLogic

Moving out to 337 Dinsdale Road in Wooroloo and it's plain to see how interesting and attractive some of the rural residential lifestyle properties can be. This property was sold in February 2022 for $5.98 million and is situated on 36.09 hectares of land. On the property you will find a tennis court, lap pool with pool room, stables and wonderful function rooms. The residential dwelling itself is finished immaculately to a high standard specification that sets the tone for the property as a whole and has the touch of countryside to it that most lifestyle property seekers in Western Australia desire.

337 Dinsdale Road, Wooroloo Source: CoreLogic

337 Dinsdale Road, Wooroloo Source: CoreLogic

337 Dinsdale Road, Wooroloo Source: CoreLogic

One of the more interesting sales recently is that of 103 Wattle Road, Serpentine. Originally listed as a large subdivisible property with five proposed subdivided lots being marketed separately, we understand that the eventual buyer has bought the property as a whole with no view to subdivide. The lot is situated on 23.08 hectares and includes a Tuscan style mansion with over 800 square metres of living area, six bedrooms, five bathrooms and finished to an immaculate specification. The second residence on the property contains a further three bedrooms and two bathrooms with timber finishes surrounded by lush gardens. A cottage guest house of two bedrooms and one bathroom is adjacent to the main dwellings. The improvements on the site do not end there; a main barn of 369 square metres including two offices, a lounge, timber bar and loft is accompanied by a secondary barn of 250 square metres with ten stables and full kitchen and lunchroom facilities. This incredible property sold for $8 million in May this year. The appeal of such an expansive lifestyle property was no doubt the main driver for the purchaser. Interestingly after discussions with the shire of Serpentine and Jarrahdale, as a general rule of thumb they only allow for approximately one horse per hectare of land. If this property had its subdivision fulfilled and

103 Wattle Road, Serpentine Source: CoreLogic

sold off, the stables would likely not have been able to be fully utilised as the horse to hectare ratios would prohibit full utilisation. Overall, this is a great lifestyle property with unique characteristics that make for an interesting sale.


103 Wattle Road, Serpentine Source: CoreLogic

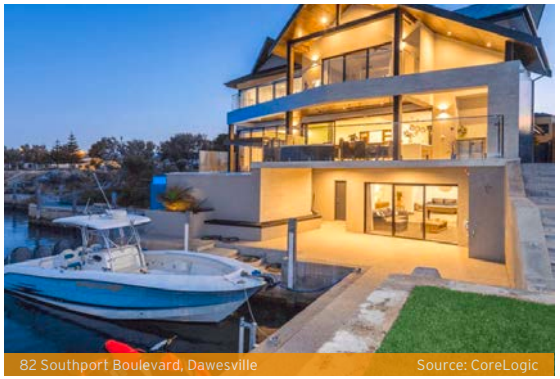

103 Wattle Road, Serpentine Source: CoreLogic


103 Wattle Road, Serpentine Source: CoreLogic

The coastal city of Mandurah has been an area experiencing strong activity throughout the past 12 months with the city offering a wide range of products at affordable levels. This activity has been largely from first homebuyers and investors and as a result, there has been strong price growth throughout the Mandurah region. This activity has also been seen in the prestige section of the market, with many transactions over the $2 million mark in the past 12 months. These transactions are largely occurring on canal-based properties, with suburbs such as Halls Head, Dudley Park and Dawesville seeing good activity. Halls Head has seen four transactions over the $2 million mark over the past 12 months and many just below, while Dudley Park has recorded two over this mark in this period with a notable transaction being 28 Gael Place, Dudley Park. This property sold for $2.65 million in July this year and is a five-bedroom, eight-bathroom dwelling (all bedrooms feature a private ensuite and there are an additional three bathrooms). The property includes a large outdoor living area, outdoor kitchen, pool and private jetty.


28 Gael Place, Dudley Park Source: CoreLogic

Another notable transaction came further south in Dawesville at 82 Southport Boulevard. This 2018 built dwelling has canal frontage with a sought after northerly aspect and sold for $2.8 million in February. The property features a modern interior with five bedrooms and four bathrooms and a massive 442 square metres of living area. Externally the property features an infinity edge pool looking out over the canal and boat mooring.


82 Southport Boulevard, Dawesville Source: CoreLogic

Activity in this price bracket in the Mandurah region hasn't been limited to dwellings with canal frontage, with transactions occurring in the rural residential sector of the market as well. 2 Bouvard Drive, Bouvard sold for $2.22 million in May this year. Situated on two hectares, this property comprises a four-bedroom, three-bathroom main residence, a separate granny flat and a separate gym. The property also features two swimming pools and is situated amongst bushland between the Indian Ocean and Peel Estuary. This transaction is no outlier for the area, with 843 Estuary Road, Bouvard going for $4.5 million back in July 2021. This property had frontage to the estuary and was a 2018 built seven-bedroom, five-bathroom resort style dwelling that sold within 18 days of hitting the market.

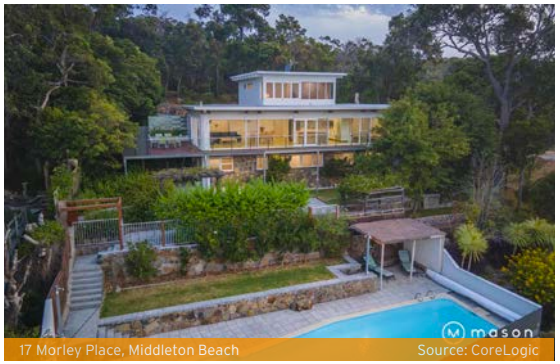

843 Estuary Road, Bouvard Source: CoreLogic

South West

The prestige market in the South-West and the Great Southern regions performed very well in 2022 due to very strong demand and historically low stock levels.

Agents across the South-West region and in the Great Southern have reported very low stock levels in the prestige sector of the market and yet demand for this sector strengthened throughout 2022, influenced by various factors including the prevailing positive sentiment in the Western Australian mining, resource and petroleum sectors. Many agents indicated more sales would have been achieved in the prestige sector of the market had stock been available.

In Albany there were only ten sales above $1 million in 2021 and so far in 2022 there have already been 15 sales over $1 million. Values are considered to have increased significantly throughout 2022. A sale of note was 17 Morley Place, Middleton Beach which sold for $2.2 million in May this year. This is a renovated three-level 1970s four-bedroom, three-bathroom dwelling with a land area of 1019 square metres. The property has excellent views over Frenchman Bay.



17 Morley Place, Middleton Beach Source: CoreLogic

Another sale of note was 74 Hare Street, Middleton Beach which sold for $1.775 million. This is a fully renovated 1974 built two-storey five-bedroom, two-bathroom dwelling with a land area of 1594 square metres. The property also has excellent views over Frenchman Bay.


74 Hare street, Middleton Beach Source: CoreLogic

In the Margaret River region there were only three sales over $2 million in 2021, yet already in 2022 there have been six sales over $2 million. One sale of note was 149 Terry Drive, Margaret River which sold for $3.5 million. This is a 3.58 hectare rural residential bush lot which comprises a 2010 built, four-bedroom, four-bathroom architect designed dwelling and features a lap pool and cabana. The property has good distant ocean and bushland views.

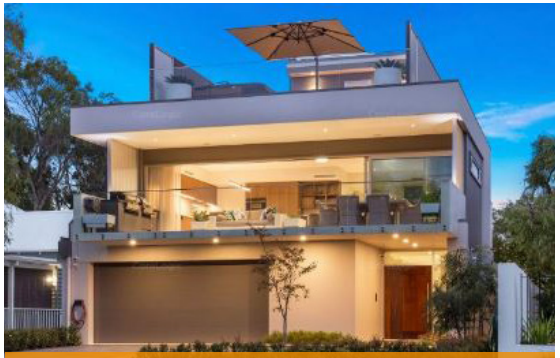

149 Terry Drive, Margaret River Source: CoreLogic

The volume of sales in Dunsborough, Yallingup Hill, Eagle Bay and Quindalup (beachside) over $2 million are down on their 2021 numbers however in each of these areas, values have increased. Sales of note include 20 Seaview Rise, Eagle Bay which sold for $4.75 million. This is a 2005 built five-bedroom, two-bathroom architect designed dwelling on a lot of 5,788 square metres. The property also features a one-bedroom guest house, tennis court and swimming pool.

The volume of sales in Dunsborough, Yallingup Hill, Eagle Bay and Quindalup (beachside) over $2 million were down on their 2021 numbers however in each of these areas, values increased.


20 Seaview Rise, Eagle Bay Source: RP Data

Another sale of note was 60B Geographe Bay Road, Dunsborough which sold for $4.45 million. This is a three-level 2019 built architect designed home with four bedrooms and four bathrooms on a 540 square metre lot. The property has restricted ocean and reserve parkland views.


60B Geographe Bay Road, Dunsborough Source: CoreLogic

Sales numbers in the Busselton urban area over $1 million dropped slightly from 23 in 2021 to 19 in 2022, however values increased significantly overall. A sale of note was 1064 Geographe Bay Road, Geographe which sold for $1.91 million. This is a 2016 built two-storey, four-bedroom, two-bathroom dwelling with a land area of 809 square metres. The property has excellent ocean views.


1064 Geographe Bay Road, Geographe Source: CoreLogic

Rural residential sales, particularly in the Yallingup Hills locality, also fared well in 2022 with the same number of sales (12) above $2 million as 2021, however values are considered to have improved significantly.

Some high listings include a vacant 2.56 hectare rural residential bush lot on Injidup Spring Road in Yallingup which has excellent views of Injidup Bay. This property is currently on the market with an asking price of $4.85 million.


253 Injidup Spring Road, Yallingup Source: CoreLogic

Another listing of note is in Margaret River with the address only available on request. The property is a three hectare rural residential bush lot with frontage to the Margaret River and comprises an architect designed two-storey, three-bedroom, two-bathroom dwelling and detached two-storey guest house. The property is on the market with offers invited in the mid $5 million range.


Margaret River sale Source: realestate.com.au

Esperance

In the past 12 months, Esperance has seen good levels of interest in the prestige sector following on from a strong harvest with cashed up and very happy farmers willing to put their money into this sector of the market. This came after a quieter year for the prestige sector in 2021, but activity has picked up significantly this year, with the majority of transactions in this price bracket coming along Castletown Quays or to the west of town in West Beach.

An example of this activity is the sale of 41 Castletown Quays, Castletown which sold for $1.5 million in February this year. This five-bedroom, three-bathroom dwelling is located on a 790 square metre lot and obtains excellent ocean and island views. 101 Twilight Beach Road, West Beach is another example of what you can get when you spend over $1 million in the Esperance region. This 2017 built, five-bedroom, two-bathroom house sold in March this year for $1.25 million and obtains excellent ocean views. Activity in

this sector of the market is largely dependent on purchaser activity from those in the farming industry, so is therefore largely influenced by the strength of the harvest.


101 Twilight Beach Road, West Beach Source: CoreLogic

Geraldton

Geraldton experienced a strengthening prestige market in 2021 and the early months of 2022 with the market seeing a larger volume of transactions above $1 million. Prior to 2021, there was little to no activity in the price category above $1 million. 2021 was the best year for prestige property and mid 2022 saw this market begin to stabilise due to uncertainty in the marketplace. The market for prestige property in Geraldton is relatively thin but strengthened due to increasing activity and a lack of stock in the region.

Properties that present well and have a uniqueness about them are most often able to fetch these high prices, but properties that are lacking may sit on the market for an extended period of time. In terms of rentals, Geraldton generally does not see prestige properties available for lease as it is largely an owner-occupier market.

264 Chapman Road, Beresford is one of the highest priced residential dwellings Geraldton has seen in recent times with the four-bedroom, four-bathroom home selling for $2.055 million in August 2021 after around eight months on the market. The property was listed prior to the strengthening of the market, possibly contributing to an extended selling period, with the property being ideally located across from the beach and offering a high quality home.


264 Chapman Road, Beresford Source: CoreLogic


264 Chapman Road, Beresford Source: CoreLogic

Kalgoorlie

Although the prestige market in Kalgoorlie is quite small and sees small numbers of sales, this section has been performing well in recent times. Like other regional towns, Kalgoorlie generally has limited prestige rentals on offer, but they are around. Currently advertised for $2500 per week is 29 Wortley Street, Somerville, a five-bedroom, two-bathroom home featuring its own tennis court and pool.

