



Canberra
Affordable & Liveable
Property Guide
2nd Half 2019



METHODOLOGY

This report analyses all suburbs in the Australian Capital Territory (ACT) area, within a 10km radius of the Canberra CBD. The following criteria were considered:

- **Property trends criteria** – all suburbs have a minimum of 10 transactions for statistical reliability purposes. Based on market conditions, suburbs have either positive, or as close as possible to neutral price growth, between 2018 to 2019*.
- **Investment criteria** – as of June 2019, all suburbs considered will have an on-par or higher rental yield than Canberra Metro, and an on-par or lower vacancy rate.
- **Affordability criteria** – identified suburbs have a median price below a set threshold. This was determined by adding percentage premiums to the ACT average home loan, which was \$413,377** as of Q2 2019. Premiums of 75% for houses and 10% for units were added, which for houses is above the required to reach Canberra Metro's median price (65%), and for units is below (14%). Unit suburbs identified are more affordable, however house buyers need to sacrifice on affordability to meet liveability and/or investment criteria.
- **Development criteria** – all suburbs identified within this report have a high total estimated value of future project developments for the 2nd half of 2019, as well as a higher proportion of commercial and infrastructure projects. This ensures suburbs chosen show signs of sustainable economic growth, which in turn has a positive effect on the property market.
- **Liveability criteria** – this included ensuring all suburbs assessed have low crime rates, availability of amenities within a 5km radius (i.e. schools, green spaces, public transport, shopping centres and health care facilities), and an unemployment rate on-par or lower in comparison to the state average (as determined by the Department of Jobs and Small Business, March Quarter 2019 release).

RECENT TOP PERFORMERS

Area	Suburb	Type	Median Price 2018	Median Price 2019*	Price Growth	Projects 2019***
Inner	Lyneham	House	\$765,250	\$868,500	13.5%	\$31.1M
	Braddon	Unit	\$430,000	\$450,000	4.7%	\$3.5M
North	Watson	House	\$733,750	\$741,250	1.0%	\$74.2M
	Belconnen	Unit	\$338,500	\$373,500	10.3%	\$289.3M
South	Garran	House	\$882,000	\$1,000,000	13.4%	\$3.6M
	Garran	Unit	\$590,000	\$611,500	3.6%	\$3.6M
East	Campbell	House	\$1,000,000	\$1,345,000	34.5%	\$21.0M
	Campbell	Unit	\$559,000	\$677,000	21.1%	\$21.0M
West	Wright	House	\$770,000	\$875,000	13.6%	\$131.1M
	Coombs	Unit	\$449,000	\$480,000	6.9%	\$154.3M

OVERVIEW

Median property prices in Canberra softened by -0.7% for houses to \$682,000, and increased by 2.2% for units to \$470,000 from 2018 to 2019*. Sale transactions have declined over the same period, by -26.8% for houses and -28.9% for units, which is reflective of the slower market conditions. By comparison, from 2017 to 2018 the median house price increased by 3.2%, and the median unit price grew by 1.8%, as sales transactions fell -6.6% for houses and -5.0% for units. The recent median house price cooling and reduction in activity is great news for first home buyers. Now is a good time for unit owners to transact, as there has been increase in capital growth figures, yet an undersupplied market. An estimated \$2.0B worth of projects is set to commence in the 2nd half of 2019, generating commercial activity and enabling sustainable population growth. Together these factors are likely to result in positive spill-over effects in the property market for the rest of 2019 and in early 2020.

KEY MARKET INDICATORS CANBERRA METRO

Indicator	Market Variation [^]
House Sales	↓
House Median Price	↓
House Median Rent	↑
Unit Sales	↓
Unit Median Price	↑
Unit Median Rent	↑

KEY COMMENTS

In the 12 months to Q2 2019, the proportion of income to meet home loan repayments decreased by -1.0% in the ACT, indicating higher affordability. Despite this, the total number of first home buyers entering the market softened by -24.2%; indicating first home buyer confidence is still recovering.

