



Inner North Market Update 1st Half 2020



OVERVIEW

In Q1 2020, the Inner North* recorded a median house price of \$940,000, and a median unit price of \$445,000. This represents annual (Q1 2019 – Q1 2020) median price growth of 8.7% for houses and a price softening of -6.3% for units. Between Q1 2019-Q1 2020 total house sales were down by -5.0% to 76 sales, while units saw a slight uplift by 5.5% to 211 sales. There is an ongoing opportunity to enter the growing Inner North* property market for both owner occupiers and investors alike.

	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 Q1 2020



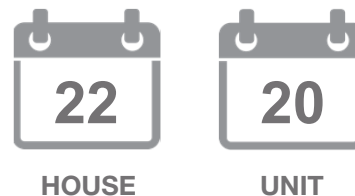
SALES AVERAGE DAYS ON MARKET Q1 2020



RENTAL MEDIAN PRICE Q1 2020

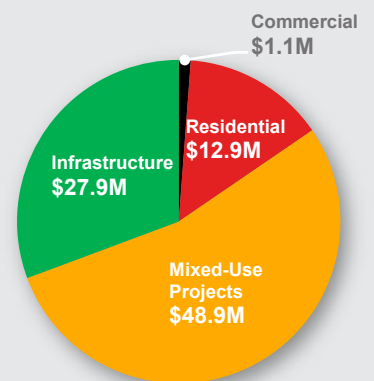


RENTAL AVERAGE DAYS ON MARKET Q1 2020



FUTURE DEVELOPMENTS

The Inner North* area is set to see approximately **\$90.8M** worth of new projects commencing in the 1st half of 2020.



These projects will stimulate economic growth and create large employment opportunities in the Inner North*, which will have positive spill-over effects on the real estate market.

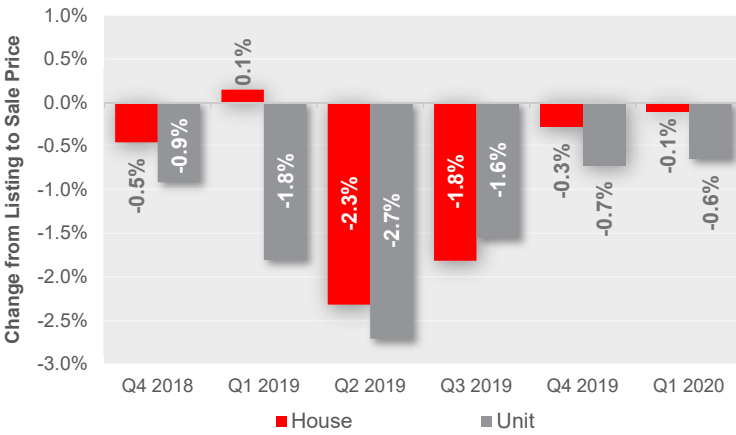
A main mixed-use project over the 1st half 2020 period is the \$30.3M Soho Precinct 1 Dickson - Stage 2. The project is set to add 143 apartments and a commercial tenancy spread across two 9-storey buildings. Such projects add employment opportunities and further dwelling stock to the local property market. The \$10.0M Northbourne Avenue Roadworks is a major infrastructure project that will help ensure amenities in the Inner North* remain functional and in prime condition for residents.



*Inner North market data and key indicators encapsulates aggregate property market conditions within the Postcodes 2602 and 2612.
**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.