Suburbs such as Hannans, Somerville and Karlkurla are still experiencing good demand with a handful of sales over $1 million. Possibly the highest residential sale in the area was 4 Sanders Close, Somerville, which sold for $1.5 million in November 2021. The two-storey property features a good-quality four-bedroom, three-bathroom home plus a pool and workshop. Closely following, 14 Pirring Way, Hannans fetched $1.3 million in December 2021, offering similar high-quality features. Both properties sold within two weeks of being on the market, demonstrating demand for a limited supply of such properties.


4 Sanders Close, Somerville Source: CoreLogic


4 Sanders Close, Somerville Source: CoreLogic

Port Hedland

The top end of Port Hedland comprises most of the Hedland area's prestige market with the highest selling prices ranging from $1 million to $1.2 million. This part of the market has seen little activity over recent years with limited stock coming to market, however values are increasing alongside the wider market and do not appear to be slowing down, especially when considering sale prices remain below construction costs in the current market. At this price point you will usually find larger and newer homes that are well positioned in Port Hedland (eg Pretty Pool, Cooke Point), but are often on the market for extended selling periods. The town has been experiencing a shortage of rentals causing the demand for rentals on the prestige side of the market to outweigh purchase demand, with the majority of the demand coming from corporations and governments actively trying to secure accommodation. Such prestige properties lease for $2,000 to $2,500 per week.

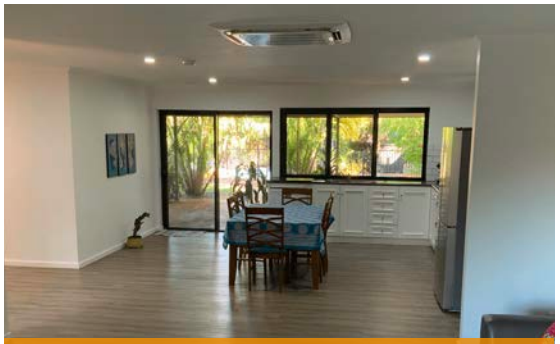
Karratha

The prestige market in Karratha has picked up over 2022 as we see more upper end buyers in the marketplace. The town has seen an increase in demand and with soaring construction costs and lengthy delays, demand falls onto the established market. With high wages on offer in the Pilbara town, the prestige sector of the market has carried demand mostly from owner-occupiers, with some investors, corporations and governments also active. In relation to stock levels, the market has seen an amount coming from owners who purchased during the boom to take advantage of a strong market. The prestige market prices generally sit at around $900,000 to $950,000, with $1 million being the ceiling at the moment. This price point will purchase a large, modern, good-quality house with a pool and shed, similar to this four-bedroom, two-bathroom home in Baynton which is currently the highest sale in Karratha, achieving $970,000 in July 2022.

25 Macmahon Way, Baynton Source: CoreLogic

25 Macmahon Way, Baynton Source: CoreLogic

Properties in Dampier can however, achieve prices above $1 million. Such homes are well located and older but renovated, like this 1980s built, renovated five-bedroom, three-bathroom home with a pool that sold for $1.025 million in July 2022 at 1 Portland Crescent, Dampier.



1 Portland Crescent, Dampier Source: CoreLogic

1 Portland Crescent, Dampier Source: CoreLogic

The rental side of the prestige market mostly comprises the aforementioned type homes in Baynton that currently achieve up to $1600 per week and similar to other regional towns, demand is sourced from companies seeking good quality staff accommodation.

Broome

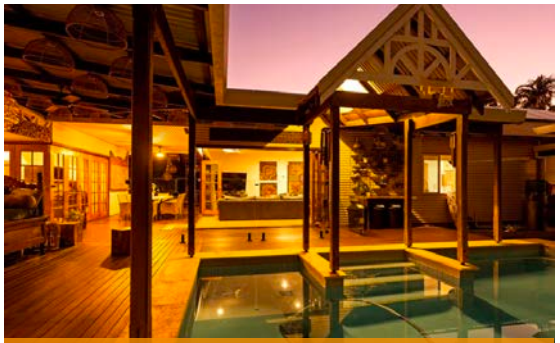
The resort town of Broome has seen a huge change in the prestige market throughout the pandemic in comparison to that of the pre-pandemic market and is considered the strongest performing area in the north-west region of

The prestige market in Karratha has picked up over 2022 as we see more upper end buyers in the marketplace.

Western Australia. During the pre-pandemic market it was rare to see sales over $1 million, but in the past two years it's become common to see properties sell for over $1.5 million up to low $2 million and the market is still moving, albeit not at the same pace. Local buyers are purchasing at this price point, as well as out-of-area buyers looking for luxury holiday homes which are common in the area. Investor activity at these levels has decreased in the past 12 months, although investors are still active at the bottom end of the housing market.

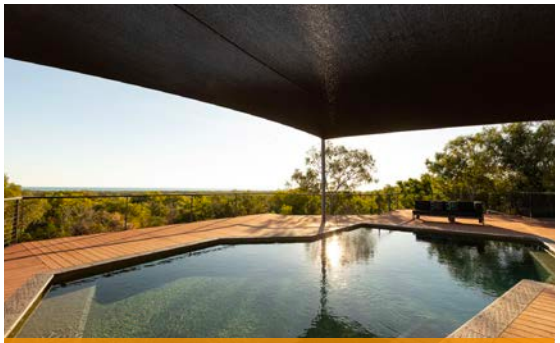
Cable Beach is a well-known location in Broome, boasting the beach, resorts, restaurants, and prestige properties. Well-located, good-quality properties in Cable Beach often sell for upwards of $1.5 million and usually feature modern, resort-style homes with generous outdoor living areas and a pool. This six-bedroom, five-bathroom house in Cable Beach is a great example showing the drastic change in the prestige market. After selling for $835,000 in September 2020 and receiving a relatively minor renovation in the scheme of things, this resort-style home recently sold for $1.55 million in August after being on the market for just two weeks.


36 Koolama Drive, Cable Beach Source: CoreLogic


36 Koolama Drive, Cable Beach Source: CoreLogic

If a unique, lifestyle paradise is what you're looking for, the Coconut Well estate located around 20 kilometres north of Broome comprises a unique locality featuring coastal lifestyle properties. Properties here can be hard to come by and sit at the higher end of the market, with recent transactions going for $2.5 million. Sitting on 3.8 hectares, this four-bedroom, four-bathroom, off-grid property featuring a pool, storage sheds and separate guest pod is currently on the market for $2.6 million.


14 Williams Road, Waterbank Source: CoreLogic


14 Williams Road, Waterbank Source: CoreLogic

The rental market for prestige property in Broome is small as the prestige market is usually an owner-occupier dominated market, but with a chronic shortage of rentals in the area, such properties can still be snapped up for lease for upwards of $1,500 per week. Local businesses are actively seeking rental properties for staff but are competing with corporations and government departments and as such, all property types are considered by lessees.

Kununurra

The town of Kununurra experienced a drastic change in the marketplace since pre-pandemic times. The pre-pandemic housing market had little to no confidence, with prices sitting far below $1 million. The pandemic saw a significant boost in the market as travel bans caused local tourism to kick off and with parts of the population returning home, locals and companies sought accommodation. The town has seen little investment and construction since 2013, so a lack of housing combined with an intense period of an increasing population has increased demand

The rental market for prestige property in Broome is small as the prestige market is usually an owner-occupier dominant market.

It is worth noting that despite the prestige market still performing strongly across Western Australia, it is currently being outperformed by the lower end of the market.

and purchase activity. The market here has seen an increase in lifestyle transactions sitting at the upper end of the marketplace at around $1 million. Like other areas, there is also a chronic shortage of rentals. As such, some purchase activity is driven by individuals buying out of necessity to secure accommodation.

It is worth noting that despite the prestige market still performing strongly across Western Australia, it is currently being outperformed by the lower end of the market. There is talk in the media of the market turning, however what we are seeing on the ground, especially in the Perth metro area, is that the prestige market does not have the same volumes of activity as it did in 2021 and early 2022, but only due to a lack of stock on the market, while the lower end of the market is still performing strongly. This is dragging the median price down, which makes it look like the market has weakened but really, it's just the effects of different sectors outperforming others. Some statistics that reflect this are the sales volumes of various suburbs in Perth. For example, as per REIWA, Peppermint Grove had 36 sales in 2021, but only 24 so far in 2022, Cottelsoe is down from 147 sales to 101 and Swanbourne down from 82 to 62. It's a different story at the other end of the market. Greenfields in the Mandurah region has already recorded 298 sales in 2022, up from 235 for the whole of 2021, while Wellard has so far recorded 306, up from 201 in 2021. These figures are reflected in the northern suburbs with Brabham already recording 168 sales, up from 105 and Aveley recording 344, up from 271 in 2021.

These figures demonstrate why the median sale price appears to be easing, however it is not a true reflection of the market. If there was more stock on the market for upgrade and prestige buyer to purchase, we would see a corresponding increase in sales activity.

Chris Hinchliffe
Directo

Northern Territory - Residential 2022

Darwin

The prestige property market in Darwin performed well throughout 2022 with some notable sales in Darwin and Katherine. With rising costs of construction and labour shortages in the construction industry, purchasers have looked at the finished product and often paid a premium for that move-in ready home. Gone is the notion of the worst home in the best street; buyers now want the best home in the best street as the cost of renovation increased and sourcing quality contractors and builders became more difficult.

There are two sales that stand out above all and two sales from different markets. 108 East Point Road, Fannie Bay set the benchmark for 2022. Selling at $8.5 million, it stands alone in the Darwin market. Situated in a tightly held area in Darwin's golden mile, properties here do not come to the market often. Comprising five bedrooms and eight bathrooms over two floors, as described by the selling agent, Colliers International, "108 East Point Road introduces a level of sophistication never before offered in Darwin's luxury market. Elegant, timeless interiors unfold to reveal the home's many layers of excellence."


108 East Point Road Source: realestate.com.au


108 East Point Road Source: realestate.com.au


108 East Point Road Source: realestate.com.au

Situated in the rural residential suburb of Lansdowne in Katherine, you will find a recent sale that has been unmatched. With views over the Katherine River, gorge and natural landscape, 1745 Gorge Road, Lansdowne is unique and the perfect property for someone looking for a rural lifestyle retreat. The property has river frontage along with a natural creek running through the 51 hectare allotment. Sold through Nutrien Harcourts


1745 Gorge Road, Lansdowne Source: realestate.com.au

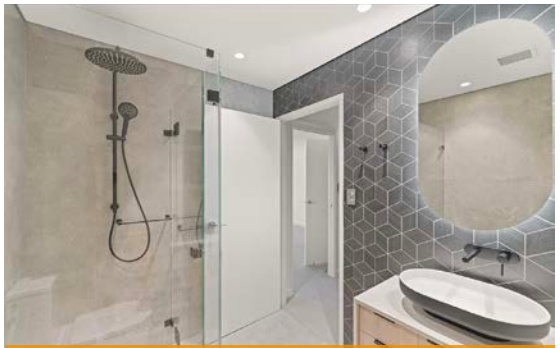

1745 Gorge Road, Lansdowne Source: realestate.com.au


1745 Gorge Road, Lansdowne Source: realestate.com.au

Katherine, this was a sale exceeding the owner's and market expectations. It is one of a kind with three bedrooms to the main dwelling and a fully self-contained cottage with two further bedrooms that can easily be leased on a short-term basis.

36/4 Myilly Terrace, Cullen Bay Source: realestate.com.au

36/4 Myilly Terrace, Cullen Bay Source: realestate.com.au



36/4 Myilly Terrace, Cullen Bay Source: realestate.com.au

When it comes to rentals, the prestige market has performed well. For a tenant, there are multiple options available above $1000 per week, whether a water front townhouse in the inner suburbs or a new built home in the northern suburbs, but at $2000 per week, 36/4 Myilly Terrace, Cullen Bay, a four-bedroom, three-bathroom penthouse residence is the pick. Taking panoramic views of the Darwin Harbour and located in the highly exclusive Myilly Point, this penthouse is the pinnacle of luxury as described in the listing by Colliers International.

The prestige market in Darwin is well set for 2023, with confidence returning to the market. Even with the recent interest rate rises, the market has continued to perform strongly across most segments.

