



Inner North Market Update 2nd Half 2020



OVERVIEW

In Q3 2020, the Inner North* recorded a median house price of \$1,055,000, and a median unit price of \$483,450. This represents annual (Q3 2019 – Q3 2020) median price growth of 21.0% for houses and a softening of -19.4% for units. Between Q3 2019 – Q3 2020 property sales increased, by 40.3% for houses (to 101 sales) and by 36.2% for units (to 271 sales). Strong median price growth and increased sales suggest a growing market, particularly for houses, in contrast to COVID-19 predictions. Now is an ideal time to both buy and sell houses in the Inner North*.

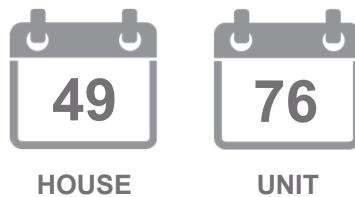
	CHANGE FROM LAST	YEAR	HALF YEAR
	House Sales	↑	↑
	House Median Price	↑	↑
	House Rental Price	↑	↓
	Unit Sales	↑	↑
	Unit Median Price	↓	↑
	Unit Rental Price	↔	↓

MARKET CONDITIONS

SALES MEDIAN PRICE Q3 2020



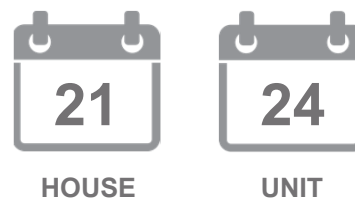
SALES AVERAGE DAYS ON MARKET Q3 2020



RENTAL MEDIAN PRICE Q3 2020

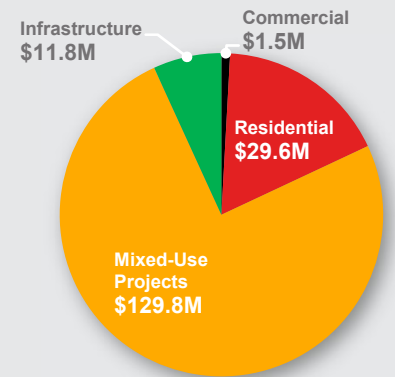


RENTAL AVERAGE DAYS ON MARKET Q3 2020



FUTURE DEVELOPMENTS

The Inner North* is set to see approx. **\$172.7M** worth of new projects commence in the 2nd half of 2020.



A focus on mixed-use and residential projects will add innovative housing stock and answer the current high demand. This will ensure that price growth remain sustainable. Mixed-use projects also offer commercial aspects, which will create more jobs and stimulate the local economy, with positive spill-over effect on the property market in the future.

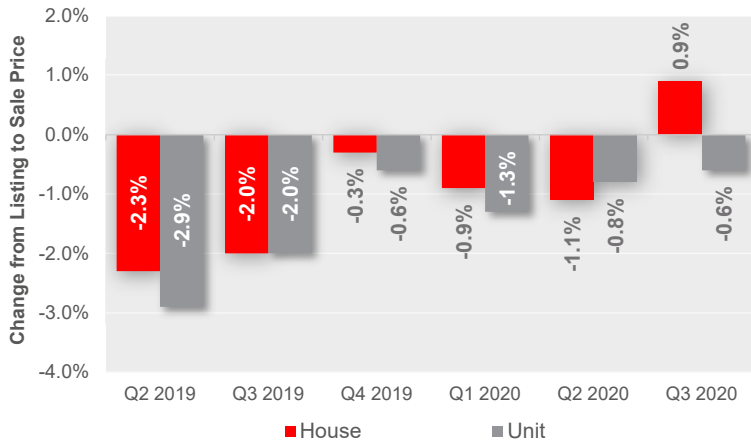
A main commercial project over the 2nd half of 2020 is the El-Alamein Independent Living Units (\$1.5M), which will provide a study to each of the 4 existing units. The \$74.2M mixed-use Watson Development Norrebro project will add 320 dwellings, a child care centre, and commercial spaces. Key residential projects include: Lowrie & Moncrief St Townhouses – Onyx (\$3.8M, 14 townhouses), Lowrie St Townhouses – Olsen Row (\$4.2M, 12 townhouses), and Blacket St Apartments (\$2.0M, 5 apartments),



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.

