Ready, Set, Go Regional!

Top 12 Affordable Hotspots 2019

PRD nationwide

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HOME AFFORDABILITY

New South Wales, Victoria, Queensland & Tasmania

AFFORDABILITY

Finding an affordable option in capital cities is not easy, especially when you are a first home buyer. Banks have tightened their lending policies, and as evident in Table 1 the Average State Loan only makes up 43.7% (Sydney) to 65.4% (Brisbane) of the median house price.

That said many capital cities have experienced a softening in their property prices, with the 2018 December quarter reporting a weighted average Australian median price of $733,438 (an annual change of -4.6%). The Australian median family weekly income grew by 2.6% over the same period of time, resulting in the home affordability index growing by a marginal 1.3%.

Affordability continues to be an issue for many Australians, however out-of-the box thinking leads to housing and growth options beyond the major capital markets. Regional areas have made significant investments in residential, commercial and infrastructure projects and developments over the past 24 months, creating alternative options for Australians looking to fulfil the 'great Australian dream' of owning a home.

The '*PRDnationwide Ready, Set, Go Regional!*' report highlights affordable regional areas in Queensland (QLD), Victoria (VIC), New South Wales (NSW) and Tasmania (TAS). These areas not only have median price affordability, but also provide strong indicators for investment, local job growth, and a sustainable economic future.

TABLE 1. MEDIAN HOUSE PRICE VS. AVERAGE LOAN

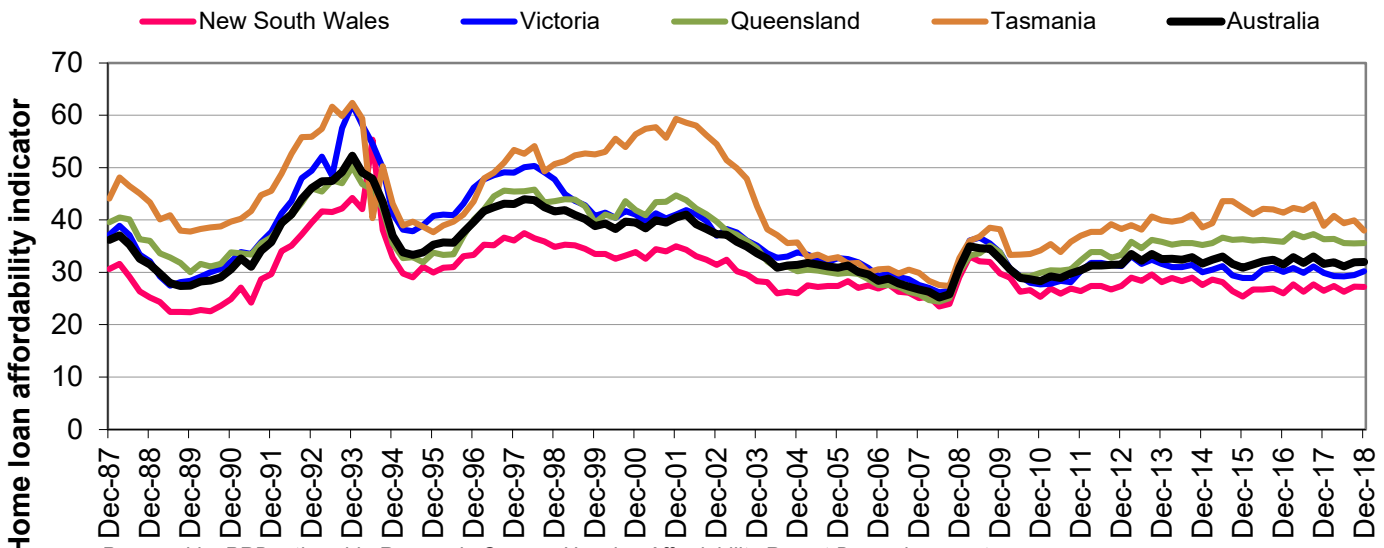
Location	Median House Price (Dec Quarter 2018)	Average State Loan (Dec Quarter 2018)
Sydney, NSW	$1,062,619	$464,883
Melbourne, VIC	$796,500	$409,151
Brisbane, QLD	$530,000	$346,383
Hobart, TAS	$502,750	$275,217

Source: Real Estate Market Facts Report December quarter 2018 – Real Estate Institute of Australia

The average state loan reflects the amount financial lenders are comfortable lending to consumers. Assuming consumers are providing a 20% deposit, we are able to calculate the ideal sale price range that home buyers can access.

The home loan affordability index reflects the ratio of median family income in relation to average loan repayments. The graph below compares the four states covered in this report, along with the Australian national average. Home loan affordability has been at the lower end of the scale since its peak in 1993 and 2002, with December 2018 figures yielding mixed results across the states. Tasmania continues to lead in home affordability index reading, however it is declining at a rapid rate. Interestingly, although Victoria's home affordability index reading is below the national average, it has slightly improved over the past 12 months.

HOME LOAN AFFORDABILITY INDEX COMPARISON



Prepared by PRDnationwide Research. Source: Housing Affordability Report December quarter 2018 - Real Estate Institute of Australia

Last updated: March 2019

READY, SET, GO… REGIONAL!

METHODOLOGY - SELECTION CRITERIA

01 **Affordability** – the Local Government Area (LGA) has a median price below the maximum affordable property sale price (average state loan + 20% deposit).

02 **Property trends** – to ensure statistical reliability, the LGA will have 20 transactions or more in 2017 and 2018, with positive price growth within that time period.

03 **Investment** – to ensure solid investment opportunities, the LGA will have an on-par or higher rental yield than its capital city, as well as an on-par or lower vacancy rate compared to its capital city.

04 **Project development** – the LGA will have a high estimated value of future project development, with a higher concentration of commercial and infrastructure projects to ensure a positive economic outlook.

05 **Unemployment rate** – as of the September quarter of 2018, the LGA will have an on-par or lower unemployment rate than the state average, to ensure there is local job growth.

TOP 12 AFFORDABLE REGIONAL AREAS

Based on the above methodology and selection criteria, the following 12 regional locations are deemed to be affordable areas with solid fundamentals for sustainable future growth.

QLD
Mackay Regional Council
Central Highlands Regional Council
Douglas Shire
NSW
City of Maitland
Yass Valley Council
Port Macquarie-Hastings Council
Dubbo Regional Council
VIC
City of Ballarat
Mitchell Shire Council
City of Warrnambool
City of Wodonga
TAS
Northern Midlands Council

AFFORDABLE REGIONAL AREAS
WITH SOLID GROWTH FUNDAMENTALS

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TOP AFFORDABLE MAJOR REGIONAL AREA

Mackay Regional Council – QLD

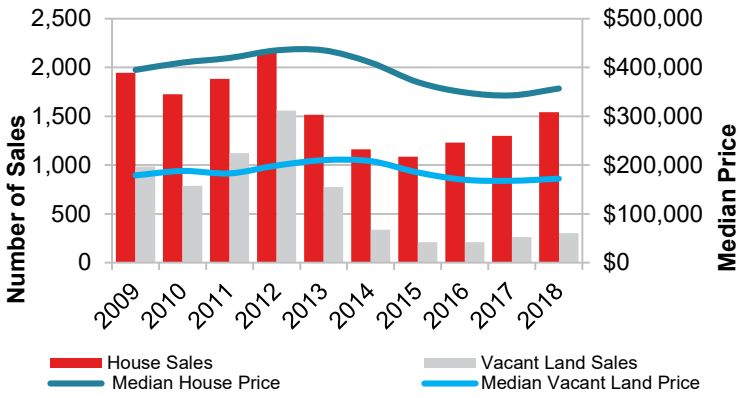
The Mackay LGA is a regional area in QLD, approximately 950km north of the state's capital of Brisbane. The area is largely coastal, with a population of 115,969 in 2016 (a 2.8% growth since the 2011 ABS Census. The Mackay LGA had a Gross Regional Product of $7.1B across 2017-2018, a 5.3% increase on 2015-2016. Residents in the Mackay LGA had a median household income of $1,456 per week in 2016 (ABS Census), which was above the QLD median of $1,402 per week. This is attributed to a higher proportion of mortgages held (27.9%) and fewer renters (31.5%) when compared to QLD. An unemployment rate of 3.7% also sat well below QLD and Brisbane (both 6.1% as of the September quarter of 2018).

