

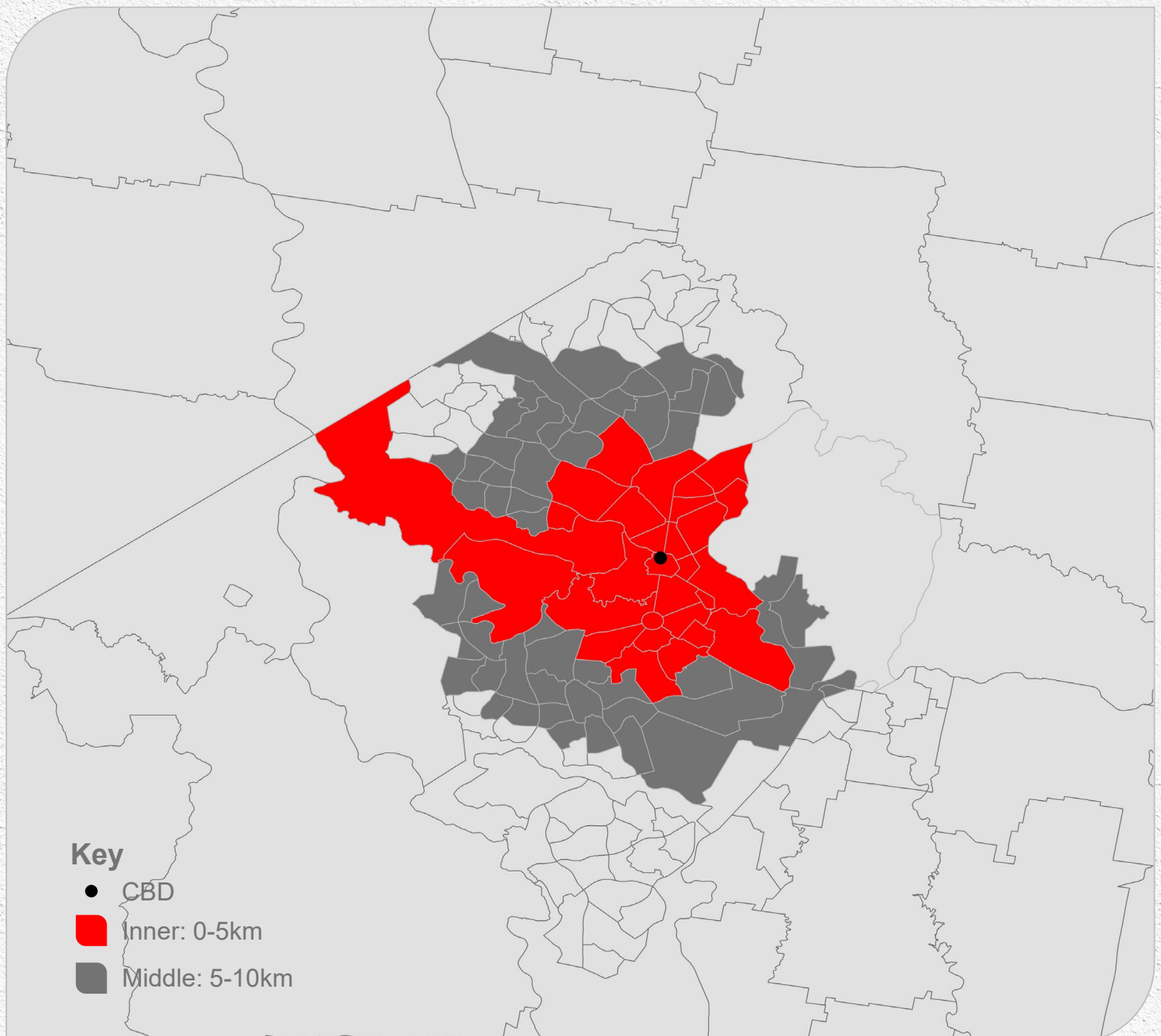
> Canberra | Major City Market Update

1st Half 2021

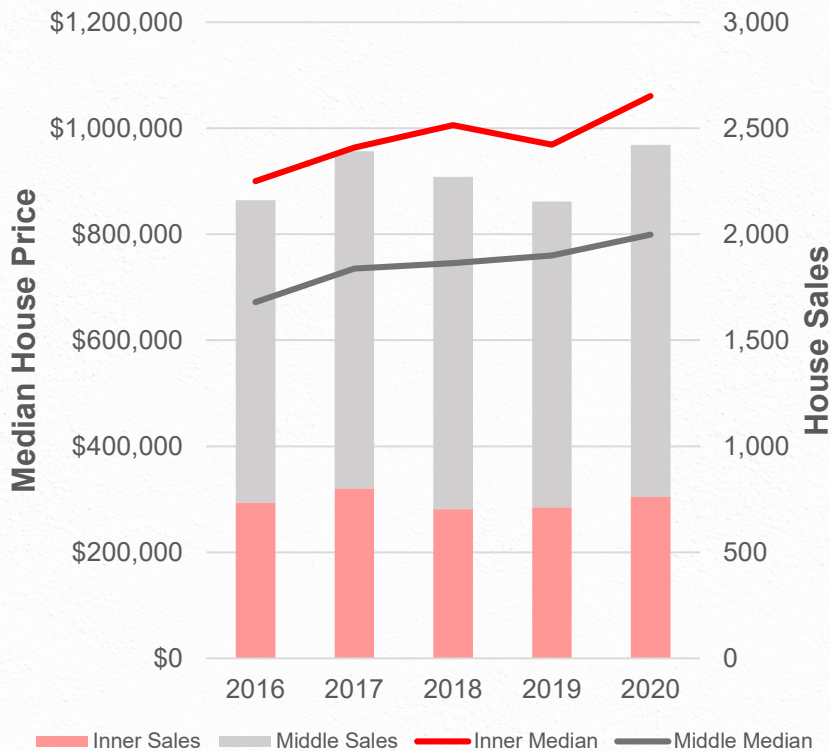
INTRODUCTION

A first of its kind, the *PRD Canberra Major City Market Update 1st Half 2021* is part of a series of reports which divides major cities into inner, middle, and outer-rings, allowing for an in-depth analysis of each specified market, whilst painting a holistic picture of property conditions in each area.

