



Affordable & Liveable Property Guide <

Adelaide Metro 1st Half 2021

METHODOLOGY

This affordable and liveable property guide for Adelaide Metro analyses all suburbs within a 20km radius of the Adelaide CBD. The following criteria were considered:

- **Property trends criteria** – all suburbs have a minimum of 20 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 2020/21*.
- **Investment criteria** – as of March 2021, suburbs considered will have an on-par or higher rental yield than Adelaide 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 South Australian (SA) average home loan, which was \$387,272** as of Q4 2020. Premiums of 14% for houses and 9% for units were added, which were below or on par to those required to reach Adelaide Metro's median prices (48% for houses and 9% for units). This places the chosen suburbs below Adelaide's median prices, meaning that the suburbs identified within this report are more affordable for buyers.
- **Development criteria** – suburbs identified must have a high total estimated value of future project development for the 1st half of 2021, as well as a higher proportion of infrastructure and commercial 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 South Australian average (as determined by the Department of Jobs and Small Business, December Quarter 2020 release).

RECENT TOP PERFORMERS

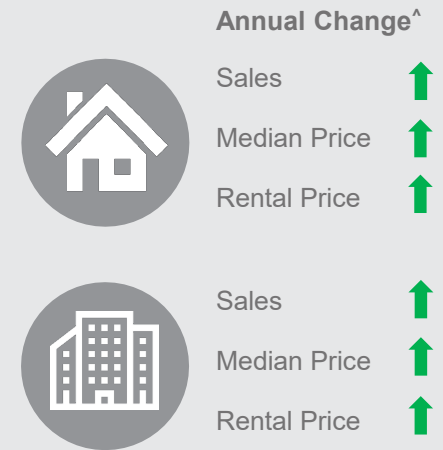
Area	Suburb	Type	Median Price 2019	Median Price 2020/21*	Price Growth	Projects 2021***
Inner	Walkerville	House	\$1,130,000	\$1,412,000	25.0%	\$5.4M
	Adelaide	Unit	\$483,250	\$524,000	8.6%	\$806.3M
North	Enfield	House	\$445,000	\$464,000	4.2%	\$58.3M
	Kilburn	Unit	\$295,000	\$327,000	11.0%	\$9.0M
South	Eden Hills	House	\$569,000	\$589,000	3.4%	\$2.5M
	Fullarton	Unit	\$446,000	\$450,000	1.0%	\$2.9M
East	Oaklands Park	House	\$497,000	\$520,000	4.6%	\$148.1M
	Oaklands Park	Unit	\$370,000	\$410,000	10.8%	\$148.1M
West	Hove	House	\$645,000	\$834,000	29.4%	\$201.0M
	Glenelg	Unit	\$562,000	\$608,000	8.1%	\$26.9M

OVERVIEW

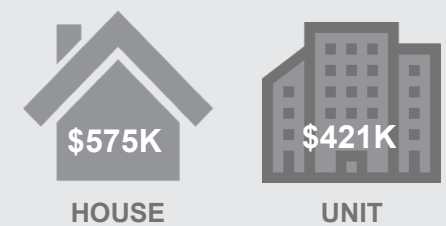
Median property prices in Adelaide Metro increased by 9.5% for houses to \$575,000 from Q1 2020 to Q1 2021*, and by 2.8% for units to \$421,000. Across the same period, total sales in Adelaide Metro increased by 23.0% (to 3,721 sales) for houses, and by 27.5% (to 1,952 sales) for units. Adelaide Metro's median price growth occurred amidst increased sales activity, which indicates real returns in capital investment, which should fuel owner occupier confidence. Furthermore, there is a decline in average days on the market of -14.6% (to 76 days), thus, confirming a highly demanded market. \$2.2B of development is estimated for the 1st half of 2021. A key focus on infrastructure projects will improve liveability for residents and create jobs in the construction phase, whilst commercial projects signal the creation of new businesses and a stronger economy. This will have a positive spill-over impact on the real estate market in the near future.

*Median price quoted captures sale transactions from 1st January 2020 to 31st March 2021, or Q1 2020 – Q1 2021. **Average home loan figure is derived from December 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 1st half of 2021 as stated by the relevant data authority. ^Annual Change is reflective of median price change from Q1 2020 to Q1 2021. Figures displayed in infographics are for the period Q1 2020. Source: APM Pricerfinder, REIA, SQM Research, Cordell Connect, Department of Jobs and Small Business. © PRD 2021.