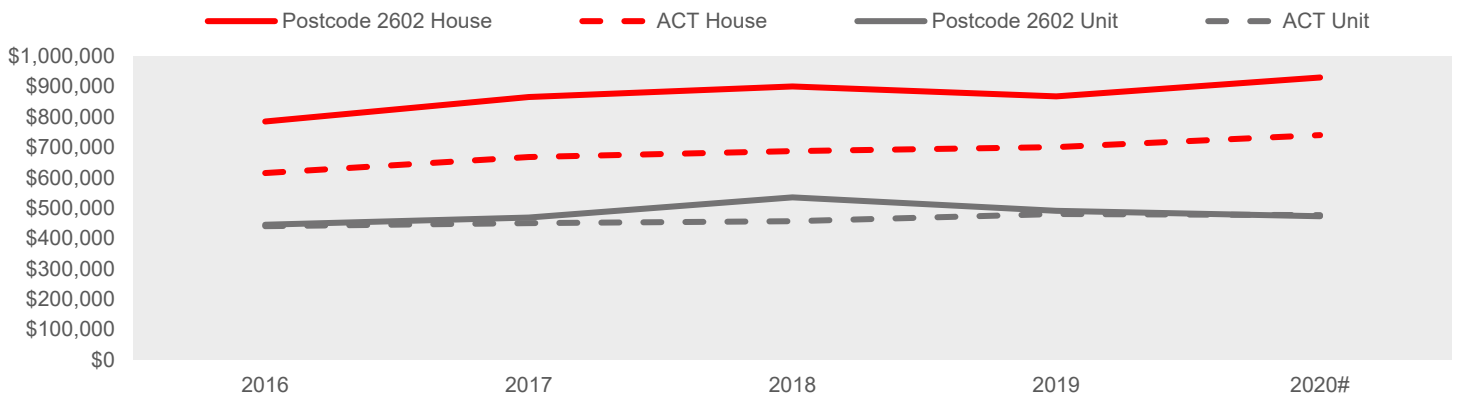
Average vendor discounts between Q3 2019 and Q3 2020 have swung to a premium of 0.9% for houses and tightened to -0.6% for units. House market conditions in the Inner North* have shifted to favour sellers, where buyers are willing to offer above list price.



Postcode 2602 has historically outperformed the wider Australian Capital Territory (ACT) in its median house price. This continues to be the case in 2020#, while units remain largely on-par.

The dominant proportion of homes sold in the Inner North* across 2020^ were in the middle-range price bracket of \$800,000-\$1,000,000 and premium price bracket of \$1,200,000 (each 31.5%). Units recorded a dominant lower-end price bracket below \$400,000 (28.2%). There is a healthy spectrum of prices in the market, which will allow both first home buyers and seasoned investors to enter the market.

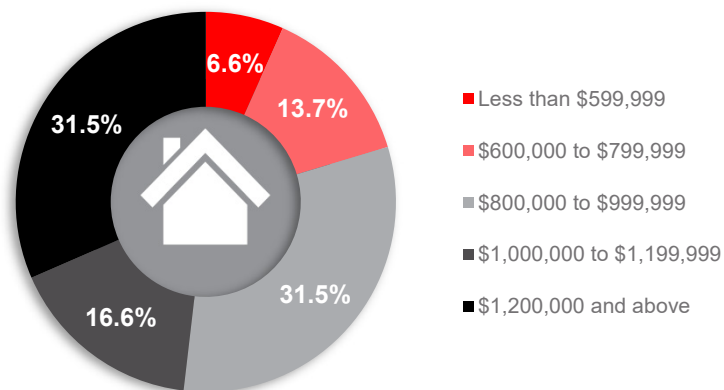
MARKET COMPARISON



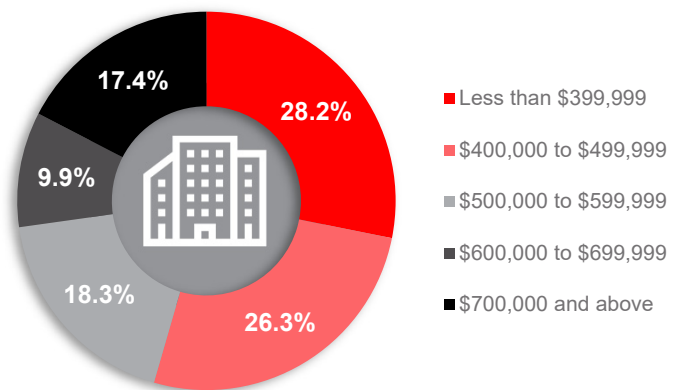
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on its proximity to the main area analysed, which is Postcode 2602.