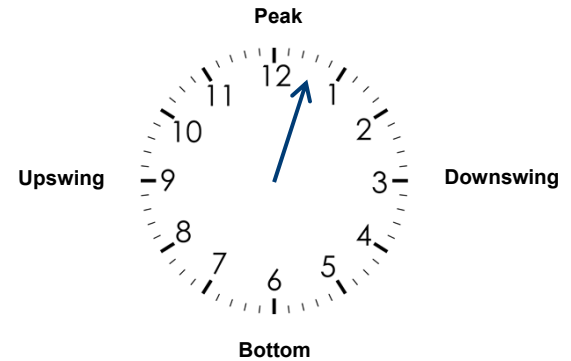
Highly affordable house suburbs(those with a maximum property sale price of the average state loan, plus a standard mortgage loan 20% deposit), do not exist. No suburbs fell in this range, which suggests affordability in property prices is a concern in Canberra.

Further, many suburbs failed to meet liveability criteria. Premiums of 75% for houses and 10% for units needed to be added to the ACT average home loan in order to satisfy the liveability criteria. The low unit premium set is a pleasant surprise, as it falls below the 20% standard deposit requirement, suggesting the unit market remains highly affordable. This is reflected further by the premium being below what is needed to reach Canberra's median unit price premium (14%). Affordability proved to be a greater concern for houses, with the premium required (75%) sitting above the needed premium to reach Canberra's median house price (65%).

As liveability criteria was difficult to satisfy in Canberra*, the criteria was modified. Units with median price growth as close as possible to neutral (i.e. zero) were included, as well as suburbs with average vacancy rates slightly above the benchmark (given that the market is very tight at 1.3%).

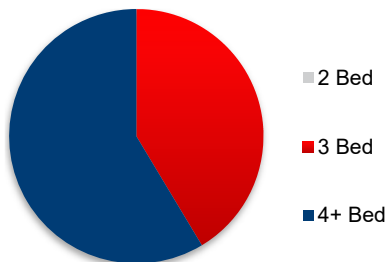


PROPERTY CLOCK – HOUSES



AFFORDABLE & LIVEABLE HOUSE SUBURBS

GIRALANG 2617



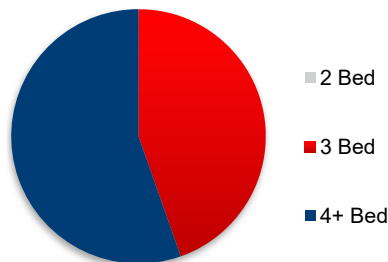
Located in an approximate radius of **7.4km** from the CBD.

Median House Price **\$675,000**

- 3 Bed Median Price **\$627,500**
- 4+ Bed Median Price **\$743,600**

To the north of the Canberra CBD, Giralang was identified as an affordable and liveable suburb with the lowest median house price. It also has the lowest crime rate of the selected house suburbs, making it a safe area to live. Families will be attracted by the amenities on offer, including parks, schools, public transport and shops. Investors will find a vacancy rate of just 1.0% highly attractive, as well as an average house rental yield of 4.6%. A \$3.6M development pipeline for the 2nd half of 2019 will see the creation of dwellings, which are needed to ensure Giralang can sustain population growth without sacrificing liveability for its residents.

KALEEN 2617



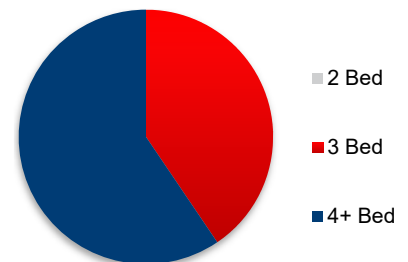
Located in an approximate radius of **4.6km** from the CBD.

Median House Price **\$685,000**

- 3 Bed Median Price **\$682,000**
- 4+ Bed Median Price **\$815,000**

As the closest affordable and liveable house suburb identified in this report to the CBD (only 4.6km away), Kaleen is an ideal area for families, thanks to numerous educational facilities and parks, as well as health care, public transport and shops. Kaleen saw annual price growth of 3.1%***, plus a vacancy rate of just 1.5%, and an average house rental yield of 4.6%; which makes the area quite attractive to investors. Unemployment in Kaleen is quite low at just 3.4%, suggesting the area is economically productive. The \$2.7M worth of residential development across the 2nd half of 2019 will create nine new dwellings and help ensure house prices remain at sustainable levels.

WESTON 2611



Located in an approximate radius of **8.8km** from the CBD.

