

Tannum Sands Market Update 2nd Half 2020



OVERVIEW

In Q3 2020, Tannum Sands* recorded a median house price of \$350,000, and a median unit price of \$200,000. This represents annual (Q3 2019 – Q3 2020) median price softening of -4.1% for house, however a 3.1% strengthening for units. House sales between Q3 2019 – Q3 2020 declined by -10.7% (to 25 sales), however demand for units have picked up, recording 6 sales in Q3 2020. Overall the property market in Tannum Sands* remained resilient amidst COVID-19, with real capital growth for units. A softer median house price indicates a more affordable market for first home buyers.

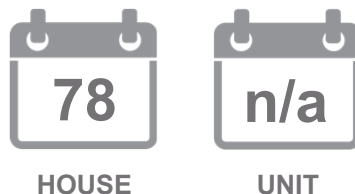
	CHANGE FROM LAST	YEAR	HALF YEAR
	House Sales	↓	↓
	House Median Price	↓	↑
	House Rental Price	↑	↑
	Unit Sales	↑	↑
	Unit Median Price	↑	↑
	Unit Rental Price	↑	↑

MARKET CONDITIONS

SALES MEDIAN PRICE Q3 2020



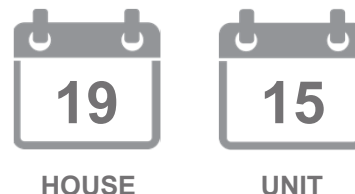
SALES AVERAGE DAYS ON MARKET Q3 2020



RENTAL MEDIAN PRICE Q3 2020

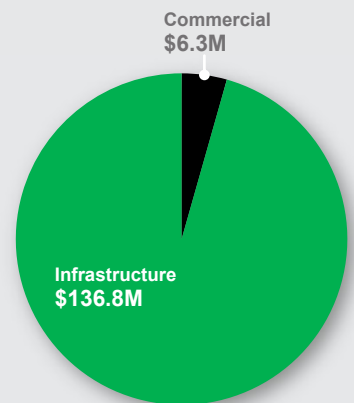


RENTAL AVERAGE DAYS ON MARKET Q3 2020



FUTURE DEVELOPMENTS

The Tannum Sands* area is set to see approximately **\$143.1M** worth of **new projects commencing in the 2nd half of 2020.**

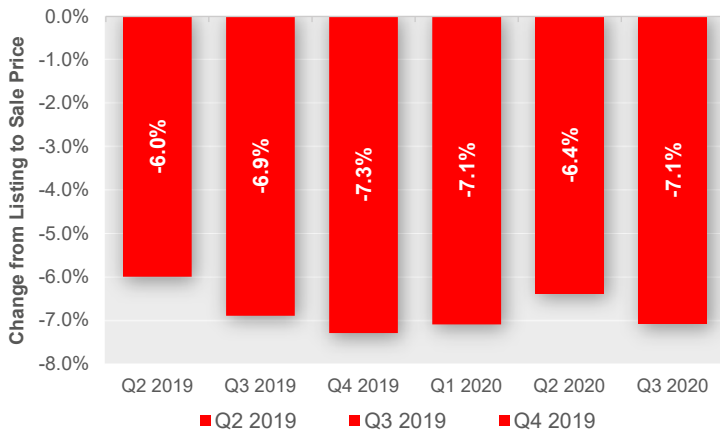


A focus on infrastructure and commercial projects is ideal for Tannum Sands*, as it signals new businesses and higher liveability. This has the potential to create more jobs, increase productivity and stimulate economic growth. An under supply of residential projects will continue to push up prices, particularly as there is higher demand in regional areas. This creates unique opportunities for both the local government and developers.

Key infrastructure projects in the 2nd half 2020 period include Central Queensland University School of Manufacturing at the Gladstone Marina campus (\$13.5M) and East Shires Parkland Sea side project (\$29.5M). The first project will construct a school of mining classroom facilities and workshops. The latter will extend the precinct to include a cruise ship terminal, an interpretative centre, waterfront café, and amphitheatre. These projects will invite a diverse demographics into the area and create employment opportunities. This will have a spill-over effect to the property market, in the form of higher demand for housing. With the absence in residential projects there is a potential undersupply and higher prices in the near future.

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.



