PRD. REAL ESTATE

Resilient Regions

Top 12 Affordable Regional Areas 2020

HOME AFFORDABILITY QLD, NSW, VIC & TAS

AFFORDABILITY

Finding an affordable property option in capital cities can be difficult, especially for first home buyer. Despite a lower cash rate and more lenient lending practices, there is still a large discrepancy between the average state loan and median house price in capital cities. For example, 51.9% in Sydney and 76.1% in Brisbane.

Further attributing to the challenge are capital cities which have experienced solid growth in their median house prices, with the December Quarter 2019 reporting a weighted average Australian median house price of $775,918 (representing annual growth of 5.8%). The Australian median family weekly income grew by 2.5% over the same period of time, resulting in the home affordability index declining by -4.3%.

Although housing affordability in major capital markets continues to be challenging, regional areas should not be dismissed. Regional areas have seen strong investment into residential, commercial and infrastructure developments over the past 24 months. Further, regional markets tend to be more insulated to economic shocks.

This 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 property investment, local employment growth, and a sustainable economic future.

TABLE 1. MEDIAN HOUSE PRICE AND AVERAGE STATE LOAN

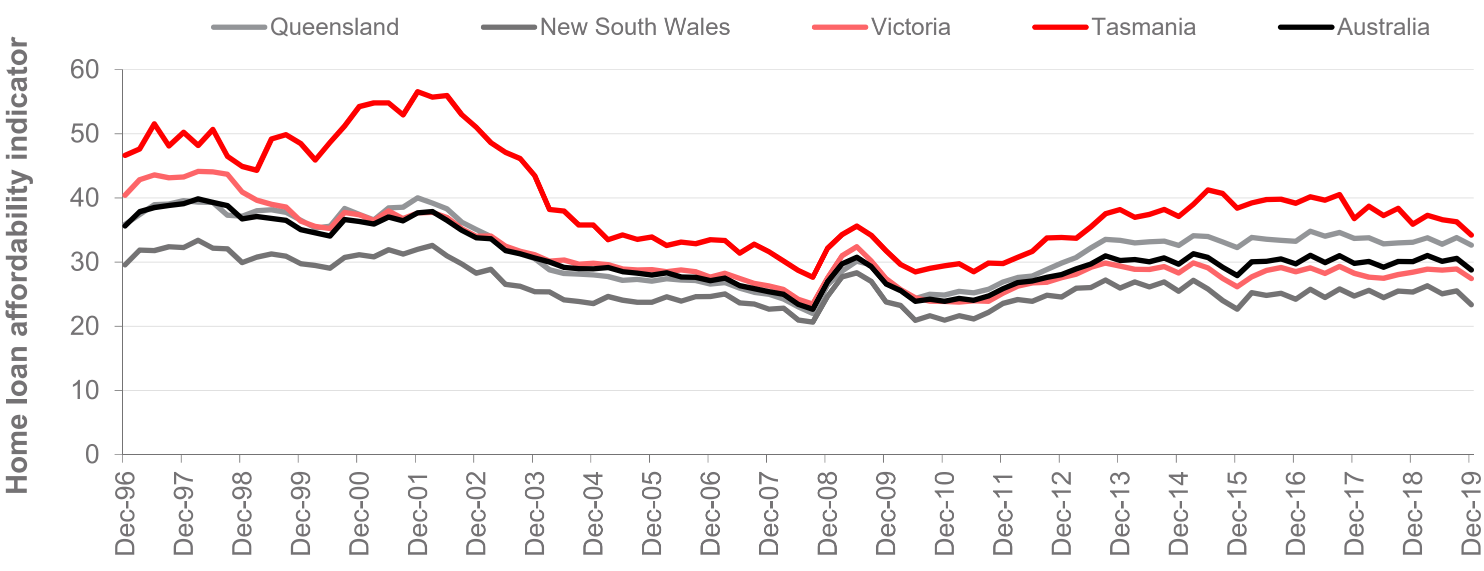
Location	Median House Price (Dec Quarter 2019)	Average State Loan (Dec Quarter 2019)
Brisbane, QLD	$542,000	$412,297
Sydney, NSW	$1,142,212	$592,338
Melbourne, VIC	$859,500	$493,471
Hobart, TAS	$550,000	$334,941

Source: Real Estate Market Facts Report December Quarter 2019 and Housing Affordability Report December Quarter 2019 by Real Estate Institute of Australia. Prepared by PRD Research.

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

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 2001, with December 2019 figures producing mixed results across the states. TAS continues to lead in home affordability index reading, however it continues to decline at a rapid rate. Interestingly, TAS is now only marginally ahead of QLD, which remained quite stable, while VIC and NSW further declined in affordability over the past 12 months.

HOME LOAN AFFORDABILITY INDEX COMPARISON



Source: Housing Affordability Report December Quarter 2019 dataset by Real Estate Institute of Australia. Last updated March 2020. Prepared by PRD Research. © PRD 2020.

RESILIENT REGIONS

METHODOLOGY - SELECTION

CRITERIA

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

Property trends – to ensure statistical reliability, the LGA will have 20 transactions or more in 2018 and 2019, with positive price growth within that time period.

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.

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.

Unemployment rate – as of the December Quarter 2019, the LGA will have an on-par or lower unemployment rate compared to 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 have been deemed to be affordable areas with solid fundamentals for sustainable future growth.

QUEENSLAND
Douglas Shire
Cairns Region
Tablelands Region
Livingstone Shire
NEW SOUTH WALES
Upper Hunter Shire
Singleton Area
Greater Hume Region
VICTORIA
Greater Bendigo City
Moyne Shire
Bass Coast Shire
South Gippsland Shire
TASMANIA
Kentish Municipality

AFFORDABLE REGIONAL AREAS WITH SOLID GROWTH FUNDAMENTALS

TOP AFFORDABLE MAJOR REGIONAL AREA

DOUGLAS SHIRE, QLD

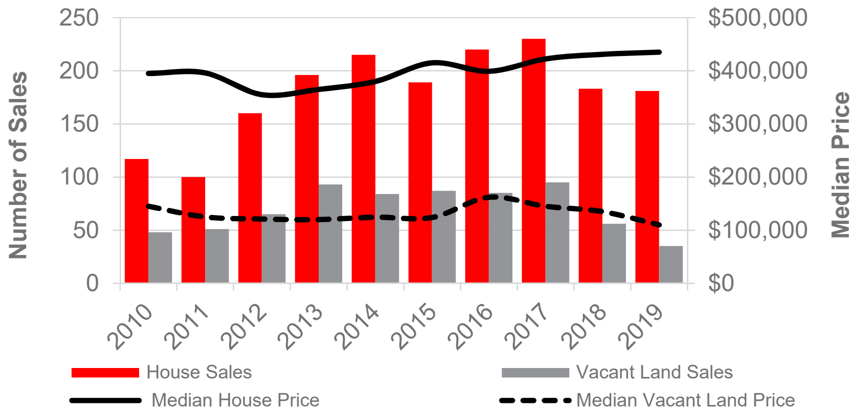
The Douglas LGA is a coastal area north of Cairns, which had a population of 11,714 in 2016. Residents in the Douglas LGA had a median household income of $1,169 per week in 2016, which was below the QLD median of $1,402 per week. Despite a lower proportion of professionally employed residents (12.1%) when compared to QLD (19.8%), an unemployment rate of just 4.0% sat well below QLD's average of 6.1% (December quarter of 2019).