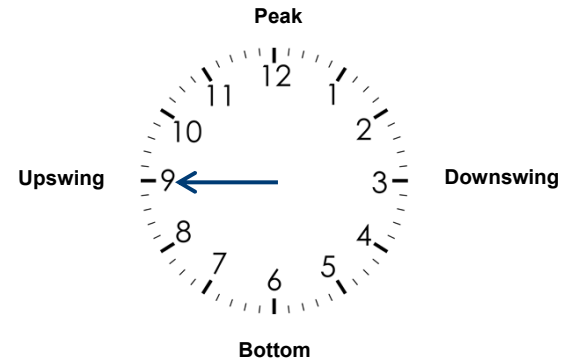
Median House Price **\$662,000**

- 3 Bed Median Price **\$640,000**
- 4+ Bed Median Price **\$775,000**

Weston is an affordable and liveable suburb to the west of the Canberra CBD, with solid annual median price growth of 6.5%***. A very low unemployment rate of just 2.4% also makes Weston a standout, complementing its lower crime rate and making it a great area to purchase in. Weston's amenities include parks, schools, shops and public transport, which further contribute to its liveability. Approximately \$37.8M in infrastructure spending is scheduled for the 2nd half of 2019 which will ensure the area caters well for population growth. Investors will be attracted by vacancies of just 1.5% and a healthy average house rental yield of 4.4%.

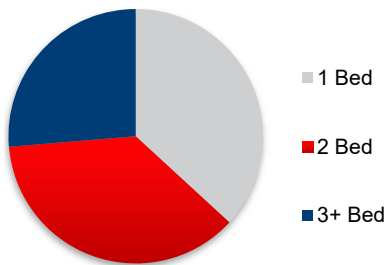


PROPERTY CLOCK – UNITS



AFFORDABLE & LIVEABLE UNIT SUBURBS

CURTIN 2605



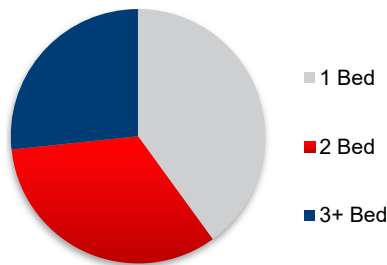
Located in an approximate radius of **5.3km** from the CBD.

Median Unit Price **\$395,000**

- 1 Bed Median Price **\$200,000***
- 2 Bed Median Price **\$410,000***
- 3 Bed+ Median Price **\$1,200,000***

In the south-west, Curtin is the closest affordable and liveable unit suburb to the CBD. The area is an excellent choice for investors, offering both the highest average house rental yield (5.9%) and the lowest vacancy rate (1.1%) compared to the other affordable and liveable unit suburbs identified. It has the lowest unemployment rate of just 2.2% and a low crime rate, making it well-suited to families. A \$10.0M mixed-use project commencing in the 2nd half of 2019 will result in the creation of 36 apartments and commercial tenancies, creating housing stock and employment opportunities.

WRIGHT 2611



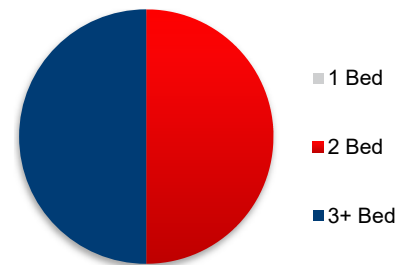
Located in an approximate radius of **9.5km** from the CBD.

Median Unit Price **\$370,000**

- 1 Bed Median Price **\$308,000**
- 2 Bed Median Price **\$400,250**
- 3 Bed+ Median Price **\$555,000***

Wright has the lowest median unit price of the affordable and liveable unit suburbs identified, making it attractive for those looking to enter Canberra's property market. A huge focus on development in the 2nd half of 2019 will see an estimated \$131.1M worth of projects commence, which is focused on the creation of the Whitlam Estate. This project will help ease housing supply issues. Unemployment sits at a low 2.8% and crime rate is the lowest among the identified unit suburbs in this report. Average house rental yields of 5.8% and a vacancy rate of 1.5% make this area desirable to investors.

WESTON 2611



Located in an approximate radius of **8.8km** from the CBD.

