



> Affordable & Liveable Property Guide
Canberra Metro 2nd Half 2020

METHODOLOGY

This affordable and liveable property guide for Canberra Metro analyses all suburbs within a 10km radius of the Canberra CBD. The following criteria were considered:

- Property trends criteria** – all suburbs have a minimum of 10 sales transactions for statistical reliability purposes. Based on market conditions suburbs have either positive, or as close as possible to neutral price growth between 2019 to 2020*.
- Investment criteria** – as of September 2020, 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 affordable and liveable suburbs have a median price below a set threshold. This was determined by adding percentage premiums to the Australian Capital Territory (ACT) average home loan, which was \$494,490** as of Q2 2020. Premiums of 113% for houses and 28% for units were added, which were above those required to reach Canberra Metro's median prices (71% for houses and -2% for units). This places the suburbs above Canberra's median prices which means buyers must sacrifice affordability to find liveable suburbs.
- Development criteria** – suburbs identified must have a high total estimated value of future project development for the 2nd half of 2020, as well as a higher proportion of commercial and infrastructure projects. This ensures the suburbs show signs of sustainable economic growth, in turn positively affecting the property market.
- Liveability criteria** – all identified suburbs 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 ACT average (as determined by the Department of Jobs and Small Business, June Quarter 2020 release).

RECENT TOP PERFORMERS

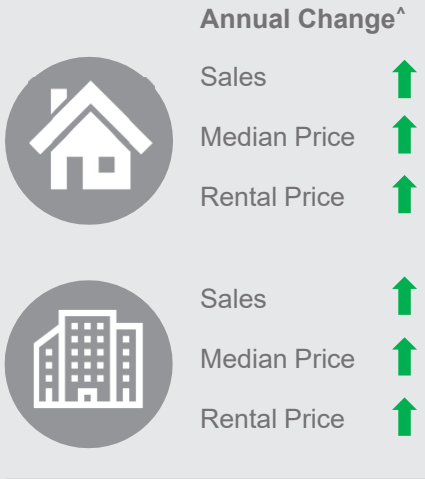
| Area | Suburb | Type | Median Price 2019 | Median Price 2020* | Price Growth | Projects 2020*** |
|-------|-----------------|-------|-------------------|--------------------|--------------|------------------|
| Inner | Campbell | House | \$1,255,000 | \$1,307,500 | 4.2% | \$9.9M |
| | Barton | Unit | \$484,000 | \$506,250 | 4.6% | \$86.9M |
| North | Watson | House | \$743,750 | \$805,000 | 8.2% | \$74.2M |
| | Watson | Unit | \$466,000 | \$499,900 | 7.3% | \$74.2M |
| South | Griffith | House | \$1,480,000 | \$1,520,000 | 2.7% | \$119.9M |
| | Griffith | Unit | \$442,500 | \$494,500 | 11.8% | \$119.9M |
| West | Macquarie | House | \$725,000 | \$770,000 | 6.2% | \$9.6M |
| | Denman Prospect | Unit | \$449,900 | \$554,900 | 23.3% | \$56.5M |

OVERVIEW

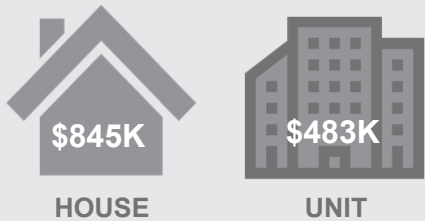
Median property prices in Canberra Metro increased by 3.0% for houses to \$845,000 from 2019 to 2020* and increased by 0.5% for units to \$482,500. By comparison, from 2018 to 2019 the median house price in Canberra Metro increased by 2.4%, while the median unit price grew by 3.2%. Strong demand has continued to push prices upwards, resulting in the need to sacrifice affordability for liveability. Canberra Metro recorded a healthy property price growth trend over the past five years, thus property owners can be confident in their asset's ongoing value. An estimated \$1.0B of development is planned in the 2nd half of 2020 for Canberra Metro. A key focus on infrastructure projects will improve liveability aspects, while commercial, mixed-use and residential projects will create more jobs and diversify housing options. Meeting housing demand is key for Canberra Metro, to ensure sustainable price growth for first home buyers.

*Median price quoted captures sale transactions from 1st January 2020 to 30th September 2020, or Q1 2020 – Q3 2020. **Average home loan figure is derived from June Quarter 2020 Housing Affordability Report by the Real Estate Institute of Australia (REIA) and Adelaide Bank. ***Project development is based on aggregate of estimated construction value for residential, commercial, industrial, mixed-use and infrastructure projects scheduled to commence in the 2nd half of 2020 as stated by the relevant data authority. ^Annual Change is reflective of median price change from Q3 2019 to Q3 2020. Figures displayed in infographics are for the period Q3 2020, except for median sale price, which is reflective of 1st January 2020 to 30th September 2020, or Q1 2020 – Q3 2020. Source: APM Pricerfinder, REIA, SQM Research, Cordell Connect, Department of Jobs and Small Business. © PRD Real Estate 2020.