Cameron McDonell
Valuer

Australian Capital Territory - Residential 2022

Canberra

The prestige housing market of property... Many dream of it but only a few can afford it. Like many other regions, Canberra has had a massive increase in property prices within the past two years but how has the prestige housing market performed? Canberra had a new record sale in October 2022 of $9 million for a property in Deakin which overtook the $8 million sale of a home in Red Hill in 2020. 82 Empire Circuit in Deakin has a land size of 2,816 square metres and a dwelling size of 680 square metres which includes five bedrooms, four bathrooms and six car parking spaces. It also has a theatre room, an outdoor inground pool and a tennis court.

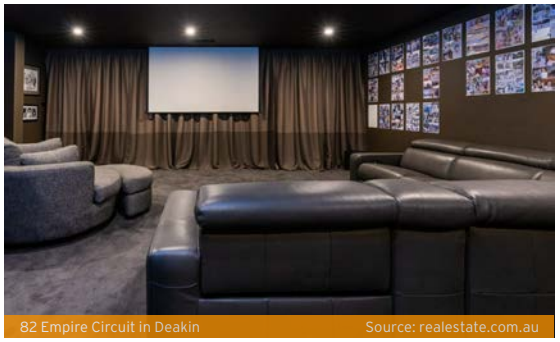
Bill Lyristakis, the selling agent, stated in a report by AllHomes that there are a lot of buyers at the premium end of the market. There always are, but some tend to sit back and not show themselves for years waiting for something a bit special that suits them to come to market.

Bill Lyristakis also sold the previous highest selling property, 25 Mugga Way, Red Hill which sold for $8 million. 25 Mugga Way, Red Hill has a land size of 7963 square metres and includes five bedrooms, four bathrooms and five car parking spaces. It also has a cabana, cellar and outdoor inground pool.

The prestige housing market in Canberra has continued to break records as the property market has continued to increase from previous years. The prestige housing market has a lot of interest as shown through AllHomes data that 82 Empire Circuit, Deakin was first listed on Allhomes in October 2020 and has since clocked close to 73,000 views online with an engagement rate of more than 515,000. In saying this, the number of buyers is significantly lower compared to the non-prestige housing market and the selling period is longer due to the price point of these prestigious houses, however records are still being broken, even with the market in Canberra starting to weaken.


82 Empire Circuit in Deakin Source: realestate.com.au


25 Mugga Way, Red Hill Source: realestate.com.au


82 Empire Circuit in Deakin Source: realestate.com.au


25 Mugga Way, Red Hill Source: realestate.com.au

Nicole Claughton
Assistant Property Valuer

Canberra had a new record sale in October 2022 of $9 million for a property in Deakin which overtook the $8 million sale of a home in Red Hill in 2020.

Tasmania - Residential 2022

Hobart and surrounds

The number of listings of prestige property in Hobart and surrounds appears to have increased as we enter the selling season. Prices remain firm and transactions are still filtering through, however days on market have extended with the market levelling out and the FOMO-ers having more time to do their due diligence. Potential purchasers are no longer entering into unconditional contracts and are employing the services of building inspectors to make sure the property is in good shape.

There are more contracts of sale that come across our desks that are now subject to sale, whereas six months ago, an agent would not present a contract with this condition.

Tasmania's highest priced property is located in Howrah (on the eastern shore of the River Derwent) and recently sold for circa $8.533 million. The main residence comes in at a whopping 817 square metres (including garage) and provides five bedrooms and three bathrooms. The parcel comprises eight separate allotments and two additional dwellings of varying standards.

Howra Source: realestate.com.au

Tasmania's highest priced property is located in Howrah (on the eastern shore of the River Derwent) and recently sold for circa $8.533 million.

20 Clarke Avenue, Battery Point ($5.45 million) is a perfect example of the prices achievable for a piece of waterfront property. The block itself is a mere 546 square metres and the dwelling is approximately 186 square metres and would benefit from a major renovation in the short to medium term. Demand for this property as reported by the selling agent was quite good with an asking price of offers over $5 million.

A search on realestate.com.au indicates the ceiling for prestige properties for rent is capped at $1050 per week. Sandy Bay, South Hobart and Battery Point are the only places with properties within this price range. Only six properties are available at the time of producing this report.

Overall, the prestige market in Hobart and its surrounds performed quite well in comparison to 2021. Purchasers in the market for properties over $3 million aren't really worried about interest rate rises, whereas properties up to $1 million may suffer in the short term if interest rates continue to rise. At the time of producing this report, there were only six properties around Hobart in the $3 million plus price range.

Stephen Ning Liu
Valuer


20 Clarke Avenue, Battery Point Source: realestate.com.au

20 Clarke Avenue, Battery Point Source: realestate.com.au

RESIDENTIAL

HERRON TODD WHITE RESIDENTIAL

HERRON TODD WHITE RURAL

Rural

November 2022

Mildura/Sunraysia and South Western NSW.

Amidst one of the wetter seasons for many years, a catch cry of "rain rain go away" can be heard ringing out across the dryland cropping sector. With a potential bumper crop on the horizon, producers are hoping for some sunshine over coming weeks to finish off crops and dry out the land to allow harvesters to get to work. I get the feeling that there will be many bogged harvesters in the early part of the harvest. With flood water prevalent across many of the river systems throughout Victorian and southern New South Wales, it is hoped only a low percentage of crops will be affected.

The continued localised and international economic uncertainty presently felt appears to have little impact on property sale values in the dryland farming and grazing sector with near record levels continuing across the board. However, logic suggests that at some stage a correction to current levels is likely with rising interest rates and input costs putting a handbrake on the steep climb in values over the past three years.

Some sales activity of grazing country in 2022 include the recent sale of the Glen Emu aggregation, 35 kilometres north of Balranald in south-western New South Wales which confirms that demand and value levels have remained firm. The 43,334 hectare property of mostly blue bush and grass country (320 millimetres rainfall) sold at auction in September 2022 for in excess of $16 million. The sale showed over $1000 per dry sheep equivalent on an ex-structures basis.

This sale occurred hot on the heels of the nearby smaller Dockerty station (8993 hectares) which transacted in April 2022 showing an ex-structures value of over $1300 per dry sheep equivalent and the inferior improved Bulgamurra station (31,431 hectares) via Pooncarie (250 millimetres rainfall), which sold in March 2022 showing just over $1000 per dry sheep equivalent on an ex-structures basis.

Further to the east of Glen Emu and to the north-west of Hay, the recent contracting of Tooronga (subject to Foreign Investment Review Board approval) is a significant sale for this district and comprises a 28,079 hectare Riverine Plains grazing parcel (340 millimetres rainfall). Reported to be under contract for in excess of $26 million, the sale will show in the vicinity of $1500 per dry sheep equivalent.

The continued strong sheep and lamb market along with the favorable seasons are considered a major determinant for this continued demand.

The dryland cropping and grazing sector throughout Victoria and south east South Australia continues to see increasing sale prices, noting in some areas that grazing levels are matching cropping levels. A good guide for the low rainfall area (280 to 300 millimetres) of northern Victoria and southern New South Wales is the well-regarded Petro Station which is 50 kilometres north-east of Mildura. This extremely well improved property (26,673 hectares) was presented to the market by private treaty with offers invited over $20 million. Approximately 10,000 hectares is productive arable cropping land and at the time of writing, the result has not been disclosed (closed 20 October 2022).

If the property does reach or is near to the asking price, then a new benchmark will be set for this low rainfall area for dryland cropping levels.

It has been relatively quiet in the horticultural space throughout 2022 with limited supply and reduced demand along with the high expectations of vendors contributing to the lack of sales activity. Growers have experienced lower returns over the past two to three years which has cooled buyer demand, however it is worthy to note that two medium size wine grape holdings in the district are reportedly under contract to a large scale existing wine producer who intends to continue wine grape production but with an emphasis towards white grape varieties replacing existing red grape varieties.

We expect the current holding pattern in the horticultural space to continue until there is a change in grower returns.

Shane Noonan
Valuer

Yarra Valley & Mornington Peninsula Wine Regions

Mixed fortunes continue for wine grape growers and wine producers across Victoria with the trade restrictions imposed by China having a major impact on returns for growers, especially of traditional red wine grape varieties. To date however, these restrictions do not appear to be significantly impacting the cool climate, premium growing regions in the south of the state.

The Yarra Valley remains one of Australia's premium wine regions. The crush of 2022 vintage

With a potential bumper crop on the horizon, producers are hoping for some sunshine over coming weeks to finish off crops and dry out the land to allow harvesters to get to work.

The Yarra Valley remains one of Australia's premium wine regions. The crush of 2022 vintage was down circa 40 per cent as a result of the continued wetter conditions due to the prolonged La Nina weather pattern significantly impacting yields.

was down circa 40 per cent as a result of the continued wetter conditions due to the prolonged La Nina weather pattern significantly impacting yields. Returns for both contract growers and wine producers remain strong for the traditional cool climate varieties of Pinot Noir, Pinot Gris and Chardonnay.

Recent transactions of note include the Bastards Hill Vineyard which was purchased for $2,430,415 on a WIWO basis by Jackson Family Wines, one of the largest wine producers in the United States. The property comprises a total area of 31 hectares and is planted to Pinot Noir and Chardonnay.

Bastards Hill Vineyard Source: Giant Steps Winery

Tresuary Wine Estates remains active in the market and has recently purchased the 83.98 hectare Beenak Road Vineyard in the upper Yarra for $7,025,402 on a WIWO basis. The vineyard is predominantly planted to Pinot Noir, Pinot Gris and Chardonnay.

Tresuary Wine Estates Source: Langley & Co

The market in the Mornington Peninsula wine region also remains strong, largely underpinned by the strong rural lifestyle market due to the Peninsula's proximity to Melbourne and popular beach destinations. Recent signficiant transactions include the well known boutique Eldridge Estate which sold for $6.435 million. The winery has a strong reputation for Burgundy style wines, having received a five red star rating from James Halliday over a number of years and is one of the only producers of the Passe-tout-grains blend in Australia.

Eldridge Estate Source: realestate.com.au

The T'Gallant Winery is currently under contract for $9.175 million and includes a well known restaurant, pizza bar and cellar door as well as some of Australia's oldest plantings of Pinot Gris.

The continued wet condtions are likley to impact yields in both the Yarra and Mornington and the impacts of the current and expected interest rate rises on these markets remain unknown.

John Gunthorpe
Agribusiness Director VIC/TAS

Central and Western QLD

The 2022 rural property market in central western Queensland has continued to consolidate on the back of record values seen in 2021.

Sales activity was well below previous years, with only 12 transactions for the year to date in comparison to over 40 sales in 2021. The lack of sales is mainly due to a lack of listings and stock rather than reduced demand, with 2019 and 2020 also having high levels of turnover. The most notable sales include:

- Byrgenna, an 11,548 hectare Augathella district property which sold at auction in June for $20.7 million, or over $12,000 per adult equivalent. The property had very strong enquiry and the sale result reinforced the strength of the market, particularly in the southern central western Queensland region;
- Marmboo, a 38,556 hectare property located west of Longreach, sold in March for $12.3 million, showing over $5,000 per adult equivalent. The

property sold to western beef producers at a level considered to be a record for that area;

- Grahgor Downs, a 29,500 hectare Mitchell grass downs property located near Jundah, south of Longreach, sold at auction in March for $5.9 million to a neighbour. The auction had only three active bidders, with the sale showing just under $5,000 per adult equivalent, which was a district record.

These three sales highlight the continued strength of the market despite rising interest rates, biosecurity concerns around LSD and FMD and declining sheep, goat and wool prices. The cattle market has continued to perform well, which has helped underpin the market. Beef prices have been quite strong throughout the year except for a period in mid-2022 when uncertainty and fear around an FMD outbreak in Indonesia saw large numbers of cattle hit the market. Sheep and goat prices fell at the same time, but have not recovered to pre-July levels. Good seasonal conditions across the majority of eastern Australia have also provided confidence within the agricultural sector.

Some limited mid-year sales around the time of the Indonesian FMD outbreak were considered to be below expectations based on previous recent sales data.

There are five properties currently being openly marketed in the central west Queensland region (four via expressions of interest campaigns and one via auction) and they will provide a further litmus test of current market conditions. Sedgeford, at Alpha, is a large scale, developed scrub and forest block, capable of breeding and fattening, with an advertised stocking rate of over 7000 mixed cattle from breeders through to fats. Baratria is a 74,447 hectare predominantly Mitchell grass downs property located at Winton, reportedly capable of running up to 7000 adult equivalent. These two properties are attracting very strong enquiry from both corporate and private operators. The three other properties, in the Winton and Aramac areas, comprise lesser quality, smaller scale breeding and growing blocks, which would be more suited to the private investment sector.