PRICE BREAKDOWN 2020^

HOUSES SOLD



UNITS SOLD

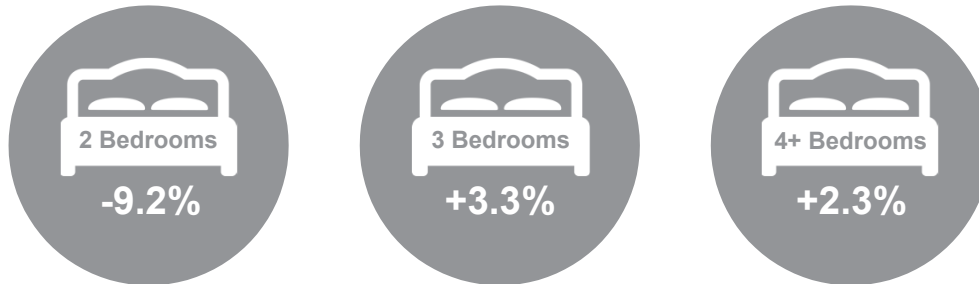


RENTAL GROWTH 2020€

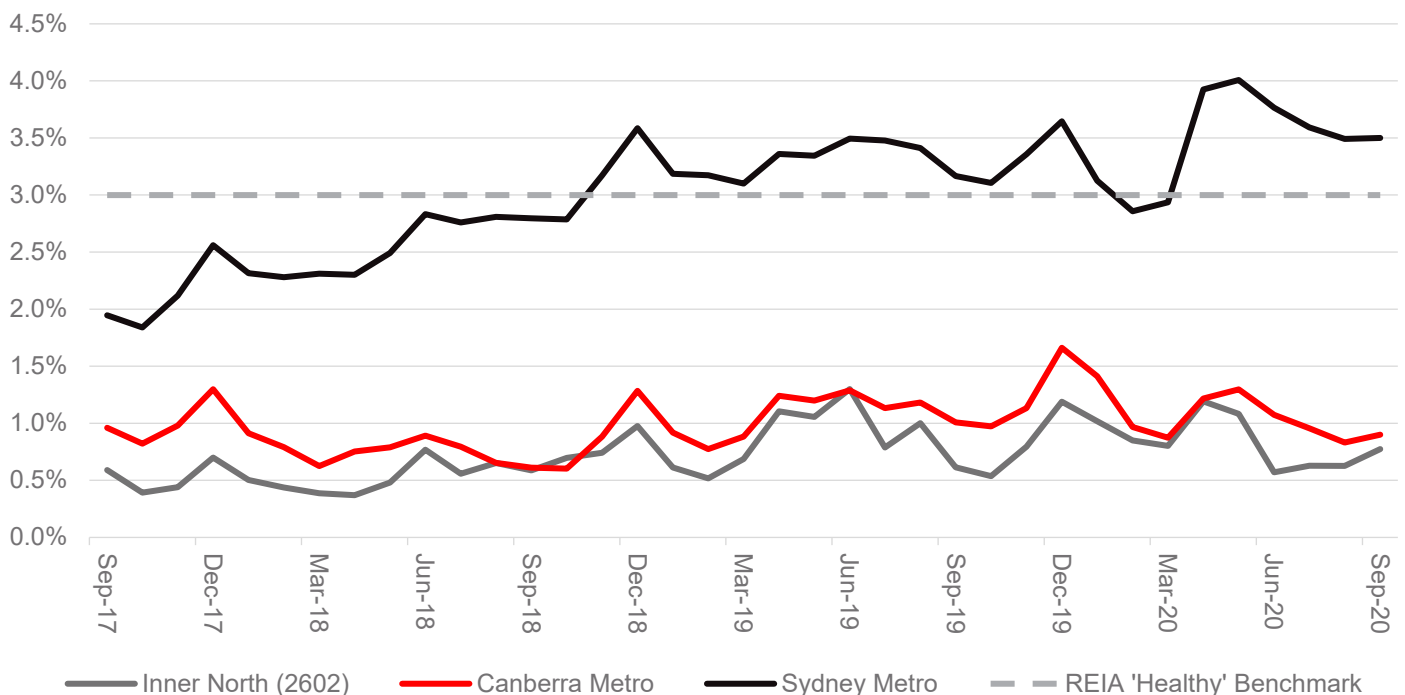
In September 2020, the average house rental yield in the Inner North[‡] was recorded at 4.7%. In the 12 months to Q3 2020, the median house rental price has increased to \$620 per week, while average days on the market declined by -16.0% (to 21 days). Overall, this suggests the Inner North[‡] has proven to have a resilient rental market throughout COVID-19.