CANBERRA METRO



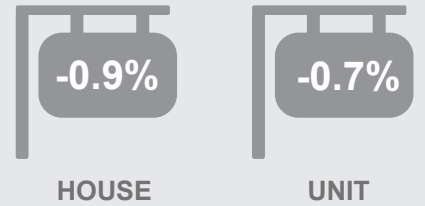
MEDIAN SALE PRICE



AVERAGE DAYS TO SELL



AVERAGE VENDOR DISC.



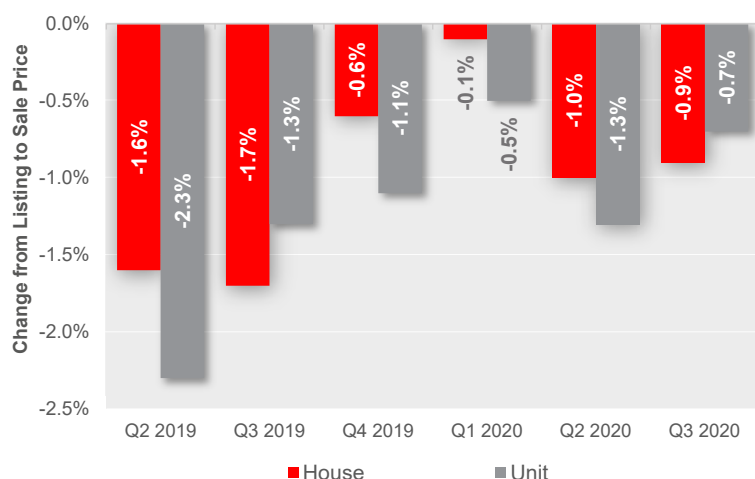
MEDIAN RENTAL PRICE



AVERAGE DAYS TO LET



AVERAGE VENDOR DISCOUNT

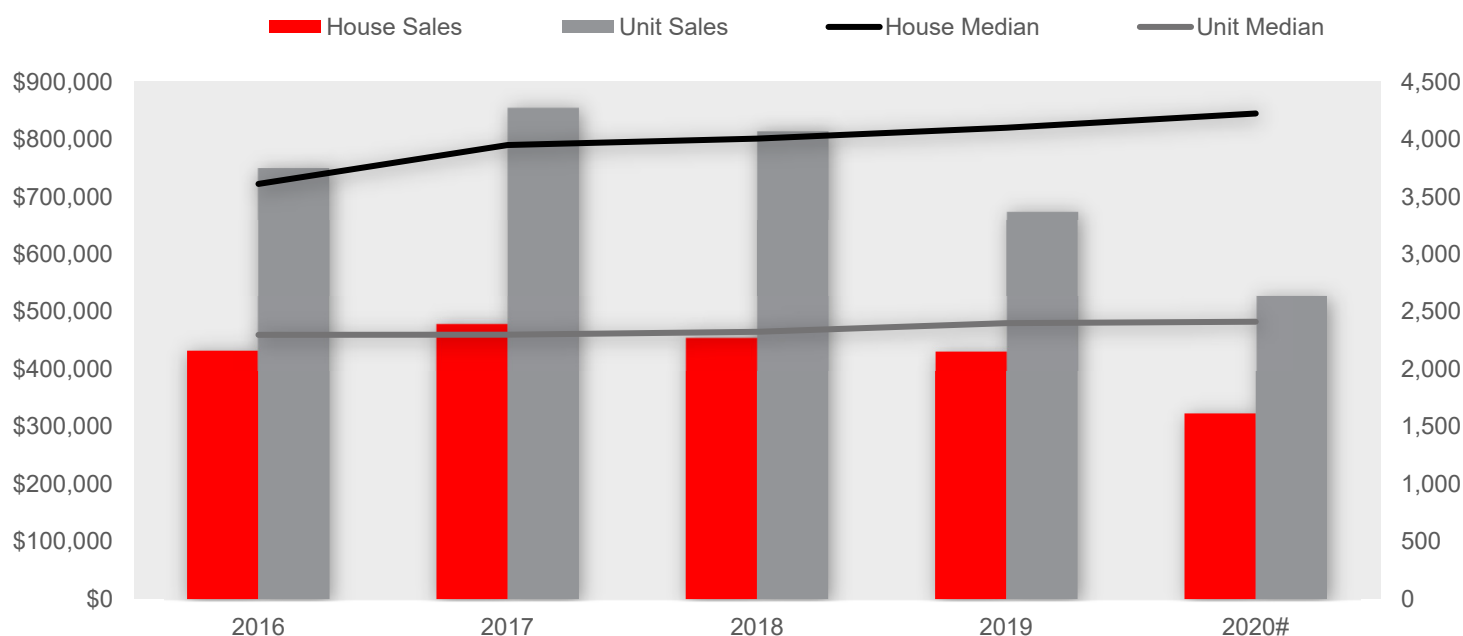


KEY COMMENTS

Average vendor discounts between Q3 2019 and Q3 2020 have notably tightened, to -0.9% for houses and to -0.7% for units. Canberra Metro provides unique opportunities as sellers are able to achieve a final sale price closer to their initial listing price, yet buyers can still benefit from a discount. That said vendor discount is now at a minimum, thus buyers need to act swiftly.