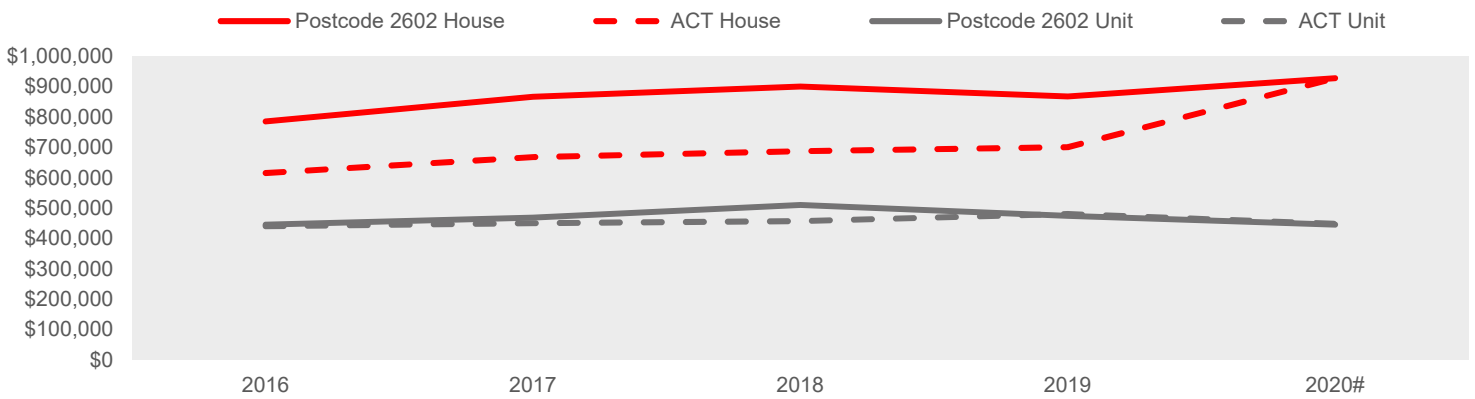


Average vendor discounting between Q1 2019 and Q1 2020 has swung to -0.1% for houses and has tightened to -0.6% for units. Market conditions in the Inner North* currently favour buyers, where sellers are willing to negotiate slightly below their initial first listing price. Now remains an ideal time to both buy and sell.

Postcode 2602 has historically outperformed the wider Australian Capital Territory (ACT) area in median house price while remaining similar in median unit price. 2020# has seen a sharp upswing in median house prices in the ACT. However it is only Q1 2020 data and current COVID19 conditions may result in a correction.

The dominant proportion of homes sold in the Inner North* across 2019^ were priced above \$1,000,000 (36.5%). Units recorded a dominant price point of below \$400,000. This shows both premium and affordable options remain available to buyers in the Inner North*.

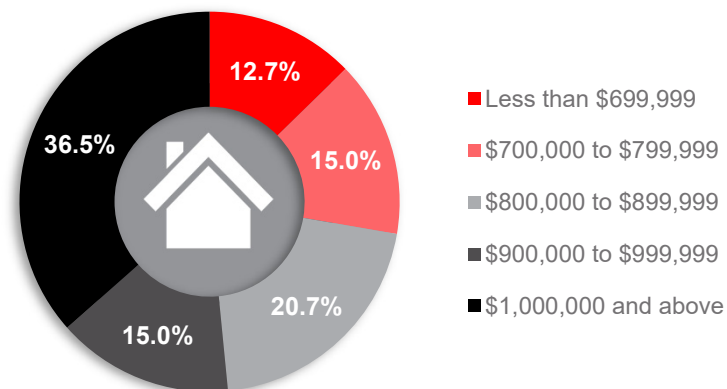
MARKET COMPARISON



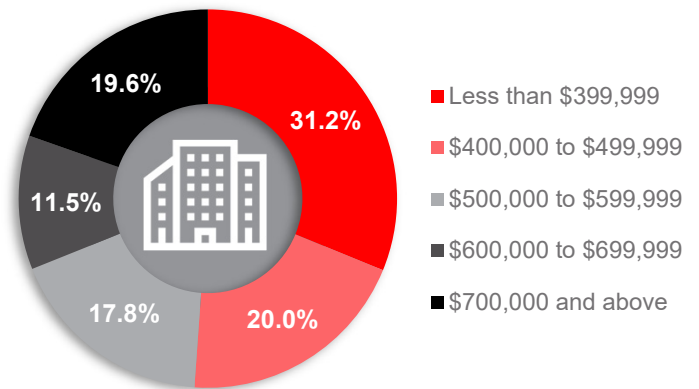
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main postcode analysed, which is 2602.