Chris Dyer
Property Valuer

Darling Downs

The Darling Downs rural sector continued with strength and confidence into and throughout 2022. Increased costs of materials and lack of available labour, combined with the strength in the property market mean it is now very difficult to find opportunity assets that can be capitalised on (in value terms) by developing improvements. Buyers it seems are willing to pay a market premium for a full turn-key asset with existing quality infrastructure.

Quality assets in sometimes tightly held districts mean that vendors are now being rewarded for sound capital development decisions and previous infrastructure upgrades.

Demand for these assets has been fuelled by more profitable farmers looking to expand their holdings amid record grain, beef and commodity prices.

One such tightly held area is that of the Augathella Tambo district which provides a unique mix of country including Brigalow, Bottle Tree and Gidyea influenced soft red and black soil downs.

A timeline of previous market leading sales in the Augathella area can help show where and why the market is positioned where it is today. Gladys Downs for instance is a quality large-scale grazing aggregation of 20,025 hectares that sold at auction in December 2019 for $20 million. This property was estimated to run on average 3000 to 5000 mixed cattle with a carrying capacity value of approximately $4000 per adult equivalent.

Then in August 2021, Plenva Downs East, a 6,263 hectare holding located 34 kilometres east of Augathella and held in the same family for 86 years sold at auction for a record $15.5 million or a value rate of $2,474 per hectare.

These sales set the stage for the standout sale for 2022 of Byrgenna, located on the Ward River, approximately 70 kilometres north-west of Augathella and 80 kilometres south of Tambo. This 11,548 hectare freehold property on six parcels plus a term lease of 1100 hectares sold at auction for $20.7 million in June after being held by the Ross family.

The property boasted a historic well-maintained and partially renovated homestead on country types consisting of dominant Brigalow and Gidyea

Byrgenna Source: realestate.com.au

Good seasonal conditions across the majority of eastern Australia have also provided confidence within the agricultural sector.

HERRON TODD WHITE RURAL


Byrgenna Source: realestate.com.au

influenced red and black soils. Pastured with Curley, Bull Mitchell, Flinders and Buffel grass and watered by nine earth dams and seasonal holes in numerous creeks, the property represented a premium grazing holding.

Another market-leading sale in the highly sought after and tightly held area of Kilcoy in Queensland's south-east was Brooklyn, which sold at auction for $16.1 million or $11,735 per hectare. The property had been held in the Ferling family since the 1890s. This 1372 hectare prime grazing and finishing property encompassed 17 freehold titles and consisted of rolling hills and gullies and expansive creek flats featuring Rhodes grass, Paspalum, Kangaroo Grass, Water Couch, Black Spear Grass and clovers. The holding is watered by 14 earth dams, two lagoons and an equipped bore as well as creek frontages to Sheep Station and Oakey Creeks. Also improved with a Queenslander style homestead and quality shedding and stock yards, the property reflected a value rate of approximately $29,500 per adult equivalent treated, fenced and watered.


Brooklyn Source: realestate.com.au


Brooklyn Source: realestate.com.au

A property of such scale for this area rarely comes on the market and an apparent competitive and contested auction achieved premium results.

Another significant transaction was Springfield via Goondiwindi which sold for $21 million in June 2022. This irrigated and dryland cotton operation sold to a local buyer immediately after the property passed in at auction. The property has Dumaresq River frontage and prime black and grey self-mulching soils with water licences for 922 megalitres overland flow and nominal volume of


Springfield Source: soho.com.au


Springfield Source: soho.com.au

1690 megalitres from the river. With water storage totalling approximately 4000 megalitres and improved with a homestead, workers quarters and shedding, the property achieved a new benchmark in value.

2022 has so far been strong with some record-breaking sales for the Darling Downs region. Confidence in the rural property market and rural commodities remains high which is creating a pool of potential buyers, however there are some market signals, especially for second-tier assets, indicating the cycle may be nearing its peak.

Bart Bowen
Director

Buyers it seems are willing to pay a market premium for a full turn-key asset with existing quality infrastructure.

NT/KIMBERLEY

There are only a handful of commercial scale agricultural properties for sale across the Northern Territory and the Kimberley at present. Typically, the number of such properties that sells in this market each year is relatively small compared to the rest of Australia, but it really is slim pickings at present.

On the freehold farming front there are only two irrigated horticulture farms for sale, both of which are in the Lambells Lagoon area just south-east of Darwin (a mango farm with large packing shed and a mixed Asian vegetable and fruit tree farm also with packing shed). A small live export depot block on the Stuart Highway near Adelaide River remains on the market having tested it for a while and there are two larger-scale horticulture properties in the Kununurra/Ord area that have also been testing the market now for a fair while.

There remains good demand for cleared land and land with clearing permits or that can be redeveloped, particularly for land that also has a water licence. A good example of this is the recent offering of Roper Plains, a 2799 hectare freehold property on the Stuart Highway south of the village of Mataranka, which is reportedly currently under contract for sale having tested the market for around two months. Around 29 per cent of the property was established to Indian sandalwood and their host trees by Quintis from around 2016, however the real attraction was reportedly not the trees but the irrigable land, the utility of which was underpinned by a 5800 megalitre per annum groundwater licence (equating to around six to seven megalitres per hectare per annum, 500 megalitre priority and 5300 megalitre general security, non-tradeable). Full sales details remain confidential at this stage however we understand that competition was strong, mainly from horticulturalists who will have to redevelop the sandalwood country to utilise the country and water licence and modern irrigation system in place.

The most recent irrigation sales in the Northern Territory and Kimberley (ORIA) have been showing between $15,000 and $20,000 per hectare (inclusive of irrigation licence and delivery infrastructure) for irrigation areas of between 50 and 300 hectares and anywhere between Mataranka, Darwin and Kununurra with the lump-sum prices for the properties ranging from $2 million to $26.5 million.

Roper Plains, Mataranka, NT — Source: online

Typically, the number of such properties that sells in this market each year is relatively small compared to the rest of Australia, but it really is slim pickings at present.

On the pastoral front, the only cattle stations being actively marketed for sale (that we are aware of) are: Walhallow/Cresswell Downs (9997 square kilometres) on the northern Barkly; Annaburoo (290 square kilometres) 120 kilometres south-east of Darwin on the fringe of the Darwin floodplains; and Douglas South (555 square kilometres) in the Douglas Daly. We are however aware of a large-scale Top End pastoral property which has contracted for sale after being quietly brought to market and another in the west Kimberley which has also contracted for sale off-market. The recent sales of Limbunya (5219 square kilometres) in the Victoria River district showing a dollar per adult equivalent close to $2000 and Maryfield (1473 square kilometres) on the lower Sturt Plateau near Larrimah showing a dollar per adult equivalent in the high $3000s, both purchased by Australian agricultural investment company Wealthcheck, indicate that the motivation is still there to push pastoral market prices to historic highs.

Frank Peacocke
Director

Western Australia

We are entering the selling season in the Western Australian grain belt with increasing input prices, fuel prices, transport prices, transport delays, interest rate rises and inflation seemingly unable to halt the price momentum of the broadacre market. The price momentum is riding on the back of three consecutive average-to-great seasons, placing many operators in good equity positions.

With very high demand and low supply, the most popular and seemingly effective method of sale has been via auction – either in person or on-line. A number of auctions have occurred this year which have resulted in new benchmark rates being paid in certain localities. This is particularly the case in

localities where there was little to no supply in the previous seasons.

An auction was held for a property in Westonia some 280 kilometres north-east of Perth which achieved huge participation and resulted in a price of $1764 per arable hectare ($714 per arable acre) in an area that previously struggled to break through $1000 per arable hectare.

Higher production areas have also seen substantial price growth. A number of recent on-line auctions have been held on properties throughout the Dowerin and Cunderdin shires (130 kilometres north-east of Perth) which have had limited supply over the previous two seasons. The demand for these properties from existing local and regional operators has been very high due to there being no opportunity to expand over the previous two years. The prices achieved at these auctions ranged from $7000 per arable hectare (approximately $2800 per arable acre) to $8500 per arable hectare (around $3400 per arable acre) whereas the sales from two years prior achieved rates ranging from $2000 per arable hectare (around $800 per arable acre) to $3500 per arable hectare (approximately $1400 per arable acre).

With the selling season just starting, how far can prices go?

Luke Russell
Valuer

HERRON TODD WHITE

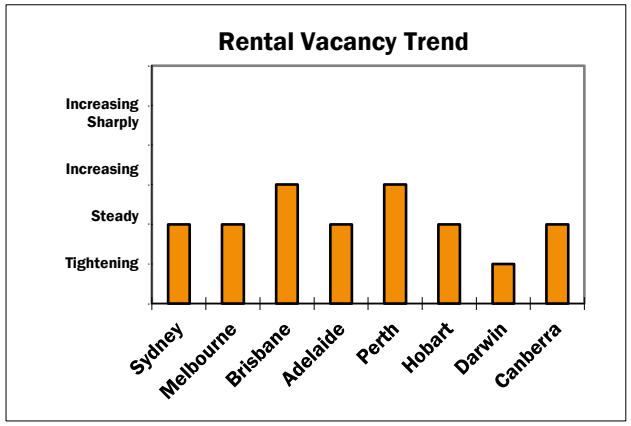
Property Market Indicators

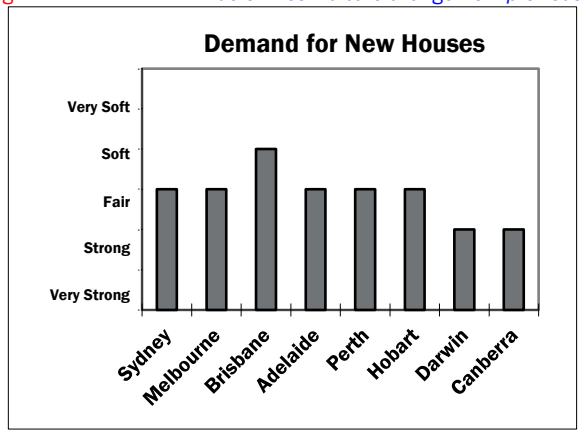
November 2022

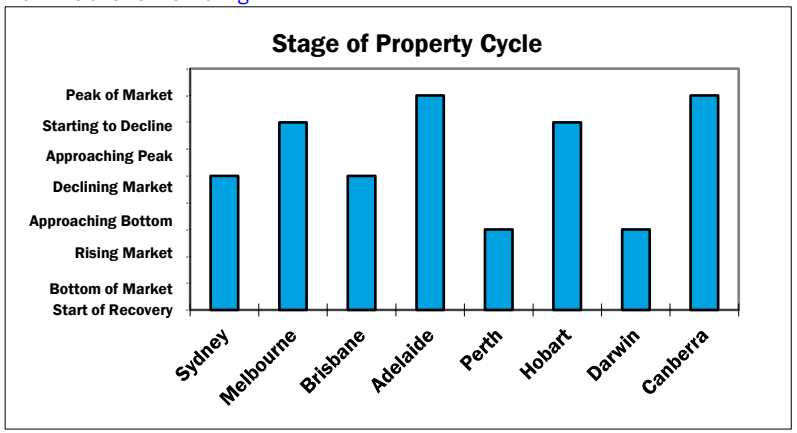
Capital City Property Market Indicators – Houses

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

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





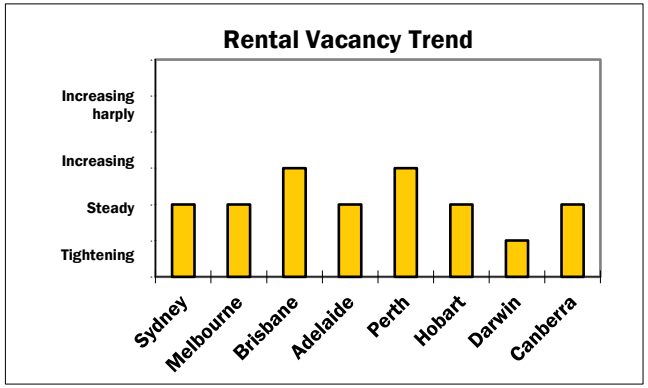


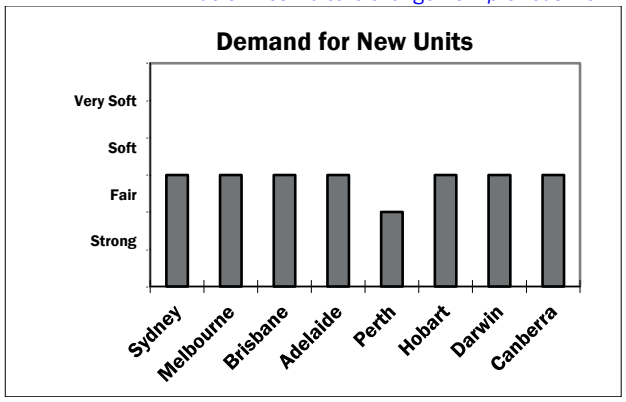
Capital City Property Market Indicators – Units