Median price growth in the Douglas LGA over the past 10 years (2010-2019) has been positive for houses, recording price growth of 10.1%. At the same time, there has been market softening in both the vacant land (-24.1%) and unit (-5.4%) markets. It is worth noting that only 35 land sales were recorded in 2019, which explains in part the fluctuation in median price. Douglas LGA's coastal location and relative proximity to Cairns (around a one-hour drive) will help ensure the market continues to see positive price growth into the future.

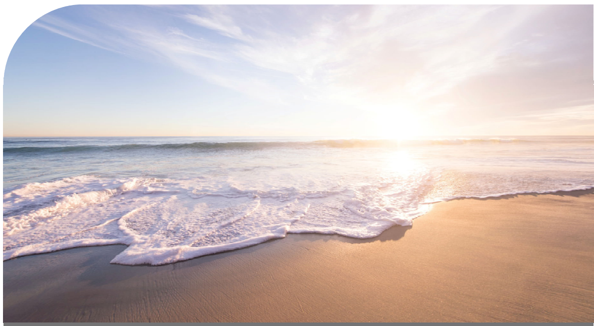
At December 2019, Douglas LGA investors benefited from an average rental yield of 4.7% for houses, which sits well above Brisbane's (3.9%). Units in the Douglas LGA achieved an average unit rental yield of 2.9% over the same period. Additionally, a vacancy rate of just 2.4% was also on-par with Brisbane (also 2.4%) for the same period. This is a continuation of a six-year trend of healthy vacancy rates for the Douglas LGA, which indicates positive long-term rental demand. From an investment potential perspective, Douglas LGA is viewed as an attractive regional market due to affordable pricing and steady returns.

Douglas LGA is set to see a total of $162.0M* in project development commence throughout 2020. Of this, 58.7% ($95.1M*) is to be spent on infrastructure, which will help provide improved transport networks, recreation and tourism services to directly benefit residents. $64.3M* of commercial project activity is expected to have a positive effect on local business activity and employment, while $2.6M* of residential projects are planned, set to add 32 lots and 4 dwellings to Douglas LGA in 2020.

AREA SALES & MEDIAN PRICE



*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, Australian Bureau of Statistics, Australian Government Department of Jobs and Small Business. © PRD 2020.



KEY FACTS

House median price (2019)	$435,000
Land median price (2019)	$110,000
Unit median price (2019)	$247,750
Vacancy rate (based on 4873 postcode as of Dec-2019)	2.4%
House rental yield (based on 4873 postcode as of Dec-2019)	4.7%
Unit rental yield (based on 4873 postcode as of Dec-2019)	2.9%
Total estimated value of future developments in 2020	$161,950,000
Total dwellings set to commence in 2020	32 lots 4 dwellings
Unemployment rate (as of Dec Quarter 2019)	4.0%
Median weekly household income (as of ABS Census 2016)	$1,169
Median price monthly mortgage repayments (as of ABS Census 2016)	$1,560
Professionals (as of ABS Census 2016)	12.1%
Owned Outright (as of ABS Census 2016)	31.4%
Owned with a mortgage (as of ABS Census 2016)	29.1%
Rented (as of ABS Census 2016)	35.4%

TOP AFFORDABLE MAJOR REGIONAL AREA

CAIRNS REGION, QLD

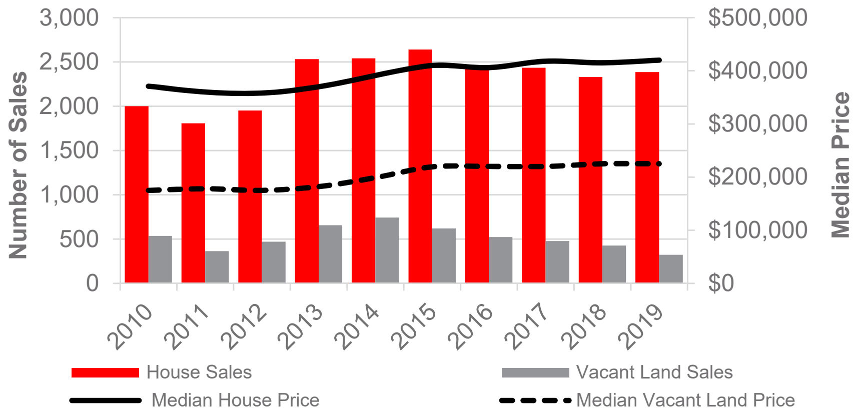
The Cairns LGA is located on the northern coast of QLD with a population of 156,901 in 2016. Residents in Cairns LGA had a median household income of $1,336 per week in 2016, which was below the QLD median of $1,402 per week. Despite a slightly lower proportion of professionally employed residents (19.2%) when compared to QLD (19.8%), and an unemployment rate of just 4.3%, these figures sit well below QLD's average of 6.1% (December quarter of 2019).

Median price growth in the Cairns LGA over the past 10 years (2010-2019) has been positive for houses, recording price growth of 13.2%. On the other hand, there has been market softening for units (-15.7%) and a surge in growth for land prices (28.6%). Overall Cairns LGA house and land values has increased over the past 10 years, which is great news for vendors making profits when selling.

At December 2019, Cairns LGA investors benefited from average rental yields of 4.9% for houses, which is well above Brisbane Metro's (3.9%). Units achieved an average unit rental yield of 7.8% over the same period. In addition, a low vacancy rate of 2.3% was below Brisbane Metro (2.9%) over the same period. Vacancy rates in Cairns LGA are most attractive to investors as it provides them assurance of quick rental occupancy. The combination of high rental yields and low vacancy rates mean Cairns LGA ticks all the right boxes from an investment perspective, becoming an attractive regional property market.

Cairns LGA is set to see a total of $1.8B* in project development commence throughout 2020. A total of 44.6% ($826.9M*) is to be spent on infrastructure, which will help provide improved transport networks and further increase productivity in the area. Mixed-use projects (37.4%) also comprises a large portion with a development value of $693.5M*. This will have a positive effect on the local economy by creating employment opportunities. Lastly, a total of $64.9M* of residential projects is being constructed, set to deliver 1,138 lots and 1,062 dwellings to Cairns LGA in 2020.

AREA SALES & MEDIAN PRICE



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Source: APM Pricefinder, SQM Research, Cordell Database, Australian Bureau of Statistics, Australian Government Department of Jobs and Small Business. © PRD 2020.