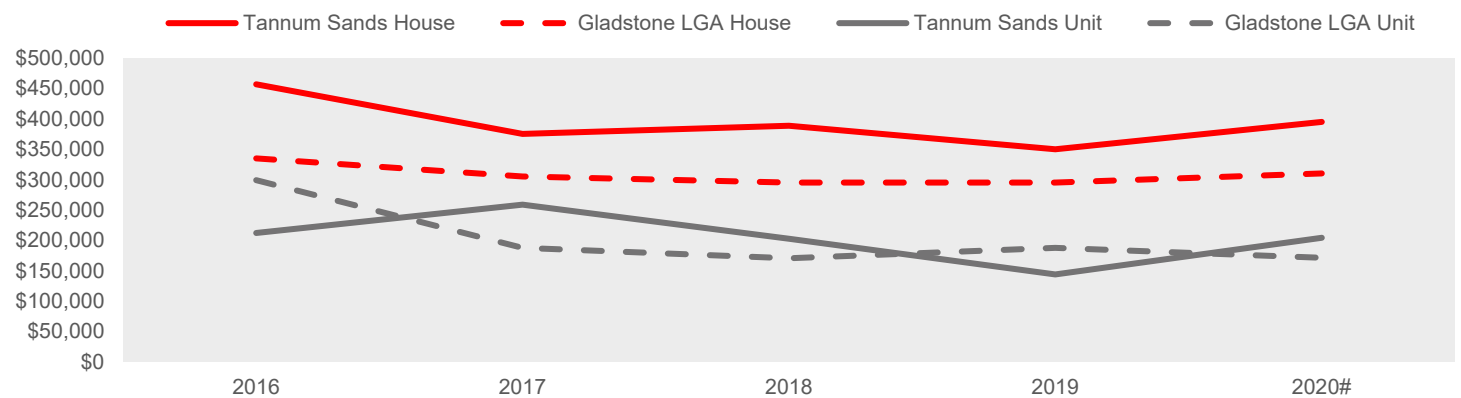
KEY COMMENTS

In the 12 months to Q3 2020, average vendor discount has slightly widened for houses, to -7.1%. This indicates that current market conditions in Tannum Sands* provide unique opportunities for buyers, as they can benefit from greater discounts. Now is the time to enter the market.

Over the past 5 years to 2020#, the suburb of Tannum Sands has outperformed the Gladstone Local Government Area (LGA) area regarding property prices. Tannum Sands is a premium market compared to the LGA, with the expectation for more demand for housing.

The dominant proportion of houses sold in Tannum Sands* across 2020^ were in the lowest priced bracket of less than \$299K (31.7%). Units on the other hand saw an equal distribution (33.3%) between the premium priced bracket (\$225K and above) and the lowest price bracket (less than \$149K). This indicates there is a property for every budget in Tannum Sands*.

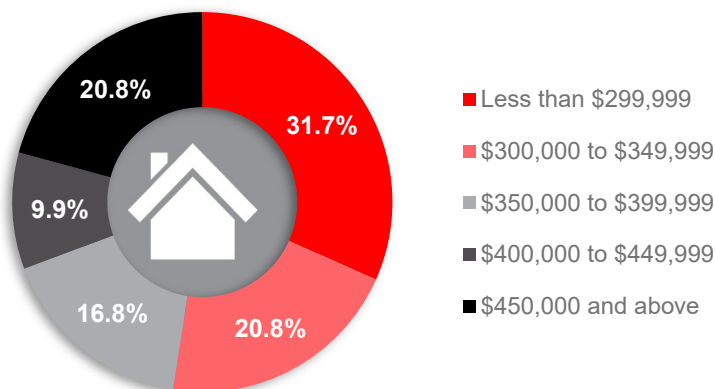
MARKET COMPARISON



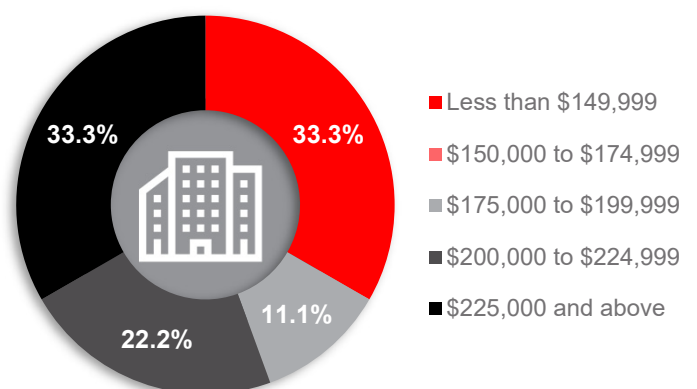
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled is chosen based on their proximity to the main suburb analysed, which is Tannum Sands.