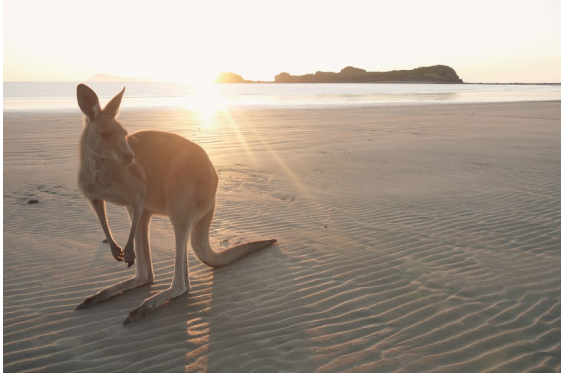
Median price growth in the Mackay LGA over the past 10 years (2009-2018) was affected by a recent (2014-2017) 4-year price softening, potentially a spill-over effect from the end of the mining boom. This resulted in an 10-year average annual shift (2009-2018) in median prices of -1.0% (house), -0.2% (land), and -2.1% (unit). That said, in the past year (2017-2018) this has reversed, resulting in median price growths of 4.1% (house) and 22.5% (land) in 2018. First home buyers are urged to consider the value in this property market, as it presents itself with increased affordability and capital growth potential.

As of December 2018, the Mackay LGA investors benefited from an average rental yield of 5.2% for houses and 6.1% for units, which was well above Brisbane (3.8% for houses and 5.2% for units). Additionally, a vacancy rate of just 1.9% was also well below Brisbane (3.2%) for the same period. This also represents a declining vacancy rate over the past 12 months, indicating a healthier rental demand. From an investment potential perspective, the Mackay LGA presents itself as an attractive regional market with an affordable entry price and a conducive environment for positive returns.

2019 will see the Mackay LGA invest a total of $1.1B* in project development. Of this, 70.4% ($766.7M*) is commercial in nature, and is expected to have a positive effect on local business activity and employment opportunities. Infrastructure projects totalling $96.1M* are also scheduled, which will help provide improved road networks, health services, recreation and education to directly benefit residents. $141.7M* in residential projects are planned, set to add 1,362 lots and 232 dwellings for the LGA in 2019 and beyond.

MACKAY LGA SALES & MEDIAN PRICE





KEY FACTS

House median price (2018)	$346,750
Land median price (2018)	$172,250
Unit median price (2018)	$225,000
Vacancy rate (based on 4740 postcode as of Dec-2018)	1.9%
House rental yields (based on 4740 postcode as of Dec-2018)	5.2%
Unit rental yields (based on 4740 postcode as of Dec-2018)	6.1%
Total estimated value of future developments in 2019	$1,088,336,000
Total dwellings set to commence in 2019	1,362 lots 232 dwellings
Unemployment rate (as of September quarter 2018)	3.7%
Median weekly household income (as of ABS 2016 Census)	$1,456
Median monthly mortgage repayments (as of ABS 2016 Census)	$1,950
Professionals (as of ABS 2016 Census)	14.3%
Owned outright (as of ABS 2016 Census)	27.9%
Owned with a mortgage (as of ABS 2016 Census)	36.4%
Rented (as of ABS 2016 Census)	31.5%

*Disclaimer: Estimated value is the value of construction costs as per provided by the relevant data authority, it does not reflect the project's sale/commercial value.
Source: APM Pricefinder, SQM Research, Cordell Database, Mackay Regional Council, Australian Bureau of Statistics, Australian Government Department of Jobs and Small Business.

YOUR HOME OF PROPERTY KNOWLEDGE

PRD nationwide RESEARCH

TOP AFFORDABLE MAJOR REGIONAL AREA
Central Highlands Regional Council – QLD

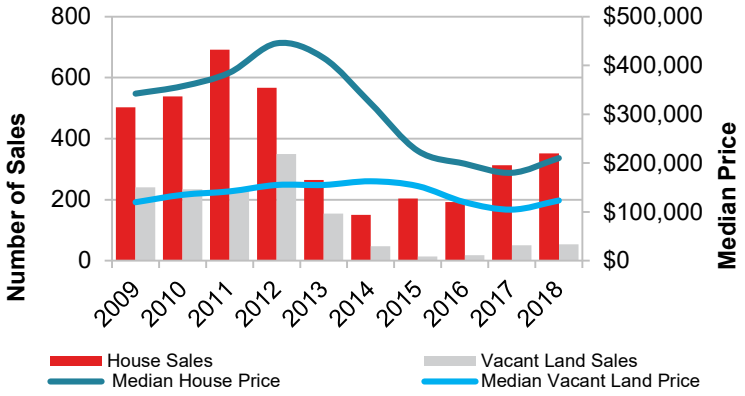
The Central Highlands LGA is in QLD, approximately 600km north-west of Brisbane. The LGA is also approximately 200km west of Rockhampton, making it an inland region supported by other nearby cities. The estimated population of 27,999 people (2016 ABS Census) had a median household income of $1,823 per week in 2016, well above Brisbane ($1,562) and QLD ($1,402). Despite this, a higher percentage of people chose to rent in the Central Highlands LGA (45.4%) than across QLD (34.2%) or Brisbane (34.5%), making Central Highlands LGA ideal for investment. Unemployment in the LGA of 4.5% (as of September quarter 2018) was below that of QLD (6.1%) and Brisbane (6.1%).

Over the past 10 years (2009-2018), annual average changes in median prices of -4.0% (house), 1.0% (land) and -4.4% (unit) were recorded. These figures have been affected by a recent 4-year price softening (2014-2017), which can likely be attributed to the end of the mining boom. However, this has reversed sharply over the past 12 months (2017-2018), with the median house price increasing by 16.7% and land up by 17.6%. This change now presents the Central Highlands LGA as a property market with great value potential for first home buyers.

As of December 2018, Central Highlands LGA investors benefited from an average rental yield of 4.7% for houses and 5.1% for units, which was well above Brisbane for houses (3.8%) and was on-par for units (5.2%). At the same time, the LGA featured a vacancy rate of just 1.9%, below Brisbane's rate of 3.2%. Additionally, the regions vacancy rates have continued to trend downwards over the past 24 months. This is particularly strong performance for a region which features a sizeable number of renters (45.4%), emphasising its potential to investors for strong returns in an affordable market.

The LGA is set to invest a total of $156.1M* in project development across 2019. Most of this spending will be on commercial projects (64.0% or $99.9M*), which will help stimulate economic productivity in the region and provide employment opportunities for residents. 10 infrastructure projects with a total estimated value of $6.9M* will also improve transportation routes for residents, with road, air, cycling and walking all considered. $48.9M* in residential spending is also set to add 1,097 lots to the Central Highlands LGA property market into 2019 and beyond.

CENTRAL HIGHLANDS LGA SALES & MEDIAN PRICE



KEY FACTS

House median price (2018)	$190,000
Land median price (2018)	$123,500
Unit median price (2018)	$167,500
Vacancy rate (based on 4720 postcode as of Dec-2018)	1.9%
House rental yields (based on 4720 postcode as of Dec-2018)	4.7%
Unit rental yields (based on 4720 postcode as of Dec-2018)	5.1%
Total estimated value of future developments in 2019	$156,050,000
Total dwellings set to commence in 2019	1,097 lots
Unemployment rate (as of September quarter 2018)	4.5%
Median weekly household income (as of ABS 2016 Census)	$1,823
Median monthly mortgage repayments (as of ABS 2016 Census)	$1,842
Professionals (as of ABS 2016 Census)	11.0%
Owned outright (as of ABS 2016 Census)	20.9%
Owned with a mortgage (as of ABS 2016 Census)	28.8%
Rented (as of ABS 2016 Census)	45.4%

*Disclaimer: Estimated value is the value of construction costs as per provided by the relevant data authority, it does not reflect the project's sale/commercial value.
Source: APM Pricefinder, SQM Research, Cordell Database, Central Highlands Regional Council, Australian Bureau of Statistics, Australian Government Department of Jobs and Small Business.