KEY FACTS

House median price (2019)	$420,000
Land median price (2019)	$225,000
Unit median price (2019)	$227,250
Vacancy rate (based on 4870 postcode as of Dec-2019)	2.3%
House rental yield (based on 4870 postcode as of Dec-2019)	4.9%
Unit rental yield (based on 4870 postcode as of Dec-2019)	7.8%
Total estimated value of future developments in 2020	$1,855,881,000
Total dwellings set to commence in 2020	1,138 lots 1,062 dwellings
Unemployment rate (as of Dec Quarter 2019)	4.3%
Median weekly household income (as of ABS Census 2016)	$1,336
Median price monthly mortgage repayments (as of ABS Census 2016)	$1,665
Professionals (as of ABS Census 2016)	19.2%
Owned Outright (as of ABS Census 2016)	23.7%
Owned with a mortgage (as of ABS Census 2016)	33.5%
Rented (as of ABS Census 2016)	38.9%

TOP AFFORDABLE MAJOR REGIONAL AREA

TABLELANDS REGION, QLD

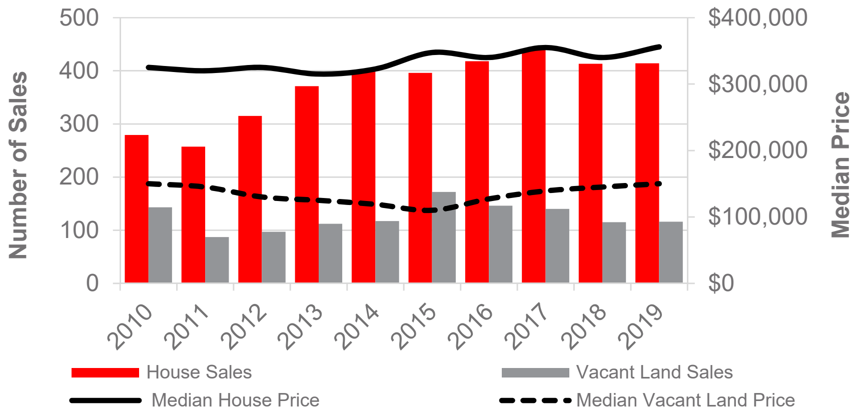
Tablelands LGA is located in the far north of QLD, inland from the city of Cairns, with a population of 24,827 in 2016. Residents in the Tablelands LGA had a median household income of $977 per week in 2016, which was below the QLD median of $1,402 per week. Despite a lower proportion of professionally employed residents (15.4%) when compared to QLD (19.8%), an unemployment rate of just 4.9% sat well below QLD's average of 6.1% (December quarter of 2019).

Median price growth in the Tablelands LGA over the past 10 years (2010-2019) has been modest but positive for houses, recording price growth of 9.5%. At the same time, there has been a stable land market and a softening in the unit market (-10.6%). It is worth noting that only 33 unit sales were recorded in 2019, which partly explains the shift in median price. Tablelands LGA provides affordable housing options, with a median house price of $356,000 and land price of $150,000 in 2019, thus first home buyers are encouraged to enter the market.

At December 2019, Tablelands LGA investors benefited from average rental yields of 4.7% for houses, which sits well above Brisbane (3.9%). Units also performed relatively well, achieving an average rental yield of 5.8% over the same period. In addition, a vacancy rate of just 1.8% was well below Brisbane (2.9%) for the same period. This is an extremely tight vacancy rate, and well below the Real Estate Institute of Australia's healthy benchmark of 3.0%. This confirms that investors are occupying their properties relatively quickly, whilst achieving strong rental returns.

Tablelands LGA is set to see a total of $332.3M* in project development commence throughout 2020. An overwhelming focus (90.3% of total spending) on commercial projects worth $300.0M* will help contribute to the local economy and boost employment. Furthermore a total of $1.3M is being spent on residential construction, set to deliver 34 lots to Tablelands LGA in 2020. Residential projects like this are vital to ensure new housing stock is available, to enable sustainable population growth for the area into the future.

AREA SALES & MEDIAN PRICE



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Source: APM Pricefinder, SQM Research, Cordell Database, Australian Bureau of Statistics, Australian Government Department of Jobs and Small Business. © PRD 2020.

KEY FACTS

House median price (2019)	$356,000
Land median price (2019)	$150,000
Unit median price (2019)	$270,000
Vacancy rate (based on 4883 postcode as of Dec-2019)	1.8%
House rental yield (based on 4883 postcode as of Dec-2019)	4.7%
Unit rental yield (based on 4883 postcode as of Dec-2019)	5.8%
Total estimated value of future developments in 2020	$332,360,000
Total dwellings set to commence in 2020	34 lots
Unemployment rate (as of Dec Quarter 2019)	4.9%
Median weekly household income (as of ABS Census 2016)	$977
Median price monthly mortgage repayments (as of ABS Census 2016)	$1,352
Professionals (as of ABS Census 2016)	15.4%
Owned Outright (as of ABS Census 2016)	42.7%
Owned with a mortgage (as of ABS Census 2016)	25.9%
Rented (as of ABS Census 2016)	27.4%

TOP AFFORDABLE MAJOR REGIONAL AREA

LIVINGSTONE SHIRE, QLD

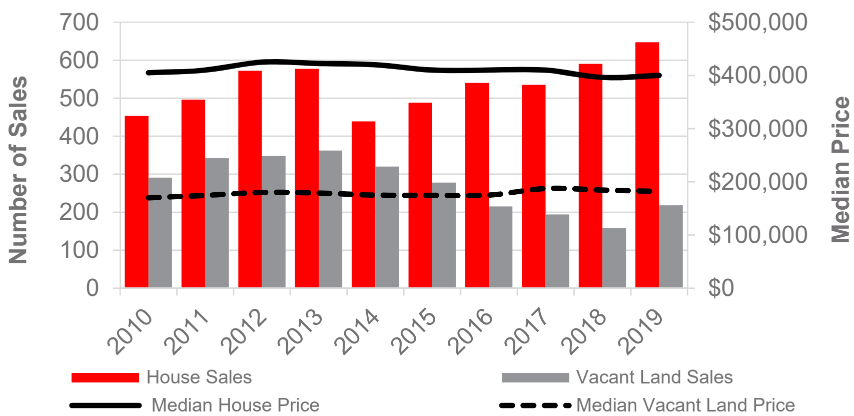
Livingstone LGA is located on the Capricornia region of Central QLD, with a population of 36,272 in 2016. Residents in the Livingstone LGA had a median household income of $1,300 per week in 2016, which was below the QLD median of $1,402 per week. Despite a lower proportion of professionally employed residents (15.5%) when compared to QLD (19.8%), and an unemployment rate of just 5.1%, these figures sat well below QLD's average of 6.1% (December quarter of 2019).

Median price growth in the Livingstone LGA over the past 10 years (2010-2019) has softened for both houses (-1.2%) and units (-29.1%). On the other hand, there has been market resilience in the land sector (7.1%). The Livingstone LGA provides affordable opportunities for first home buyers, with a median house price of $400,000 and median unit price of $241,000 in 2019. First home buyers are encouraged to enter the market due to the current higher affordability.

At December 2019, Livingstone LGA investors benefited from average rental yields of 5.5% for houses, which sits well above Brisbane Metro (3.9%). Units achieved an average unit rental yield of 6.4% over the same period. In addition, a low vacancy rate of 1.2% was well below Brisbane Metro of 2.9% and is considered to be extremely tight. Vacancy rates in Livingstone LGA are attractive to investors as it provides them assurance rental properties being occupied quickly. Livingstone LGA ticks all the right boxes from an investment perspective, making it an attractive regional property market.