The Canberra market has reported continued strong price growth for houses and units in both rings over the past five years, with inner-ring houses proving to be a standout. Properties are now selling more quickly than pre-COVID-19, indicating strong buyer confidence which has translated into a swing towards average vendor premiums across most property types. Very low vacancy rates and steadily increasing rent continue to be a feature also, highlighting Canberra's ongoing strength to investors.



CANBERRA HOUSE SALES 2016-20



2020 Median Sale Price

- Inner: \$1,060,500
- Middle: \$799,250

2016-20 Price Growth

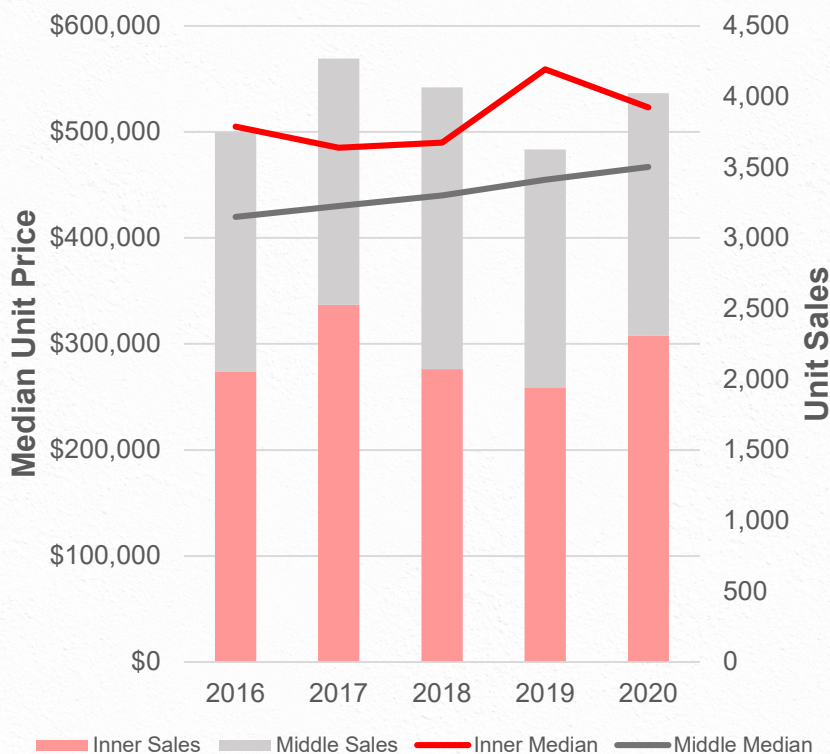
- Inner: +17.8% (+\$160,500)
- Middle: +35.9% (+\$127,700)

Key Comments

- Both Canberra's rings performed well in the past five years, showing solid growth in median house prices.
- The inner ring has again surpassed a \$1,000,000 median house price.

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CANBERRA UNIT SALES 2016-20



2020 Median Sale Price

- Inner: \$523,150
- Middle: \$467,000

2016-20 Price Growth

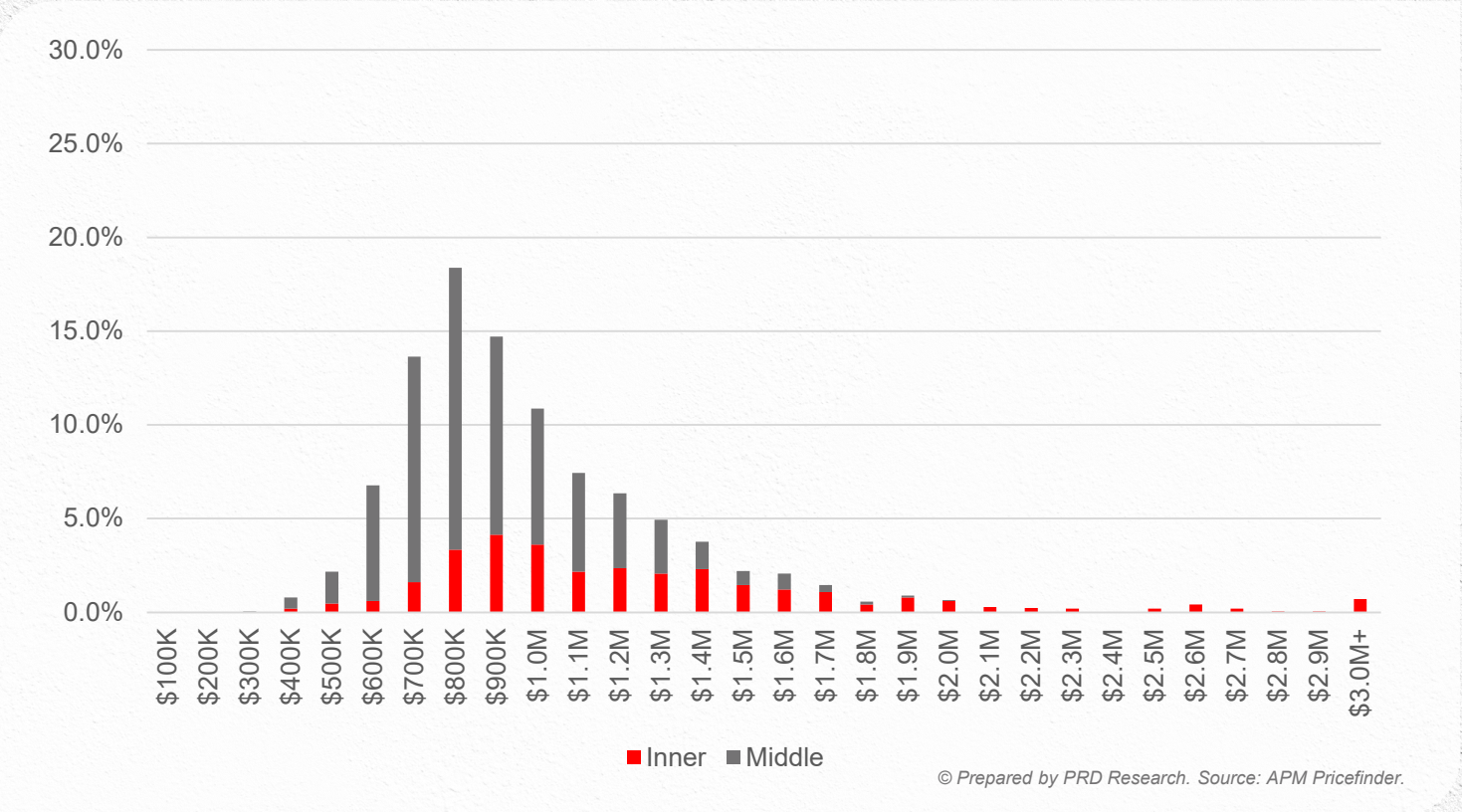
- Inner: 3.6% (+\$18,150)
- Middle: +11.2% (+\$47,000)