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TOP AFFORDABLE MAJOR REGIONAL AREA

Douglas Shire – QLD

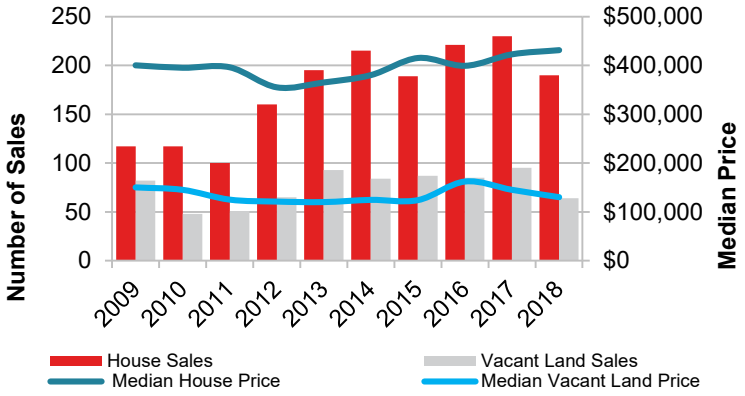
Positioned approximately 1,500km north of Brisbane, the Douglas Shire LGA is above Cairns on QLD's far north coast. The region has evolved in geographical boundaries over the past 5 years and is a relatively small by area compared to surrounding LGAs, however, has an estimated population of 11,714 as of 2016 (ABS Census). Tourism and sugar production are major employment drivers for the area, resulting in an unemployment rate of 5.2% (as of the September quarter of 2018), a level which was below QLD's and Brisbane's unemployment rates (both 6.1%).

Over the past 10 years (2009-2018), median dwelling prices in the area have seen an annual average change of 1.0% (house), -0.9% (land), and -0.6% (unit). With the allure of coastal living helping steadily increase the median house price (up by 2.0% from 2017 to 2018), now is an ideal time to enter the Douglas Shire LGA property market. Land in particular presents an affordable option, with a median price of $130,000 in 2018.

As of December 2018, investors in the Douglas Shire LGA benefited from an average rental yield of 5.0% for houses and 3.8% for units, which was well above Brisbane for houses (3.8%). Additionally, a vacancy rate of just 2.0% was also well below Brisbane, which recorded a rate of 3.2% for the same period. This healthy vacancy rate has consistently remained an integral part of the Douglas Shire LGA property market over the past 5 years. From an investment potential perspective, Douglas Shire LGA presents itself as an attractive regional market due to its affordable entry price and an environment that is conducive for positive returns.

Throughout 2019, planned investment totalling approximately $137.3M* is set to commence in the LGA. 62.4% (or $85.7M*) of this spending will be attributed to infrastructure projects. This type of spending is viewed as vital to continue supporting an active region. In addition, a large amount of investment is set to be spent on commercial projects, together worth an estimated $47.1M* (or 34.3% of total spending). Much of this commercial spending is geared towards tourism ventures and holiday accommodation, which suggests that developers foresee potential for strong tourism growth in the area. Additionally, $4.5M* of residential spending will see 105 lots developed within the Douglas Shire LGA into 2019 and onwards.

DOUGLAS LGA SALES & MEDIAN PRICE



KEY FACTS

House median price (2018)	$426,000
Land median price (2018)	$130,000
Unit median price (2018)	$343,000
Vacancy rate (based on 4873 postcode as of Dec-2018)	2.0%
House rental yields (based on 4873 postcode as of Dec-2018)	5.0%
Unit rental yields (based on 4873 postcode as of Dec-2018)	4.4%
Total estimated value of future developments in 2019	$137,250,000
Total dwellings set to commence in 2019	105 lots
Unemployment rate (as of September quarter 2018)	5.2%
Median weekly household income (as of ABS 2016 Census)	$1,169
Median monthly mortgage repayments (as of ABS 2016 Census)	$1,560
Professionals (as of ABS 2016 Census)	12.1%
Owned outright (as of ABS 2016 Census)	31.4%
Owned with a mortgage (as of ABS 2016 Census)	29.1%
Rented (as of ABS 2016 Census)	35.4%

*Disclaimer: Estimated value is the value of construction costs as per provided by the relevant data authority, it does not reflect the project's sale/commercial value.
Source: APM Pricefinder, SQM Research, Cordell Database, Douglas Shire Council, Australian Bureau of Statistics, Australian Government Department of Jobs and Small Business.

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TOP AFFORDABLE MAJOR REGIONAL AREA

City of Maitland – NSW

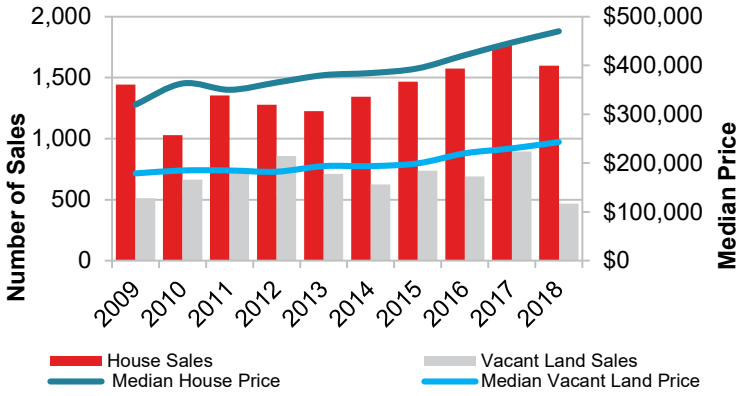
As a previous regional hotspot from 2017, the City of Maitland LGA is approximately 130km north of Sydney. Despite covering a small land area of just 392 sq. km, this LGA, which is immediately west of Newcastle, had an estimated population of 77,305 in 2016, a growth of 14.6% since 2011 (ABS Census). 2016 also saw the LGA record a slightly lower median weekly household income ($1,415) compared to NSW's $1,486, yet its median monthly mortgage repayments of $1,733 were significantly lower than NSW's $1,986. Further, its unemployment rate of 4.8% was on-par with NSW (as of the September quarter of 2018).

Median price changes over the past 10 years (2009-2018) in the Maitland LGA have resulted in an average annual price growth of 4.5% (house), 3.5% (land), and 3.4% (unit). This was supported by even stronger growth in the short term from 2017 to 2018 of 5.2% (house) and 5.7% (land). Maitland LGA thus presents home buyers with a viable opportunity to purchase in an affordable area with proven capital growth potential. First home buyers need to act now to capitalise on current median prices.

As of December 2018, investors in the City of Maitland LGA have benefited from average yields of 4.2% for houses and 5.6% for units. This places the LGA well beyond Sydney's average yields of 2.9% (houses) and 3.8% (units). Additionally, Maitland LGA featured a low vacancy rate of just 0.8% in December 2018, which has remained steady for 12 months; whereas Sydney recorded increasing vacancy rates of 3.6% at the same time. This suggests that from an investment perspective, solid rental returns and high demand for rental properties both exist. This makes Maitland LGA an attractive affordable option for investment compared to Sydney.