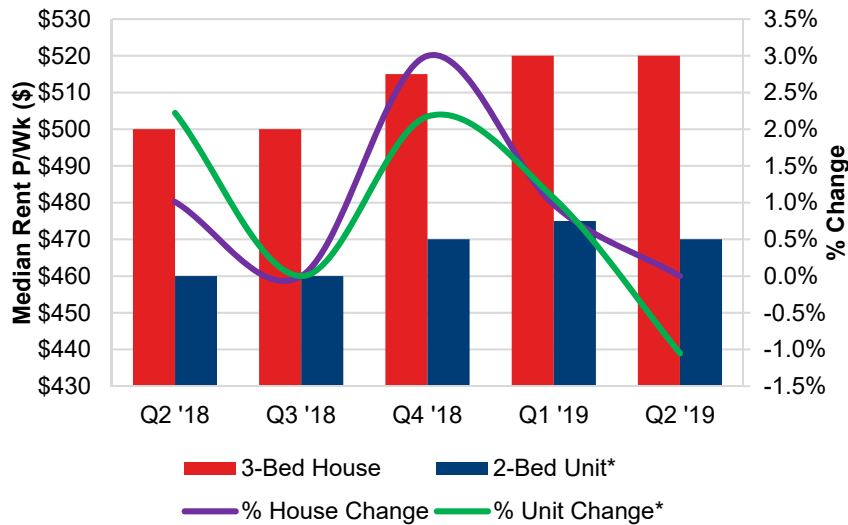
Median Unit Price **\$450,000**

- 2 Bed Median Price **\$463,000***
- 3+ Bed Median Price **\$553,500***

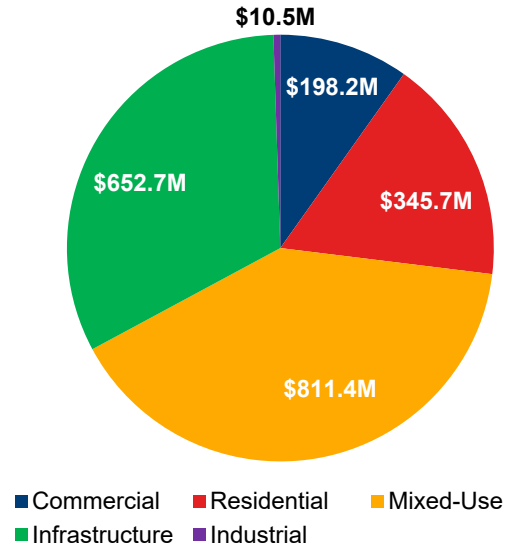
As the only suburb to feature for both houses and units in this report, Weston is truly an affordable and liveable suburb in Canberra. Units saw solid median price growth of 6.2%** annually. Further, investors benefited from excellent average rental returns of 5.8% for units, along with a low vacancy rate of 1.5%. Liveability remains a strong point for Weston, with easy access to parks, schools, medical facilities and shops. Infrastructure investment of \$37.8M for the 2nd half of 2019 is likely to result in positive spill-over effects for the property market also.