Key Comments

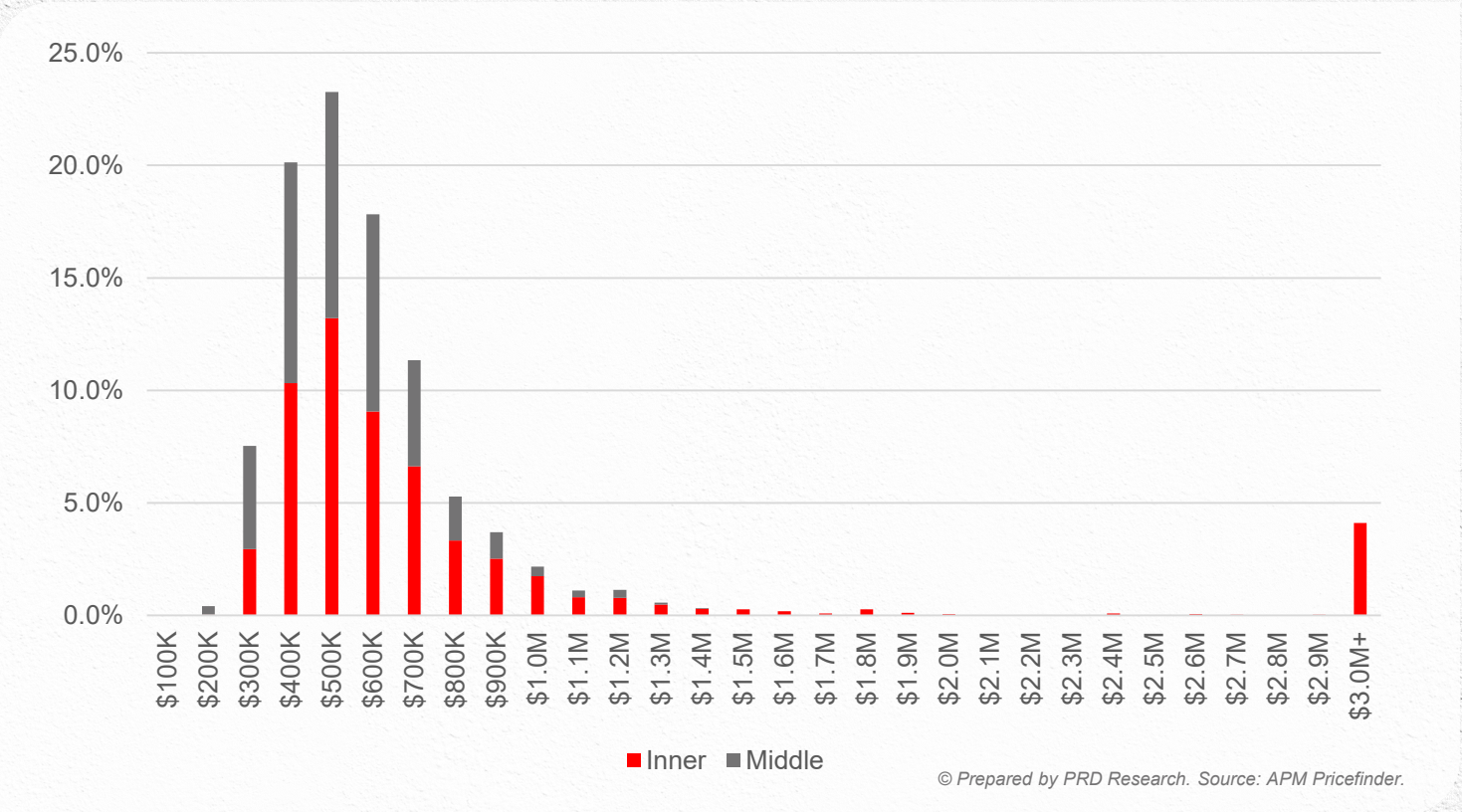
- Canberra's middle ring shows a less volatile growth pattern, while the inner ring has fluctuated since 2016.
- This is the case despite the inner ring accounting for a larger sales volume.