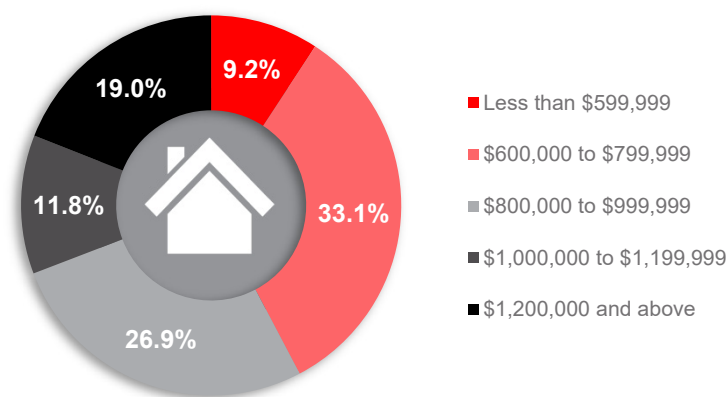
The dominant proportion of homes sold in Canberra Metro across 2020# were in the lower-middle price bracket of \$600,000-\$800,000 (33.1%), while units recorded a dominant premium price point of above \$600,000 (27.0%). There is a healthy spread amongst different price points, meaning that there is stock on the market for buyers at varying price points.