Livingstone LGA is set to see a total of $313.4M* in project development commence throughout 2020, with commercial projects worth $260.6M* of the total value (83.2%). This will have a positive effect on local business activity by creating employment opportunities, which will have a positive spill-over impact on the real estate market. A total of $11.2M* of residential projects are planned, set to add 242 lots to Livingstone LGA in 2020. Residential projects like these are vital to ensure population growth in Livingstone LGA is sustainable into the future.

AREA SALES & MEDIAN PRICE



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Source: APM Pricefinder, SQM Research, Cordell Database, Australian Bureau of Statistics, Australian Government Department of Jobs and Small Business. © PRD 2020.

KEY FACTS

House median price (2019)	$400,000
Land median price (2019)	$182,000
Unit median price (2019)	$241,000
Vacancy rate (based on 4703 postcode as of Dec-2019)	1.2%
House rental yield (based on 4703 postcode as of Dec-2019)	5.5%
Unit rental yield (based on 4703 postcode as of Dec-2019)	6.4%
Total estimated value of future developments in 2020	$313,487,000
Total dwellings set to commence in 2020	242 lots
Unemployment rate (as of Dec Quarter 2019)	5.1%
Median weekly household income (as of ABS Census 2016)	$1,300
Median price monthly mortgage repayments (as of ABS Census 2016)	$1,875
Professionals (as of ABS Census 2016)	15.5%
Owned Outright (as of ABS Census 2016)	33.8%
Owned with a mortgage (as of ABS Census 2016)	35.9%
Rented (as of ABS Census 2016)	25.5%

TOP AFFORDABLE MAJOR REGIONAL AREA

UPPER HUNTER SHIRE, NSW

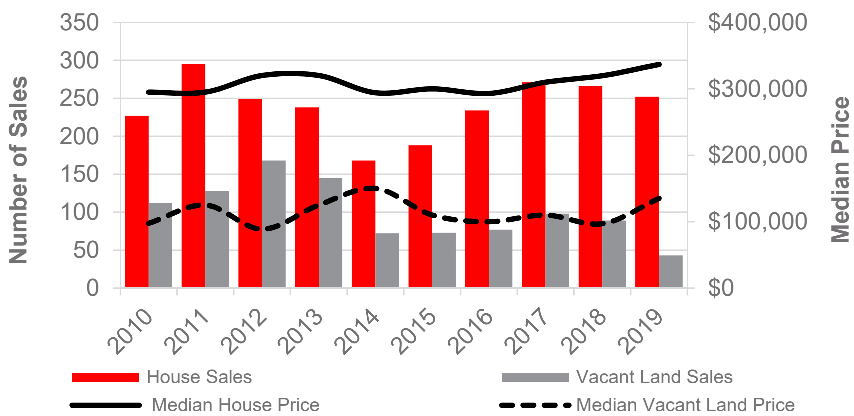
The Upper Hunter Shire LGA is a large region located around 150km inland of the NSW central coast, and is centrally located on the highway route from Tamworth to Newcastle. There is balance between residents of owning property outright (35.5%), holding a mortgage (31.9%) and renting (29.0%), which makes it ideal for both investors and owner occupiers. In addition, low unemployment of just 3.2% (in December quarter 2019) suggests the region is in a very strong economic position.

A low median house price of $336,750 in 2019 still saw annual growth of 5.3% from 2018-2019, and 14.5% over the past five years (2014-2019). In addition, land sales recorded excellent median price growth of 38.4% in the 10 years from 2010-2019, to sit at a very affordable $134,950. Land sales were limited in 2019, however houses remained a popular option, with healthy sales volumes over the past four years. Strong affordability and low unemployment make this LGA an attractive market.

As of December 2019, investors in the Upper Hunter LGA saw average rental yields of 3.8% for houses and 6.4% for units, which represent positive returns that are well above Sydney Metro's 2.7% and 3.6% at the same time. Further adding to the area's investment potential, the vacancy rate sat at a low 1.6% in December 2019, indicating demand beyond the Real Estate Institute of Australia's healthy benchmark of 3.0%. Superior returns to capital city markets such as Sydney, in conjunction with very low vacancies, make Upper Hunter LGA a viable regional alternative for the savvy investor.

Upper Hunter LGA is set to benefit from around $253.5M* of project development in 2020. Of this, a significant $201.0M* (79.3%) is to be spent on commercial projects, which is excellent news for furthering the area's economic capacity and for creating further local job opportunities. This will have a positive spill-over effect on the property market. $24.0M* in infrastructure development and $27.5M* of residential activity creating 423 lots are also vital in ensuring public amenities remain up to scratch while accommodating for population growth.

AREA SALES & MEDIAN PRICE



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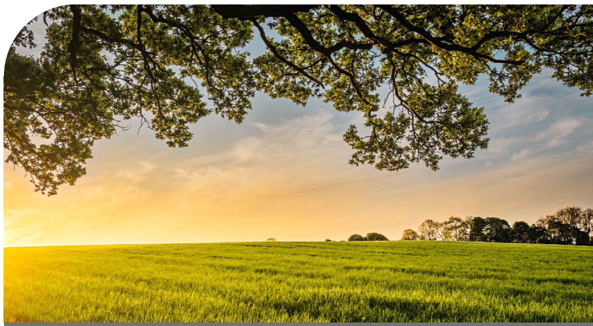


KEY FACTS

House median price (2019)	$336,750
Land median price (2019)	$134,950
Unit median price (2019)	$293,988
Vacancy rate (based on 2337 postcode as of Dec-2019)	1.6%
House rental yield (based on 2337 postcode as of Dec-2019)	3.8%
Unit rental yield (based on 2337 postcode as of Dec-2019)	6.4%
Total estimated value of future developments in 2020	$253,522,000
Total dwellings set to commence in 2020	423 lots
Unemployment rate (as of Dec Quarter 2019)	3.2%
Median weekly household income (as of ABS Census 2016)	$1,242
Median price monthly mortgage repayments (as of ABS Census 2016)	$1,688
Professionals (as of ABS Census 2016)	12.2%
Owned Outright (as of ABS Census 2016)	35.5%
Owned with a mortgage (as of ABS Census 2016)	31.9%
Rented (as of ABS Census 2016)	29.0%

TOP AFFORDABLE MAJOR REGIONAL AREA

SINGLETON AREA, NSW

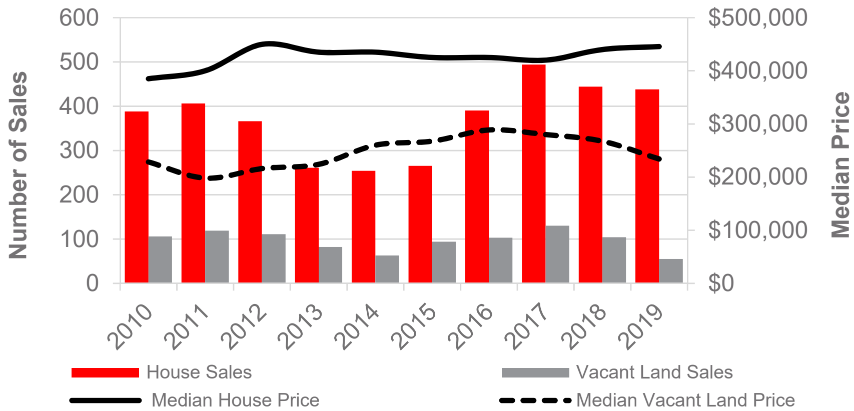
Positioned approximately 70km inland of the coastal city of Newcastle, Singleton LGA is at the gateway to the Hunter Valley's renowned vineyards, offering residents a rural lifestyle with the benefits of urban living. In 2016, the median weekly household income was $1,682 per week, which was above the NSW average of $1,486 per week. Despite a higher average income, property prices remain relatively affordable, making this LGA a real option for those looking beyond capital cities.