PRICE BREAKDOWN 2020^

HOUSES SOLD



UNITS SOLD

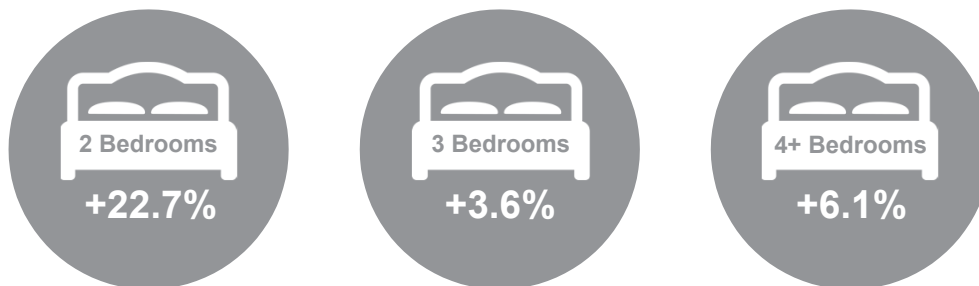


RENTAL GROWTH 2020€

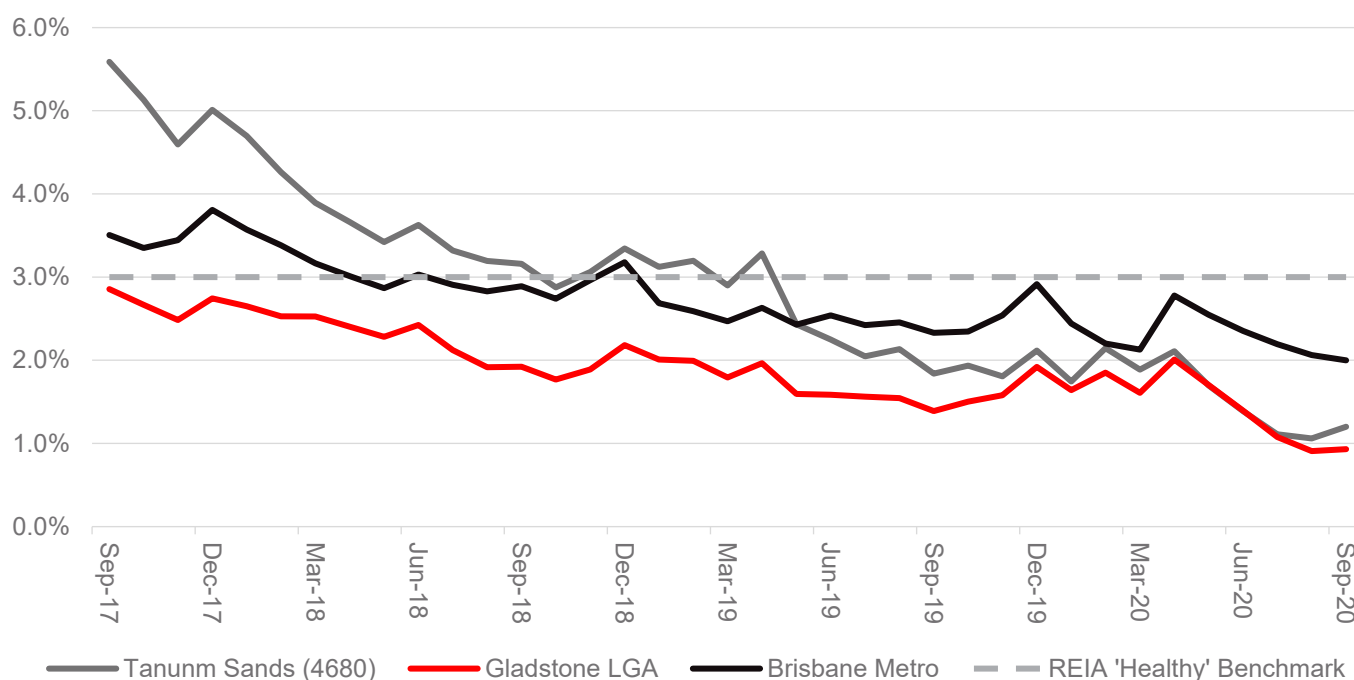
In September 2020, house rental yields in Tannum Sands[‡] were recorded at 4.7%. In the 12 months to Q3 2020, median house rental price grew exponentially by 9.4% to \$350 per week. This is also in conjunction with average days on the market declining by 17.4% (to 19 days). Overall this represents an extremely resilient rental market amidst COVID-19 conditions.