ADELAIDE METRO



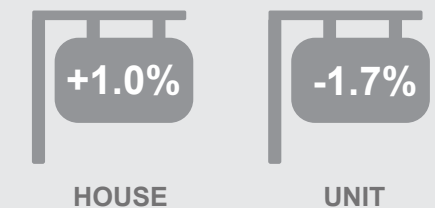
MEDIAN SALE PRICE



AVERAGE DAYS TO SELL



AVERAGE VENDOR DISC.



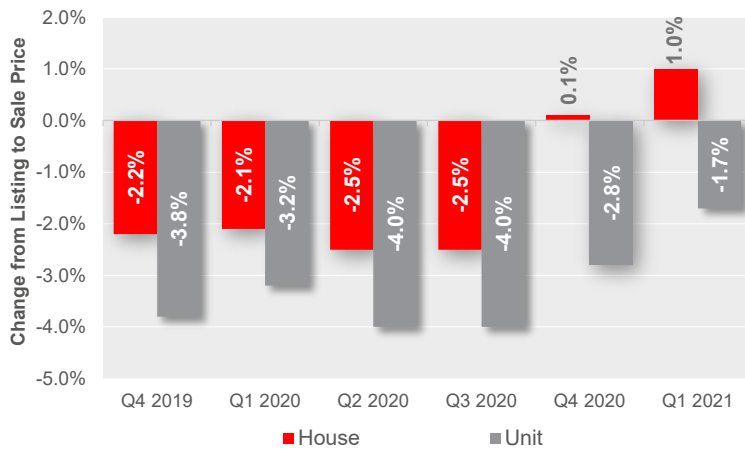
MEDIAN RENTAL PRICE



AVERAGE DAYS TO LET



AVERAGE VENDOR DISCOUNT

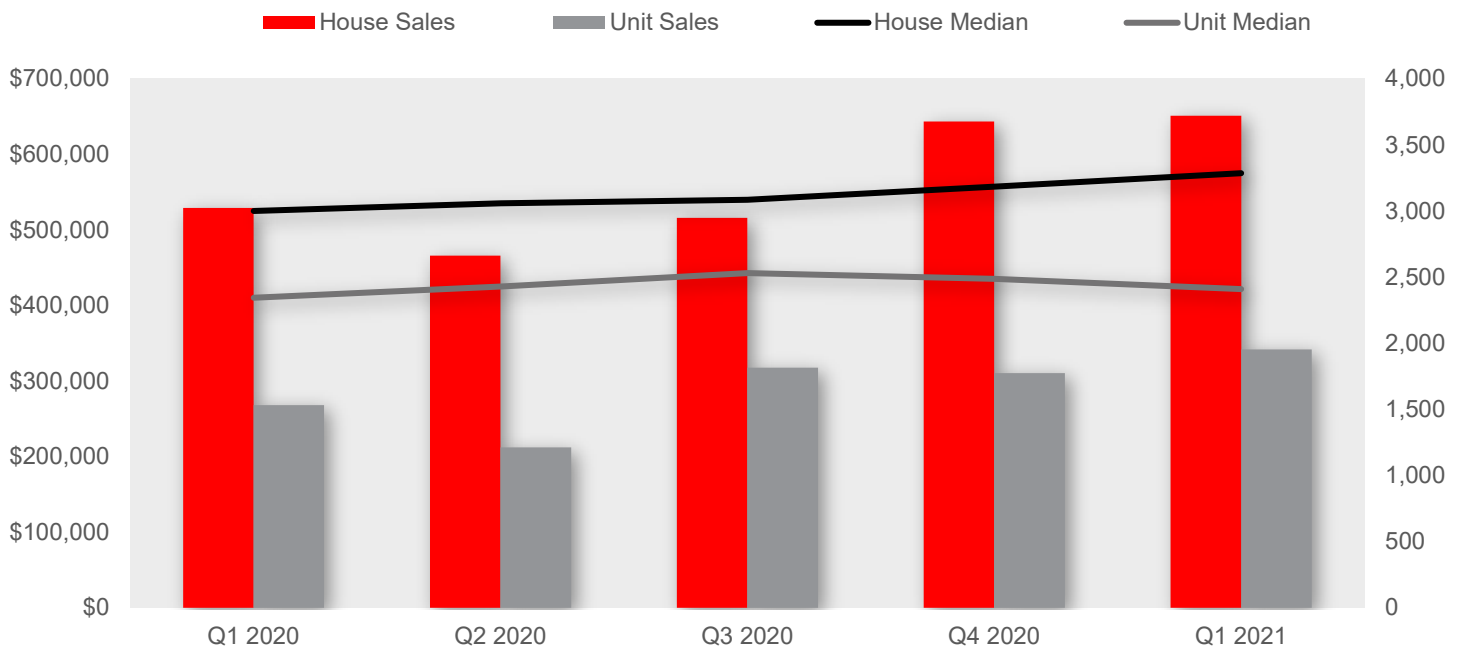


KEY COMMENTS

Average vendor discounts between Q1 2020 and Q1 2021 for houses have just swung to a premium of +1.0%, whereas units have tightened to -1.7%. Market conditions in Adelaide Metro have shifted to favour vendors as buyers are willing to offer above initial list prices. There is still available discounts for unit buyers, however time is limited in this fast-paced market.

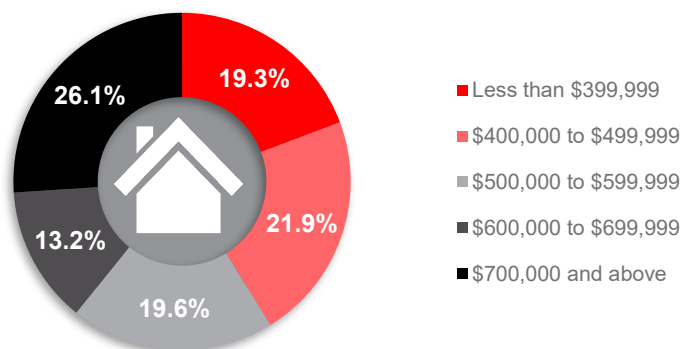
The dominant proportion of homes sold in Adelaide Metro across 2020/21# were in the premium price bracket of \$700,000 and above (26.1%). Units recorded a dominant lowest price bracket of less than \$399,999 (24.7%). There is a split market in both property types, with premium and lower end markets making up sales almost equally. Thus, there is a home for all budgets.