In 2019, Singleton LGA records a median hose price of $445,500, which resulted in annual (2018-2019) median price growth of 1.3%. Over 10 years (2010-2019) this was the equivalent of 15.4% median price growth. A median land price of $234,000 for 2019 is also viewed as an affordable alternative for those looking to enter the market. Note that only 55 land sales were recorded in 2019, which helps explain the fluctuations in median land price.

Investors in Singleton LGA have benefited from rental yields of 4.3% for houses and 6.1% for units (as of December 2019). This is well above those seen in capital cities such as Sydney Metro (at 2.7% and 3.6% for houses and units respectively). Additionally, Singleton LGA's vacancy rate as of December 2019 was just 1.8%, which is a very low level, again very strong when compared to Sydney Metro which sat at 3.6% over the same period. This ensures investors that their rental properties will be occupied relatively quickly. Healthy returns and low vacancies, as well as a large contingency of renters (28.4% in 2016) together make Singleton LGA a prime opportunity for investors.

Singleton LGA is set to see around $181.1* in project development start throughout 2020. A large majority of $131.3M* (72.5%) of this is set to be spent on infrastructure projects, which is vital to ensure the region's amenities are maintained and renewed for residents and visitors alike. A further $44.5M* in commercial development will also help ensure local employment continues to grow. $3.5M* is to be spent on residential projects which is key to house ongoing population growth.

AREA SALES & MEDIAN PRICE



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KEY FACTS

House median price (2019)	$445,500
Land median price (2019)	$234,000
Unit median price (2019)	$297,500
Vacancy rate (based on 2330 postcode as of Dec-2019)	1.8%
House rental yield (based on 2330 postcode as of Dec-2019)	4.3%
Unit rental yield (based on 2330 postcode as of Dec-2019)	6.1%
Total estimated value of future developments in 2020	$181,064,000
Total dwellings set to commence in 2020	-
Unemployment rate (as of Dec Quarter 2019)	3.8%
Median weekly household income (as of ABS Census 2016)	$1,682
Median price monthly mortgage repayments (as of ABS Census 2016)	$1,950
Professionals (as of ABS Census 2016)	12.3%
Owned Outright (as of ABS Census 2016)	30.6%
Owned with a mortgage (as of ABS Census 2016)	38.0%
Rented (as of ABS Census 2016)	28.4%

TOP AFFORDABLE MAJOR REGIONAL AREA

GREATER HUME REGION, NSW

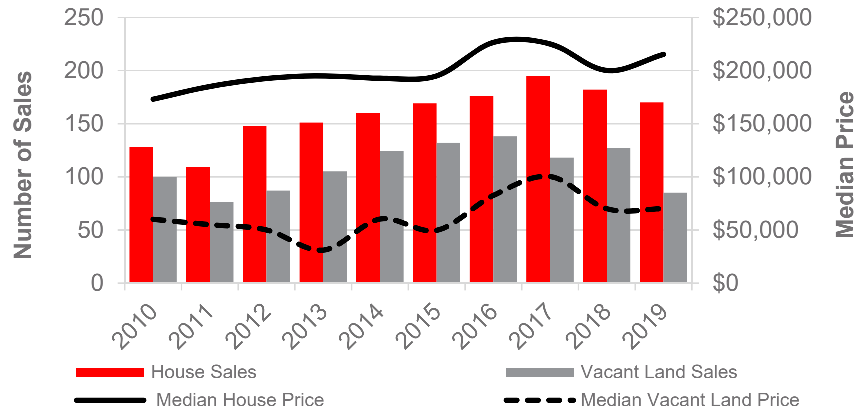
Located immediately north of the NSW border town of Albury, Greater Hume LGA sits on the key road route between Sydney and Canberra. Its incredibly low median property prices are made evident by the 41.9% of residents who own their home outright (as of 2016). A very low unemployment rate of just 2.8% (in December quarter 2019) also shows the area's economic strength, showing that Greater Hume LGA offers a rare combination of location, affordability and economic health.

In 2019, Greater Hume LGA saw a median house price of $215,250 with annual (2018-2019) price growth of 7.6%. Over the ten years 2010-2019 the area recorded positive median hose price growth of 24.4%. At the same time, land saw similar median price growth of 16.7%, to reach a median price of $70,000 in 2019. Despite showing moderate growth levels, Greater Hume still remains a highly affordable property market, making it particularly attractive for first home buyers and investors.

The average house rental yield in Greater Hume LGA as of December 2019 was an incredible 7.9%, which is a very high level that far exceeds Sydney Metro's 2.7% return for houses over the same period. Not only this, but an exceptionally low vacancy rate of just 0.4% suggests that there is a very strong rental demand in the area, with 17.7% of residents recorded as renting (in 2016). For these reasons, Greater Hume LGA is seen as particularly attractive to investors seeking strong, steady returns beyond the bounds of major Australian cities.

Across 2020, a total estimated $153.0M* of projects are scheduled to commence within Greater Hume LGA. The large majority of $201.0M* (79.3%) of this value is dedicated towards commercial development, which is important to ensure ongoing economic sustainability and local employment growth. A further $24.0M* is set to be spent on new and improved infrastructure, which is also important for the comfort and safety of residents. $27.5M* in residential projects is also important in order to further expand the local area's housing supply so that ongoing population growth throughout Greater Hume LGA can be sustained.