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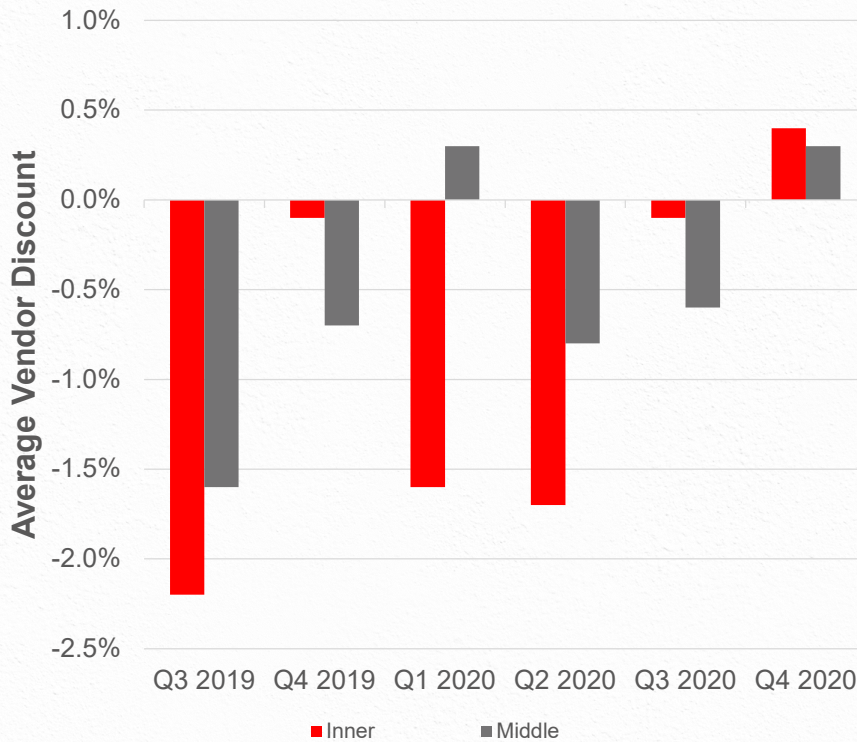
CANBERRA HOUSE SALES PRICE DISTRIBUTION 2020



CANBERRA UNIT SALES PRICE DISTRIBUTION 2020



CANBERRA HOUSE AVERAGE VENDOR DISCOUNT



Q4 2020 Overview

- Inner: +0.4%
- Middle: +0.3%

What is Average Vendor Discount?

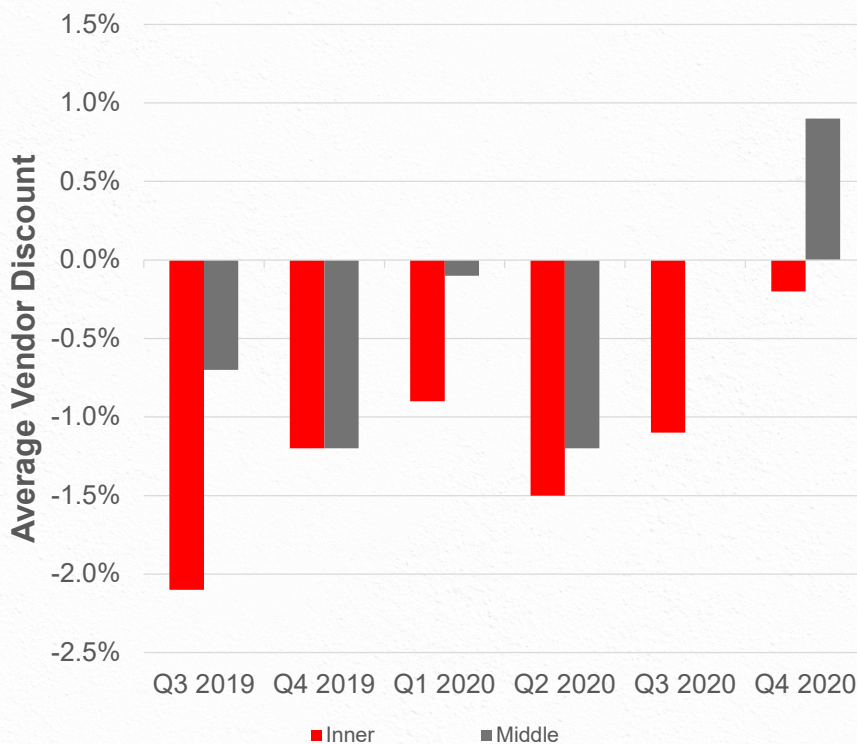
- The average percentage difference between the first list price and final sold price.

Key Comments

- The inner and middle rings swung to house average vendor premiums (rather than discounts) for the first time together in Q4 2020.
- Both rings have showed an improving trend over the past 18 months.

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CANBERRA UNIT AVERAGE VENDOR DISCOUNT



Q4 2020 Overview

- Inner: -0.2%
- Middle: +0.9%

What is Average Vendor Discount?

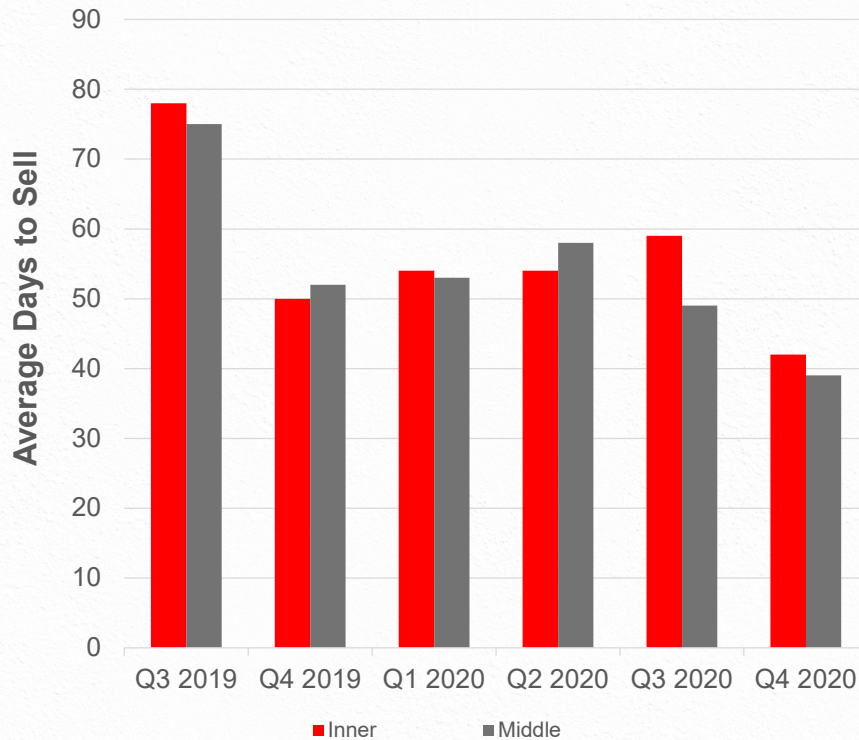
- A lower percentage difference (closer to 0.0%) suggests that buyers are willing to purchase closer to a property's initial asking price.