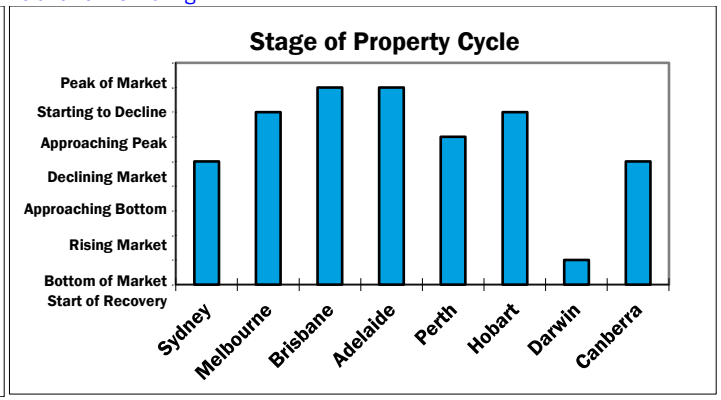
Factor	Sydney	Melbourne	Brisbane	Adelaide	Perth	Hobart	Darwin	Canberra
Rental Vacancy Situation	Shortage of available property relative to demand	Balanced market	Severe shortage of available property relative to demand	Severe shortage of available property relative to demand	Severe shortage of available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

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

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



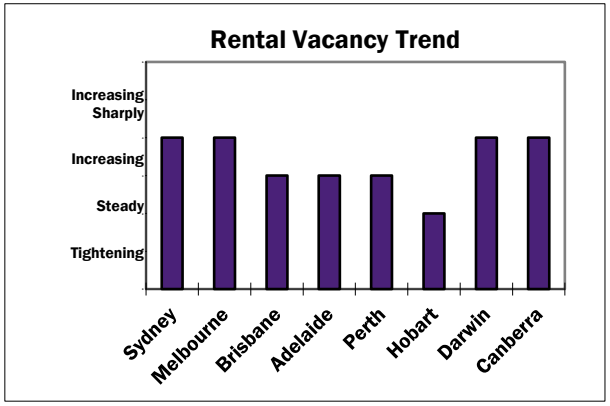


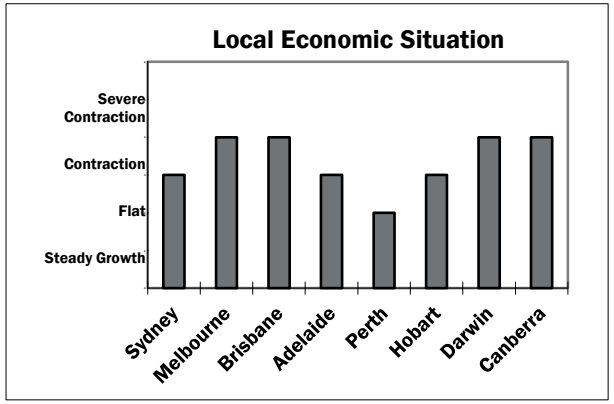


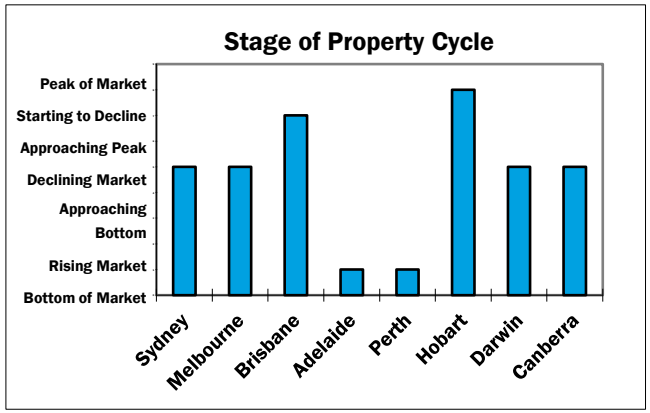
Capital City Property Market Indicators –Retail

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

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



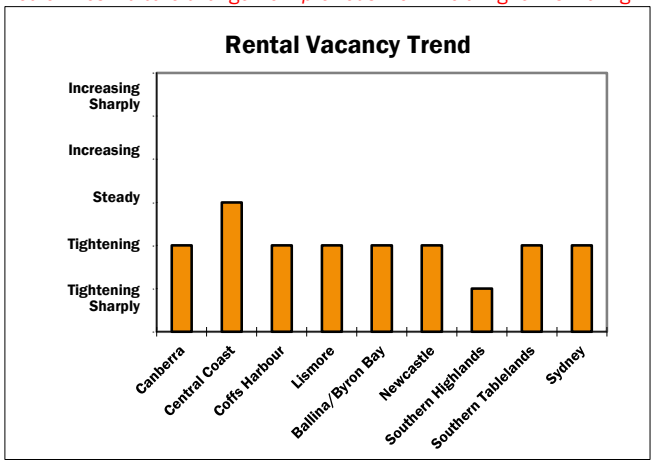


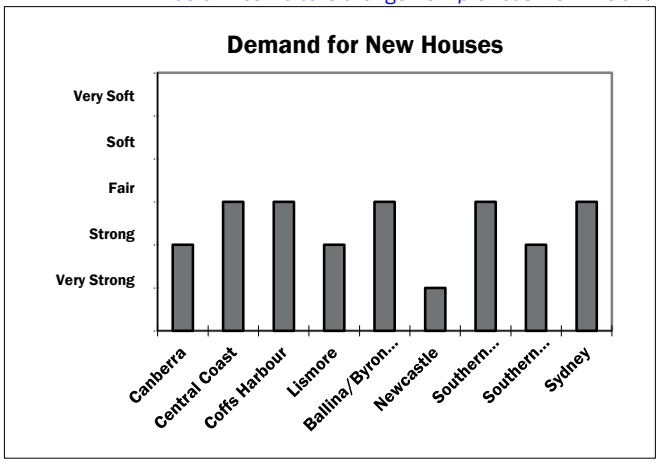


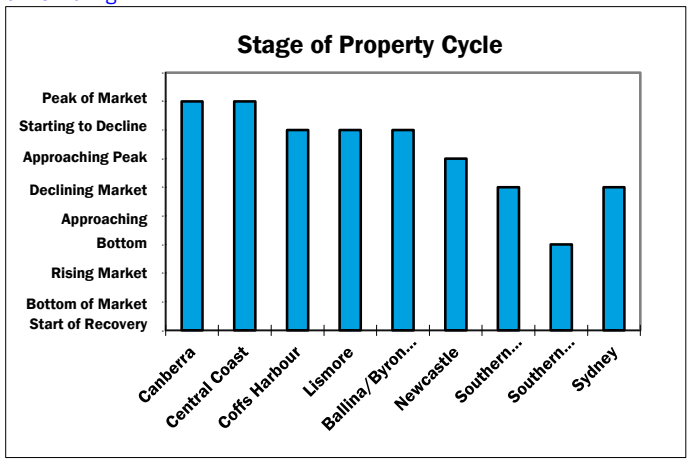
East Coast New South Wales Property Market Indicators – Houses

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



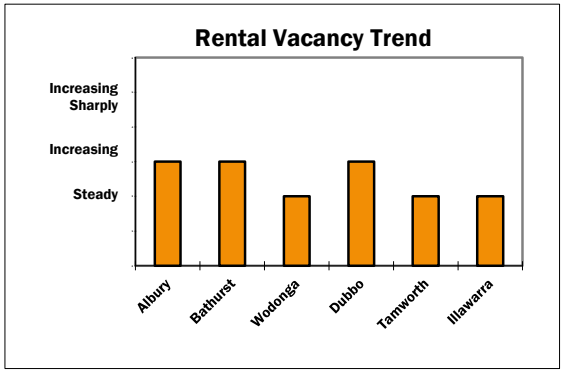


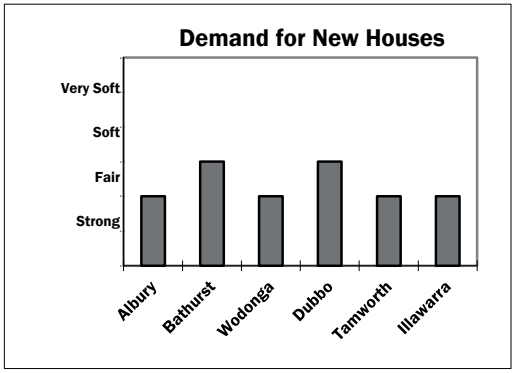


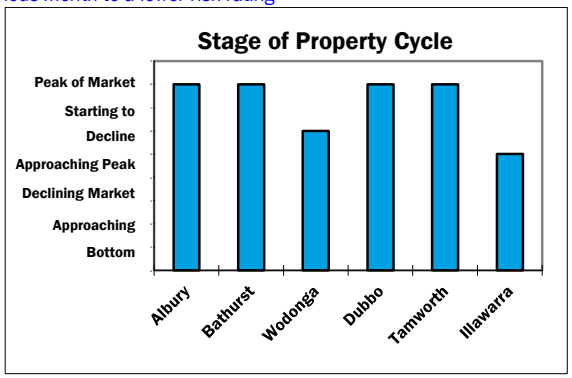
Country New South Wales Property Market Indicators – Houses

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





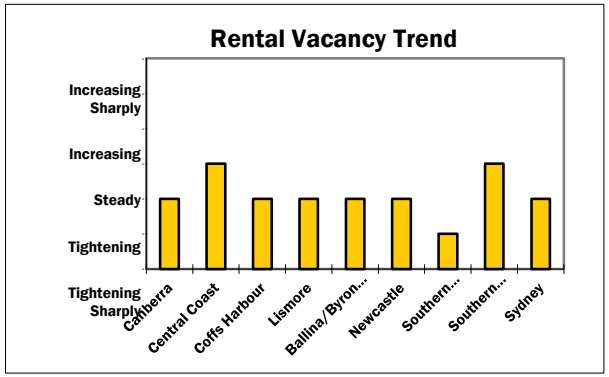


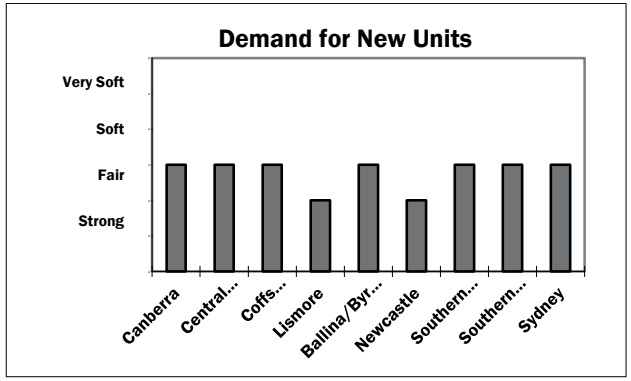
East Coast New South Wales Property Market Indicators - Units

