



Tweed Heads Market Update

1st Half 2020



OVERVIEW

Tweed Heads* recorded a median house price of \$670,000 and a median unit price of \$430,000 in Q4 2019. This represents annual (Q4 2018 – Q4 2019) median price growth of 2.1% for houses and a slight softening of -0.8% for units. Between Q4 2018 – Q4 2019, total sales increased by 11.1% (to 339 sales) for houses and by 21.4% (to 250 sales) for units. Market conditions in Tweed Heads* shows clear signs of positivity, with an increase in demand and capital growth. Now is the time to buy and/or sell in Tweed Heads*

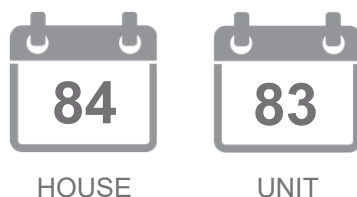
	CHANGE FROM LAST	YEAR	HALF YEAR
 House Sales		↑	↑
House Median Price		↑	↑
House Rental Price		↓	↑
 Unit Sales		↑	↑
Unit Median Price		↓	↓
Unit Rental Price		↑	↓

MARKET CONDITIONS

SALES MEDIAN PRICE Q2 2019



SALES AVERAGE DAYS ON MARKET Q2 2019



RENTAL MEDIAN PRICE Q2 2019

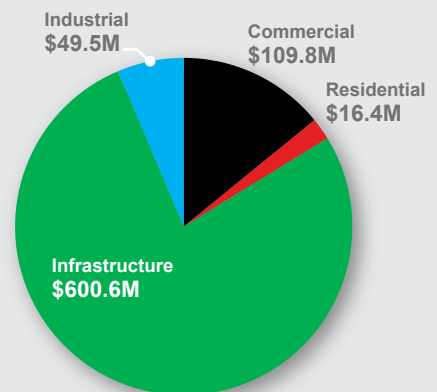


RENTAL AVERAGE DAYS ON MARKET Q2 2019



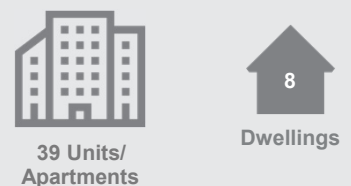
FUTURE DEVELOPMENTS

The Tweed Heads* area is set to see approximately **\$776.2M** worth of new projects in the 1st half of 2020.



A large focus on infrastructure projects in the area will pave the way for increased productivity and improve liveability aspects for residents. Combined with commercial and industrial projects this will stimulate local economic activity and employment, which is expected to have a positive spill-over impact on the real estate market.

A main infrastructure project for the 1st half of 2020 is the Tweed Valley Hospital (\$582.1M). This will create vast employment opportunities and has the potential to increase demand for property. A major commercial project commencing is the Club Banora Redevelopment (\$107.0M). Key residential projects include Marine Parade Apartments (\$3.1M, 7 apartments), Sutherland Street Dual Occupancies (\$3.2M, 3 dwellings)



*Tweed Heads market data and key indicators encapsulates aggregate property conditions within the Tweed Shire Local Government Area.
**Estimated values are based on construction value provided by the relevant data authority and does not reflect commercial and/or re-sale value.
Source: APM Pricerfinder, Cordell Connect database. © Copyright PRD 2020

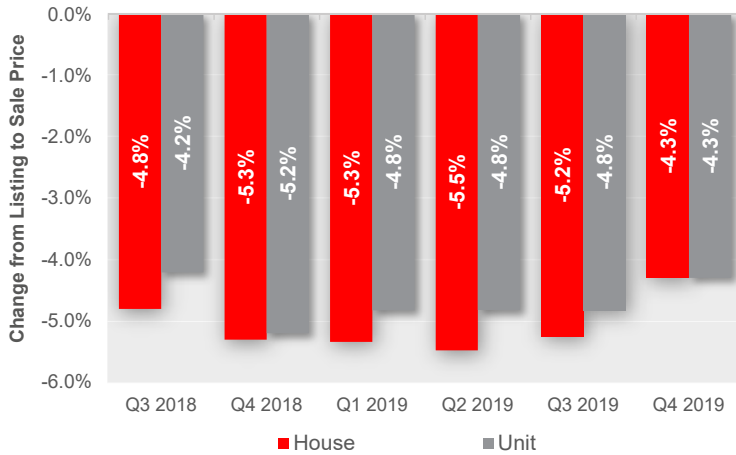
AVERAGE VENDOR DISCOUNT* KEY COMMENTS

Average vendor discount reflects the average percentage difference between the first list price and final sold price. A lower percentage difference (closer to 0.0%) suggests that buyers are willing to purchase close to the first asking price of a property.