MARKET PERFORMANCE

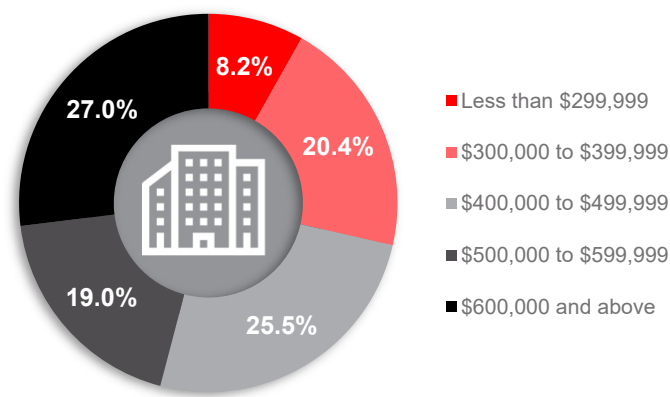


PRICE BREAKDOWN 2020#

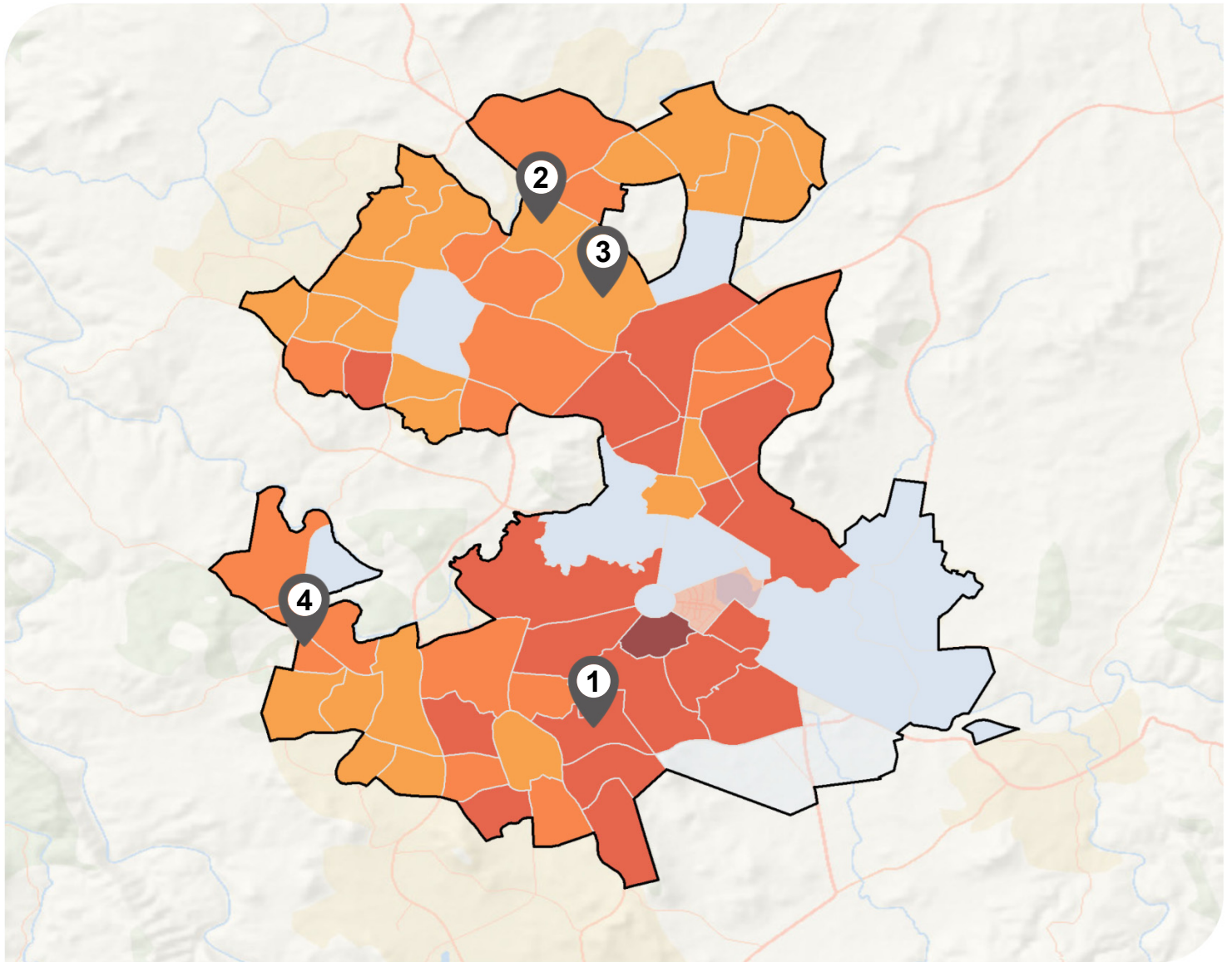
HOUSES SOLD



UNITS SOLD



CANBERRA METRO MEDIAN HOUSE PRICE 2020* 10KM 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 | | Suburb | Unit |
|---|----------|-------|---|--------|------|
| 1 | Garran | 2.8% | 1 | Garran | 5.8% |
| 2 | Giralang | 4.6% | 4 | Wright | 5.7% |
| 3 | Kaleen | 4.6% | 3 | Kaleen | 6.0% |

RENTAL GROWTH 2020€

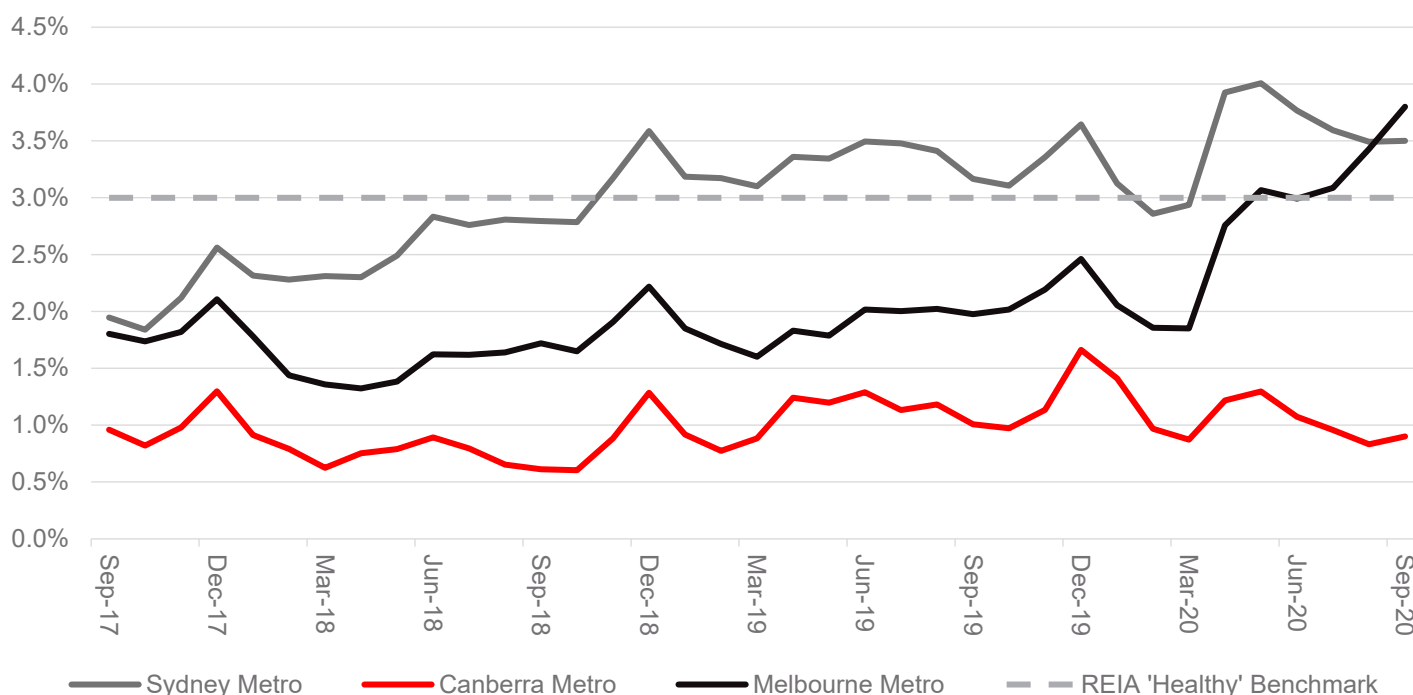
In September 2020, house rental yields in Canberra Metro were recorded at 5.0%. In the 12 months to Q3 2020, the median house rental price increased to \$610 per week, while average days on the market declined by -22.2% (to 21 days). Overall this suggests Canberra Metro has proven to have a highly resilient rental market throughout COVID-19.