A total of $717.5M* is set to be invested in project development in the Maitland LGA throughout 2019. Of this, most spending is dedicated to infrastructure, at $485.6M* (or 67.7%). Benefits will include a major hospital addition, road upgrades, and sports and recreational facilities. A further $191.6M* (or 26.7%) is to be spent on commercial projects, which will create employment opportunities for residents and stimulate economic activity in the region. Mixed-use and residential projects totalling $40.3M* will create a total of 460 lots and 68 dwellings in the LGA looking to 2019 and beyond.

MAITLAND LGA SALES & MEDIAN PRICE



KEY FACTS

House median price (2018)	$465,000
Land median price (2018)	$243,000
Unit median price (2018)	$350,000
Vacancy rate (based on 2320 postcode as of Dec-2018)	0.8%
House rental yields (based on 2320 postcode as of Dec-2018)	4.2%
Unit rental yields (based on 2320 postcode as of Dec-2018)	5.6%
Total estimated value of future developments in 2019	$717,508,000
Total dwellings set to commence in 2019	460 lots 68 dwellings
Unemployment rate (as of September quarter 2018)	4.8%
Median weekly household income (as of ABS 2016 Census)	$1,415
Median monthly mortgage repayments (as of ABS 2016 Census)	$1,733
Professionals (as of ABS 2016 Census)	16.6%
Owned outright (as of ABS 2016 Census)	28.9%
Owned with a mortgage (as of ABS 2016 Census)	38.3%
Rented (as of ABS 2016 Census)	29.5%

*Disclaimer: Estimated value is the value of construction costs as per provided by the relevant data authority, it does not reflect the project's sale/commercial value.
Source: APM Pricefinder, SQM Research, Cordell Database, Maitland City Council, Australian Bureau of Statistics, Australian Government Department of Jobs and Small Business.

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TOP AFFORDABLE MAJOR REGIONAL AREA

Yass Valley Council – NSW

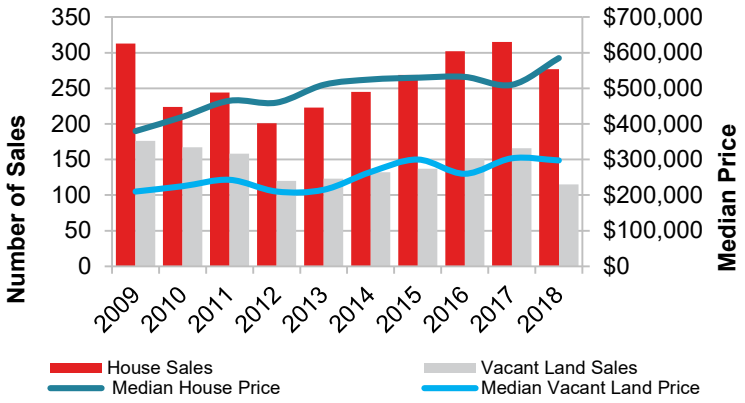
The LGA of Yass Valley Council is approximately 240km south-west of Sydney, and sits on the northern border of the Australian Capital Territory, approximately 50km from Canberra. The Yass Valley LGA recorded a median weekly household income of $1,879 in 2016,which was higher than both NSW ($1,486) and Sydney ($1,750). This high-income LGA was also supported by a very low unemployment rate of 2.5% as of the September quarter of 2018, lower than both NSW (4.8%) and Sydney (4.4%). Housing in the Yass Valley LGA remained relatively affordable, recording median monthly mortgage repayments of $2,000 in 2016, which was only just above NSW's position of $1,986 per month.

Growth in median dwelling prices in the Yass Valley LGA over the past 10 years (2009-2018) resulted in annual average price growth of 5.1% (house), 4.6% (land) and 2.1% (unit). In the past year (2017-2018), houses have performed particularly well, recording a median price growth of 14.7%. This high level of capital growth suggests prudent home buyers looking for an affordable property market in regional NSW should consider the Yass Valley LGA.

As of December 2018, investors in the region benefited from an average rental yield of 4.0% for houses and 4.0% for units, which is levels above those found in Sydney (2.9% for house and 3.8% for units). A very low vacancy rate of 0.8% in December 2018 across Yass Valley LGA was also lower than Sydney's vacancy rate of 3.6%. In addition, vacancy rates in the LGA have been declining steadily over the past 24 months, indicating improving rental demand. The Yass Valley LGA is thus viewed as an attractive regional investment option, given its affordable entry price and its conducive environment for positive rental returns.

Project development totalling $527.3M* is set to be invested into the Yass Valley LGA throughout 2019. A large majority of this amount ($504.0M* or 95.6%) is set to be spent on commercial projects. $500.0M* of this is for wind farm projects, with the balance of commercial projects being focused around retail and hospitality. Infrastructure projects totalling $17.9M* will also prove vital to the region by providing major health and transport network upgrades. Residential development ($5.5M*) will result in the addition of 38 dwellings to Yass Valley LGA from 2019 onwards.

YASS VALLEY LGA SALES & MEDIAN PRICE



KEY FACTS

House median price (2018)	$545,000
Land median price (2018)	$297,500
Unit median price (2018)	$319,000
Vacancy rate (based on 2582 postcode as of Dec-2018)	0.8%
House rental yields (based on 2582 postcode as of Dec-2018)	4.0%
Unit rental yields (based on 2582 postcode as of Dec-2018)	4.0%
Total estimated value of future developments in 2019	$527,322,000
Total dwellings set to commence in 2019	38 dwellings
Unemployment rate (as of September quarter 2018)	2.5%
Median weekly household income (as of ABS 2016 Census)	$1,879
Median monthly mortgage repayments (as of ABS 2016 Census)	$2,000
Professionals (as of ABS 2016 Census)	20.7%
Owned outright (as of ABS 2016 Census)	34.4%
Owned with a mortgage (as of ABS 2016 Census)	44.2%
Rented (as of ABS 2016 Census)	18.3%

*Disclaimer: Estimated value is the value of construction costs as per provided by the relevant data authority, it does not reflect the project's sale/commercial value.
Source: APM Pricefinder, SQM Research, Cordell Database, Yass Valley Council, Australian Bureau of Statistics, Australian Government Department of Jobs and Small Business.

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TOP AFFORDABLE MAJOR REGIONAL AREA

Port Macquarie-Hastings Council – NSW

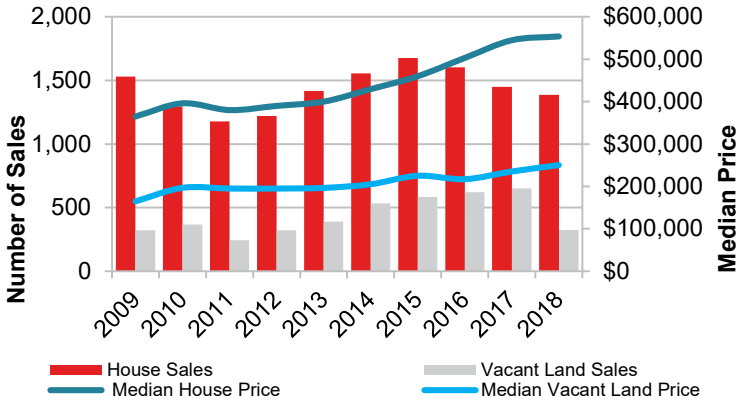
Located approximately 300km north of Sydney, the Port Macquarie-Hastings Council LGA is positioned on the mid-north coast of NSW. The region saw an 8.0% population growth in 5 years (2011-2016), to 78,539 residents in 2016. The traditional view of the LGA as a retirement hotspot is seen in its median age of 48 (versus 38 for NSW) in the 2016 ABS Census. This explains the higher levels of home ownership (42.2% compared to NSW's 32.2%) and lower median weekly household income ($1,042 versus $1,486 in NSW) in 2016. That said, affordability and lifestyle benefits offered are attracting an increasing amount of professionals and young families, transforming the LGA into a more vibrant place.

