

Lismore Market Update 2nd Half 2020



OVERVIEW

In Q3 2020, Lismore* recorded a median house price of \$445,000, and a median unit price of \$330,000. This represents annual (Q3 2019 – Q3 2020) median price growth of 6.0% (house) and 9.1% (units). Between Q3 2019 – Q3 2020 annual sales for houses increased by 10.2% (to 183 sales), however units declined by -25.0% (to 21 sales) due to low stock on the market. Median price growth indicate the Lismore* property market is resilient amidst COVID-19, with buyers being confident in taking the opportunity to enter the market.

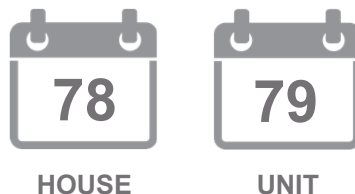
	CHANGE FROM LAST	YEAR	HALF YEAR
	House Sales	↑	↑
	House Median Price	↑	↑
	House Rental Price	↑	↑
	Unit Sales	↓	↓
	Unit Median Price	↑	↑
	Unit Rental Price	↔	↑

MARKET CONDITIONS

SALES MEDIAN PRICE Q3 2020



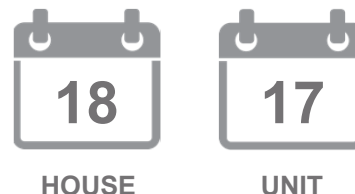
SALES AVERAGE DAYS ON MARKET Q3 2020



RENTAL MEDIAN PRICE Q3 2020

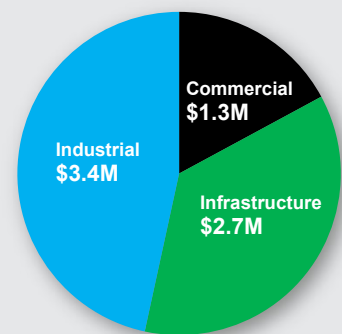


RENTAL AVERAGE DAYS ON MARKET Q3 2020



FUTURE DEVELOPMENTS

The City of Lismore LGA is set to see approximately **\$7.3M** worth of new projects commencing in the 2nd half of 2020.

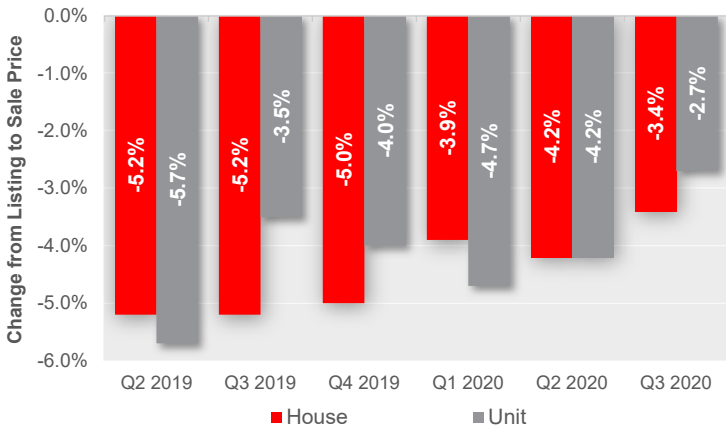


A focus on industrial and commercial projects is ideal for Lismore*, as it will stimulate a more vibrant economy through new businesses and improved services; all of which has the potential to create more jobs. Infrastructure projects will improve liveability for current residents and allow for better access into Lismore, for business purposes. That said, an absence in residential projects, particularly house stock, is a slight concern, due to the current demand and increases in price.

Main industrial projects in the 2nd half 2020 period are the Coolibah Storage (\$1.4M) and Norco Rural Store Warehouse (\$1.3M). The combination of these projects will create local job opportunities which will help stimulate the economy. Key infrastructure projects include the Lismore City Council Waste Facility (\$2.0M) and Lismore Regional Airport (\$250K). This will rejuvenate the area and improve liveability aspects for current residents, with the added potential of attracting new residents. With an obvious absence in new residential projects in the pipeline there is a potential undersupply in the near future, thus now is an ideal time to enter the market.

AVERAGE VENDOR DISCOUNT

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.