2 bedroom houses have provided investors with +22.7% rental growth annually, with a median rent of \$270 per week.

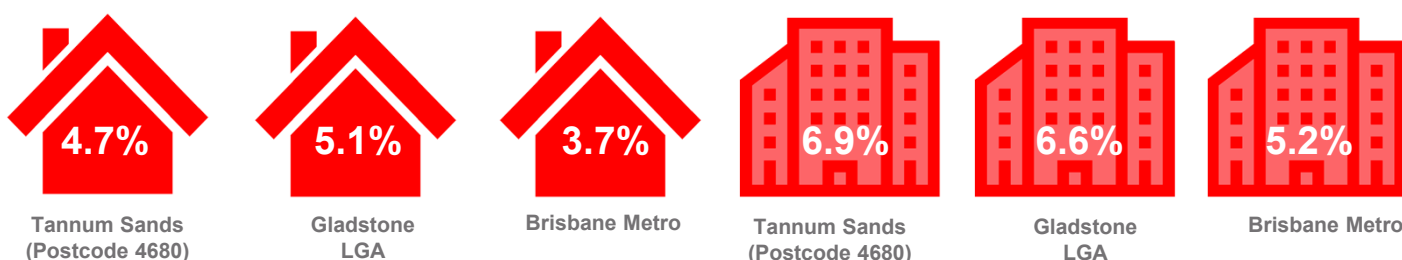
Also, in September 2020, Tannum Sands[‡] recorded a low vacancy rate of 1.2%, sitting well below that of Brisbane Metro (2.0%). Vacancy rates in Tannum Sands[‡] have significantly improved over the past 3 years, and is currently well below the Real Estate Institute of Australia's healthy benchmark of 3.0%, continuing to decline amidst COVID-19 conditions. This signals that there is an ongoing healthy rental demand in Tannum Sands[‡], which will significantly benefit investors.