The Port Macquarie-Hastings LGA has seen solid median price growth over the past 10 years (2009-2018), resulting in annual average growth of 4.8% (house), 4.9% (land), and 4.6% (unit). Its performance has been even stronger over the past 5 years (2014-2018), with annual average growth of 6.8% (house), 5.0% (land) and 7.4% (unit) propelling the market. Despite strong price growth, the LGA remains affordable, meaning first home buyers should act quickly to secure property as soon as possible.

Average yields of 4.2% for houses and 4.7% for units across the LGA at December 2018 represented solid returns for investors, sitting above Sydney (2.9% for houses and 3.8% for units). Additionally, a low vacancy rate of just 1.8% in December 2018, which has remained stable over the past 24 months, is superior when compared with Sydney's rising vacancy rate of 3.6%. From an investment potential perspective, the Port Macquarie-Hastings LGA thus presents itself as an attractive regional market, with an affordable entry price and a conducive environment for positive returns.

Across 2019 a total of $422.6M* of project development is set be invested across the LGA. A large $200.0M* master-planned project is proposed for the area between Lake Cathie and Bonny Hills. Beyond this, commercial projects totalling $135.0M* are the next significant spend set to boost the local economy and create job opportunities. $10.0M* in infrastructure spending will see improvements made around waste services, transport, education, and public recreational facilities. In total, residential and mixed-use projects ($271.7M*) will add a total of 2,217 lots and 140 dwellings being constructed in 2019.

PORT MACQUARIE-HASTINGS **LGA** SALES & MEDIAN P



KEY FACTS

House median price (2018)	$554,000
Land median price (2018)	$250,000
Unit median price (2018)	$382,500
Vacancy rate (based on 2444 postcode as of Dec-2018)	1.8%
House rental yields (based on 2444 postcode as of Dec-2018)	4.2%
Unit rental yields (based on 2444 postcode as of Dec-2018)	4.7%
Total estimated value of future developments in 2019	$422,645,000
Total dwellings set to commence in 2019	2,217 lots 140 dwellings
Unemployment rate (as of September quarter 2018)	3.3%
Median weekly household income (as of ABS 2016 Census)	$1,042
Median monthly mortgage repayments (as of ABS 2016 Census)	$1,671
Professionals (as of ABS 2016 Census)	19.7%
Owned outright (as of ABS 2016 Census)	42.2%
Owned with a mortgage (as of ABS 2016 Census)	26.4%
Rented (as of ABS 2016 Census)	26.4%

*Disclaimer: Estimated value is the value of construction costs as per provided by the relevant data authority, it does not reflect the project's sale/commercial value.
Source: APM Pricefinder, SQM Research, Cordell Database, Port Macquarie-Hastings Council, Australian Bureau of Statistics, Australian Government Department of Jobs and Small Business.

YOUR HOME OF PROPERTY KNOWLEDGE

PRD nationwide RESEARCH

TOP AFFORDABLE MAJOR REGIONAL AREA

Dubbo Regional Council – NSW

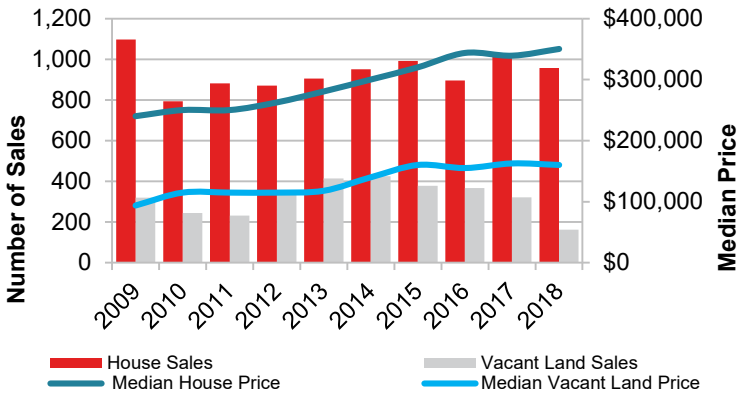
Positioned inland approximately 300km north-west of Sydney, the Dubbo Regional Council LGA saw strong population growth of 29.0% over 5 years (2011-2016) to reach an estimated population of 50,077 (ABS Census). The LGA had $3.0B in Gross Regional Product across 2017-2018, which was an increase of 5.1% from 2015-2016. A very low unemployment rate of just 2.3% (as of the September quarter of 2018) is a key economic aspect of the region driving productive growth. Dubbo's median monthly mortgage repayments of $1,500 in 2016 were significantly lower than the NSW figure of $1,986 per month, highlighting Dubbo LGA's affordability.

Over the past 10 years (2009-2018), the Dubbo LGA has experienced notably strong growth in median dwelling prices, with annual average growths of 4.3% (house), 6.4% (land), and 7.2% (unit). Median price growths of 3.2% (house) and 6.9% from 2017 to 2018 is further evidence this. With median price affordability still a reality in the Dubbo LGA, first home buyers should enter the market as soon as possible, particularly with high confidence in its historical capital growth.

Dubbo LGA's average rental yields for houses (4.8%) and units (4.9%) as of December 2018 remained well above the returns achieved in Sydney over the same period (2.9% and 3.8% for houses and units respectively). In addition, a vacancy rate of just 1.4% in the LGA has been gradually declining over the past 3 years. This is in contrast with Sydney, which has experienced an increasing vacancy rate to 3.6% in December 2018. Dubbo LGA is thus viewed as an attractive regional market for investors, given its affordable price point and healthy rental market for potential positive returns.

2019 will see the Dubbo LGA invest a total of $150.9M* in project development. Most of this investment is dedicated to commercial projects, at $74.9M* (49.0% of total spending). Strong activity in the commercial sector indicates increased capacity for further economic progress and employment opportunities to support population growth. $16.6M* in infrastructure investment will also result in a variety of improvements to the region, primarily focused around health and transport upgrades. $35.0M* in mixed-use development and $19.2M* of residential projects will together add 480 lots and 105 dwellings to the LGA for 2019 and beyond.

DUBBO LGA SALES & MEDIAN PRICE



KEY FACTS

House median price (2018)	$345,000
Land median price (2018)	$160,000
Unit median price (2018)	$278,000
Vacancy rate (based on 2830 postcode as of Dec-2018)	1.4%
House rental yields (based on 2830 postcode as of Dec-2018)	4.8%
Unit rental yields (based on 2830 postcode as of Dec-2018)	4.9%
Total estimated value of future developments in 2019	$150,870,000
Total dwellings set to commence in 2019	480 lots 105 dwellings
Unemployment rate (as of September quarter 2018)	2.3%
Median weekly household income (as of ABS 2016 Census)	$1,272
Median monthly mortgage repayments (as of ABS 2016 Census)	$1,500
Professionals (as of ABS 2016 Census)	17.5%
Owned outright (as of ABS 2016 Census)	31.4%
Owned with a mortgage (as of ABS 2016 Census)	33.8%
Rented (as of ABS 2016 Census)	30.7%

*Disclaimer: Estimated value is the value of construction costs as per provided by the relevant data authority, it does not reflect the project's sale/commercial value.
Source: APM Pricefinder, SQM Research, Cordell Database, Dubbo Regional Council, Australian Bureau of Statistics, Australian Government Department of Jobs and Small Business.