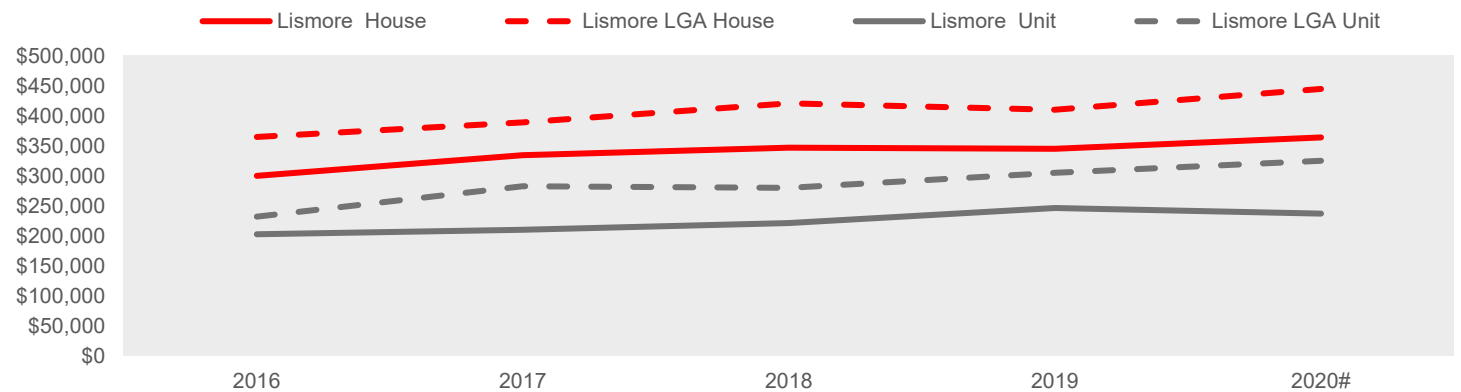
KEY COMMENTS

In the 12 months to Q3 2020, average vendor discounting has tightened for both property types, to -3.4% (houses) and -2.7% (units). Lismore* provide unique opportunities. Sellers can achieve a final sale price closer to their first list price, whilst buyers can still benefit from a discount. Now is the time to transact.

Over the past 5 years to 2020#, the suburb of Lismore has continued to record a more affordable market in comparison to the wider Lismore Local Government Area (LGA), in both house and unit median prices. This provides an excellent opportunity for first home buyers.

The dominant proportion of houses sold in Lismore* across 2020^ were in the middle price bracket of \$400K to \$499K (25.9%). Units saw high activity in the lower end of the market of less than \$249K (26.9%). Despite median price growth there are still affordable options, thus an ideal time for first home buyers to enter as there are ample of government incentives at hand.

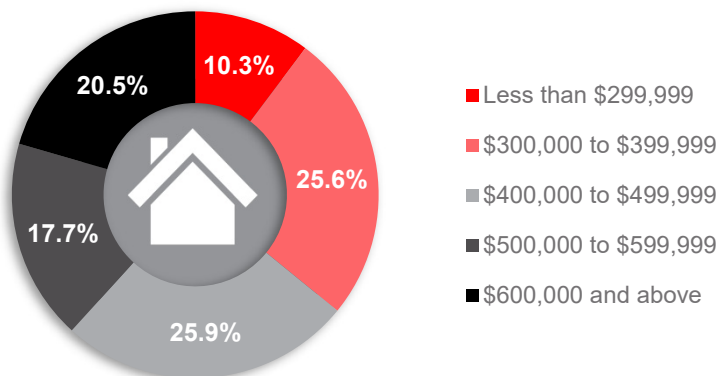
MARKET COMPARISON



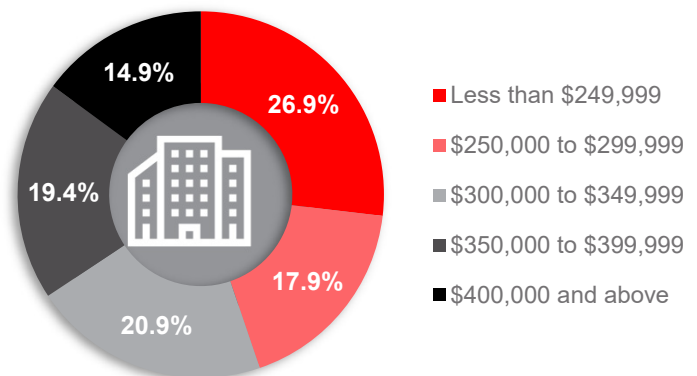
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled is chosen based on their proximity to the main suburb analysed, which is Lismore.