4+ bedroom houses have provided investors with +0.7% rental growth annually, with a median rent of \$680 per week.

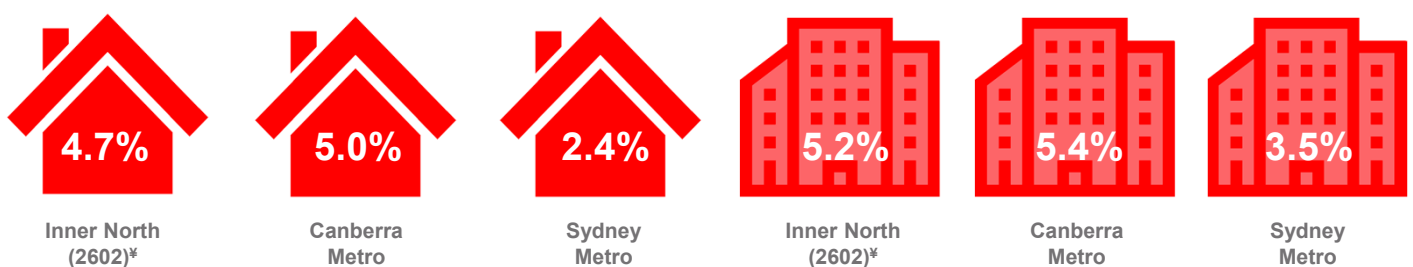
Also in September 2020, the Inner North[‡] recorded an extremely low vacancy rate of just 0.8%, below that of Canberra Metro (0.9%) and well below Sydney Metro (3.5%). Vacancy rates in the Inner North[‡] has declined since the height of COVID-19 in March 2020, while also remaining well below the Real Estate Institute of Australia's healthy benchmark of 3.0% throughout this period. This confirms there is strong rental demand, which is good news for investors.