Key Comments

- A vendor premium in the middle ring indicates buyers are, on average, offering above initial listing prices.
- Both rings have showed an improving trend over the past 18 months.

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CANBERRA HOUSE AVERAGE DAYS TO SELL



Q4 2020 Overview

- Inner: 42 days
- Middle: 39 days

Why Average Days to Sell?

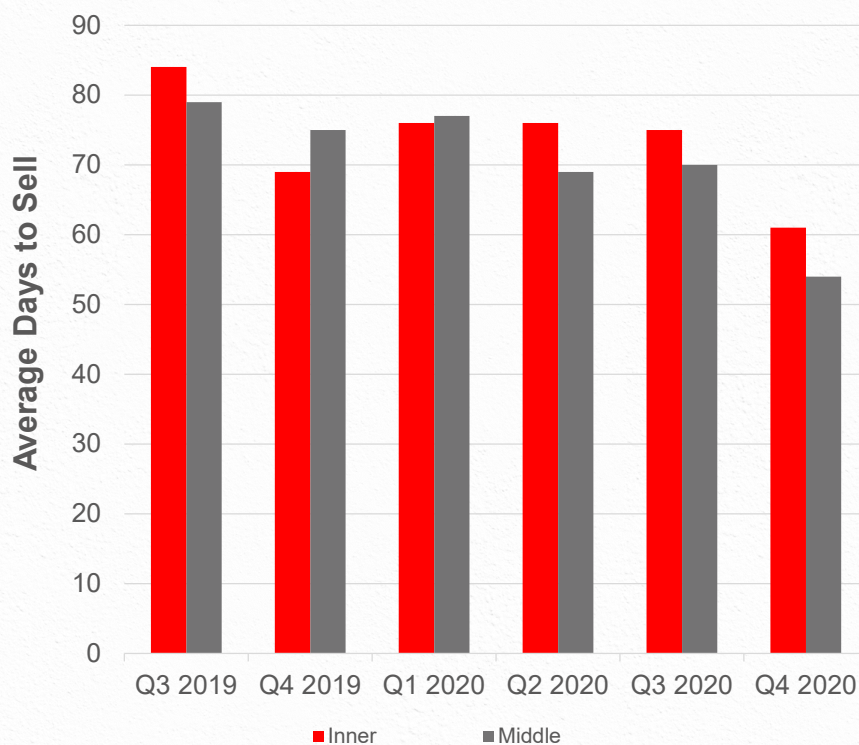
- The change in average days to sell a property is indicative of buyer demand.

Key Comments

- Both of Canberra's rings continue to perform similarly overall in the average days to sell a house.
- A declining trend since COVID-19 is also evident, despite an increase in overall sales activity across the rings.

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CANBERRA UNIT AVERAGE DAYS TO SELL



Q4 2020 Overview

- Inner: 61 days
- Middle: 54 days

Why Average Days to Sell?

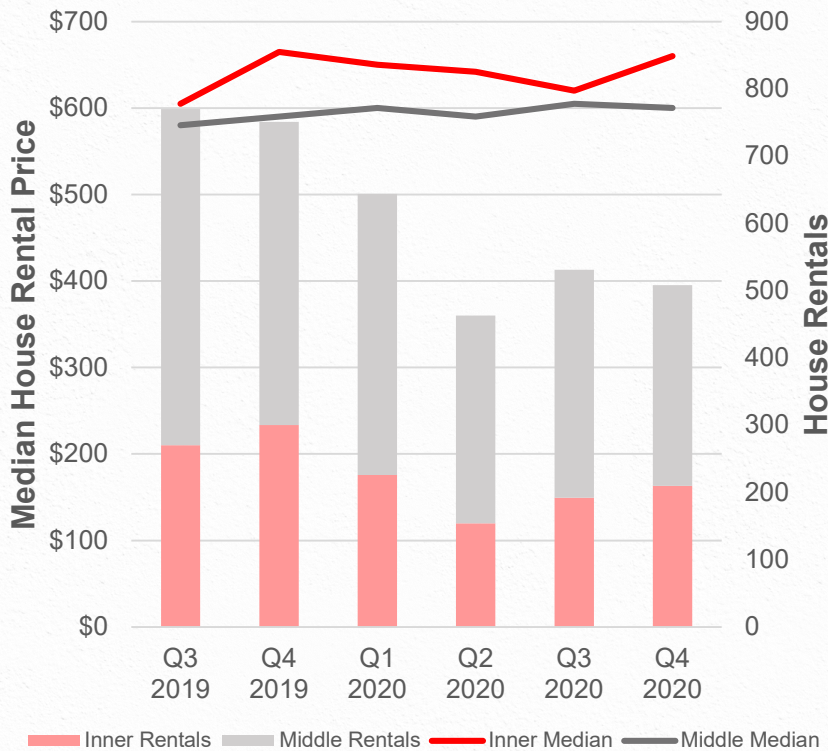
- A lower average number of days to sell a property reveals an increase in the willingness of buyers to purchase property more quickly.

Key Comments

- Units in middle Canberra continue to sell more quickly than inner ring stock since COVID-19's effect in Q2 2020.
- A steadily declining trend is apparent in both markets, suggesting increasing buyer appetite.