3 bedroom houses provided the greatest annual rental growth (of +3.6%) to reach \$570 per week. A softening in the median rental price for 2 bedroom houses (-3.7% to \$470 per week) may indicate people moving into shared accommodation, due to COVID-19 affecting employment. This would also explain the uplift in median rental prices for larger houses.

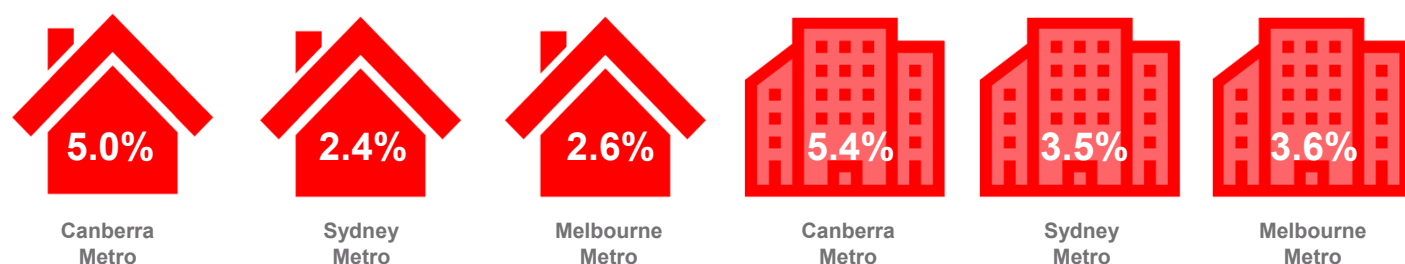
In September 2020, Canberra Metro recorded a very low vacancy rate of 0.9%, well below both Sydney Metro (3.5%) and Melbourne Metro (3.8%). Vacancy rates in Canberra Metro remain well below the Real Estate Institute of Australia's healthy benchmark of 3.0%, even amidst COVID-19 conditions. Further, Canberra Metro's vacancy rate has shown a declining trend since peaking in May 2020 (at just 1.3%) due to COVID-19, which confirms there is a healthy ongoing rental demand.



RENTAL VACANCY RATES 2020



RENTAL YIELD 2020\$



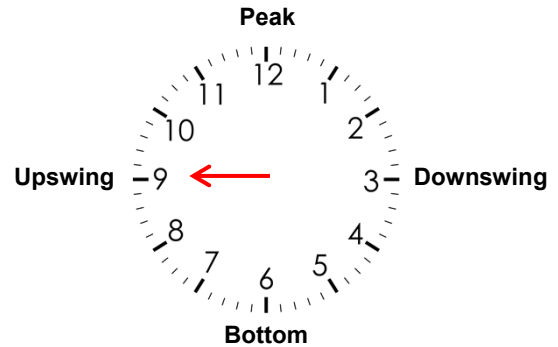
€ Annual rental growth is a comparison between 2019 and 2020 (01/01/2020 – 30/09/2020) house median rent figures.

\$ Rental yields shown are as reported at September 2020.

Source: APM Pricer, SQM Research. © Copyright PRD Real Estate 2020.

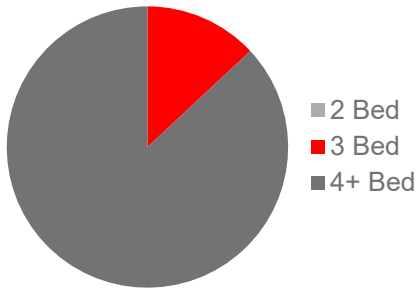


PROPERTY CLOCK - HOUSES



AFFORDABLE & LIVEABLE HOUSE SUBURBS

GARRAN 2605



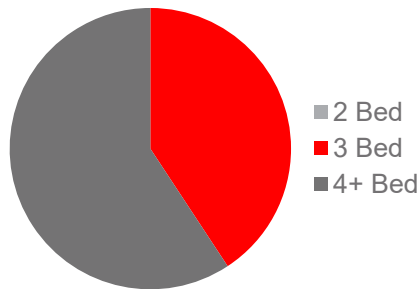
Located about **6.3km** from the Canberra CBD.