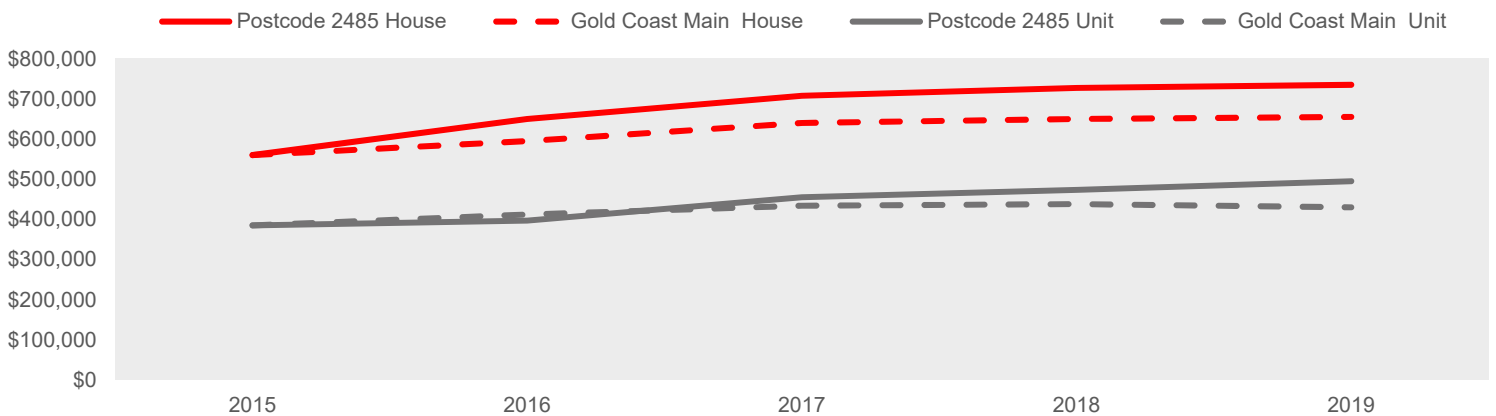
Average vendor discounting between Q4 2018 and Q4 2019 has tightened to -4.3% for house and -4.3% for units. There is a slight shift towards favouring vendors, where buyers need to negotiate closer to the initial listing price. Demand is starting to increase with the current low interest rates and lenient access to finance.

Tweed heads (Postcode 2485) area has continued to outperform the Gold Coast Main Local Government Areas (LGA) in regard to property prices. There is an increase in the price gap for units, reflective of a surge in demand over the past 12 months.

In 2019 the dominant proportion of houses sold in Tweed Heads* were priced in the lower price bracket of less than \$549K (29.5%). Units also experienced high activity in the lower price segment of \$350K to \$449K (27.8%). Despite a market recovery there are still affordable options for first home buyers wanting to enter the market.



MARKET COMPARISON

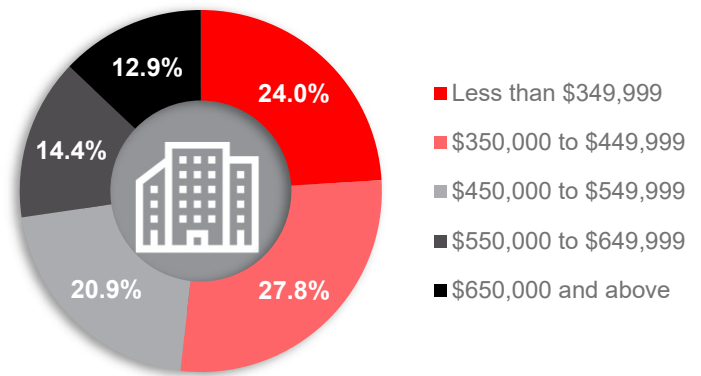
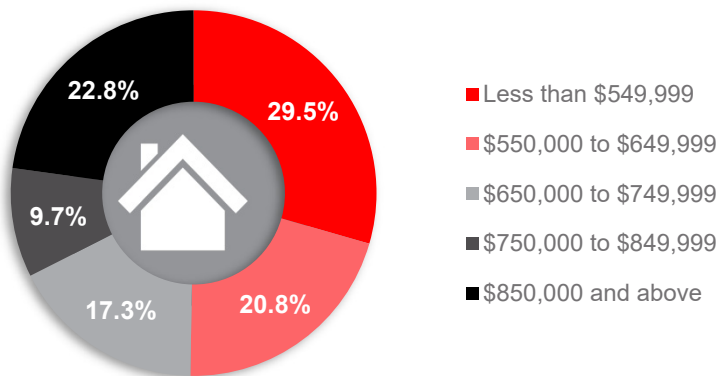


The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Tweed Heads.