AREA SALES & MEDIAN PRICE



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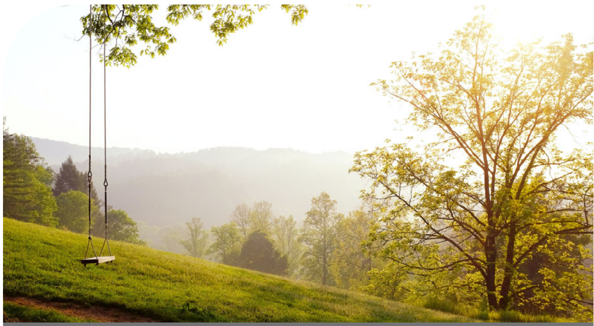


KEY FACTS

House median price (2019)	$215,250
Land median price (2019)	$70,000
Unit median price (2019)	$240,000
Vacancy rate (based on 2644 postcode as of Dec-2019)	0.4%
House rental yield (based on 2644 postcode as of Dec-2019)	7.9%
Unit rental yield (based on 2644 postcode as of Dec-2019)	-
Total estimated value of future developments in 2020	$153,000,000
Total dwellings set to commence in 2020	-
Unemployment rate (as of Dec Quarter 2019)	2.8%
Median weekly household income (as of ABS Census 2016)	$1,168
Median price monthly mortgage repayments (as of ABS Census 2016)	$1,213
Professionals (as of ABS Census 2016)	13.3%
Owned Outright (as of ABS Census 2016)	41.9%
Owned with a mortgage (as of ABS Census 2016)	35.9%
Rented (as of ABS Census 2016)	17.7%

PRD. RESEARCH

TOP AFFORDABLE MAJOR REGIONAL AREA

GREATER BENDIGO CITY, VIC

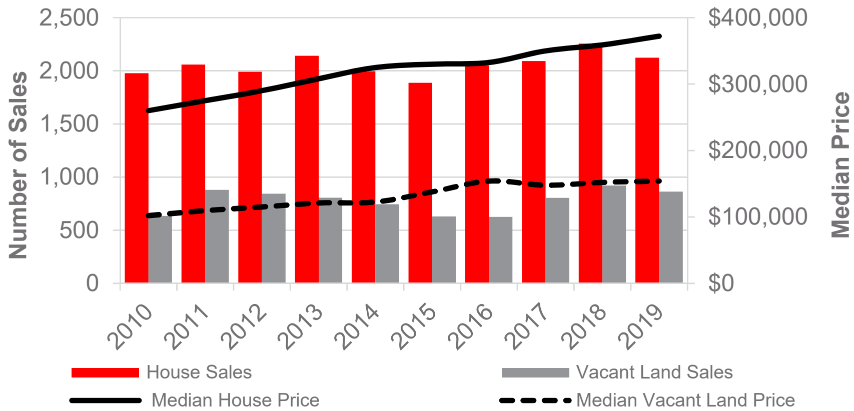
Greater Bendigo LGA is located in the regional area of Victoria, located approximately 150 kilometres north west of Melbourne. Greater Bendigo LGA has a population of 110,477 in 2016, making it the fourth largest inland city in Australia. Featuring a low unemployment rate of just 4.0% (in December quarter 2019), Greater Bendigo LGA provides economic stability for residents, when compared to VIC's average unemployment rate of 4.7%.

Median price growth in Greater Bendigo LGA over the past 10 years (2010-2019) has been positive for all property types. Over this period, houses saw an increase in median price of 43.1%, units saw growth of 24.0% and land strong total growth of 51.0%. Further, median price growth was also positive across all three markets over the last year (2018-2019). This is great news for vendors looking to sell and make profit as median prices for all sectors have performed resiliently over the short and long-term.

At December 2019, Greater Bendigo LGA investors benefited from average rental yields of 4.0% for houses, which sits well above Melbourne Metro (2.7%). Units achieved an average rental yield of 6.0% over the same period. Furthermore, a very low vacancy rate of just 2.1% suggests that there is high demand for rental stock in the area, ensuring investors of quick uptake of rental properties. This makes the Greater Bendigo LGA well worth considering for astute investors.

Greater Bendigo LGA is set to see a total of $338.9M* in project development commence throughout 2020. Of this, 65.6% ($222.3M*) is to be spent on infrastructure, which will help provide improved transport networks, recreation and tourism services to directly benefit residents. $53.6M* of commercial project activity is expected to have a positive effect on local business activity and employment, while $47.3M* of residential projects will be vital to ensuring population growth is manageable in the long-term. These residential projects are set to add 464 lots and 100 dwellings to Greater Bendigo LGA's market in 2020.

AREA SALES & MEDIAN PRICE



*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, Australian Bureau of Statistics, Australian Government Department of Jobs and Small Business. © PRD 2020.

KEY FACTS

House median price (2019)	$372,000
Land median price (2019)	$154,000
Unit median price (2019)	$265,000
Vacancy rate (based on 3550 postcode as of Dec-2019)	2.1%
House rental yield (based on 3550 postcode as of Dec-2019)	4.0%
Unit rental yield (based on 3550 postcode as of Dec-2019)	6.0%
Total estimated value of future developments in 2020	$338,911,000
Total dwellings set to commence in 2020	464 lots 100 dwellings
Unemployment rate (as of Dec Quarter 2019)	4.0%
Median weekly household income (as of ABS Census 2016)	$1,184
Median price monthly mortgage repayments (as of ABS Census 2016)	$1,387
Professionals (as of ABS Census 2016)	20.1%
Owned Outright (as of ABS Census 2016)	33.1%
Owned with a mortgage (as of ABS Census 2016)	35.5%
Rented (as of ABS Census 2016)	28.0%

TOP AFFORDABLE MAJOR REGIONAL AREA

MOYNE SHIRE, VIC

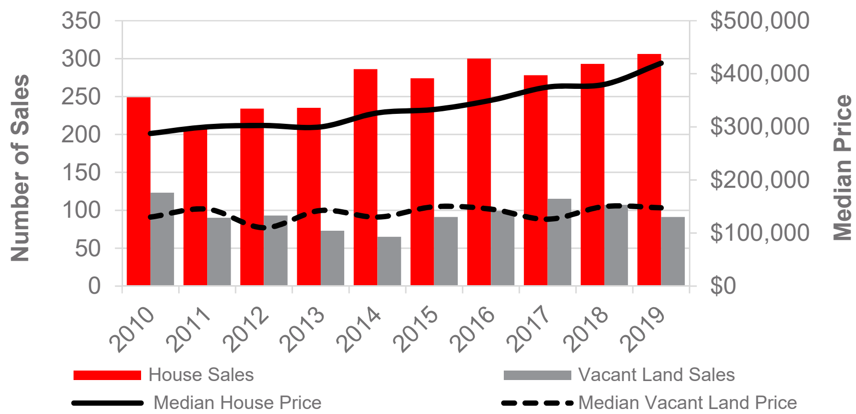
Moyne LGA is located in the Barwon South West Region of Victoria, with a population of 16,495 in 2016. A very low unemployment rate of just 2.1% (at December quarter 2019), more than half of the state's unemployment rate of 4.7%, is an indication of high economic stability in the area. This is great news for investors as it provides them an opportunity to secure tenants with secured employment.

Moyne Shire LGA median house price increased by 10.5% from 2018-2019 to reach $420,000, however median land price softened by -1.7% to $147,500. Furthermore, the long-term growth trend in median house price was resilient, increasing by 46.1% over the past 10 years (2010-2019). Units also performed really well with a median price of $437,500 in 2019, which represents annual (2018-2019) growth of 10.8% and 10-year growth of 51.6%. This indicates that both house and units in Moyne Shire LGA have seen healthy capital gains over the short and long term.

Moyne Shire LGA recorded average rental yields of 2.9% for houses and 4.9% for units (as of December 2019). These returns are above those of nearby comparable investment locations such as Melbourne Metro, which saw 2.7% (house) and 3.9% (units) yields over the same period. Furthermore, Moyne Shire LGA recorded a low vacancy rate of 1.2%, significantly below the healthy Real Estate Institute of Australia's benchmark of 3.0%, indicating solid demand for rental stock in the area. Astute investors are encouraged to take opportunity of the current market conditions in the Moyne Shire LGA, as it ticks all the right boxes from an investment point of view.