YOUR HOME OF PROPERTY KNOWLEDGE

PRD nationwide RESEARCH

TOP AFFORDABLE MAJOR REGIONAL AREA

City of Ballarat – VIC

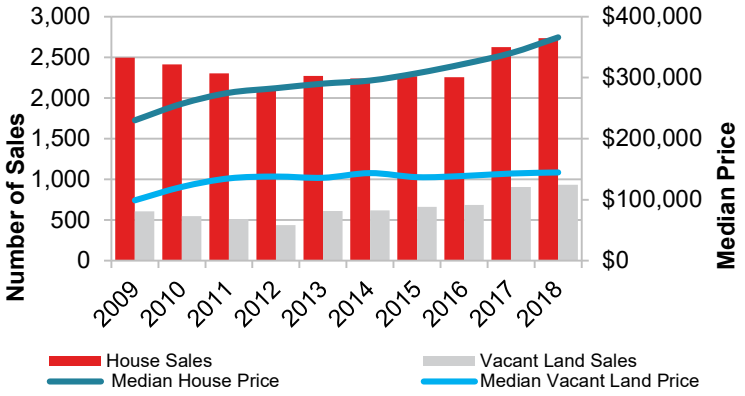
Having been featured as a regional hotspot in 2017, the City of Ballarat LGA is an inland region approximately 100km west of Melbourne. The Ballarat LGA was home to an estimated population of 101,686 in 2016, representing 8.8% population growth since 2011 (ABS Census). The LGA's $5.6B Gross Regional Product in 2017-18 represented a staggering 12.8% growth compared to its 2015-16 output ($5.0B). Despite the journey from the Ballarat LGA to Melbourne taking less than 1.5 hours, median monthly mortgage repayments were $1,350 in 2016, which was well below Melbourne ($1,800). The LGA also featured a higher proportion of renters (31.4%) than VIC (28.7%) in 2016, making the market ideal for investors.

The Ballarat LGA saw annual average median price growths of 5.3% (house), 4.6% (land) and 2.5% (unit) over the past 10 years (2009-2018). In the past 12 months (2017-2018), houses have been a standout performer, reporting a 7.6% median price growth. Despite the clear increase in property value in the area, the Ballarat LGA remains an affordable property market, making it ideal for first home buyers.

December 2018 saw investors in the Ballarat LGA benefit from a low vacancy rate of just 0.9%, which was well below Melbourne's rate of 2.2%. Furthermore, the LGA has seen a continually declining trend in vacancy rates over the past 3 years, suggesting an increasingly healthy rental market. The Ballarat LGA also outperformed Melbourne in average rental yields for both houses (2.9%) and units (3.9%), at 3.8% (house) and 4.7% (units) in December 2018. These indicators position the Ballarat LGA as an attractive regional property market for investment, due to its affordable price point and conducive environment for potential positive returns

Project development with a total estimated value of $806.2M* is scheduled to be invested within the LGA across 2019. Most of this investment is focused on commercial projects, at $512.3M* (or 63.5%). A variety of commercial projects will provide employment opportunities to residents and ensure the continued economic growth of the region. In addition, there is $161.6M* in infrastructure investment (20.0% of total spending) to include transport network upgrades, health service improvements and public recreational facilities. Residential and mixed-use projects ($120.3M*) will see 1,204 lots and 407 dwellings built in Ballarat LGA through 2019 and beyond.

BALLARAT LGA SALES & MEDIAN PRICE



KEY FACTS

House median price (2018)	$365,682
Land median price (2018)	$144,750
Unit median price (2018)	$250,000
Vacancy rate (based on 3350 postcode as of Dec-2018)	0.9%
House rental yields (based on 3350 postcode as of Dec-2018)	3.8%
Unit rental yields (based on 3350 postcode as of Dec-2018)	4.7%
Total estimated value of future developments in 2019	$806,160,000
Total dwellings set to commence in 2019	1,204 lots 407 dwellings
Unemployment rate (as of September quarter 2018)	4.5%
Median weekly household income (as of ABS 2016 Census)	$1,160
Median monthly mortgage repayments (as of ABS 2016 Census)	$1,350
Professionals (as of ABS 2016 Census)	21.8%
Owned outright (as of ABS 2016 Census)	32.1%
Owned with a mortgage (as of ABS 2016 Census)	33.0%
Rented (as of ABS 2016 Census)	31.4%

*Disclaimer: Estimated value is the value of construction costs as per provided by the relevant data authority, it does not reflect the project's sale/commercial value.
Source: APM Pricefinder, SQM Research, Cordell Database, Ballarat City Council, Australian Bureau of Statistics, Australian Government Department of Jobs and Small Business.

TOP AFFORDABLE MAJOR REGIONAL AREA

Shire of Mitchell – VIC

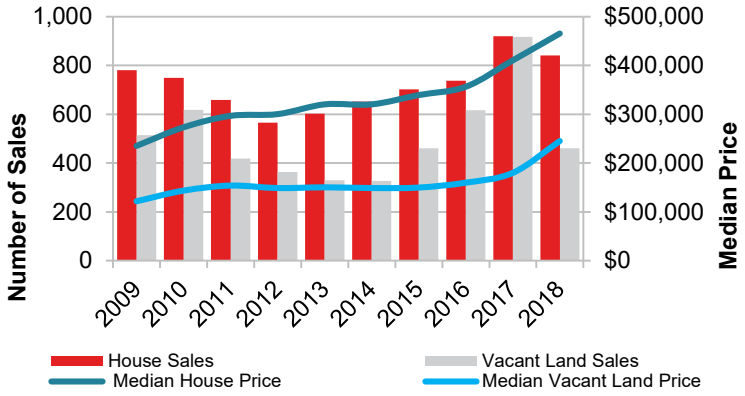
As a standout regional hotspot in 2018, the Shire of Mitchell LGA is positioned approximately 70km north of Melbourne. Unlike many other LGAs, the Mitchell LGA's population of 40,918 is relatively decentralised. According to the ABS Census this represents a strong growth of 18.1% over 5 years (2011-2016). Affordability in the LGA has resulted in high home ownership levels, with 45.6% of residents owning their homes outright in 2016 (compared with just 35.3% across VIC. An unemployment rate of 4.4% in the area is also below VIC's 5.3% and Melbourne's 5.4% as of the September quarter of 2018.

Over the past 10 years (2009-2018), the Mitchell LGA saw healthy annual average growth rates in median dwelling prices, at 8.0% (house), 4.6% (land), and 4.1% (unit). The past 12 months (2017-2018) in particular have produced exceptional median price growth in the area, at 13.4% (house), 36.1% (land) and 14.7% (unit). Despite such strong capital growth occurring, the market is still considered an affordable one, meaning first home buyers should act quickly to purchase in the Mitchell LGA.

Average rental yields in the Mitchell LGA at December 2018 were 3.6% for houses and 5.0% for units, well above those in Melbourne (2.9% for houses and 3.9% for units). At the same time, vacancy rates in the LGA were also reported at a low 0.9%, again significantly less than Melbourne's vacancy rate of 2.2%. In addition, the LGA has maintained a healthy, stable vacancy level over the past 24 months. These factors suggest that the Mitchell LGA is one primed for investors, showing strong median property price growth, rental demand, and healthy rental yields. Those looking for an affordable investment option over Melbourne need to consider the Mitchell LGA.

2019 will see the LGA invest a total of $353.5M* in project development. A large portion of this investment is focused on infrastructure, at $115.0M* (or 47.4% of total projects). This includes projects focused on regional rail, road networks, and health and education facilities. There will be a $25.0M* commercial investment into wind farms, and a proposed $160.0M* 600ha master-planned community. Both of these investments will enhance the economic position of the region. Residential and mixed-used development of $161.0M* will create as many as 6,025 lots from 2019 in the LGA.

MITCHELL LGA SALES & MEDIAN PRICE



KEY FACTS

House median price (2018)	$465,000
Land median price (2018)	$245,000
Unit median price (2018)	$320,000
Vacancy rate (based on 3658 postcode as of Dec-2018)	0.9%
House rental yields (based on 3658 postcode as of Dec-2018)	3.6%
Unit rental yields (based on 3658 postcode as of Dec-2018)	5.0%
Total estimated value of future developments in 2019	$353,515,000
Total dwellings set to commence in 2019	6,025 lots
Unemployment rate (as of September quarter 2018)	4.4%
Median weekly household income (as of ABS 2016 Census)	$1,391
Median monthly mortgage repayments (as of ABS 2016 Census)	$1,582
Professionals (as of ABS 2016 Census)	12.6%
Owned outright (as of ABS 2016 Census)	28.5%
Owned with a mortgage (as of ABS 2016 Census)	45.6%
Rented (as of ABS 2016 Census)	22.4%

*Disclaimer: Estimated value is the value of construction costs as per provided by the relevant data authority, it does not reflect the project's sale/commercial value.
Source: APM Pricefinder, SQM Research, Cordell Database, Mitchell Shire Council, Australian Bureau of Statistics, Australian Government Department of Jobs and Small Business.