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CANBERRA HOUSE RENTALS



Q4 2020 Median Rental Price

- Inner: \$660 per week
- Middle: \$600 per week

Annual Price Growth*

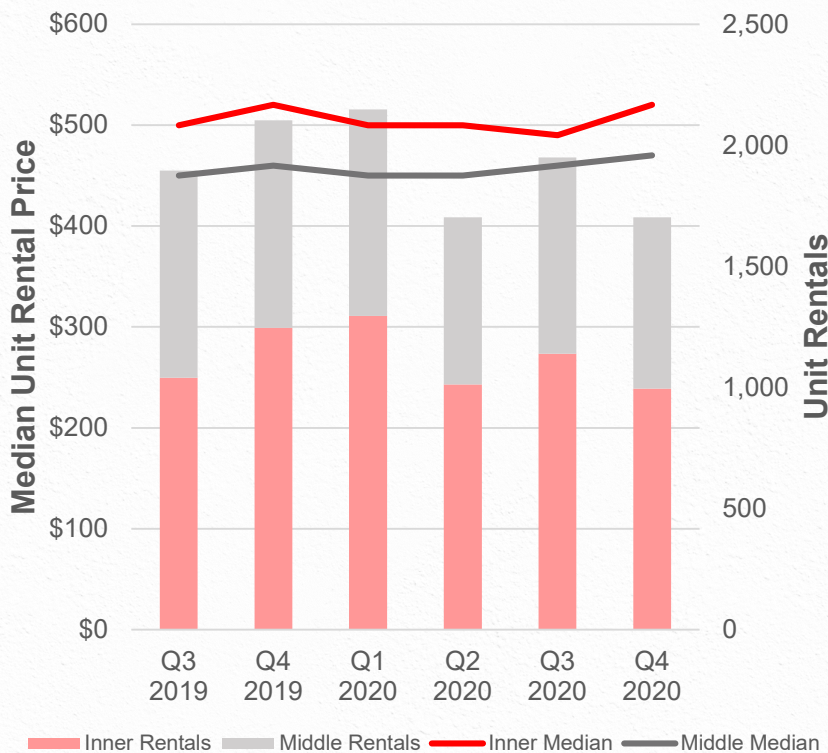
- Inner: -0.8% (-\$5 per week)
- Middle: +1.7% (+\$10 per week)

Key Comments

- Middle ring median rental prices have remained largely steady, overall increasingly slightly annually.
- Inner Canberra has seen an uptick since Q3 2020 in median house rental price. This has turned a trend of slow softening.

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CANBERRA UNIT RENTALS



Q4 2020 Median Rental Price

- Inner: \$520 per week
- Middle: \$470 per week

Annual Price Growth*

- Inner: +0.0% (+\$0 per week)
- Middle: +2.2% (+\$10 per week)

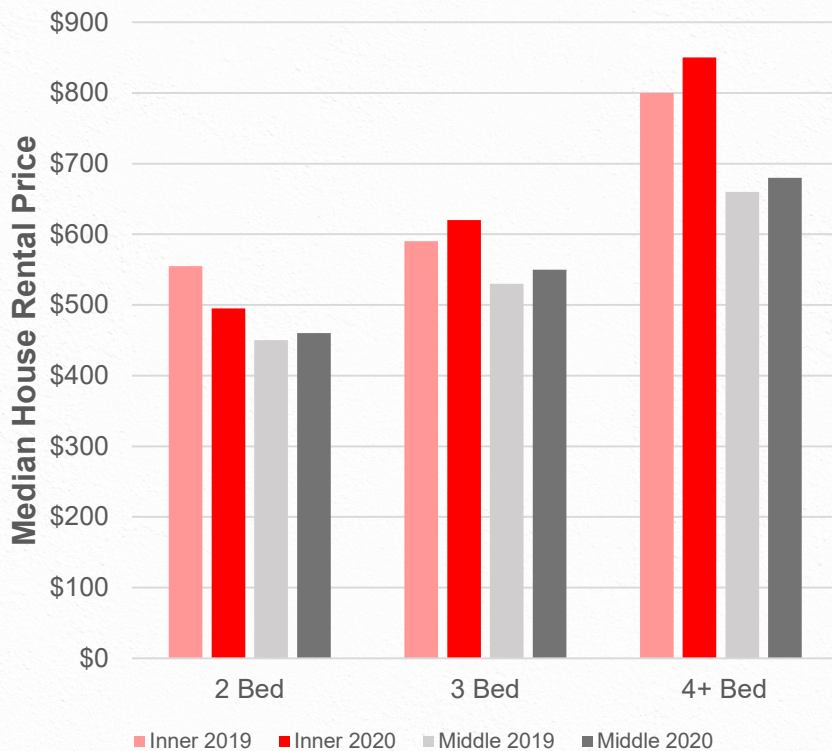
Key Comments

- Inner Canberra has seen an uptick from Q3 2020 in median unit rental price. This has reversed a trend of slow softening.
- A reduced supply of overall rentals may have helped cause this uptick.

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* Annual price growth is based on comparison between Q4 2019 and Q4 2020 figures.