MARKET PERFORMANCE

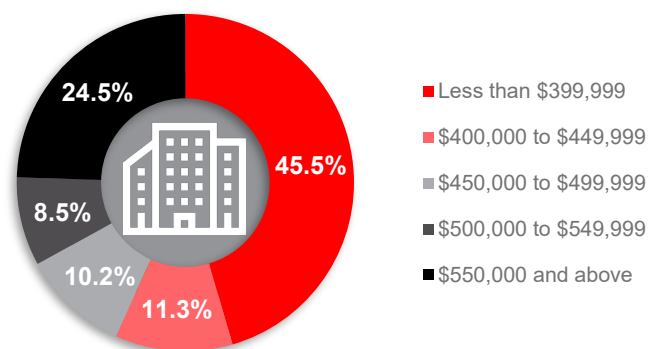


PRICE BREAKDOWN 2020/21#

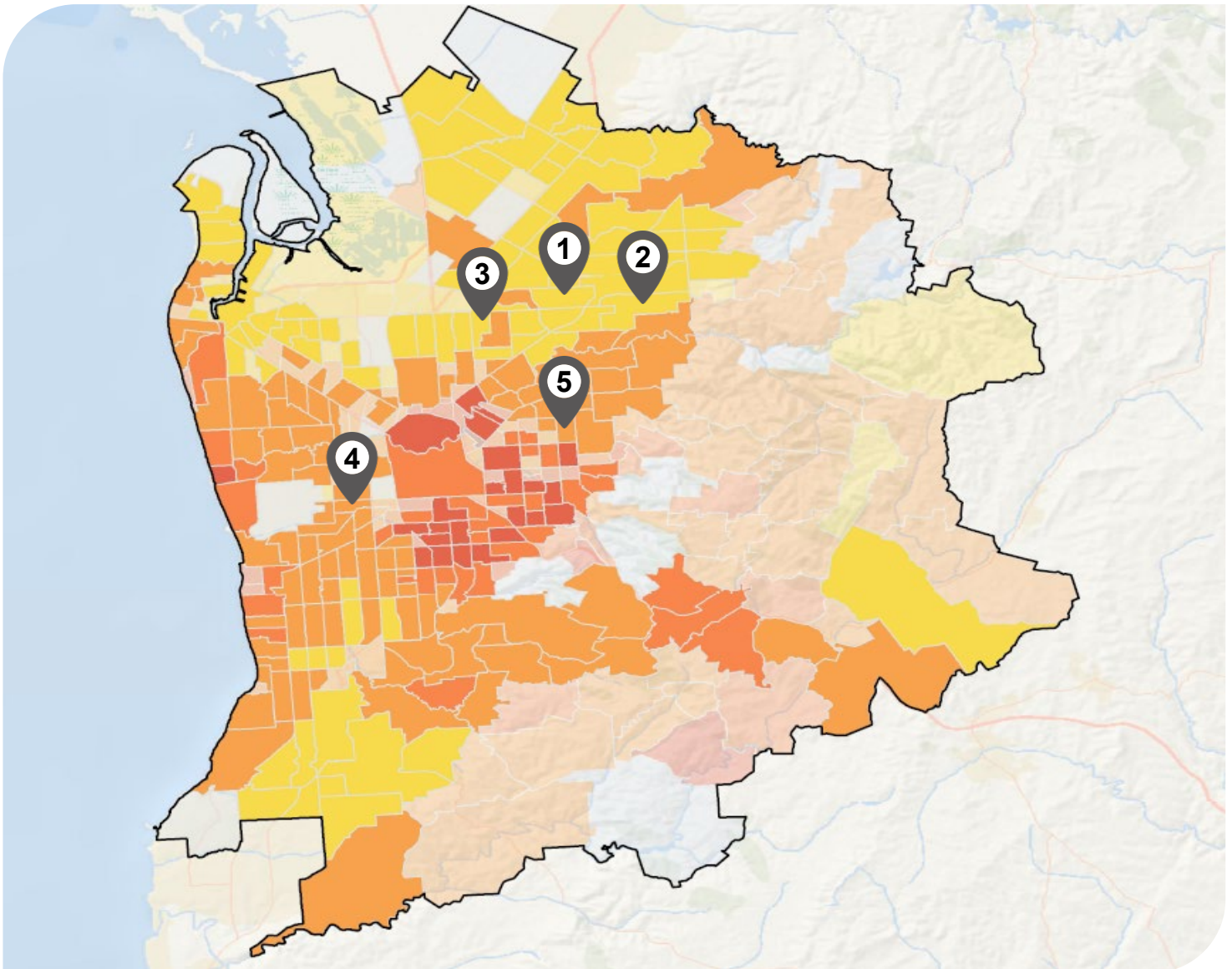
HOUSES SOLD



UNITS SOLD



ADELAIDE METRO MEDIAN HOUSE PRICE 2020/21* 20KM 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+

— 20km from CBD
 Translucent colours for <20 sales

ADELAIDE AFFORDABLE & LIVEABLE SUBURBS RENTAL YIELD