Median House Price **\$1,050,000**

- 2 Bed Median Price **N/A**
- 3 Bed Median Price **\$1,240,000***
- 4+ Bed Median Price **\$1,079,000**

Located in the Woden district, Garran is a suburb where residents need to sacrifice affordability for liveability. Garran recorded a 5.0%** median price growth annually and offers a strong development pipeline for the 2nd half of 2020, with an estimated \$76.6M[^] of projects set to commence. Unemployment sits at an extremely low 1.5%, and planned projects will create even more local employment. Liveability factors are highly evident throughout the suburb, with low crime rates, as well as nearby amenities including shopping, parks, medical facilities, public transport, schools, and more. Investors also benefit from healthy rental conditions, with a very low vacancy rate of 0.7%, ensuring investment properties are occupied quickly and generating cashflow.

GIRALANG 2617



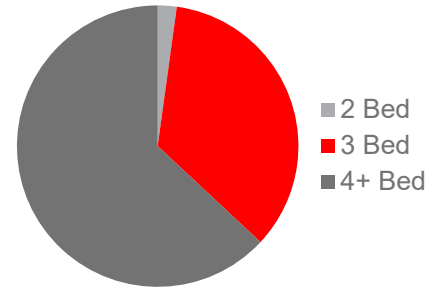
Located about **7.4km** from the Canberra CBD.

Median House Price **\$735,000**

- 2 Bed Median Price **N/A**
- 3 Bed Median Price **\$671,000**
- 4+ Bed Median Price **\$785,000**

Giralang was previously featured as an affordable and liveable suburb in the *2nd Half 2019^B* guide. With the lowest median price of the identified house suburbs, Giralang also saw 5.0%** median price growth annually, in good news for property owners. Investors have benefited from an extremely low vacancy rate of 0.5% (compared to Canberra Metro's already very low 0.9%), while average house rental yields of 4.6% sit slightly below Canberra Metro. The suburb checks all the right boxes in terms of liveability, featuring the lowest crime rate of the top house suburbs. There is an estimated \$19.2M[^] in projects for the 2nd half of 2020, which will help create additional employment locally. A key project for the area is Giralang Shopping Centre – Audri.

KALEEN 2617



Located about **4.6km** from the Canberra CBD.

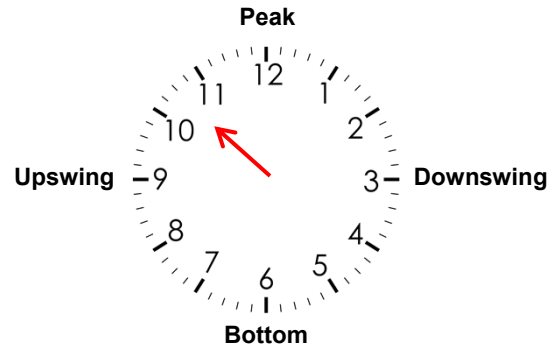
Median House Price **\$775,500**

- 2 Bed Median Price **\$960,000***
- 3 Bed Median Price **\$735,000**
- 4+ Bed Median Price **\$825,000**

As the closest top house suburb to the Canberra CBD, Kaleen has also appeared in the *2nd Half 2019^B* guide as a top suburb to watch. Offering solid median price growth of 4.4%** annually, the area is attractive to investors due to its extremely tight vacancy rate of just 0.5%, and an average rental yield of 4.6% for houses. An estimated \$11.0M[^] in development is planned for the 2nd half of 2020, with a key project being the \$8.3M[^] Eastlake Football Club mixed-use redevelopment. Kaleen is also a highly liveable suburb, with many amenities located nearby. This includes St Michael's Primary School, a number of bus stations, Grasslands Nature Reserves, Kaleen Plaza, and more; Kaleen is thus attractive for investors and residents alike.

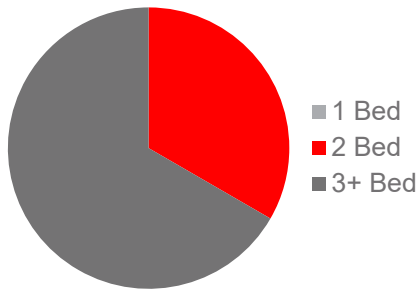


PROPERTY CLOCK - UNITS



AFFORDABLE & LIVEABLE UNIT SUBURBS

GARRAN 2605

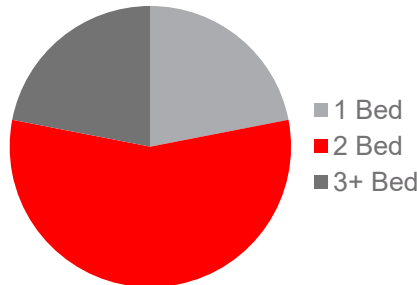


Located about **6.3km** from the Canberra CBD.