PRICE BREAKDOWN 2019^

HOUSES SOLD



UNITS SOLD



RENTAL GROWTH 2019*

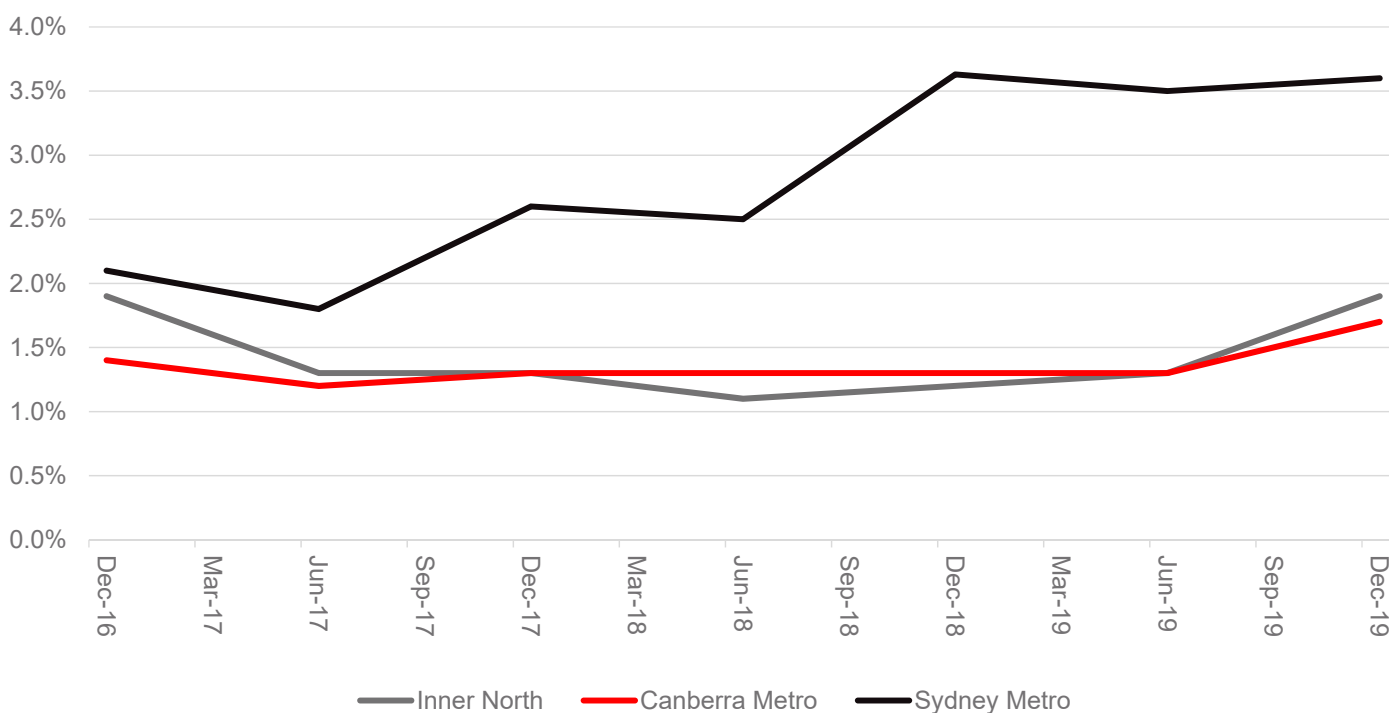
Over the past 12 months, house rental yields in the Inner North increased strongly to reach 4.5% in December 2019. This suggests the house rental market is in a healthy position, as does the increased demand for rental properties in the Inner North across the same time period (up by 10.8% in the 12 months to Q1 2020).