PRICE BREAKDOWN 2020^

HOUSES SOLD



UNITS SOLD

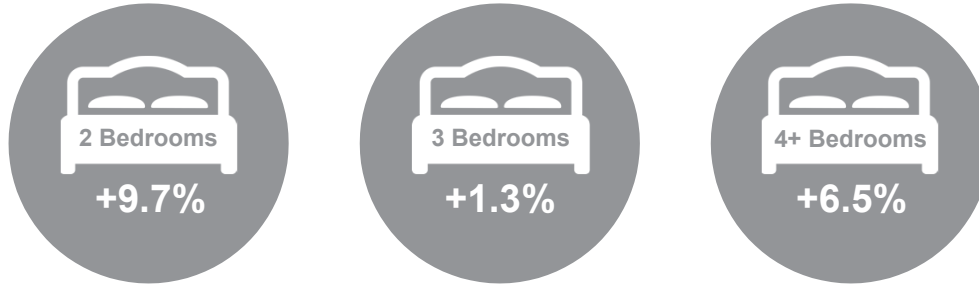


RENTAL GROWTH 2020€

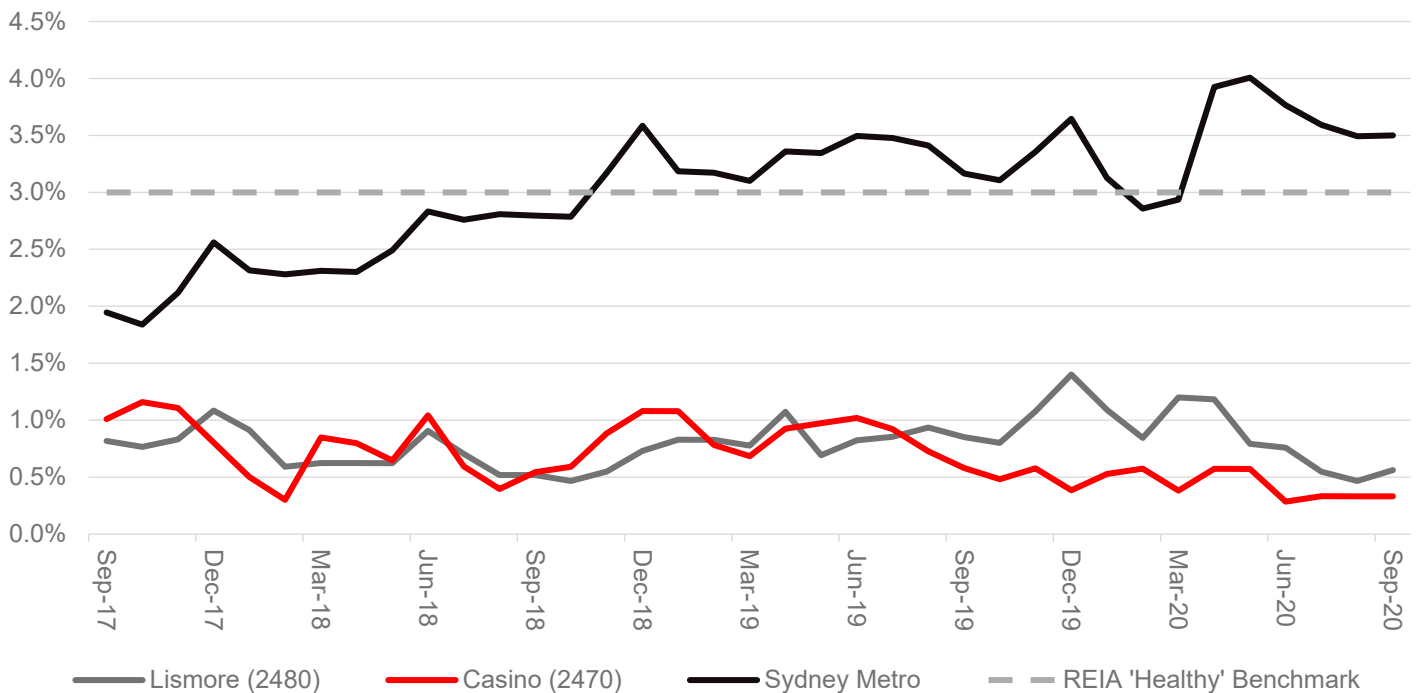
In September 2020, house rental yields in Lismore[¥] were recorded at a healthy 4.1%. In the 12 months to Q3 2020, median house rental price grew by 6.3% to \$420 per week. This is also in conjunction with average days on the market declining by 28.0% (to 18 days). Overall this represents a resilient rental market throughout COVID-19 conditions.