| | |
|-----------------------|-------------------|
| Median Unit Price | \$630,000 |
| • 1 Bed Median Price | N/A |
| • 2 Bed Median Price | \$560,000* |
| • 3+ Bed Median Price | \$775,000* |

Garran features as a top suburb for both houses and units for the 2nd half of 2020, having recorded a median unit price growth of 1.9%** annually. A number of major projects set to start across the 2nd half of 2020 will help create new and improved amenities for locals, many of which focus on the expansion of the Centenary Hospital for Women and Children. Standout features which help Garran score top marks for liveability criteria include the Canberra Hospital, Garran Primary School, Red Hill Nature Reserve, multiple bus stations, and Garran Place Shopping Centre. The average unit rental yield for Garran is 5.8%, above Canberra Metro's 5.4%. Altogether these features indicate the strength of Garran as a top affordable and liveable suburb.

WRIGHT 2611

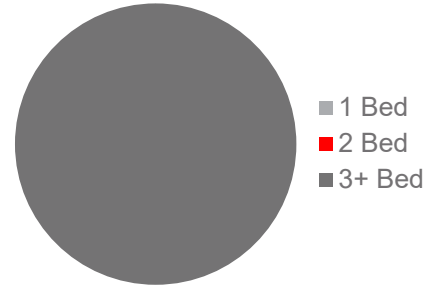


Located about **9.6km** from the Canberra CBD.

| | |
|-----------------------|-------------------|
| Median Unit Price | \$420,000 |
| • 1 Bed Median Price | \$295,000* |
| • 2 Bed Median Price | \$425,000 |
| • 3+ Bed Median Price | \$571,000* |

As the most affordable top suburb for units, Wright is a strong performer offering great value for residents and investors alike. The median unit price grew by a steady 2.4%** annually, in good news for property owners. The suburb features the lowest crime rate of the selected affordable and liveable unit suburbs, giving residents peace of mind. Further there is an estimated \$41.5M[^] in projects for the 2nd half of 2020, including the \$8.7M[^] Molonglo Special Purpose Reserve civil works, set to rehabilitate the area and provide walking tracks, seating, car park access and a nature play area. A low vacancy rate of 1.0% is on-par with Canberra Metro (0.9%), and a 5.7% average unit rental yield is above Canberra Metro. This confirms Wright as an investment hotspot.