2020 is set to see a total estimated $261.7M* worth of developments commence across Moyne Shire LGA . $238.0M* (91.1%) is set to be spent on commercial, which will revive the local economy by creating employment opportunities. $21.5M* is being spent on infrastructure projects, including roadworks, marine facilities, footpaths, and other upgrades which is key for increasing productivity. A total of $1.7M* is being spent on residential construction, adding 59 lots.

AREA SALES & MEDIAN PRICE



*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, Australian Bureau of Statistics, Australian Government Department of Jobs and Small Business. © PRD 2020.

KEY FACTS

House median price (2019)	$420,000
Land median price (2019)	$147,500
Unit median price (2019)	$437,500
Vacancy rate (based on 3284 postcode as of Dec-2019)	1.2%
House rental yield (based on 3284 postcode as of Dec-2019)	2.9%
Unit rental yield (based on 3284 postcode as of Dec-2019)	4.1%
Total estimated value of future developments in 2020	$261,720,000
Total dwellings set to commence in 2020	59 lots
Unemployment rate (as of Dec Quarter 2019)	2.1%
Median weekly household income (as of ABS Census 2016)	$1,225
Median price monthly mortgage repayments (as of ABS Census 2016)	$1,300
Professionals (as of ABS Census 2016)	13.9%
Owned Outright (as of ABS Census 2016)	41.7%
Owned with a mortgage (as of ABS Census 2016)	34.1%
Rented (as of ABS Census 2016)	20.2%

TOP AFFORDABLE MAJOR REGIONAL AREA

BASS COAST SHIRE, VIC

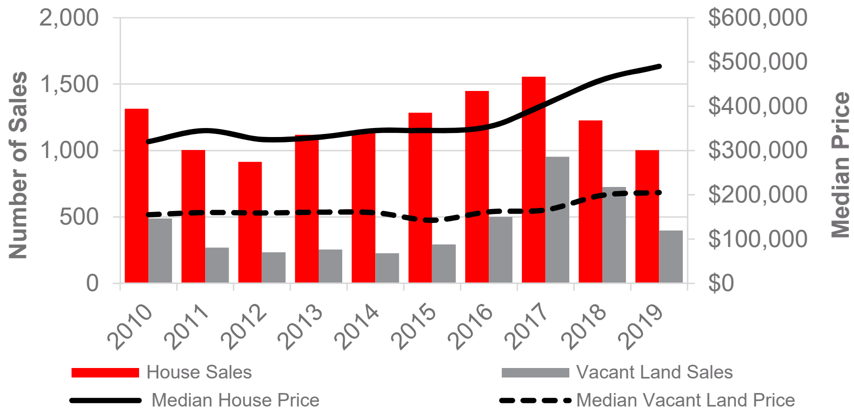
Bass Coast LGA is a coastally located region in VIC which is home to the famous Phillip Island. Located approximately 90km south-east of Melbourne, the area recorded 10.8% population growth in the 5 years to 2016 to reach 32,804 residents. Featuring a low unemployment rate of just 3.7% (in December quarter 2019), Bass Coast LGA also stacks up well for local employment, and in turn economic stability for residents, when compared to VIC's average unemployment rate of 4.7%.

Annual (2018-2019) growth in median property prices in Bass Coast LGA has been positive, increasing by 6.5% to $490,000 for houses, and by 3.0% to $205,000 for land. Units also recorded 2.9% growth to reach $360,000. Long-term property growth trends in the area are also strong, with 10-year (2010-2019) growth of 53.1% for houses and 32.3% for land. Despite such positive growth in prices, 42.9% of residents owned their homes outright, suggesting the area remains quite affordable.

Bass Coast LGA investors have seen average rental yields of 3.7% for houses and 4.7% for units (as of December 2019), which sits above levels seen in comparable capital city investment locations such as Melbourne Metro (2.7% and 3.9% for houses and units respectively). Additionally, a very low vacancy rate of just 1.6% suggests that there is high demand for rental stock in the area, making Bass Coast LGA an area well worth considering for savvy investors.

A total estimated development pipeline worth $130.8M* for 2020 is set to commence in Bass Coast LGA. Of this, the large majority (92.0%, or $120.4M*) is dedicated to commercial projects. These projects are vital to ensure a rapidly growing population continues to see employment opportunities locally. A further $7.2M* is set to be spent on infrastructure projects, which is vital to ensure sufficient amenities are created and maintained for the benefit of residents and visitors alike. A further $3.3M* in residential development will create a total of 94 lots to add to the Bass Coast LGA property market. Projects such as these are vital to ensure population growth is manageable in the long-term.

AREA SALES & MEDIAN PRICE



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Source: APM Pricefinder, SQM Research, Cordell Database, Australian Bureau of Statistics, Australian Government Department of Jobs and Small Business. © PRD 2020.

KEY FACTS

House median price (2019)	$490,000
Land median price (2019)	$205,000
Unit median price (2019)	$360,000
Vacancy rate (based on 3995 postcode as of Dec-2019)	1.6%
House rental yield (based on 3995 postcode as of Dec-2019)	3.7%
Unit rental yield (based on 3995 postcode as of Dec-2019)	4.7%
Total estimated value of future developments in 2020	$130,840,000
Total dwellings set to commence in 2020	94 lots
Unemployment rate (as of Dec Quarter 2019)	3.7%
Median weekly household income (as of ABS Census 2016)	$922
Median price monthly mortgage repayments (as of ABS Census 2016)	$1,315
Professionals (as of ABS Census 2016)	15.3%
Owned Outright (as of ABS Census 2016)	42.9%
Owned with a mortgage (as of ABS Census 2016)	28.1%
Rented (as of ABS Census 2016)	25.2%

TOP AFFORDABLE MAJOR REGIONAL AREA

SOUTH GIPPSLAND SHIRE, VIC

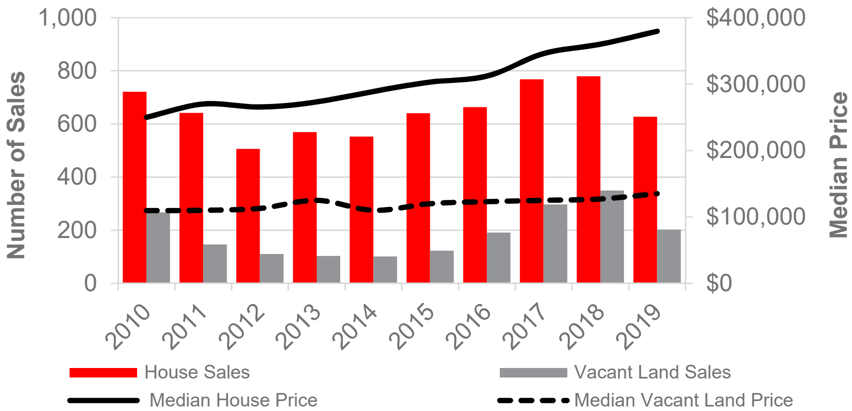
Positioned around 120km south-east of Melbourne, South Gippsland LGA is a renowned coastal destination in VIC. The region saw 5.5% population growth, to be home to 28,703 people in the 5 years to 2016. A very low unemployment rate of just 2.2% (at December quarter 2019) is an indication of economic stability in the area, while 43.5% of residents owning their own homes outright in 2016 alludes to both the affordability and desirability of South Gippsland LGA.