2 bedroom houses have provided investors with +9.7% rental growth annually, with a median rent of \$362 per week.

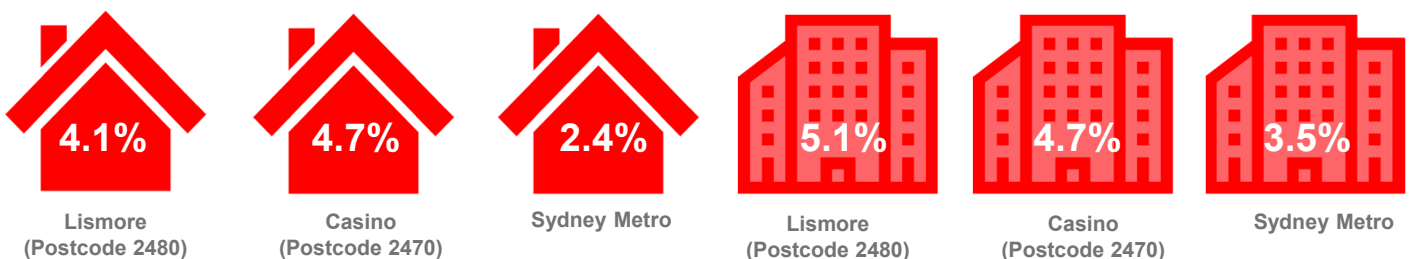
In September 2020, Lismore[¥] recorded a low vacancy rate of 0.6%, significantly below that of Sydney Metro (3.5%). Vacancy rates in Lismore[¥] recorded a declining trend since the height of COVID-19 in March 2020, and has always been well below the Real Estate Institute of Australia's healthy benchmark of 3.0%. This confirms there is a healthy rental demand and investors can be confident of a conducive investment environment in Lismore[¥].