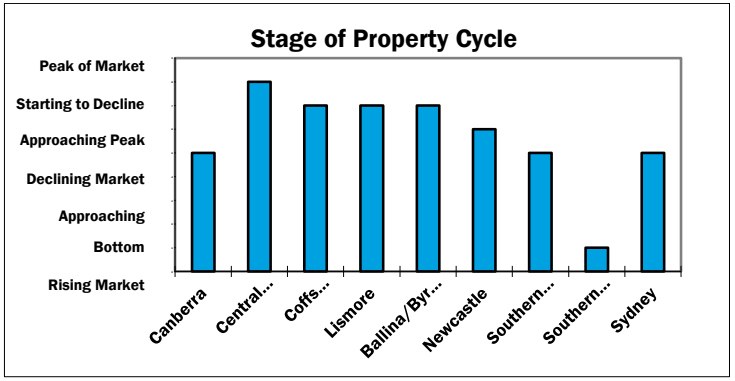
Factor	Canberra	Central Coast	Coffs Harbour	Lismore	Byron Bay/Ballina	Newcastle	Southern Highlands	Southern Tablelands	Sydney
Shortage of available property relative to demand	Shortage of available property relative to demand	Severe shortage of available property relative to demand	Shortage of available 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	Balanced market	Shortage of available property relative to demand
Tightening	Tightening	Steady	Tightening	Tightening	Tightening	Tightening	Tightening sharply	Steady	Tightening
Fair	Fair	Strong	Fair	Strong	Strong	Strong	Fair	Fair	Fair
Declining	Declining	Declining	Steady	Steady	Declining	Declining	Declining	Steady	Steady
Steady	Steady	Increasing	Declining	Steady	Increasing	Increasing	Declining	Steady	Declining
Declining market	Declining market	Peak of market	Starting to decline	Starting to decline	Starting to decline	Approaching peak of market	Declining market	Start of recovery	Declining market
Occasionally	Occasionally	Occasionally	Almost never	Almost never	Almost never	Occasionally	Frequently	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



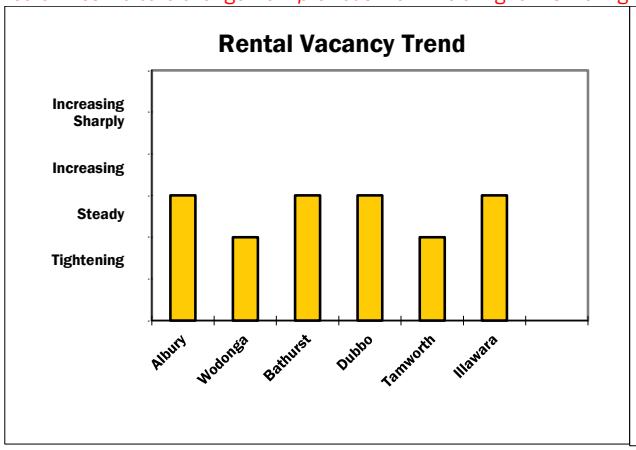


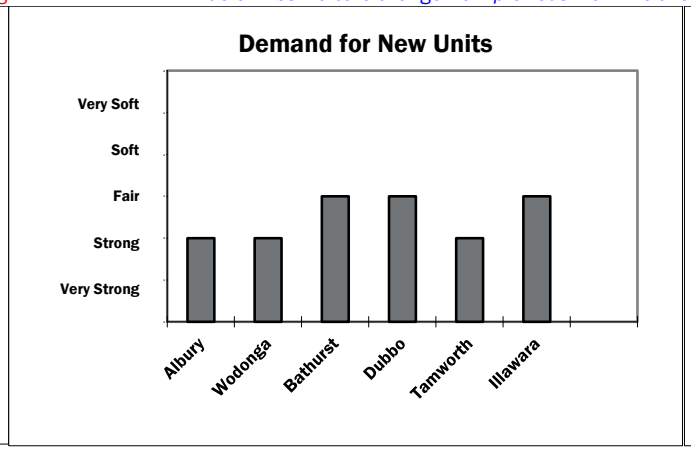


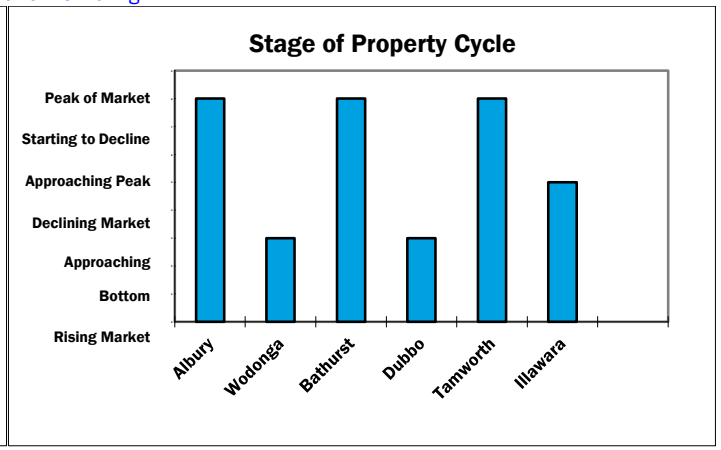
Country New South Wales Property Market Indicators - Units

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	Shortage of available property relative to demand	Shortage of available property relative to demand
Rental Vacancy Trend	Steady	Tightening	Steady	Steady	Tightening	Tightening
Demand for New Units	Fair	Strong	Fair	Fair	Strong	Fair
Trend in New Unit Construction	Steady	Steady	Declining	Declining	Steady	Steady
Volume of Unit Sales	Increasing	Increasing strongly	Increasing	Steady	Increasing	Steady
Stage of Property Cycle	Peak of market	Rising market	Peak of market	Rising market	Peak of market	Declining 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*





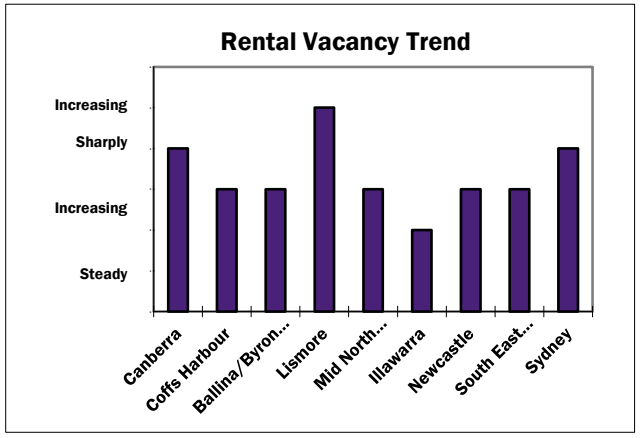


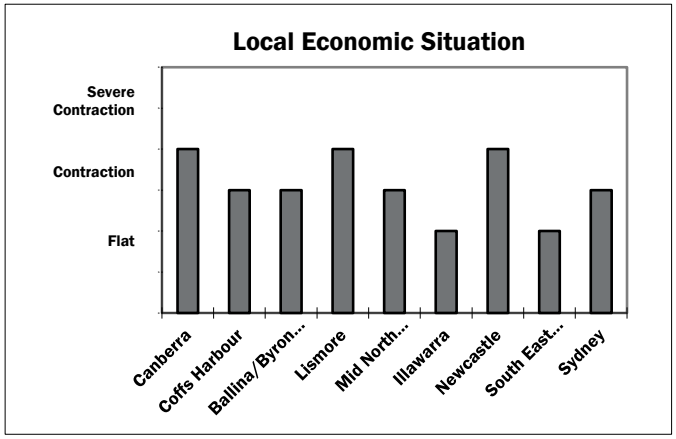
East Coast & Country New South Wales Property Market Indicators – Retail

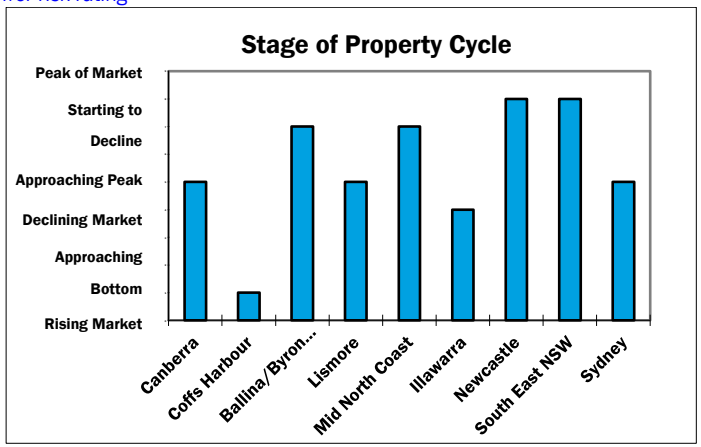
Factor	Canberra	Central Coast	Coffs Harbour	Ballina/Byron Bay	Lismore	Mid North Coast	Illawara	Newcastle	South East NSW	Sydney
Rental Vacancy Situation	Over-supply of available property relative to demand	Balanced market	Large over-supply of available property relative to demand	Balanced market	Large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

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



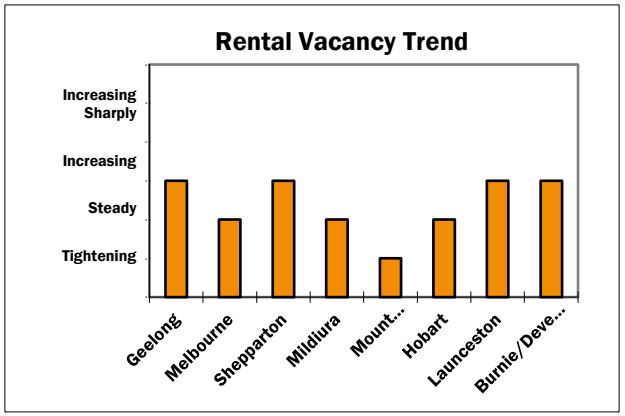


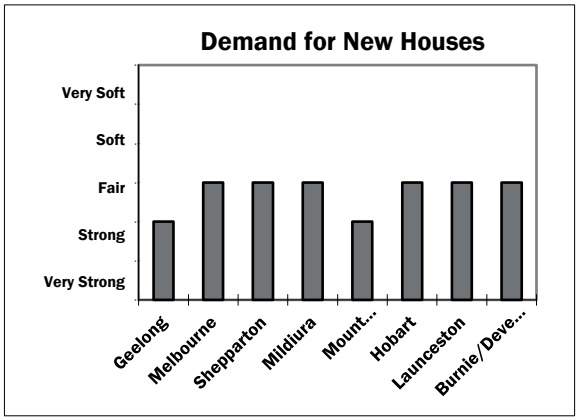


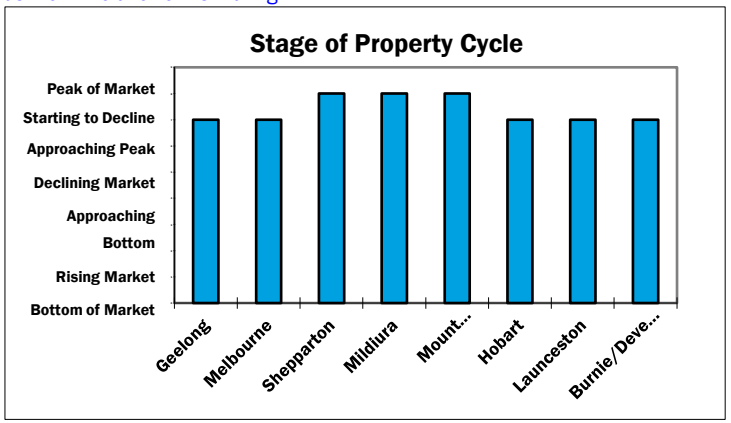
Victorian and Tasmanian Property Market Indicators – Houses

Factor	Geelong	Melbourne	Shepparton	Mildura	Mount Gambier	Hobart	Burnine/ Devenport	Launceston
Rental Vacancy Situation	Shortage of available property relative to demand	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
Rental Vacancy Trend	Tightening	Tightening	Steady	Tightening	Tightening sharply	Tightening	Steady	Steady
Demand for New Houses	Fair	Fair	Fair	Fair	Strong	Fair	Fair	Fair
Trend in New House Construction	Increasing	Steady	Steady	Steady	Steady	Steady	Increasing	Increasing
Volume of House Sales	Declining	Declining	Increasing	Steady	Steady	Steady	Steady	Steady
Stage of Property Cycle	Starting to decline	Starting to decline	Peak of market	Peak of market	Peak of market	Starting to decline	Starting to decline	Starting to decline
Are New Properties Sold at Prices Exceeding Their Potential Resale Value	Occasionally	Occasionally	Occasionally	Occasionally	Occasionally	Occasionally	Occasionally	Occasionally

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







Victorian and Tasmanian Property Market Indicators – Units

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

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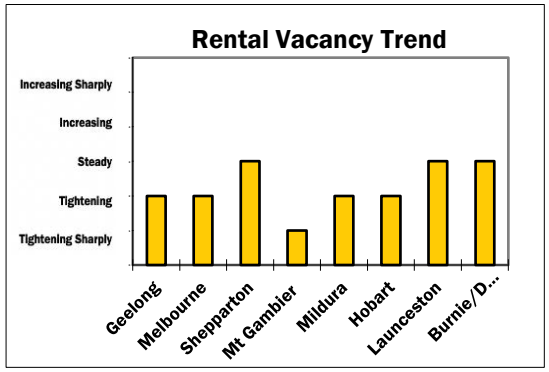