KALEEN 2617

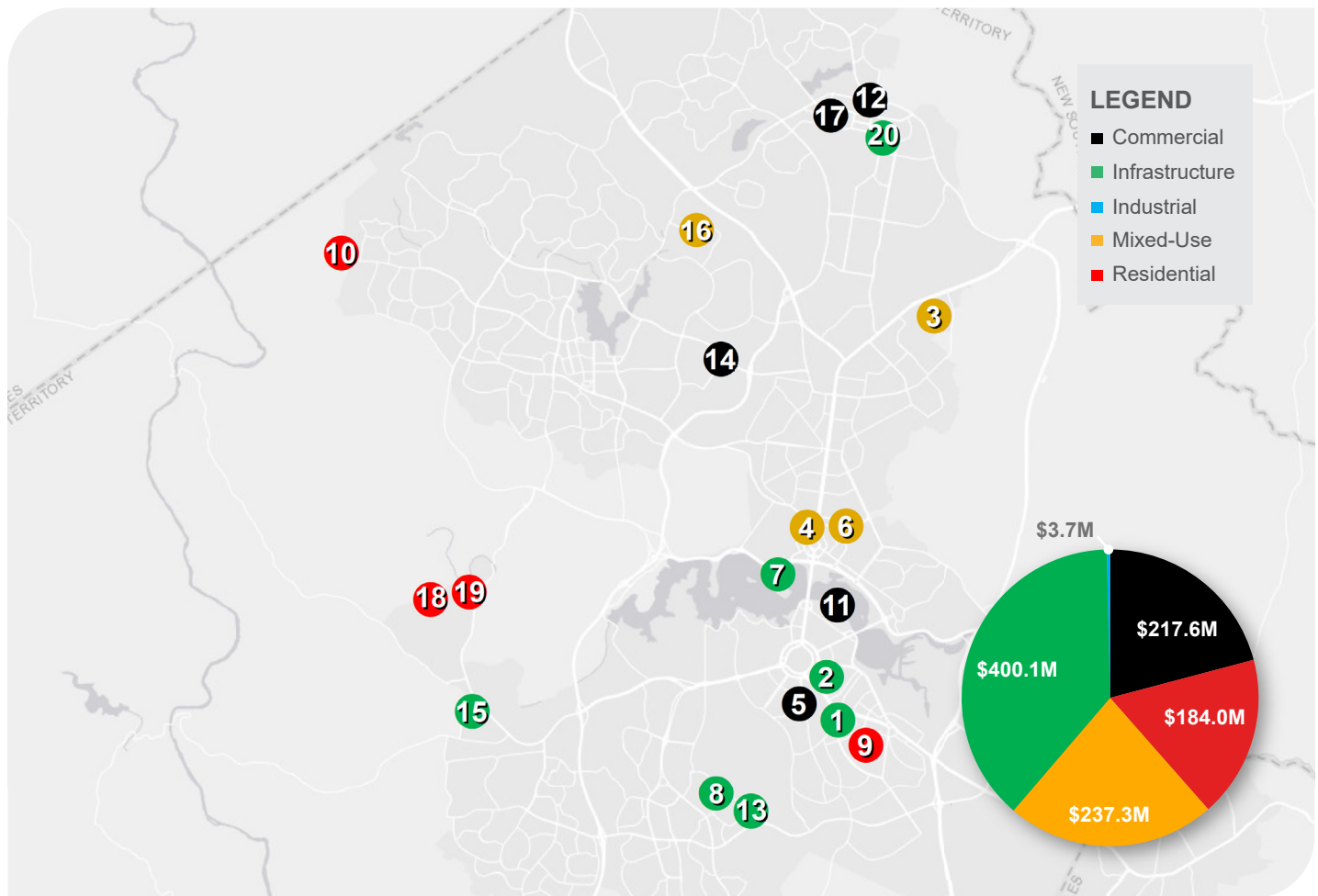


Located about **4.6km** from the Canberra CBD.

| | |
|-----------------------|------------------|
| Median Unit Price | \$550,000 |
| • 1 Bed Median Price | N/A |
| • 2 Bed Median Price | N/A |
| • 3+ Bed Median Price | \$550,000 |

Kaleen appears for both houses and units for the 2nd half of 2020, while also appearing in the *2nd Half 2019^B* guide. Annual median price growth was a significant 29.0%**[^], partly due to its limited sales volume (13 unit sales recorded for 2020**). This suggests an undersupplied unit market and a unique opportunity for local government and developers. Investors are seeing an extremely low vacancy rate of just 0.5% (below an already low 0.9% for Canberra Metro) and average yields of 6.0% for units (above Canberra Metro's 5.4%). Thus investors will benefit from a higher rental yield and quicker occupancy of their investment properties. A low unemployment rate of 3.1% sits below the ACT's already low average of 3.4%, highlighting job security.

PROJECT DEVELOPMENT MAP 2ND HALF 2020*



| Location | Project [£] | Type | Estimated Value ^µ | Suburb |
|----------|---|----------------|------------------------------|-----------------|
| 1 | Light Street & Captain Cook Crescent Buildings – Renaissance | Infrastructure | \$92,944,000 | Griffith |
| 2 | Barton Site Redevelopment | Infrastructure | \$85,350,000 | Barton |
| 3 | Watson Development – Norrebro (186 Apartments, 134 Townhouses) | Mixed-Use | \$74,200,000 | Watson |
| 4 | Dickson Interchange (190 Units) | Mixed-Use | \$68,544,000 | Dickson |
| 5 | Capital Hotel Forrest | Commercial | \$62,945,000 | Forrest |
| 6 | Founders Lane (254 Apartments) | Mixed-Use | \$42,841,000 | Braddon |
| 7 | Acton West Basin - Stage 2 | Infrastructure | \$32,000,000 | Acton |
| 8 | Centenary Hospital For Women & Children | Infrastructure | \$30,286,000 | Garran |
| 9 | Griffith Street Apartments (70 Apartments) | Residential | \$26,059,000 | Griffith |
| 10 | Ginninderry Stage 2 Estate At Strathnairn (502 Lots) | Residential | \$25,000,000 | Belconnen |
| 11 | Act West Block Building - Abode Hotel | Commercial | \$24,000,000 | Parkes |
| 12 | Hinder & Efkarparadis Streets Commercial Building | Commercial | \$21,992,000 | Gungahlin |
| 13 | The Spire - Building 8 | Infrastructure | \$21,594,000 | Garran |
| 14 | Bruce Hotel | Commercial | \$20,498,000 | Bruce |
| 15 | Whitlam Estate - Stage 2a | Infrastructure | \$20,415,000 | Wright |
| 16 | Giralang Shopping Centre – Audri (50 Apartments) | Mixed-Use | \$19,172,000 | Giralang |
| 17 | Marketplace Gungahlin | Commercial | \$16,861,000 | Gungahlin |
| 18 | McMichael Terrace & Holborow Avenue Dwellings – Symmetry (83 Dwellings) | Residential | \$16,290,000 | Denman Prospect |
| 19 | Wnydham Ave, Hoolihan St & Bamlett Rise Development (70 Apartments) | Residential | \$15,608,000 | Denman Prospect |
| 20 | Gungahlin Town Centre United Cinema | Infrastructure | \$14,927,000 | Gungahlin |

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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.

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