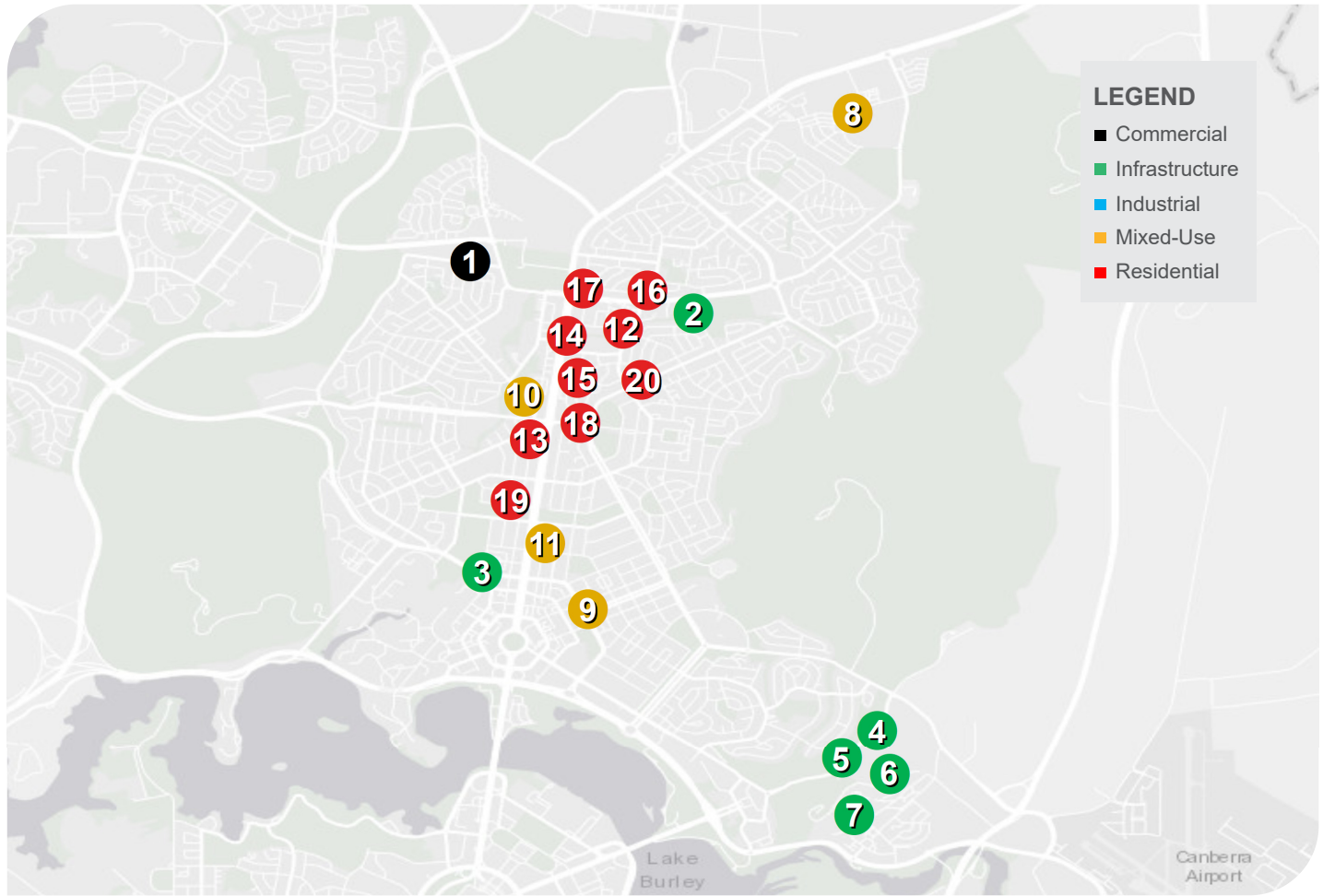
RENTAL VACANCY RATES 2020



RENTAL YIELD 2020\$



PROJECT DEVELOPMENT MAP 2ND HALF 2020*



Location	Project [£]	Type	Estimated Value ^µ	Commence Date ^ψ
1	El-Alamein Independent Living Units	Commercial	\$1,500,000	15/08/2020
2	Common Ground Dickson	Infrastructure	\$4,000,000	16/12/2020
3	City West Bus Layover	Infrastructure	\$3,500,000	11/11/2020
4	Australian Defence Force Academy (ADFA)	Infrastructure	\$1,200,000	03/10/2020
5	Australian Defence Force Academy (ADFA)	Infrastructure	\$1,100,000	14/09/2020
6	Australian Defence Force Academy	Infrastructure	\$1,000,000	03/10/2020
7	Duntroon House	Infrastructure	\$1,000,000	26/10/2020
8	Watson Development – Norrebro (186 Apartments, 134 Townhouses)	Mixed-Use	\$74,200,000	05/10/2020
9	Founders Lane (254 Apartments)	Mixed-Use	\$42,841,000	23/11/2020
10	Midtown (81 Apartments)	Mixed-Use	\$9,852,000	04/12/2020
11	Mort Street Mixed Use Development - M42 (68 Units)	Mixed-Use	\$2,866,000	18/12/2020
12	Morphett Street Apartments (21 Apartments)	Residential	\$8,298,000	19/10/2020
13	David & Forbes Streets Townhouses – Tempus (19 Townhouses)	Residential	\$5,220,000	18/11/2020
14	Lowrie Street Townhouses - Olsen Row (12 Townhouses)	Residential	\$4,200,000	21/09/2020
15	Lowrie & Moncrieff Streets Townhouses – Onyx (14 Townhouses)	Residential	\$3,899,000	10/09/2020
16	Blacket Street Apartments (5 Apartments)	Residential	\$2,056,000	29/12/2020
17	Blacket Street Dwellings (5 Dwellings)	Residential	\$1,964,000	06/09/2020
18	Dickson Avenue Dwellings (8 Dwellings)	Residential	\$1,934,000	30/09/2020
19	Macleay Street Dwellings (5 Dwellings)	Residential	\$1,140,000	20/11/2020
20	Hope Street Dwellings (3 Dwellings)	Residential	\$890,000	12/07/2020

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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REFERENCES

* 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.

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.

¥ Inner North market data encapsulates aggregate property conditions within the postcode of 2602.

§ 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 postcodes of 2602 and 2612.

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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