2 bedroom houses have provided investors with +11.5% rental growth annually, achieving a median rent of \$535 per week.

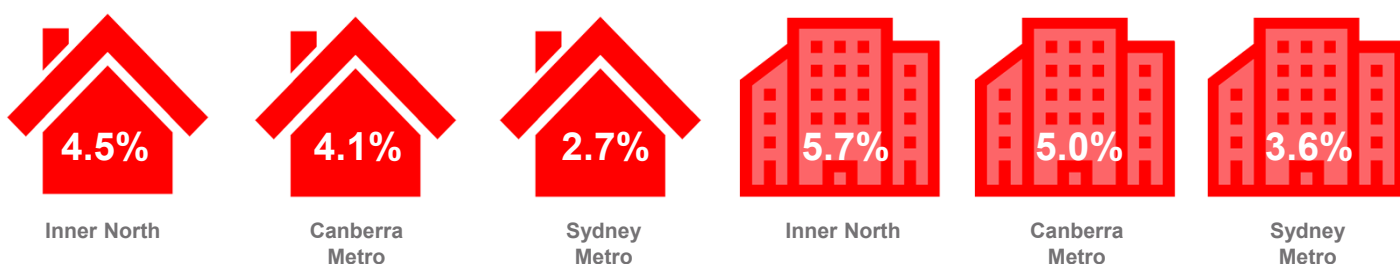
The Inner North recorded a vacancy rate of 1.9% in December 2019, which is still quite a healthy position despite being slightly above Canberra Metro's 1.7%. Vacancy rates in Inner North has remained relatively steady over the past 12 months, which confirms there is a healthy rental demand for properties in the area.



RENTAL VACANCY RATES 2019



RENTAL YIELD 2019^



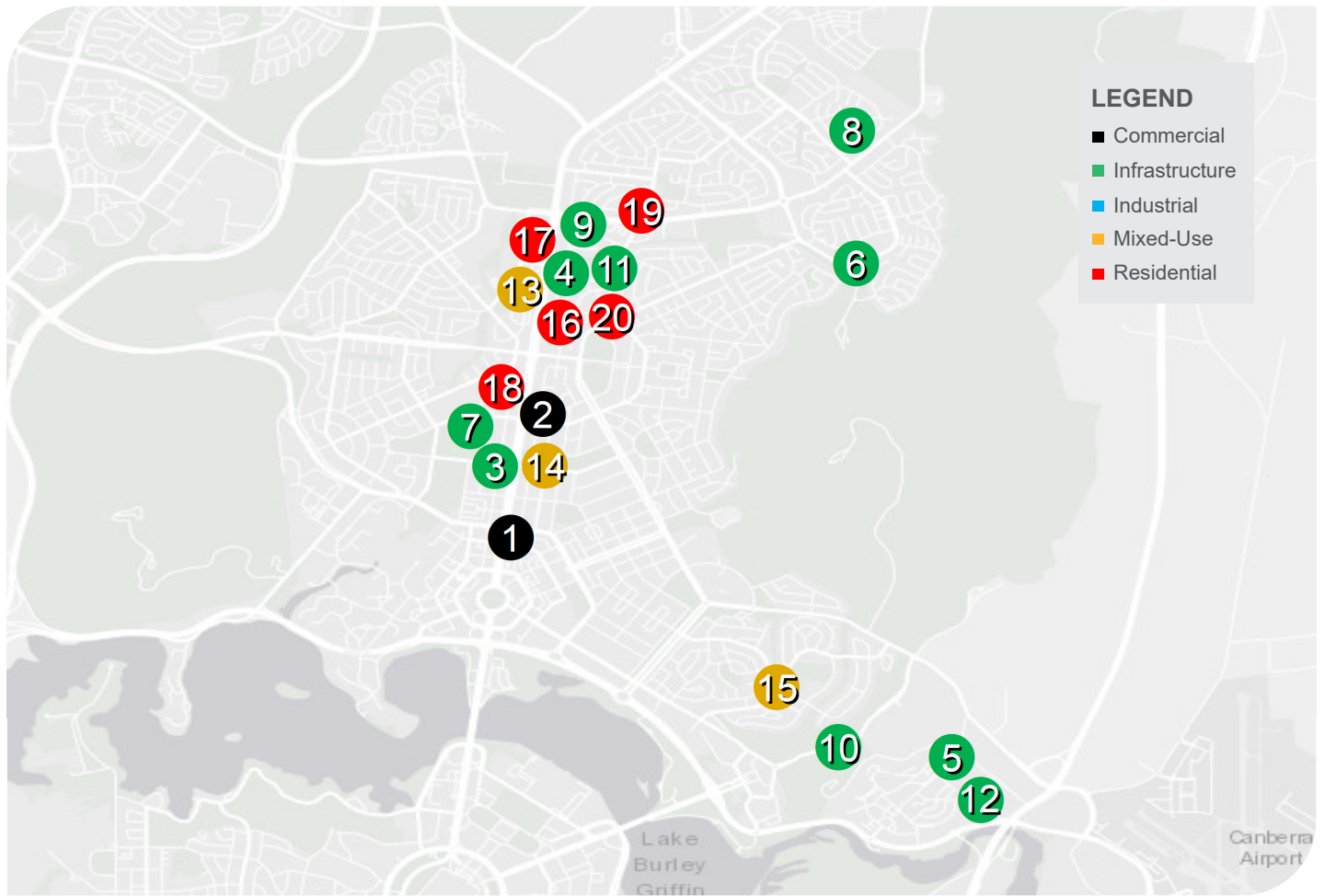
*Rental performance graph represents aggregate house median rent prices within the Postcodes 2602 and 2612.