PRICE BREAKDOWN 2019^

HOUSES SOLD

UNITS SOLD

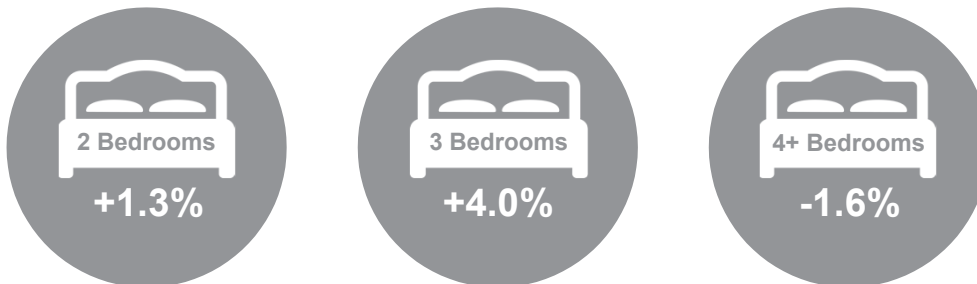


RENTAL GROWTH 2019*

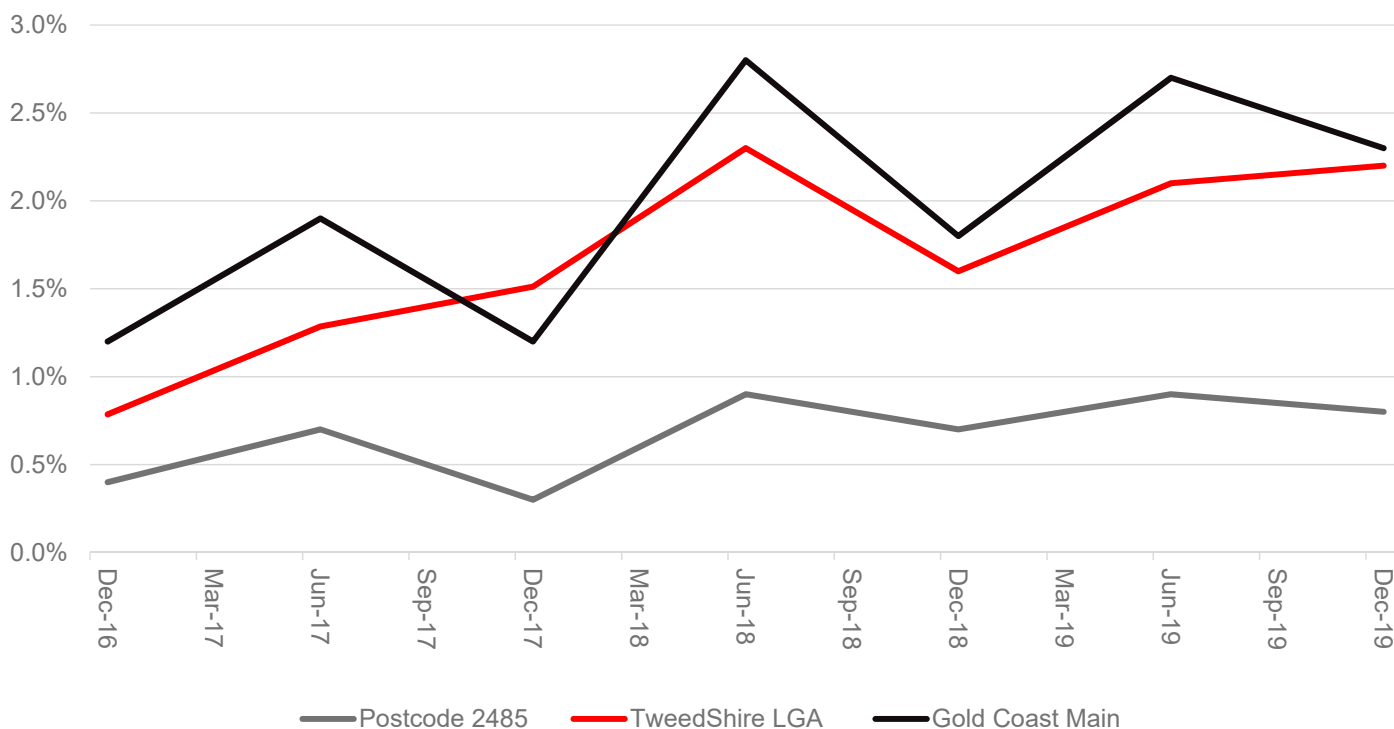
House rental yields in Tweed Heads (Postcode 2485) were recorded at 4.2% in December 2019, on par with Tweed Shire LGA (4.2%) but above Gold Coast Main LGA (4.1%). This suggests that the rental market is at a healthy position where investors are achieving great investment returns. Over the 12 months to Q4 2019 house rental median price slightly softened by -0.9% to \$565 per week, followed by unit rental median price growth by 2.4% to \$430 per week respectively.