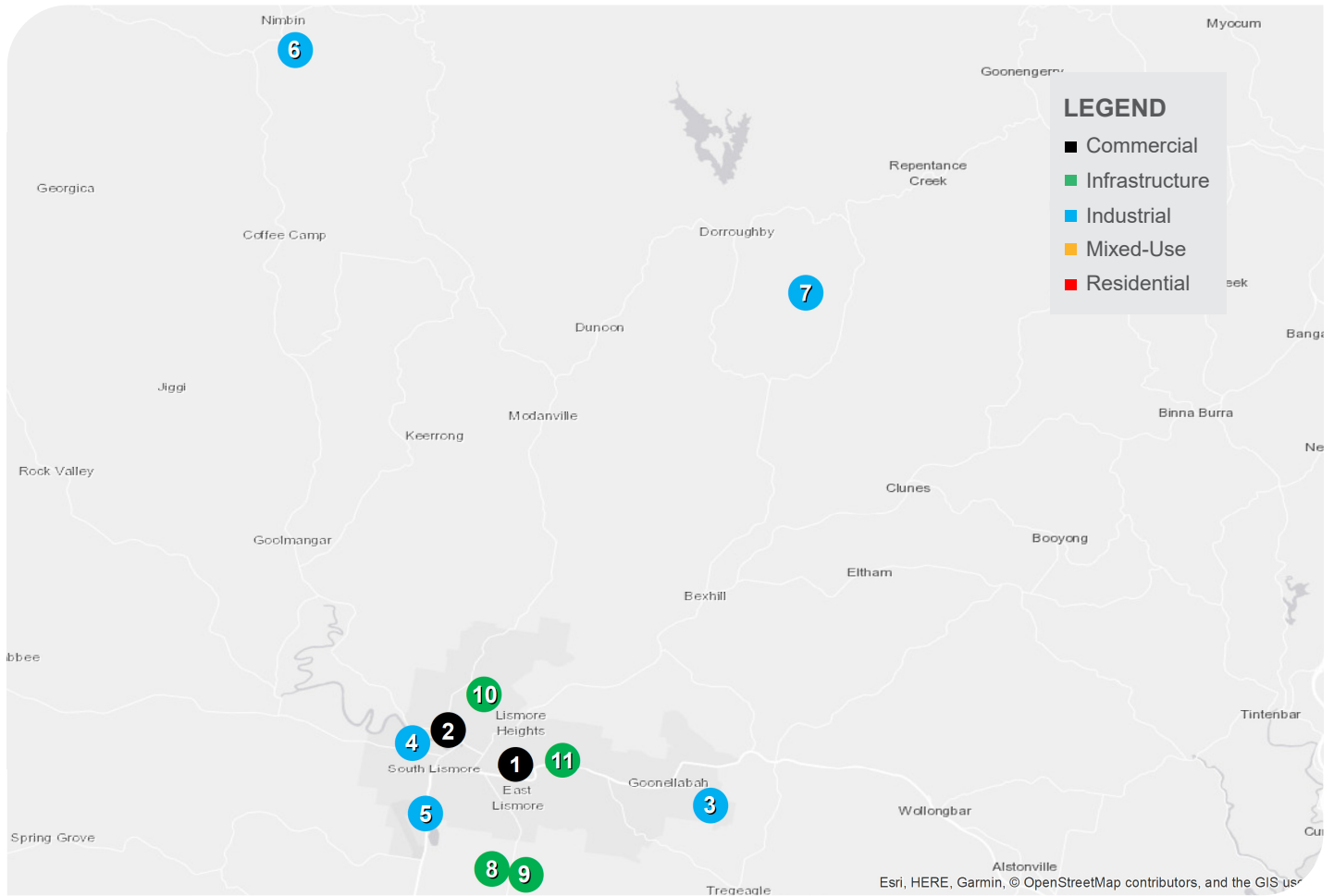
RENTAL VACANCY RATES 2020



RENTAL YIELD 2020\$



PROJECT DEVELOPMENT MAP 2nd HALF 2020[Ⓐ]



Location	Project [£]	Type	Estimated Value [Ⓜ]	Commence Date [Ⓜ]
1	Mckenzie Street Boarding Houses	Commercial	\$900,000	10/08/2020
2	Henry's Bakery Cafe - The Good Choice	Commercial	\$350,000	26/10/2020
3	Coolibah Storage	Industrial	\$1,450,000	22/12/2020
4	Norco Rural Store Warehouse	Industrial	\$1,350,000	14/09/2020
5	B & K Powder Coating Inc.	Industrial	\$202,000	12/07/2020
6	Alternative Way Light Industrial Units	Industrial	\$200,000	21/09/2020
7	Spirulina Farm	Industrial	\$200,000	17/09/2020
8	Lismore City Council Waste Facility Material Recovery Facility-Building Reinstatement	Infrastructure	\$1,000,000	20/11/2020
9	Lismore City Council Waste Facility Material Recovery Facility-Fixed Plant	Infrastructure	\$1,000,000	20/11/2020
10	Lismore Pipeline	Infrastructure	\$400,000	30/07/2020
11	Lismore Regional Airport	Infrastructure	\$250,000	08/11/2020

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.



Robert Horder, Principal
M +61 439 135 125
E roberthorder@prd.com.au

PRD Lismore
P +61 2 6624 7700

72 Molesworth Street,
Lismore NSW 2480

PRD.com.au/northernrivers

REFERENCES

*Lismore market data and key indicators encapsulates aggregate property market conditions within the suburbs of City of Lismore LGA.

** Estimated values are based on construction value provided by the relevant data authority and does not reflect commercial and/or re-sale value.

2020 encapsulates sales transactions for 2020 (01/01/2020 – 30/09/2020) only.

^ 2020 encapsulates sales transactions for 2020 (01/01/2020 – 30/09/2020) only.

€ Annual rental growth is a comparison between 2019 (01/01/2019 – 30/06/2019) and 2020 (01/01/2020 – 30/09/2020) house median rent figures.

¥ Lismore market data encapsulates aggregate property conditions within Lismore (2480).

§ Rental yields shown are as reported at September 2020.

⌘ Project development map showcases a sample of upcoming projects only, due to accuracy of addresses provided by the data provider for geocoding purposes.

£ Projects refers to the top developments within the suburbs of City of Lismore LGA.

μ Estimated value is the value of construction costs provided by relevant data authority, it does not reflect the project's sale/commercial value.

ψ Commencement date quoted for each project is an approximate only, as provided by the relevant data authority, PRD does not hold any liability to the exact date.

Source: APM Pricerfinder, Cordell Connect database, SQM Research, ESRI ARCGIS.

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