TOP AFFORDABLE MAJOR REGIONAL AREA

City of Warrnambool – VIC

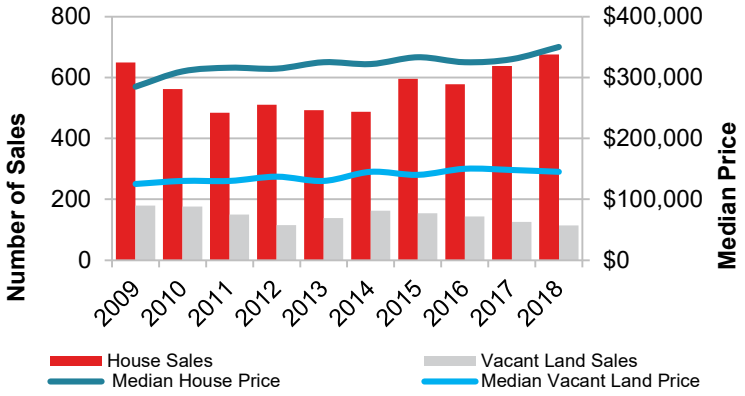
The City of Warrnambool LGA is approximately 220km south-west of Melbourne. The LGA had an estimated population 33,655 in 2016, which has grown by 5.1% since 2011 (ABS Census). Warrnambool LGA stands today as one of a select few regional councils which serves just 1 urban district. The area's Gross Regional Product of $1.7B in 2017-2018 was an improvement of 8.2% on 2015-2016 levels, representing strong economic growth. With an unemployment rate of 4.1% as of the September quarter of 2018, the LGA outperformed the Victorian level of 5.3%, further alluding to Warrnambool LGA's positive economic position.

The Warrnambool LGA has seen median price growth across all dwelling types over the past 10 years (2009-2018), with annual average growth rates of 2.4% (house), 1.8% (land), and 1.6% (unit). Over the past 12 months (2017-2018), the house market has performed particularly well, with a median price growth of 6.1%. Despite evidence of short and long-term capital growth, the market remains affordable. First home buyers should therefore act quickly to secure property in the Warrnambool LGA while prices remain in this position.

Average house and unit rental yields of 5.1% (for both) in the LGA as of December 2018 sat well above Melbourne, which saw average rental yields of 2.9% (house) and 3.9% (unit). A low vacancy rate of just 0.8% in December 2018 also suggests stronger demand for rental properties in this LGA than Melbourne (which had a vacancy rate of 2.2%). Further to this, the LGA's vacancy rate has been steadily declining over the past 3 years. Performance in median property price growth, rental demand, and positive rental returns suggest investors should consider Warrnambool LGA for their next purchase.

Project development worth a total of $224.4M* is set to commence in the Warrnambool LGA across 2019. $197.2M* is dedicated to infrastructure (87.9% of total spending). Projects will include rail line upgrades, health care redevelopment, heritage preservation, and public amenity improvements. The balance of $27.2M* is set to be spent on commercial projects, which will provide local businesses with improved assets and provide local employment opportunities in sectors such as aged care. A strong focus on both infrastructure and commercial spending is ideal to assist in the continued economic growth and development of the LGA throughout 2019.

WARRNAMBOOL LGA SALES & MEDIAN PRICE



KEY FACTS

House median price (2018)	$350,000
Land median price (2018)	$145,000
Unit median price (2018)	$250,000
Vacancy rate (based on 3280 postcode as of Dec-2018)	0.8%
House rental yields (based on 3280 postcode as of Dec-2018)	5.1%
Unit rental yields (based on 3280 postcode as of Dec-2018)	5.1%
Total estimated value of future developments in 2019	$224,400,000
Total dwellings set to commence in 2019	-
Unemployment rate (as of September quarter 2018)	4.1%
Median weekly household income (as of ABS 2016 Census)	$1,182
Median monthly mortgage repayments (as of ABS 2016 Census)	$1,430
Professionals (as of ABS 2016 Census)	18.9%
Owned outright (as of ABS 2016 Census)	34.1%
Owned with a mortgage (as of ABS 2016 Census)	31.3%
Rented (as of ABS 2016 Census)	30.7%

*Disclaimer: Estimated value is the value of construction costs as per provided by the relevant data authority, it does not reflect the project's sale/commercial value.
Source: APM Pricefinder, SQM Research, Cordell Database, Warrnambool City Council, Australian Bureau of Statistics, Australian Government Department of Jobs and Small Business. © PRDnationwide 2019.

YOUR HOME OF PROPERTY KNOWLEDGE

PRD nationwide RESEARCH

TOP AFFORDABLE MAJOR REGIONAL AREA

City of Wodonga – VIC

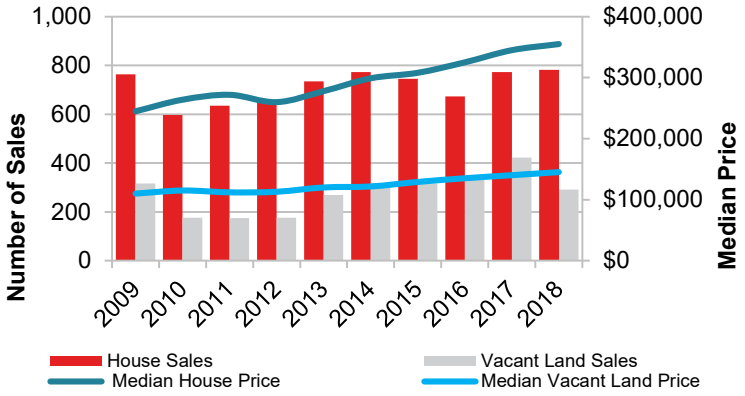
With a population of 39,531 people in 2016, the City of Wodonga LGA lies at the northern border of VIC, approximately 250km north-east of Melbourne. Paired with its neighbouring City of Albury in NSW, Wodonga LGA is also approximately 220km south-west of Canberra. This places the Wodonga LGA in a central position on the inland route between the two capitals. A low unemployment rate of 4.3% in the Wodonga LGA as of the September quarter of 2018 was also notably lower than VIC's 5.3%.

Over the past 10 years (2009-2018), Wodonga LGA experienced positive median price growth, recording annual average rates of 4.3% (house), 3.2% (land), and 2.1% (unit). Over the past 5 years (2014-2018), median property price growths have been even stronger, with annual average growths of 5.0% (house), 3.9% (land), and 3.4% (unit). Despite having a proven capital growth record, the Wodonga LGA has remained quite affordable, meaning first home buyers need to act now and enter the market.

Investors in the Wodonga LGA benefited from average rental yields of 4.8% for houses and 4.6% for units as of December 2018, which were above Melbourne's 2.9% and 3.9% for houses and units respectively. A low vacancy rate of just 0.8% in December 2018 was also lower than the vacancy rate of 2.2% in Melbourne. Furthermore, vacancy rates in the Wodonga LGA have been steadily declining over the past 3 years, indicating increasingly healthy rental demand. From an investment potential perspective, the Wodonga LGA presents itself as an attractive regional market with an affordable entry price and a conducive environment for positive returns.

Across 2019, a total of $150.8M* in project development is set to be invested into the Wodonga LGA. Infrastructure projects comprise the majority of this investment, at $84.5M, or 56.0%. These projects will provide residents with a range of improvements to the area, including public health facilities, roads, and public recreational areas. A further $53.9M* (35.7%) is set to be invested on commercial projects. A mix of such projects including retail, manufacturing and private health will ensure new business activity, thereby creating local employment opportunities. Residential project development ($12.5M*) will create 96 lots and 23 dwellings throughout 2019, catering for the projected population growth in the Wodonga LGA in the future.