RENTAL MARKET ANALYSIS



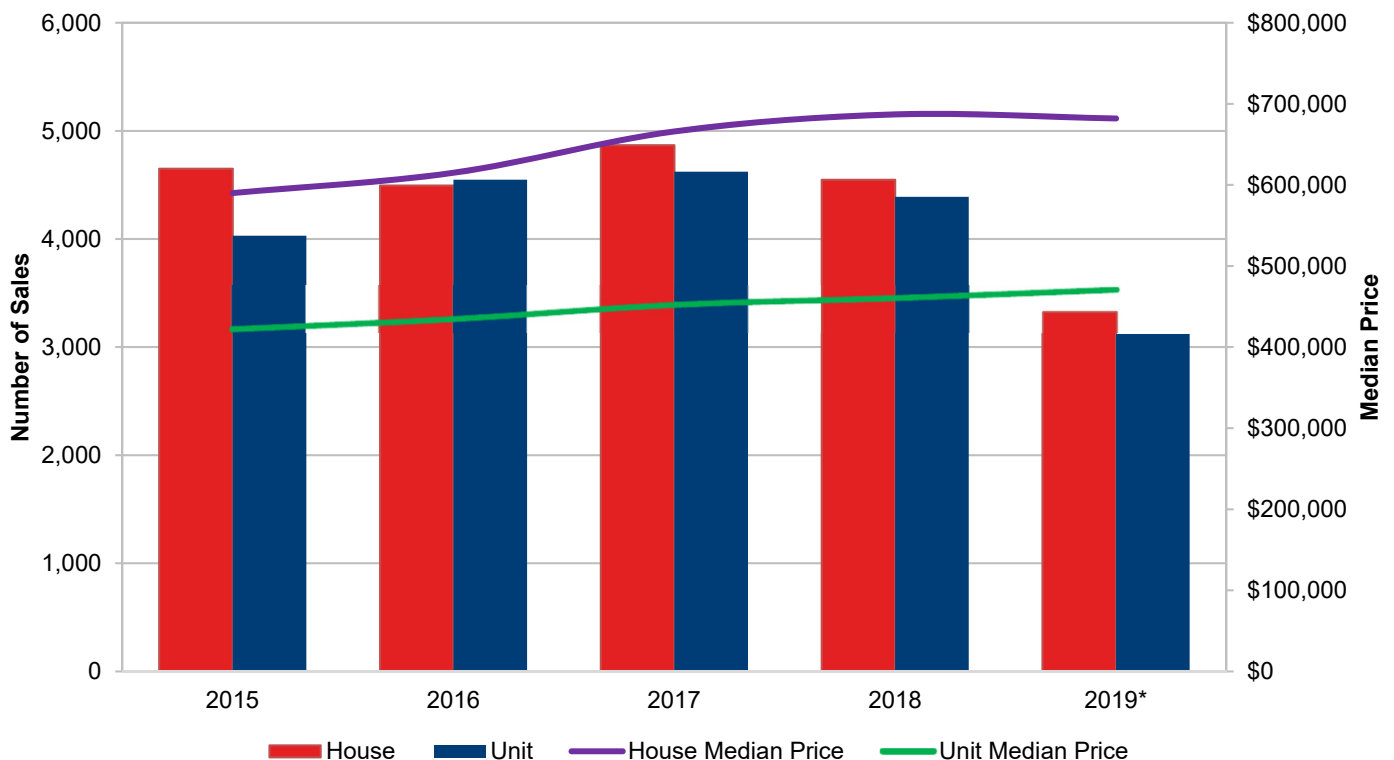
2nd HALF 2019 PROJECTS**



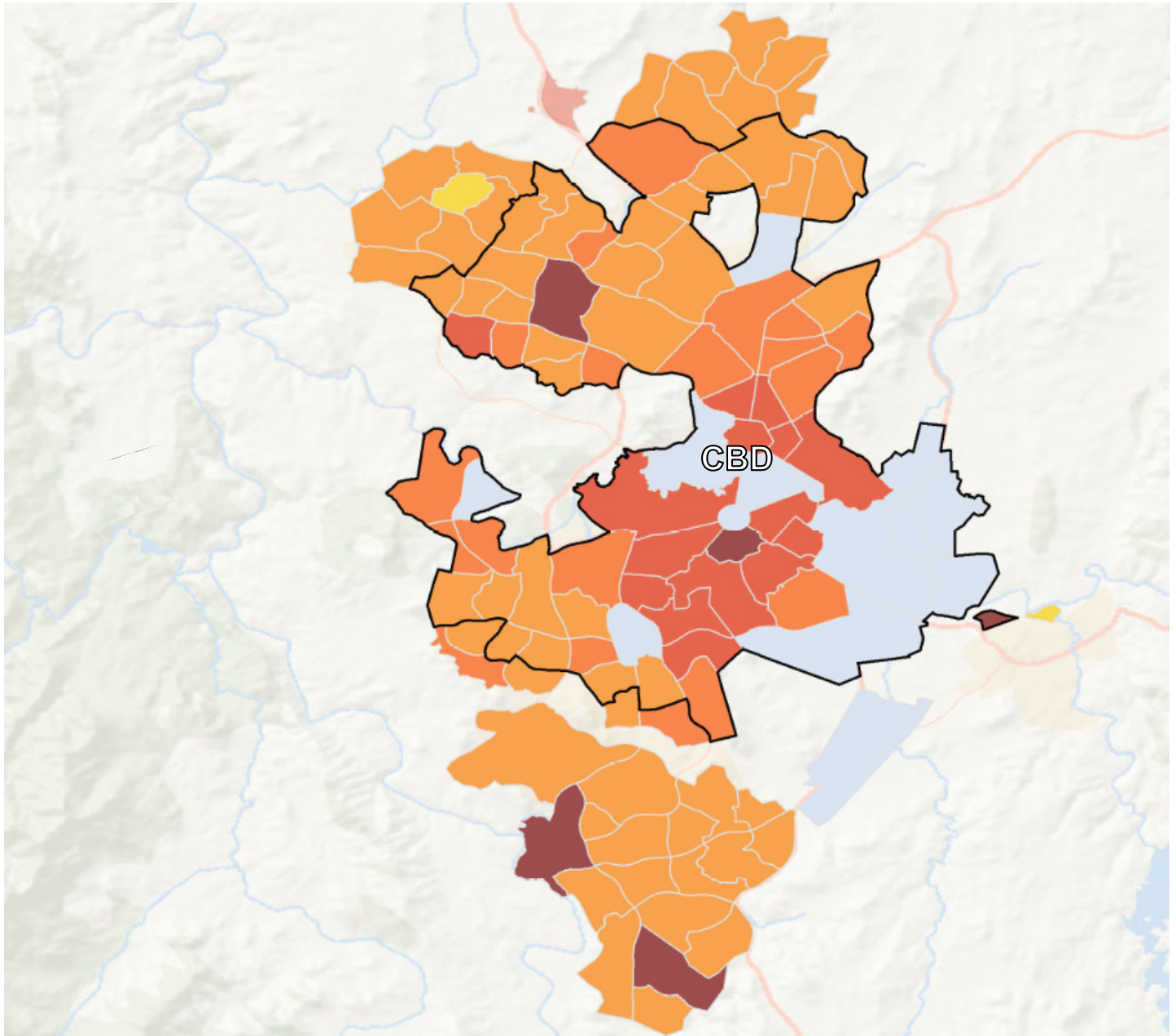
Over Q2 2019, the Canberra rental market recorded a median rental price of \$520 per week for houses and \$470 per week for units, representing stability in house rental market growth, and a minor softening in the unit median rental price of -1.1%. These fairly stable rental levels were achieved alongside a 1.3% vacancy rate, which saw a slight increase in the 12 months to June 2019. Despite a slight rise, the market remains strongly competitive, sitting in a very low vacancy range. Average yields of 4.0% (houses) and 5.6% (units) in Canberra have remained steady in the 12 months to June 2019. Confidence levels within Canberra's property market fared quite well amidst a national downturn, which should provide investors with confidence to consider entry into the market.