CANBERRA HOUSE RENTAL PERFORMANCE 2019-20



2020 Median Rental Prices

2 Bedroom

- Inner: \$495 per week
- Middle: \$460 per week

3 Bedroom

- Inner: \$620 per week
- Middle: \$550 per week

4+ Bedroom

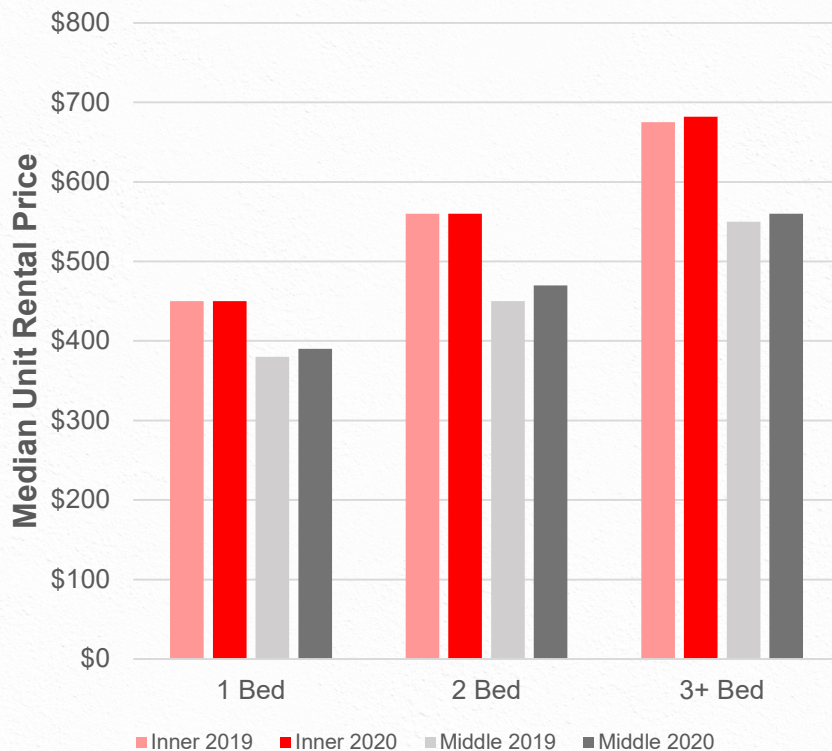
- Inner: \$850 per week
- Middle: \$680 per week

Key Comments

- Inner ring 4+ bedroom houses saw the largest increase annually, while also commanding the highest rental price.

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CANBERRA UNIT RENTAL PERFORMANCE 2019-20



2020 Median Rental Prices

1 Bedroom

- Inner: \$450 per week
- Middle: \$390 per week

2 Bedroom

- Inner: \$560 per week
- Middle: \$470 per week

3+ Bedroom

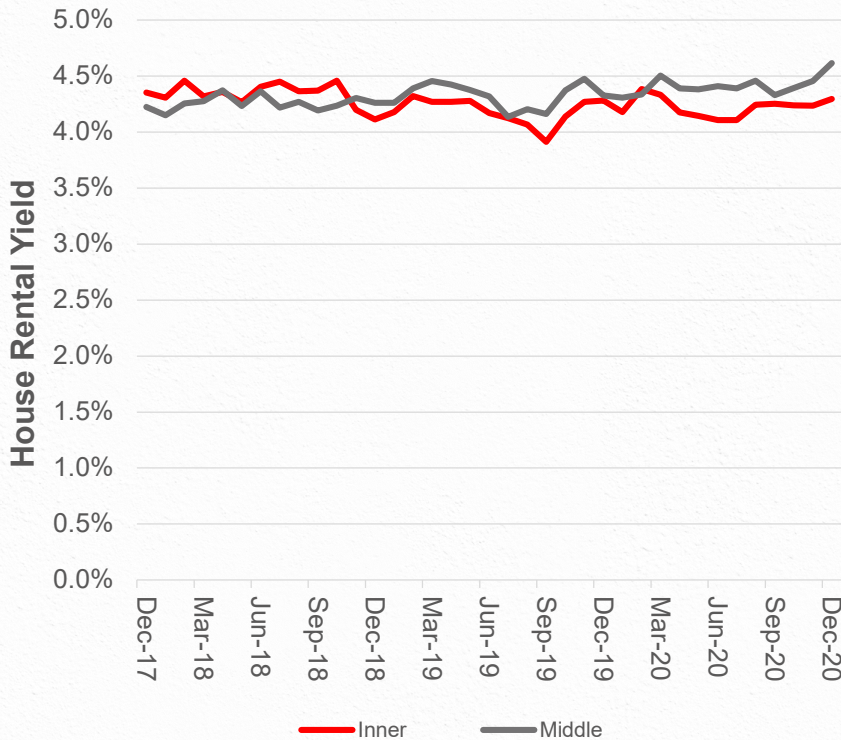
- Inner: \$682 per week
- Middle: \$560 per week

Key Comments

- Price growth is more apparent annually in middle Canberra than in the inner ring, with only 3+ bedroom units showing positive growth there.

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CANBERRA HOUSE AVERAGE RENTAL YIELD



Dec-20 Overview

- Inner: 4.3%
- Middle: 4.6%

Annual Change

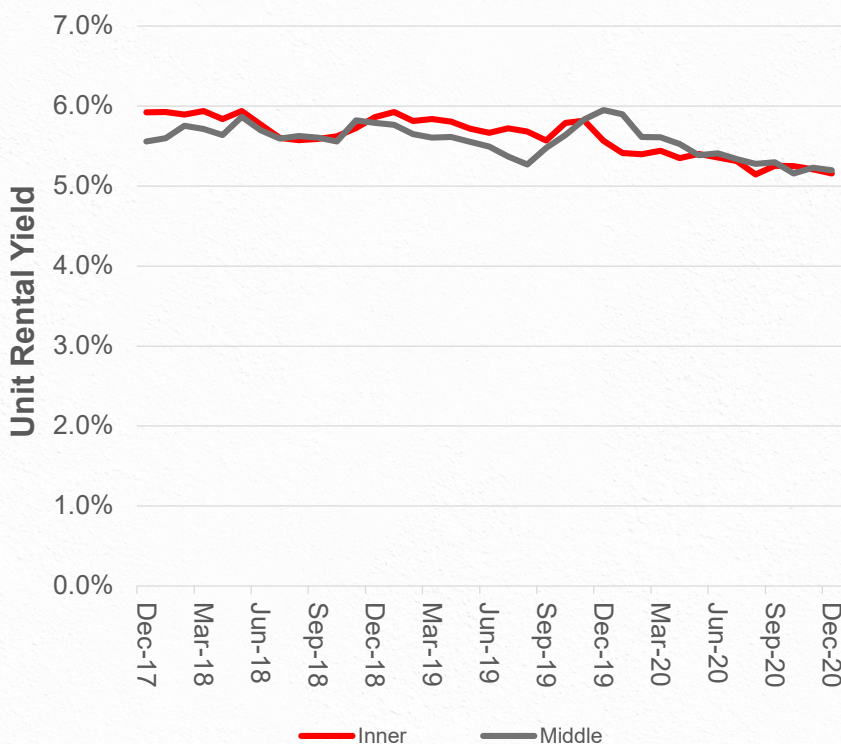
- Inner: +0.0%
- Middle: +0.3%

Key Comments

- Canberra's middle ring recorded a superior average rental yield for houses.
- This is a reversal of trend that began to appear throughout 2018 and 2019, and is now more firmly established.