	Suburb	House		Suburb	Unit
1	Valley View	4.5%	2	Hope Valley	5.0%
2	Hope Valley	4.8%	4	Marleston	5.8%
3	Northfield	4.8%	5	Kensington Gardens	4.9%

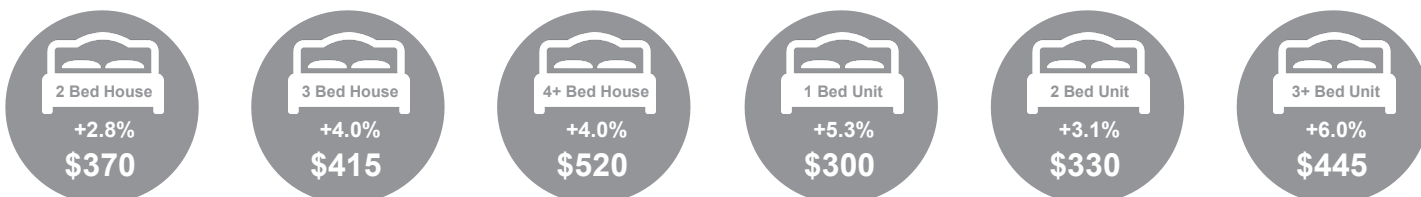
*House median price reflected in the heat-map captures sale transactions from 1st January 2021 to 31st March 2021.
 Source: APM Pricefinder, ESRI ArcGIS, SQM Research. © PRD 2021.