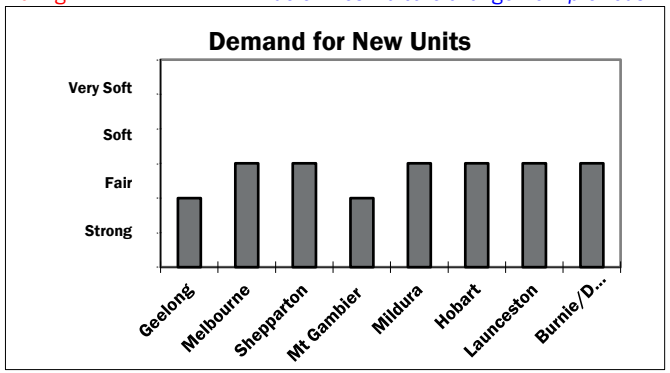

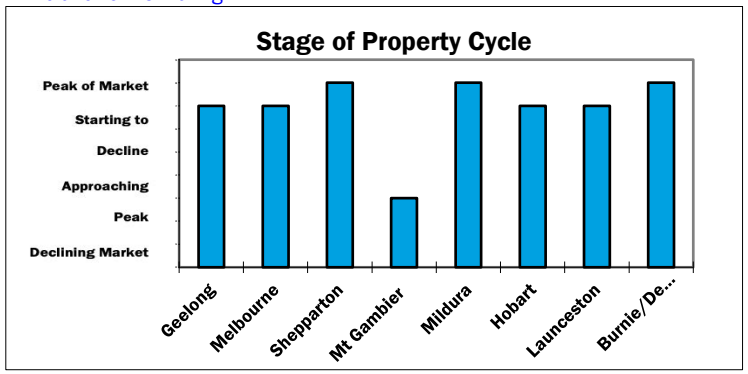

Victorian and Tasmanian Property Market Indicators – Retail

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

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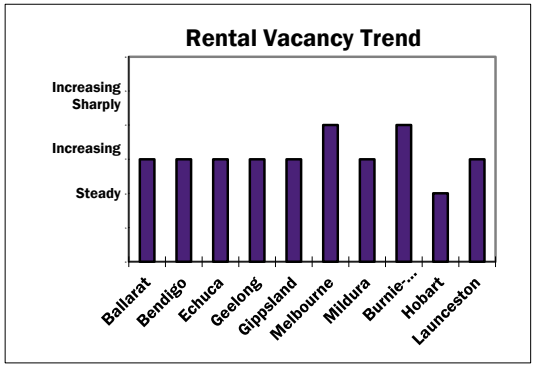
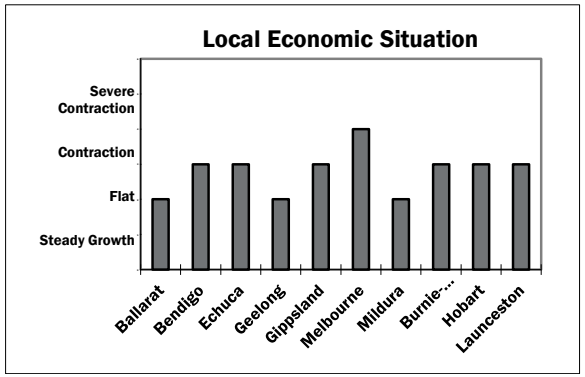
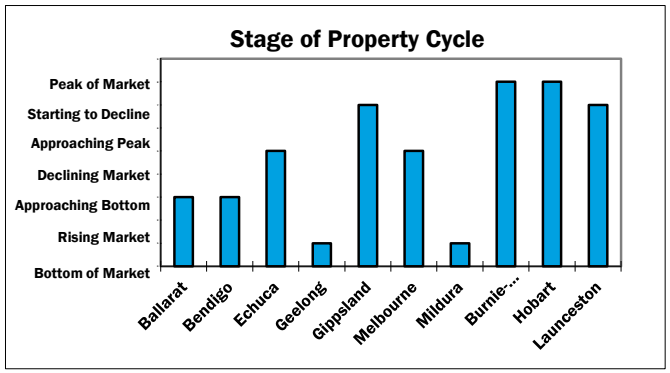




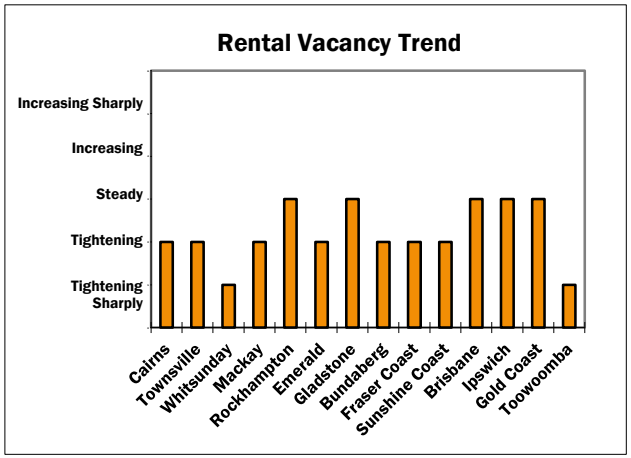


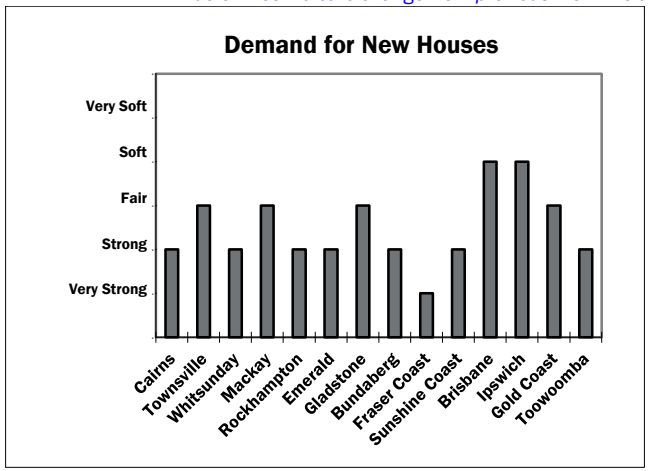
Queensland Property Market Indicators – Houses

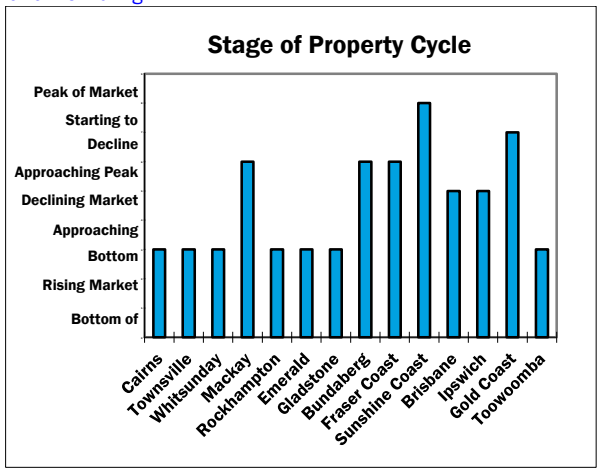
Factor	Cairns	Townsville	Whitsunday	Mackay	Rockhampton	Emerald	Gladstone	Bundaberg	Fraser Coast	Sunshine Coast	Brisbane	Ipswich	Gold Coast	Toowoomba
Rental Vacancy Situation	Shortage of available property relative to demand	Severe shortage of available property relative to demand	Severe shortage of available 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	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	Severe shortage of available property relative to demand	Severe shortage of available property relative to demand
Rental Vacancy Trend	Tightening	Tightening	Tightening sharply	Tightening	Steady	Tightening	Steady	Tightening	Tightening	Tightening	Steady	Steady	Steady	Tightening sharply
Demand for New Houses	Strong	Fair	Strong	Fair	Strong	Strong	Fair	Strong	Very strong	Strong	Soft	Soft	Soft	Strong
Trend in New House Construction	Declining	Steady	Declining	Steady	Steady	Steady	Steady	Steady	Declining significantly	Declining significantly	Steady	Steady	Steady	Steady
Volume of House Sales	Increasing	Increasing	Increasing	Increasing	Increasing strongly	Steady	Declining	Increasing	Increasing	Steady	Declining	Declining	Declining	Increasing
Stage of Property Cycle	Rising market	Rising market	Rising market	Approaching peak of market	Rising market	Rising market	Rising market	Approaching peak of market	Approaching peak of market	Peak of market	Declining market	Declining market	Starting to decline	Peak of market
Are New Properties Sold at Prices Exceeding Their Potential Resale Value	Occasionally	Almost never	Occasionally	Occasionally	Occasionally	Occasionally	Occasionally	Occasionally	Occasionally	Occasionally	Occasion-ally	Occasionally	Occasio nally	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	Fraser Coast	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	Severe shortage of available property relative to demand	Shortage of available property relative to demand	Shortage of available property relative to demand	Severe shortage of available property relative to demand	Severe shortage of available property relative to demand	Shortage of available property relative to demand	Shortage of available property relative to demand
Rental Vacancy Trend	Tightening	Tightening	Tightening sharply	Steady	Steady	Tightening	Steady	Tightening	Tightening	Tightening	Steady	Steady	Steady	Tightening
Demand for New Units	Strong	Soft	Strong	Fair	Fair	Very soft	Fair	Fair	Fair	Strong	Fair	Fair	Fair	Fair
Trend in New Unit Construction	Declining	Increasing	Steady	Steady	Steady	Increasing strongly	Steady	Steady	Steady	Declining	Increasing	Increasing	Increasing	Steady
Volume of Unit Sales	Increasing	Increasing	Increasing	Increasing	Increasing	Increasing	Declining	Increasing	Increasing	Steady	Steady	Steady	Declining	Increasing
Stage of Property Cycle	Rising market	Rising market	Rising market	Approaching peak of market	Rising market	Rising market	Rising market	Approaching peak of market	Approaching peak of market	Peak of market	Peak of market	Peak of market	Starting to decline	Peak of market
Are New Properties Sold at Prices Exceeding Their Potential Resale Value	Occasionally	Almost never	Occasionally	Occasionally	Occasion-ally	Occasionally	Occasionally	Occasionally	Occasionally	Occasionally	Occasion-ally	Occasion-ally	Occasionally	Occasionally

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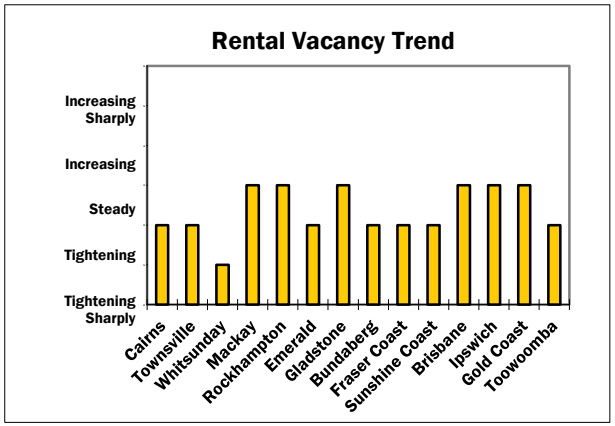
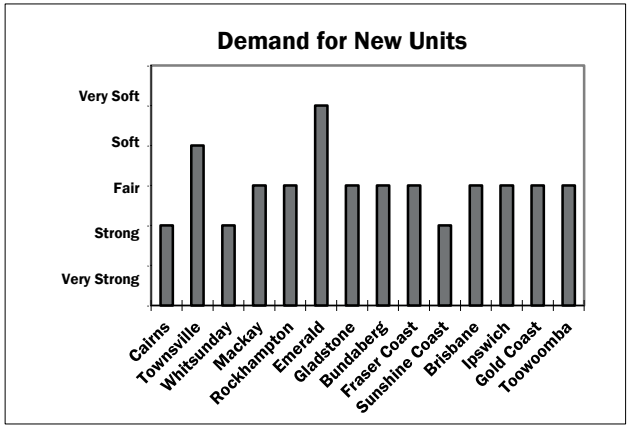
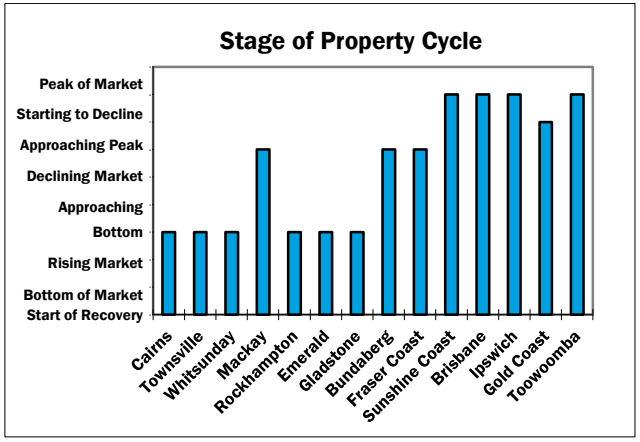