The 2nd half of 2019 is set to see approximately \$2.0B** of development, with a key focus on mixed-use, infrastructure, and residential projects, as well as notable spending on commercial activity and some industrial activity. Major projects for the period include the mixed-use development Dickson on Northbourne (\$189.9M) which will create 1,000 units and a hotel, the \$266.0M National Museum of Australia infrastructure redevelopment project, and the \$52.2M John Gorton Drive Apartments which will create 212 apartments. Together, these projects highlight the strength of Canberra's pipeline for the 2nd half of 2019.

CANBERRA METRO SALES AND MEDIAN PRICE GROWTH



ACT MEDIAN HOUSE PRICE 2019*



LEGEND

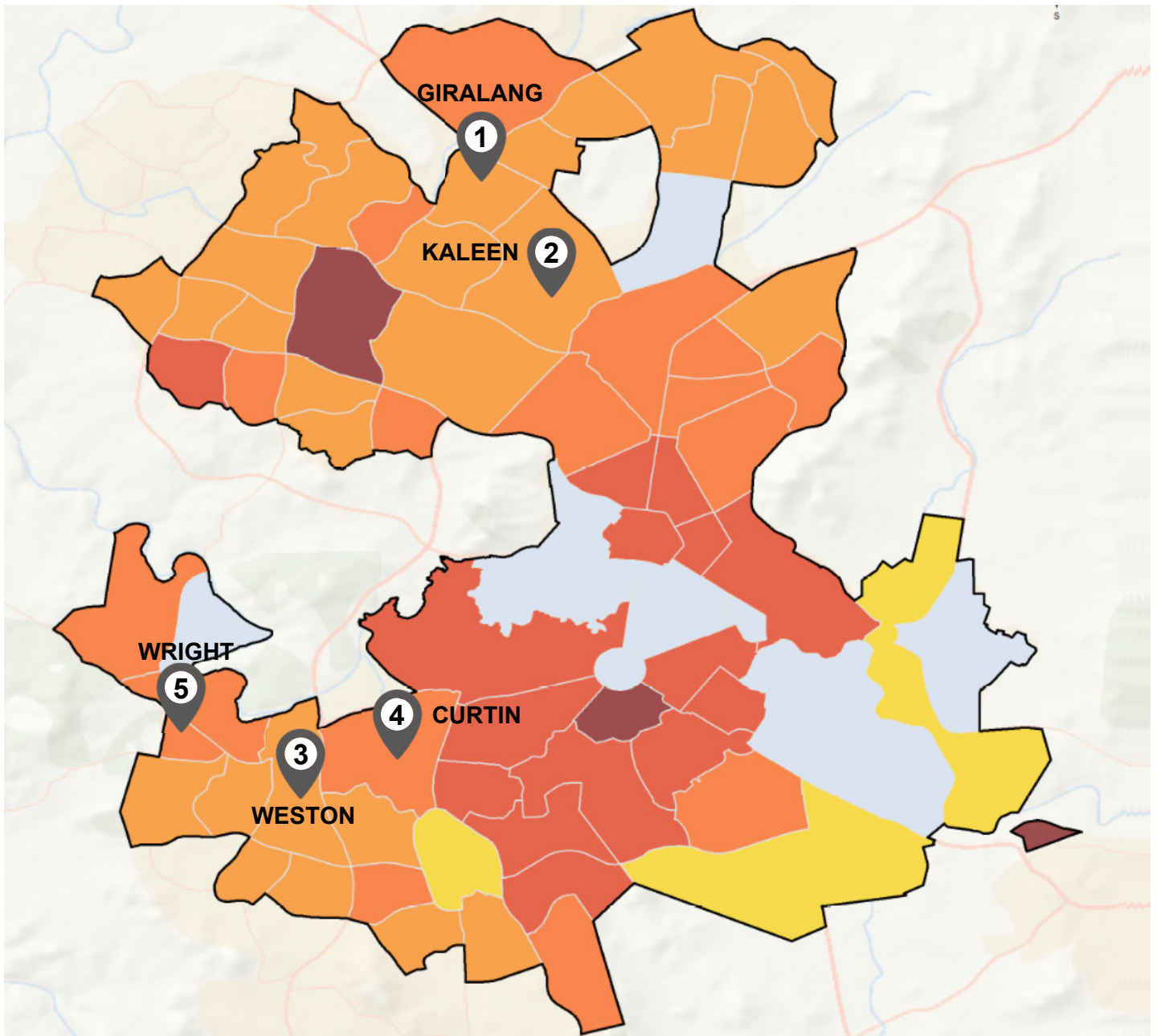
- Data not available
- \$0 - \$500,000
- \$500,000 - \$800,000
- \$800,000 - \$1,000,000
- \$1,000,000 - \$2,000,000
- \$2,000,000+
- 10km from CBD

Translucent colours for <10 sales

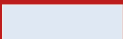






Top 3 Lowest Priced Suburbs**	Median Price 2019**	Project Development***	Median Rent 2019**	Rental Yield
Higgins	\$575,000	-	\$510	4.6%
Melba	\$608,000	\$400.0K	\$530	4.6%
Scullin	\$612,000	\$1.3M	\$505	4.1%
Top 3 Highest Priced Suburbs**	Median Price 2019**	Project Development***	Median Rent 2019**	Rental Yield
Red Hill	\$1,502,500	\$52.2M	\$820	4.3%
Griffith	\$1,505,000	\$289.0K	\$675	4.3%
Yarralumla	\$1,555,000	\$1.3M	\$760	3.1%

*Median house price reflected in the heat-map captures sale transactions from 1st January 2019 to 30th September 2019. Grey areas represent areas where no recorded sales data could be accessed or due to having less than 20 sales transactions. **Top 3 suburbs identified are located within 20 km from CBD; suburb median price and median rent figures capture data from 1st January 2019 to 30th September 2019. ***Project development value is an aggregate of estimated construction value for residential, commercial, industrial, mixed use, and infrastructure projects commencing in the 2nd half of 2019; it does not reflect commercial/re-sale value. Source: APM Pricefinder, Cordell Connect, ESRI ArcGIS, SQM Research. © PRDnationwide 2019.

CANBERRA MEDIAN HOUSE PRICES 2019* – 20KM FROM CBD



LEGEND

	Data not available
	\$0 - \$500,000
	\$500,000 - \$800,000
	\$800,000 - \$1,000,000
	\$1,000,000 - \$2,000,000
	\$2,000,000+
	10km from CBD
Translucent colours for <10 sales	

CANBERRA AFFORDABLE & LIVEABLE SUBURBS RENTAL YIELD

	Suburb	House
1	Giralang	4.6%
2	Kaleen	4.6%
3	Weston	4.4%

	Suburb	Unit
4	Curtin	5.9%
5	Wright	5.8%
3	Weston	5.8%

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