RENTAL GROWTH 2020/21€

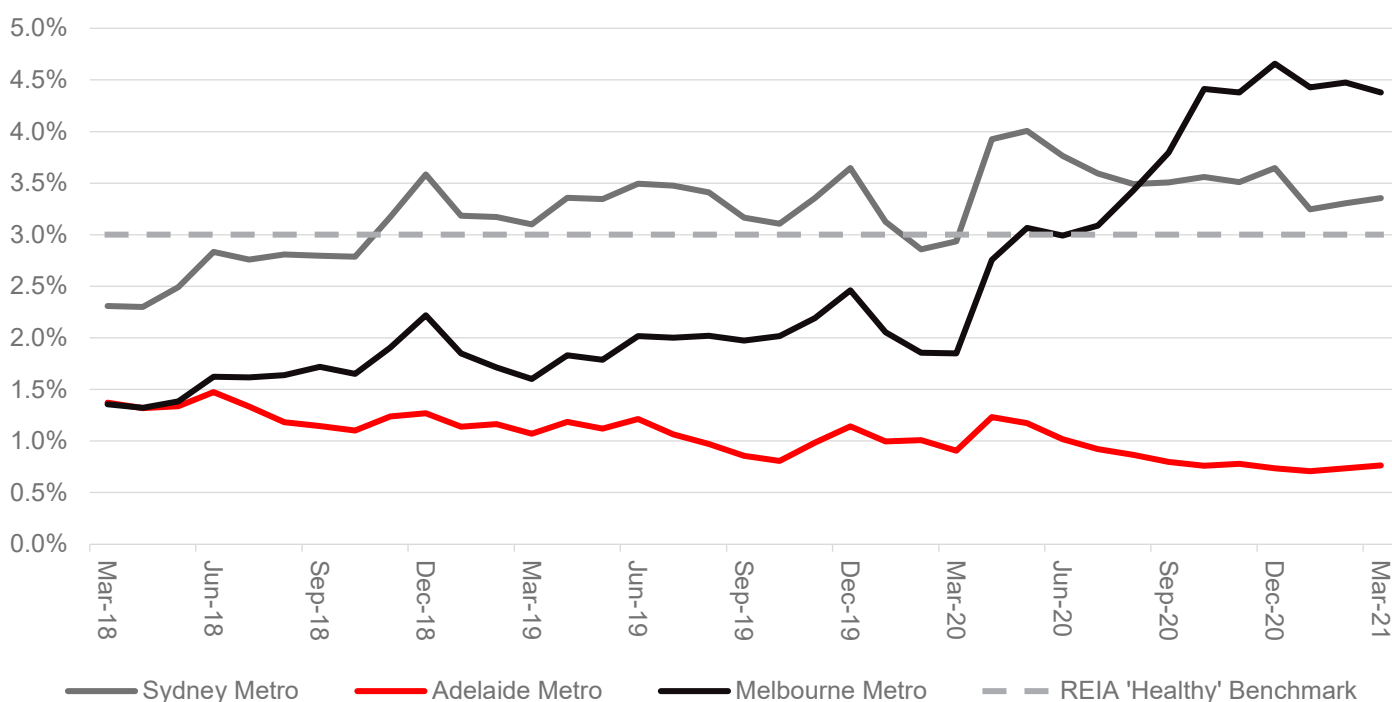
In March 2021, house rental yields in Adelaide Metro were recorded at an attractive 4.2%. In the 12 months to Q1 2021, the median house rental price increased by 10.0% to \$440 per week, which is further complemented with average days on the market declining by -17.4% (to 19 days). This indicates that the Adelaide Metro rental house market continue to present strong growth and resilience throughout COVID-19.

Three+ bedroom units recorded the highest annual rental growth (of +6.0%) to reach \$445 per week. This is in conjunction with the increase in the Adelaide Metro median unit rental price of 5.9% respectively. This is great news for unit investors, who might be concerned that unit stock is not being absorbed due to COVID-19 conditions.