South Gippsland LGA's median house price increased by 5.4% from 2018-2019 to reach $379,500, while at the same time the median land price grew by 6.3% to be $135,000. Further, the long-term growth trend in median house price is also quite strong, increasing 51.8% over the past 10 years (2010-2019). Units are also quite affordable with a median price of $267,000 in 2019, which represents annual (2018-2019) growth of 5.1% and 10-year growth of 32.2%. This shows that property in South Gippsland LGA have seen healthy capital gains recently.

Investors in the South Gippsland LGA have benefited from solid average rental yields of 5.9% for houses and 5.3% for units (as of December 2019). These returns are well above those of nearby comparable investment locations such as Melbourne Metro, which saw 2.7% (house) and 3.9% (units) yields over the same period. Further, a vacancy rate of 2.0% is considered to be healthy, indicating solid demand for rental stock in the area. Together these statistics highlight the real potential on offer for savvy investors considering an affordable alternative to Melbourne Metro.

2020 is set to see a total estimated $278.6M* worth of developments commence across South Gippsland LGA. $235.7M* (84.6%) is set to be spent on infrastructure; including roadworks, marine facilities, footpaths, and other upgrades which are key for the ongoing comfort and safety of residents. $35.9M* in commercial projects will help stimulate economic activity locally, while $45.1M* of residential spending will create 27 lots and 15 dwellings, ensuring local population growth is sustainable.

AREA SALES & MEDIAN PRICE



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Source: APM Pricefinder, SQM Research, Cordell Database, Australian Bureau of Statistics, Australian Government Department of Jobs and Small Business. © PRD 2020.

KEY FACTS

House median price (2019)	$379,500
Land median price (2019)	$135,000
Unit median price (2019)	$267,000
Vacancy rate (based on 3953 postcode as of Dec-2019)	2.0%
House rental yield (based on 3953 postcode as of Dec-2019)	5.9%
Unit rental yield (based on 3953 postcode as of Dec-2019)	5.3%
Total estimated value of future developments in 2020	$278,592,000
Total dwellings set to commence in 2020	27 lots 15 dwellings
Unemployment rate (as of Dec Quarter 2019)	2.2%
Median weekly household income (as of ABS Census 2016)	$1,039
Median price monthly mortgage repayments (as of ABS Census 2016)	$1,300
Professionals (as of ABS Census 2016)	13.4%
Owned Outright (as of ABS Census 2016)	43.5%
Owned with a mortgage (as of ABS Census 2016)	33.8%
Rented (as of ABS Census 2016)	18.7%

TOP AFFORDABLE MAJOR REGIONAL AREA

KENTISH MUNICIPALITY, TAS

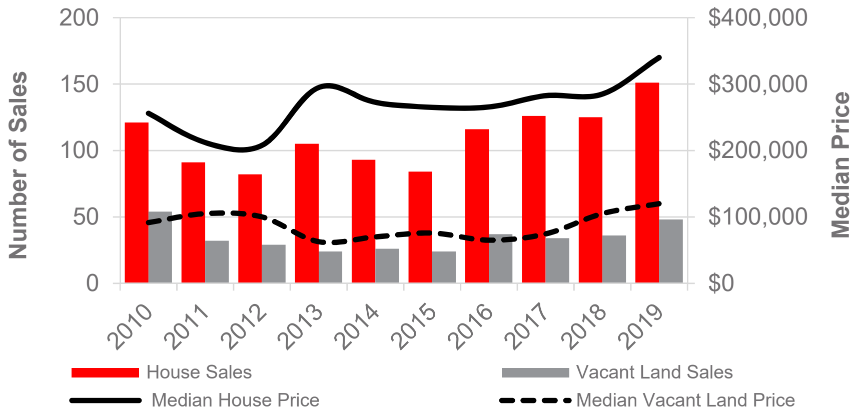
Kentish LGA is located slightly inland along TAS's northern coast, and is positioned around a 100km drive west from Launceston. It is also home to the iconic Cradle Mountain. In 2016, this highly affordable property market saw 45.0% of residents own their own homes outright, which is notably higher than TAS (35.2%). The LGA also boasts unemployment of just 5.5% (in December quarter 2019) which is below TAS (6.3%).

In the 10 years from 2010-2019, Kentish LGA recorded a median house price growth of 32.8%, and growth of 31.1% in the median vacant land price across the same period. 2019 saw also a record high for property market activity in Kentish LGA, suggesting buyers are starting to recognise the area's economic stability, beauty, and affordability. This has been especially evident over the past year (from 2018-2019), where Kentish LGA recorded excellent median house price growth of 19.3%, and similar growth of 14.3% in the median land price.

At December 2019, investors in Kentish LGA benefited from an average rental yield of 4.4% for houses, which is on par with metro markets such as Hobart (also 4.4%). Additionally, a vacancy rate of 0.5% is extremely low, and is reflective of the very tight rental conditions present across much of TAS. From a prospective investor Kentish LGA is seen as a highly attractive resilient regional market, as it is both affordable and conducive to healthy returns and low vacancies.

Across 2020, Kentish LGA is set to benefit from a total of an estimated $34.2M* in project development commence throughout 2020. Of this, A $20.2M* majority (58.9%) is focused towards commercial development activity, which is vital to ensure ongoing employment opportunities in the local area. A further $14.0M* is to be spent on infrastructure, which is another key component to development activity to ensure amenities continue to service residents well. There is no residential activity set for 2020, which is a consistent issue across much of Tasmania. This means stock will continue to be in limited supply, and rentals will remain tight, making Kentish LGA ideal for home buyers and investors alike.

AREA SALES & MEDIAN PRICE



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Source: APM Pricefinder, SQM Research, Cordell Database, Australian Bureau of Statistics, Australian Government Department of Jobs and Small Business. © PRD 2020.

KEY FACTS

House median price (2019)	$340,000
Land median price (2019)	$120,000
Unit median price (2019)	-
Vacancy rate (based on 7304 postcode as of Dec-2019)	0.5%
House rental yield (based on 7304 postcode as of Dec-2019)	4.4%
Unit rental yield (based on 7304 postcode as of Dec-2019)	7.1%
Total estimated value of future developments in 2020	$34,197,000
Total dwellings set to commence in 2020	-
Unemployment rate (as of Dec Quarter 2019)	5.5%
Median weekly household income (as of ABS Census 2016)	$995
Median price monthly mortgage repayments (as of ABS Census 2016)	$1,083
Professionals (as of ABS Census 2016)	12.0%
Owned Outright (as of ABS Census 2016)	45.0%
Owned with a mortgage (as of ABS Census 2016)	36.2%
Rented (as of ABS Census 2016)	15.2%

ABOUT PRD RESEARCH

PRD 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 sound 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,

PRD 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 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

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