3-bedroom houses have provided investors with +4.0% rental growth annually, resulting in a median rent of \$520 per week.

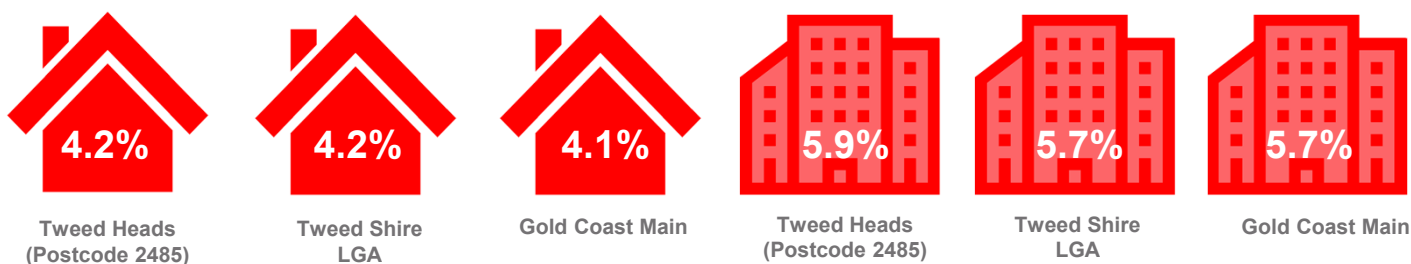
Tweed Heads (Postcode 2485) recorded an extremely low vacancy rate of 0.8% in December 2019, much lower than Tweed Shire LGA (2.2%) and Gold Coast Main LGA (2.3%). There is a higher rental demand in Tweed Heads (Postcode 2485), which provides investors with confidence.