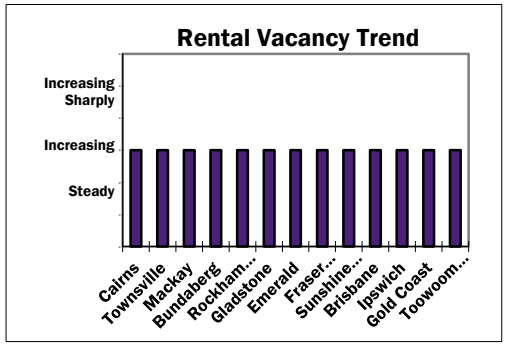


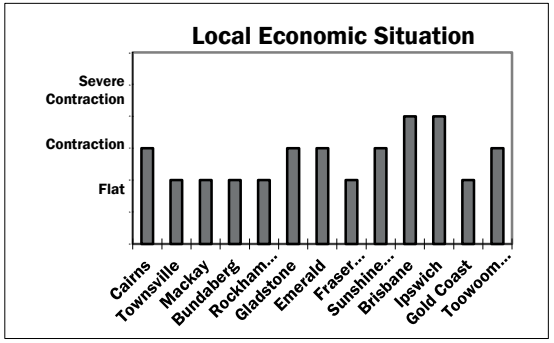


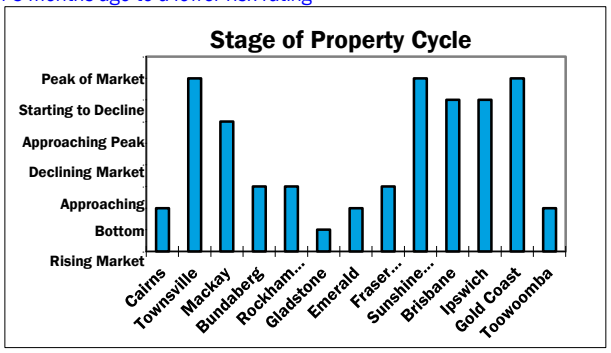
Queensland Property Market Indicators – Retail

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

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





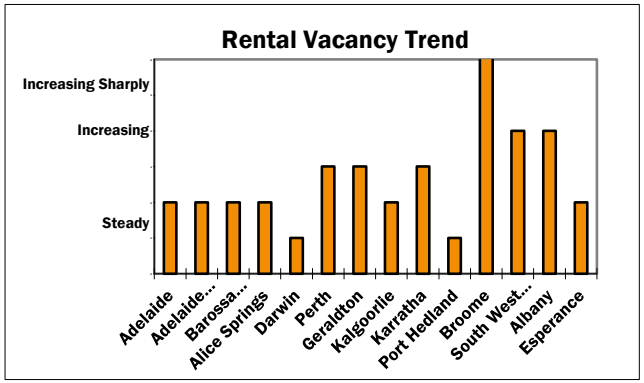


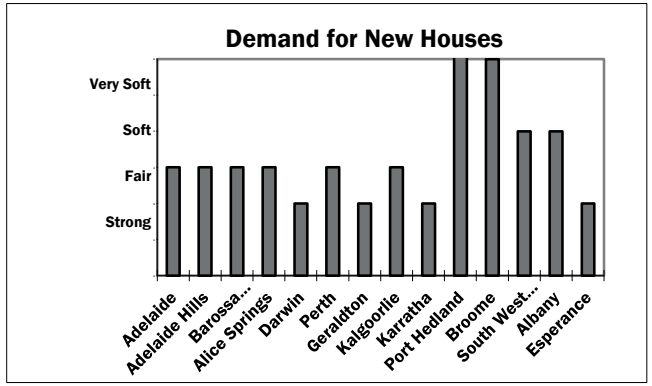
SA, NT and WA Property Market Indicators - Houses

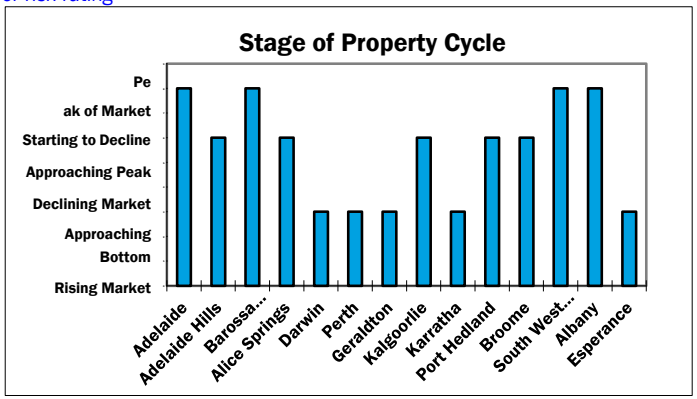
Factor	Adelaide	Adelaide Hills	Barossa Valley	Alice Springs	Darwin	Perth	Geraldton	Kalgoorlie	Karratha	Port Hedland	Broome	South West WA	Albany	Esperance
Rental Vacancy Situation	Severe shortage of available property relative to demand	Severe shortage of available property relative to demand	Severe shortage of available property relative to demand	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	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 sharply	Steady	Steady	Tightenin g	Steady	Steady	Tightening	Increasing	Increasing	Steady
Demand for New Houses	Fair	Fair	Fair	Fair	Strong	Fair	Fair	Fair	Strong	Strong	Strong	Soft	Soft	Fair
Trend in New House Constructio n	Steady	Steady	Steady	Increasing	Declining significantly	Steady	Declining	Declining	Declining	Declining	Declining	Increasing	Increasing	Declining
Volume of House Sales	Steady	Steady	Steady	Declining	Increasing	Steady	Steady	Steady	Steady	Steady	Steady	Declining	Declining	Increasing
Stage of Property Cycle	Peak of market	Peak of market	Peak of market	Approaching peak of market	Rising market	Rising market	Rising market	Approachi ng peak of market	Rising market	Approachin g 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	Frequently	Frequently	Frequently	Occasionally	Occasion-ally	Occasion-ally	Occasion-ally	Occasion-ally	Occasion-ally	Almost never	Occasionally	Occasionally	Occasionally	Almost never

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

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







SA, NT and WA Property Market Indicators – Units

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

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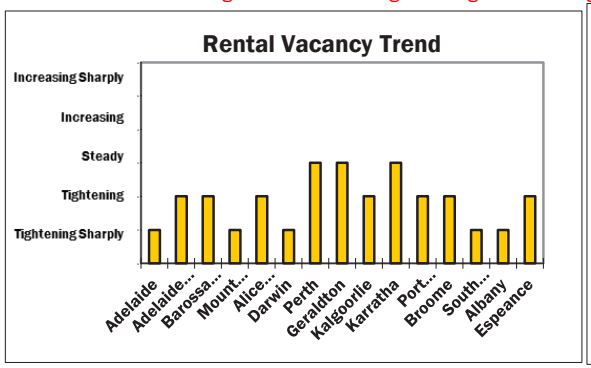
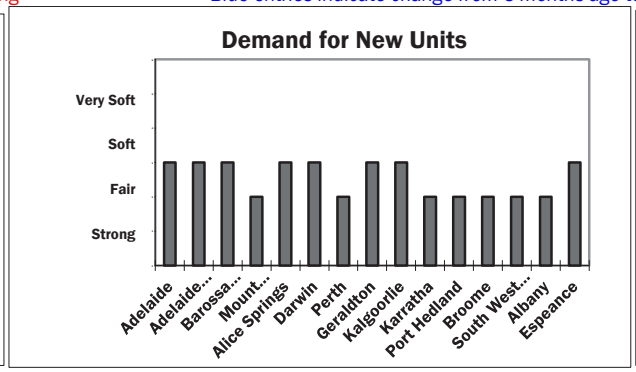
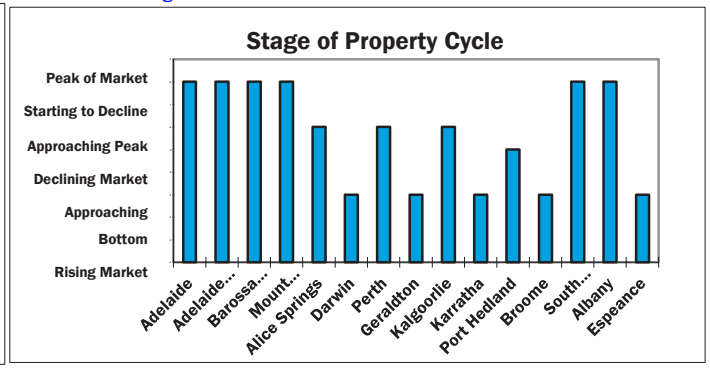


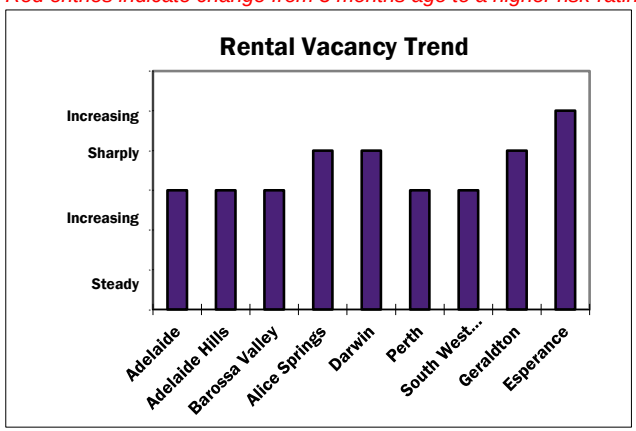


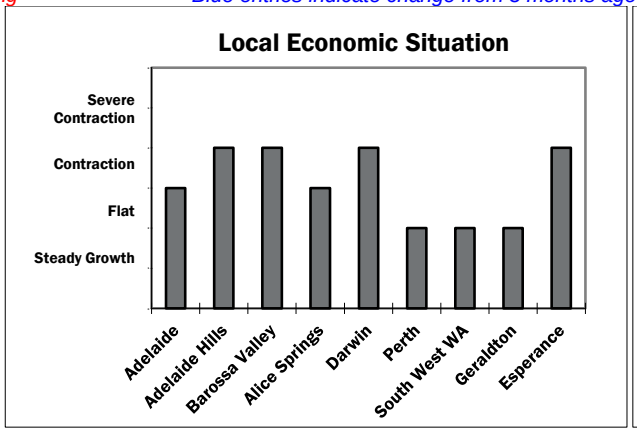


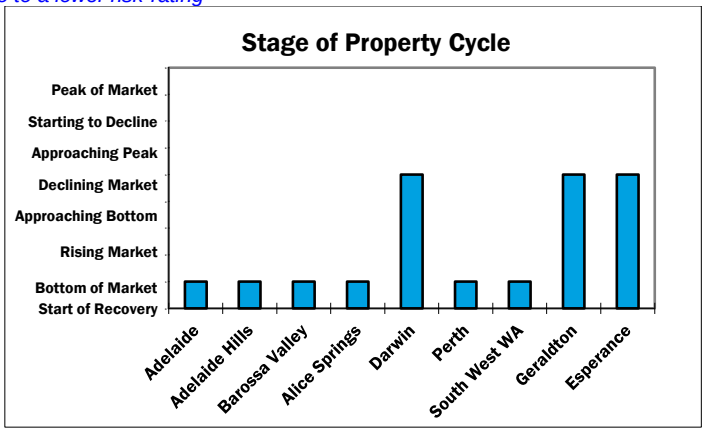
SA, NT and WA Property Market Indicators – Retail

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

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







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