© Prepared by PRD Research. Source: SQM Research.

CANBERRA UNIT AVERAGE RENTAL YIELD



Dec-20 Overview

- Inner: 5.2%
- Middle: 5.2%

Annual Change

- Inner: -0.4%
- Middle: -0.8%

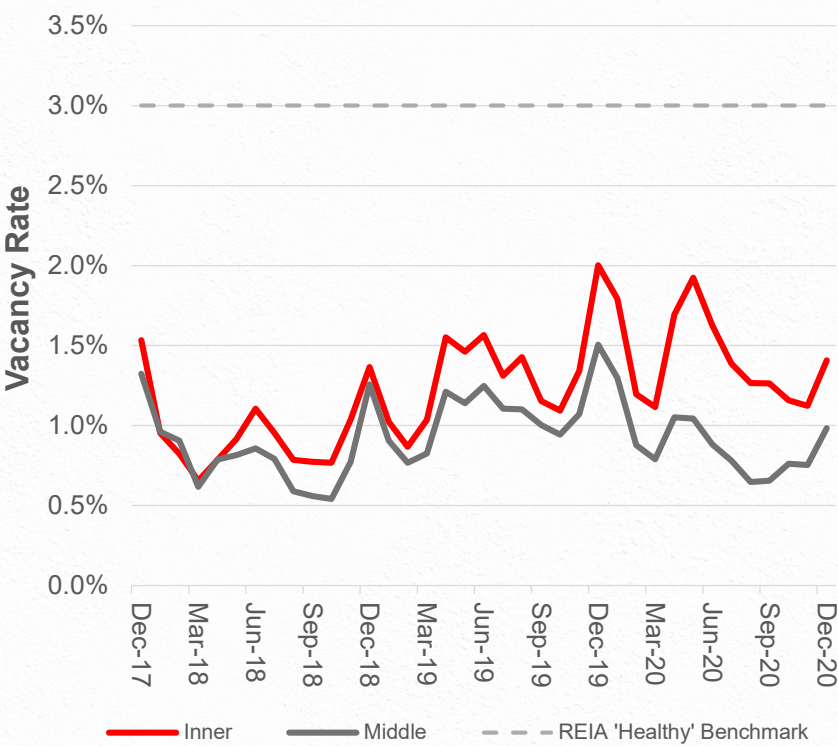
Key Comments

- Unit yields have continued to soften since early 2020, though their compression appears to be slowing.
- Units yields in Canberra's inner and middle rings continue to perform very closely to one another overall.

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CANBERRA VACANCY RATES



Dec-20 Overview

- Inner: 4.1%
- Middle: 1.0%

Annual Change

- Inner: -0.6%
- Middle: -0.5%

Key Comments

- Both rings' vacancy rates have seen a decline since the peak of COVID-19 in May 2020
- Middle ring vacancy rates remain below the inner ring overall.

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REFERENCES

Inner ring market data encapsulates aggregate property conditions within following suburbs:

Acton, Ainslie, Aranda, Barton, Braddon, Bruce, Campbell, Capital Hill, City, Deakin, Dickson, Downer, Forrest, Fyshwick, Griffith, Hackett, Kaleen, Kingston, Lyneham, O'Connor, Parkes, Red Hill, Reid, Russell, Turner, Watson, Yarralumla.

Middle ring market data encapsulates aggregate property conditions within following suburbs:

Beard, Belconnen, Canberra Airport, Chifley, Cook, Coombs, Crace, Curtin, Denman Prospect, Duffy, Evatt, Florey, Franklin, Garran, Giralang, Gungahlin, Harrison, Hawker, Higgins, Holder, Hughes, Isaacs, Lawson, Lyons, Macquarie, Mawson, McKellar, Melba, Mitchell, Molonglo, Narrabundah, Nicholls, O'Malley, Page, Palmerston, Pearce, Phillip, Pialligo, Scullin, Spence, Stirling, Symonston, Throsby, Waramanga, Weetangera, Weston, Wright.

Source: APM Pricerfinder, SQM Research, ESRI ArcGIS.

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PRD Research Division provides reliable, unbiased, and authoritative property research and consultancy to clients in metro and regional locations across Australia

Our extensive research capability and specialised approach ensures our clients can make the most informed and financially sound decisions about residential and commercial properties.

OUR KNOWLEDGE

Access to accurate and objective research is the foundation of all good property decisions.

As the first and only truly knowledge based property services company, PRD shares experience and knowledge to deliver innovative and effective solutions to our clients.

We have a unique approach that integrates people, experience, systems and technology to create meaningful business connections. We focus on understanding new issues impacting the property industry; such as the environment and sustainability, the economy, demographic and psychographic shifts, commercial and residential design; and forecast future implications around such issues based on historical data and fact.

OUR PEOPLE

Our research team is made up of highly qualified researchers who focus solely on property analysis.

Skilled in deriving macro and micro quantitative information from multiple credible sources, we partner with clients to provide strategic advice and direction regarding property and market performance. We have the added advantage of sourcing valuable and factual qualitative market research in order to ensure our solutions are the most well considered and financially viable.

Our experts are highly sought after consultants for both corporate and government bodies and their advice has helped steer the direction of a number of property developments and secured successful outcomes for our clients.

OUR SERVICES

Our research services span over every suburb, LGA, and state within Australia; captured in a variety of standard and customised products.

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.



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

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