RENTAL VACANCY RATES 2019



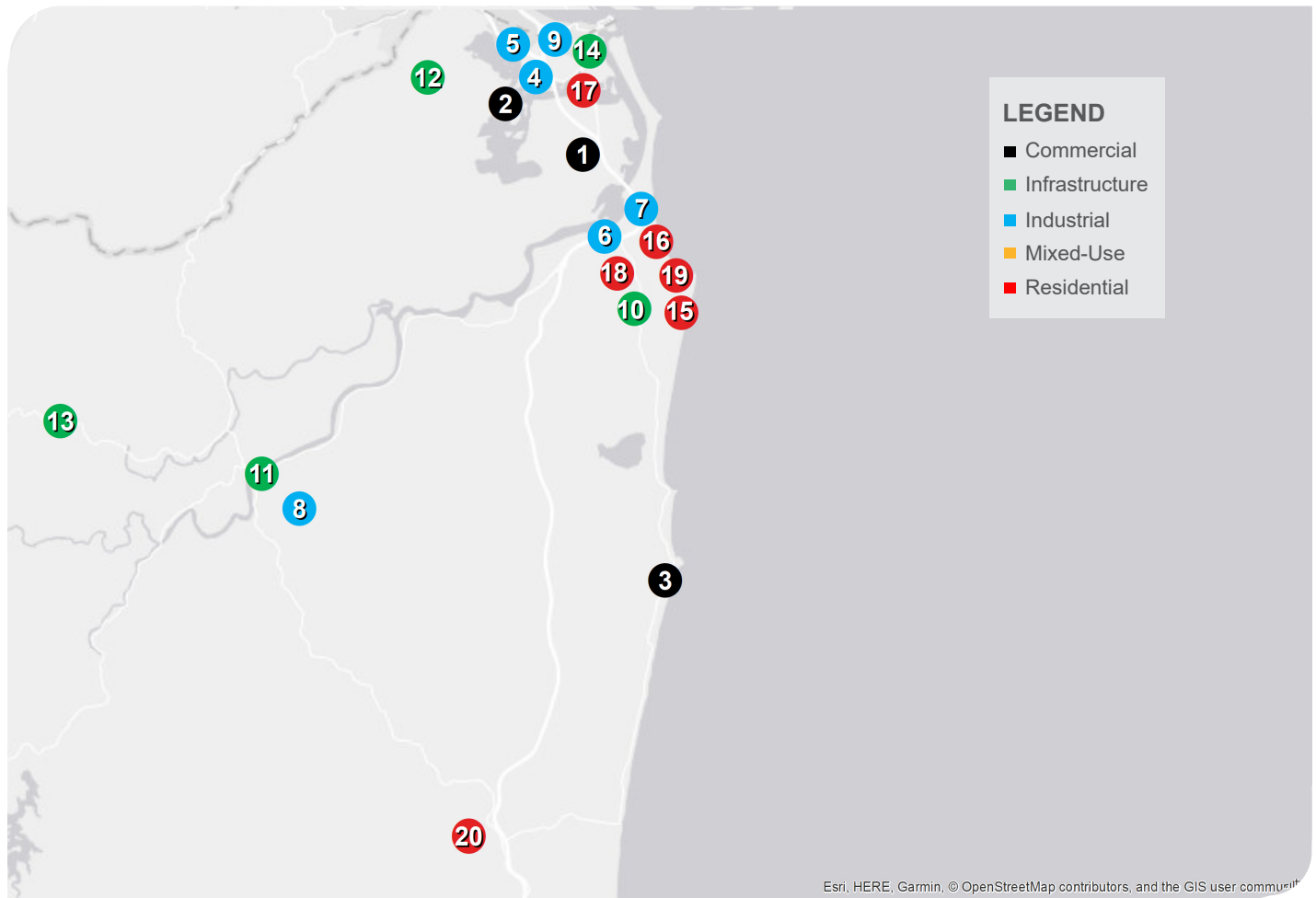
RENTAL YIELD 2019^



*Rental performance graph represents aggregate house median rent prices within the Tweed Shire Local Government Area. Annual rental growth is a comparison between 2018 and 2019 house median rent figures.

^Rental yields shown are as reported at December 2019. Source: APM Pricer, SQM Research. © Copyright PRD 2020.

PROJECT DEVELOPMENT MAP 1st HALF 2020*



Location	Project**	Type	Estimated Value***	Commence Date****
1	Club Banora Redevelopment	Commercial	\$107,000,000	03/06/2020
2	Panorama Plaza Shopping Centre	Commercial	\$1,500,000	20/01/2020
3	Tricare Retirement Village Hastings Point	Commercial	\$1,250,000	06/02/2020
4	Wollemi Place Cold Storage Distribution Centre	Industrial	\$25,550,000	23/01/2020
5	Wollemi Place Cold Storage Distribution Centre	Industrial	\$15,000,000	18/06/2020
6	Naru Street Industrial Units	Industrial	\$2,900,000	29/06/2020
7	Chinderah Waste Transfer Station & Warehouse	Industrial	\$2,200,000	17/06/2020
8	Honeyeater Circuit Light Industrial Buildings	Industrial	\$2,000,000	15/06/2020
9	Ourimbah Road Self Storage Facility	Industrial	\$1,825,000	17/01/2020
10	Tweed Valley Hospital	Infrastructure	\$582,100,000	09/03/2020
11	Northern River Rail Trail - Tweed Section	Infrastructure	\$8,000,000	20/06/2020
12	Cobaki Lakes Estate Bulk Earth Works Precinct 10, 11 & 12 Stage 1	Infrastructure	\$5,000,000	01/03/2020
13	Korns Crossing Bridge	Infrastructure	\$4,000,000	02/02/2020
14	A Coy 41 Rnswr Military Facilities	Infrastructure	\$1,500,000	01/01/2020
15	Sutherland Street Dual Occupancies- (3 Dwellings)	Residential	\$3,250,000	23/04/2020
16	Marine Parade Apartments- (7 Apartments)	Residential	\$3,100,000	19/04/2020
17	Dry Dock Road Apartments- (15 Apartments)	Residential	\$3,000,000	28/02/2020
18	Marine Parade Apartments Stages 1-2- (7 Apartments)	Residential	\$2,700,000	13/04/2020
19	Pearl Street Apartments- (9 Apartments)	Residential	\$2,655,000	05/04/2020
20	Crabbes Creek Road Dwellings- (5 Dwellings)	Residential	\$1,700,000	12/02/2020

OUR SERVICES INCLUDE

- 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

OUR KNOWLEDGE

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

OUR PEOPLE

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

OUR SERVICES

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



Jason Abbott, Principal
M +61 418 727 977
E jason@prdcoolangatta.com.au

PRD Coolangatta
P +61 7 5536 5526
F +61 7 5536 7066

Suite 3, 56 Griffith Street
Coolangatta QLD 4225

PRD.com.au/coolangatta