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	Westpac Banking Canberra	Commercial	\$800,000	06/02/2020
2	Canberra Rex Hotel	Commercial	\$275,000	31/01/2020
3	Northbourne Avenue Roadworks	Infrastructure	\$10,000,000	11/03/2020
4	Lowrie Street Apartments	Infrastructure	\$5,604,000	03/02/2020
5	Duntroon Alamein Block	Infrastructure	\$2,500,000	27/06/2020
6	Act State Emergency Services Majura	Infrastructure	\$2,000,000	06/05/2020
7	Forbes Street Units	Infrastructure	\$1,863,000	11/01/2020
8	William Street Dwellings	Infrastructure	\$1,759,000	22/04/2020
9	Dickson Community Health Centre	Infrastructure	\$1,624,000	07/02/2020
10	Australian Defence Force Academy	Infrastructure	\$1,000,000	03/05/2020
11	Cowper Street Children's Crossing	Infrastructure	\$1,000,000	04/04/2020
12	Gymkhana Road Dwellings	Infrastructure	\$500,000	31/01/2020
13	Soho Precinct 1 Dickson - Stage 2 (143 Units)	Mixed-use	\$30,274,000	13/05/2020
14	Lonsdale St Mixed Use Development - 2020 Braddon (39 Units)	Mixed-use	\$12,131,000	09/03/2020
15	Blamey Place Mixed Use Development – Mica (9 Apartments, 10 Townhouses)	Mixed-use	\$6,500,000	12/03/2020
16	Lowrie Street Townhouses - Olsen Row (12 Townhouses)	Residential	\$4,200,000	24/03/2020
17	Oliver Street Townhouses (10 Townhouses)	Residential	\$3,600,000	15/02/2020
18	Forbes St Units (12 Units)	Residential	\$2,298,000	17/05/2020
19	Blacket Street Apartments (5 Apartments)	Residential	\$2,056,000	29/02/2020
20	Majura Avenue Townhouses (4 Townhouses)	Residential	\$794,000	28/06/2020

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.



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