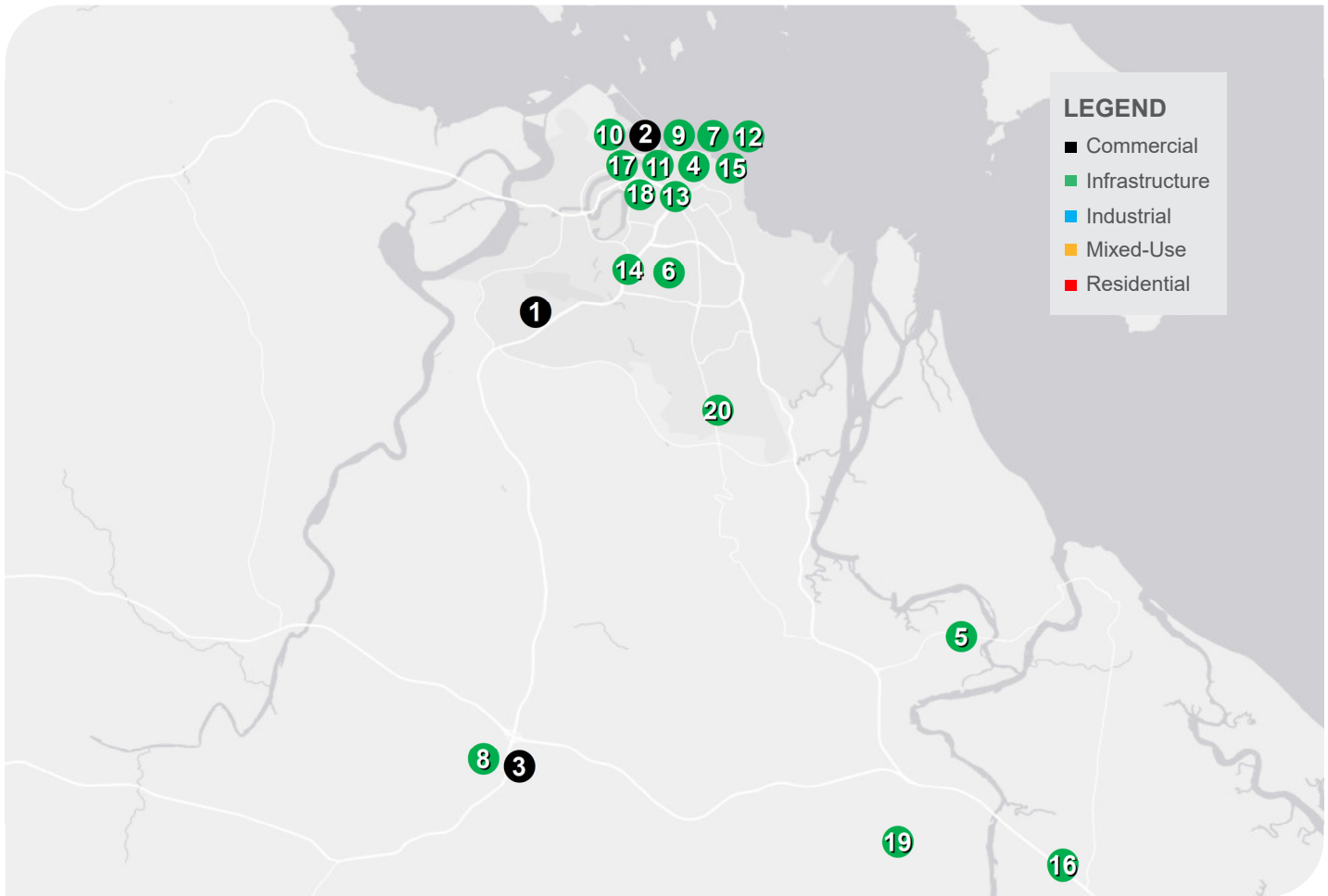
RENTAL VACANCY RATES 2020



RENTAL YIELD 2020\$



PROJECT DEVELOPMENT MAP 2nd HALF 2020[Ⓐ]



Location	Project [£]	Type	Estimated Value [Ⓜ]	Commence Date [Ⓜ]
1	St Johns Catholic Primary School	Commercial	\$3,000,000	06/11/2020
2	Central Lane Hotel	Commercial	\$2,500,000	16/10/2020
3	Stockland Gladstone Shopping Centre	Commercial	\$800,000	15/07/2020
4	East Shores Parkland Sea Side Project	Infrastructure	\$29,500,000	26/10/2020
5	Boyne River Bridge	Infrastructure	\$20,000,000	27/11/2020
6	Philip Street Gladstone - Beneraby	Infrastructure	\$20,000,000	05/08/2020
7	CQU School Of Manufacturing At The Gladstone Marina Campus	Infrastructure	\$13,500,000	12/10/2020
8	Bruce Highway Roadworks	Infrastructure	\$11,531,000	04/09/2020
9	Gladstone Port Master Plan	Infrastructure	\$10,000,000	31/10/2020
10	Red Rover & Meegan Roads Industrial Subdivision	Infrastructure	\$7,800,000	16/12/2020
11	Gladstone City Forecourt	Infrastructure	\$5,000,000	30/08/2020
12	Goondoon Street Refurbishment	Infrastructure	\$4,500,000	06/09/2020
13	Goondoon Street Streetscape Works	Infrastructure	\$3,500,000	21/09/2020
14	Philip Street Precinct Stage 1b - Double Proeject Please Refer To Project Id7492867	Infrastructure	\$3,000,000	24/08/2020
15	Gladstone Regional Council Microwave Communications Network	Infrastructure	\$2,960,000	12/08/2020
16	Benaraby Landfill	Infrastructure	\$1,500,000	09/11/2020
17	Gladstone Hospital	Infrastructure	\$1,250,000	14/12/2020
18	Gladstone City Council Parking Precinct Plan	Infrastructure	\$1,000,000	24/08/2020
19	Awoonga Dam Site	Infrastructure	\$1,000,000	14/11/2020
20	Auckland Hill Platform	Infrastructure	\$800,000	14/12/2020

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

*Tannum Sands market data and key indicators encapsulates aggregate property market conditions in Tannum Sands, Boyne Island, and Turkey Beach.

** 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.

¥ Tannum Sands market data encapsulates aggregate property conditions within Tannum Sands (4680).

§ 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 post code of 4680.

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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