WODONGA LGA SALES & MEDIAN PRICE



KEY FACTS

House median price (2018)	$355,000
Land median price (2018)	$145,000
Unit median price (2018)	$216,250
Vacancy rate (based on 3690 postcode as of Dec-2018)	0.8%
House rental yields (based on 3690 postcode as of Dec-2018)	4.8%
Unit rental yields (based on 3690 postcode as of Dec-2018)	4.6%
Total estimated value of future developments in 2019	$150,821,000
Total dwellings set to commence in 2019	96 lots 23 dwellings
Unemployment rate (as of September quarter 2018)	4.3%
Median weekly household income (as of ABS 2016 Census)	$1,273
Median monthly mortgage repayments (as of ABS 2016 Census)	$1,430
Professionals (as of ABS 2016 Census)	16.3%
Owned outright (as of ABS 2016 Census)	26.9%
Owned with a mortgage (as of ABS 2016 Census)	34.3%
Rented (as of ABS 2016 Census)	35.6%

*Disclaimer: Estimated value is the value of construction costs provided by relevant data authority, it does not reflect the project's sale/commercial value.
Source: APM Pricefinder, SQM Research, Cordell Database, Wodonga City Council, Australian Bureau of Statistics, Australian Government Department of Jobs and Small Business.

YOUR HOME OF PROPERTY KNOWLEDGE

PRD nationwide RESEARCH

TOP AFFORDABLE MAJOR REGIONAL AREA
Northern Midlands Council – TAS

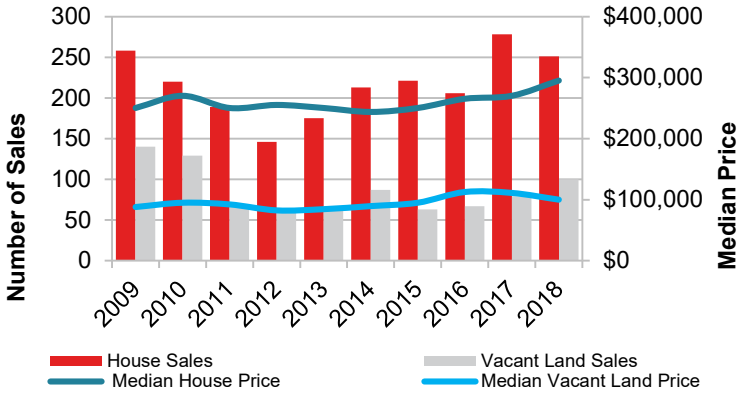
The Northern Midlands Council LGA has retained its position as the TAS regional hotspot following on from 2018. Positioned approximately 100km north of Hobart, it is also located immediately to the south of Launceston, placing the region along a key route between the two cities. Property affordability in the LGA led to high ownership levels in 2016, with 39.4% of residents owning their home outright, which is higher than TAS (35.2%) or Hobart (33.5%). An unemployment rate of 4.4% in the September quarter of 2018 was also well below the TAS average of 6.0%, indicating that the LGA holds a healthy economic standing.

The Northern Midlands LGA recorded 10-year (2009-2018) annual average growth in median dwelling prices of 2.0% (house), 1.8% (land), and 3.0% (unit). Houses have performed particularly well in the short-term, with the median price increasing by 9.3% from 2017 to 2018. Despite its track record in capital growth performance, the LGA is still considered affordable. First home buyers looking for an affordable regional area in TAS should act quickly to secure their property in the Northern Midlands LGA.

A vacancy rate of 0.4% as of December 2018 in the Northern Midlands LGA suggests very high demand for rental properties. This vacancy rate was even lower than Hobart's, which was already at a low 0.8%. Over the past two years, vacancy rates in the LGA have steadily declined, indicating an increasingly healthy rental market. Rental yields of 4.1% for houses and 5.5% for units in December 2018 also outperformed Hobart, with the capital returning an average of 2.9% for houses and 3.7% for units. Rental market conditions in the LGA are overall very strong, which positions it as a market which investors should consider for their next purchase.

Project development estimated at a total value of $90.5M* is set to commence in the Northern Midlands LGA across 2019. A large majority of the investment is to be focused on infrastructure, at $76.8M* or 84.9% of total spending, with a major spend of $61.0M* on highway upgrades. 11 commercial projects estimated at a combined value of $7.7M* will provide the region with an increased economic base, providing further employment opportunities. Residential projects ($5.9M*) will add 25 lots and 27 dwellings to the Northern Midlands LGA housing market into 2019 and beyond.

NORTHERN MIDLANDS LGA SALES & MEDIAN PRICE



KEY FACTS

House median price (2018)	$298,000
Land median price (2018)	$60,000
Unit median price (2018)	$258,500
Vacancy rate (based on 7301 postcode as of Dec-2018)	0.4%
House rental yields (based on 7301 postcode as of Dec-2018)	4.1%
Unit rental yields (based on 7301 postcode as of Dec-2018)	5.5%
Total estimated value of future developments in 2019	$90,460,000
Total dwellings set to commence in 2019	25 lots 27 dwellings
Unemployment rate (as of September quarter 2018)	4.4%
Median weekly household income (as of ABS 2016 Census)	$1,042
Median monthly mortgage repayments (as of ABS 2016 Census)	$1,300
Professionals (as of ABS 2016 Census)	12.0%
Owned outright (as of ABS 2016 Census)	39.4%
Owned with a mortgage (as of ABS 2016 Census)	33.1%
Rented (as of ABS 2016 Census)	24.1%

*Disclaimer: Estimated value is the value of construction costs provided by relevant data authority, it does not reflect the project's sale/commercial value.
Source: APM Pricefinder, SQM Research, Cordell Database, Northern Midlands Council, Australian Bureau of Statistics, Australian Government Department of Jobs and Small Business.

YOUR HOME OF PROPERTY KNOWLEDGE

PRD nationwide RESEARCH

ABOUT PRDnationwide RESEARCH

PRDnationwide's research division provides reliable, unbiased and authoritative property research and consultancy to clients in metro and regional locations across Australia.

Our extensive research capability and specialised approach ensures our clients can make the most informed and financially sounds decisions about residential and commercial properties.

OUR KNOWLEDGE

Access to accurate and objective research is the foundation of all good property decisions.

As the first and only truly knowledge based property services company, PRDnationwide shares experience and knowledge to deliver innovative and effective solutions to our clients.

We have a unique approach that integrates people, experience, systems and technology to create meaningful business connections We focus on understanding new issues impacting the property industry; such as the environment and sustainability, the economy, demographic and psychographic shifts, commercial and residential design; and forecast future implications around such issues based on historical data and fact.

OUR PEOPLE

Our research team is made up of highly qualified researchers who focus solely on property analysis.

Skilled in deriving macro and micro quantitative information from multiple credible sources, we partner with clients to provide strategic advice and direction regarding property and market performance. We have the added advantage of sourcing valuable and factual qualitative market research in order to ensure our solutions are the most well considered and financially viable.

Our experts are highly sought after consultants for both corporate and government bodies and their advice has helped steer the direction of a number of property developments and secured successful outcomes for our clients.

OUR SERVICES

Our research services span over every suburb, LGA, and state within Australia; captured in a variety of standard and customized products.

We have the ability and systems to monitor market movements, demographic changes and property trends. We use our knowledge of market sizes, price structure and buyer profiles to identify opportunities for clients and provide market knowledge that is unbiased, thorough and reliable.

OUR SERVICES

- Advisory and consultancy
- Market Analysis including profiling and trends
- Primary qualitative and quantitative research
- Demographic and target market analysis
- Geographic information mapping
- Project Analysis including product and pricing recommendations
- Rental and investment return analysis

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