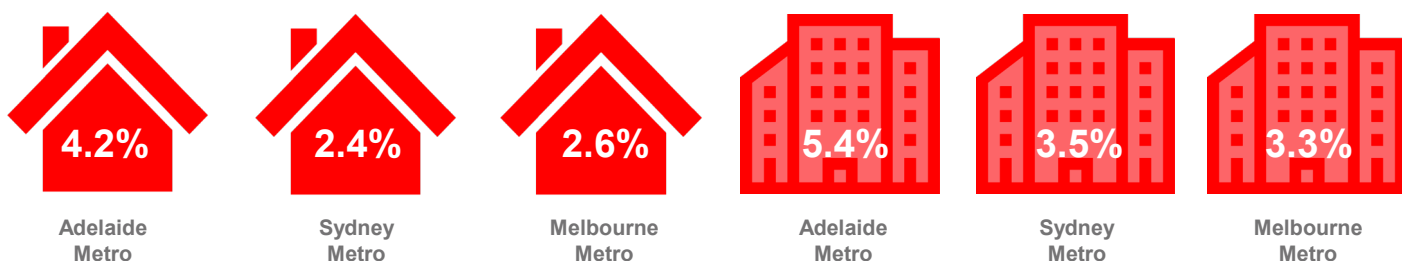
In March 2021, Adelaide Metro recorded a significantly low vacancy rate of 0.8%, well below that of Sydney Metro (3.4%) and Melbourne Metro (4.4%). Vacancy rates in Adelaide Metro remained well below the Real Estate Institute of Australia's healthy benchmark of 3.0%, even throughout COVID-19. Furthermore, Adelaide Metro's vacancy rates continued to decline since the peak of COVID-19 in April 2020, making Adelaide Metro an attractive alternative Metro area for investment.



RENTAL VACANCY RATES 2021



RENTAL YIELD 2021§



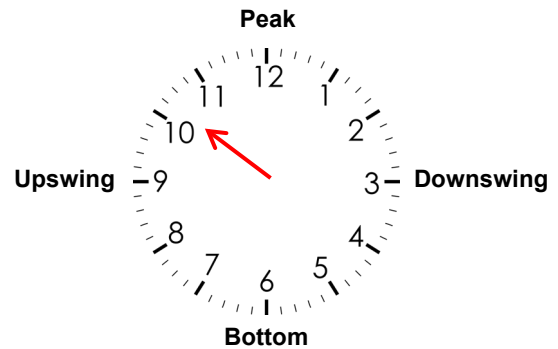
€ Annual rental growth is a comparison between 2019 and 2020/21 (01/01/2020 – 31/03/2021) house median rent figures.

§ Rental yields shown are as reported at March 2021.

Source: APM Pricerfinder, SQM Research. © Copyright PRD 2021.



PROPERTY CLOCK - HOUSES

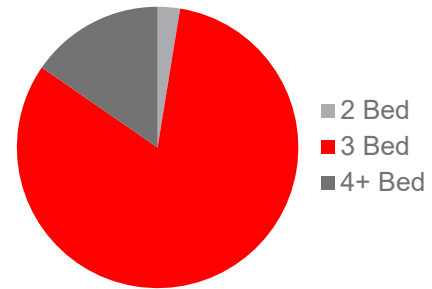
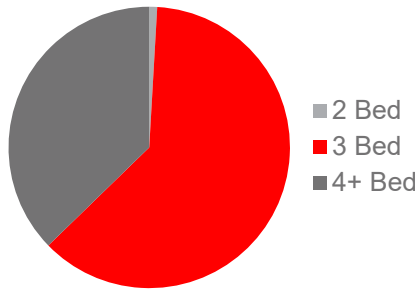
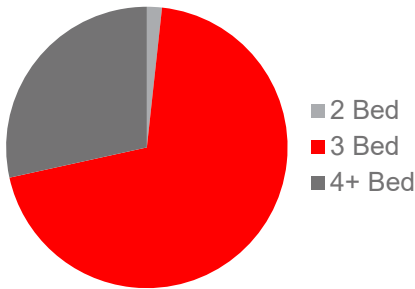


AFFORDABLE & LIVEABLE HOUSE SUBURBS

VALLEY VIEW 5093

HOPE VALLEY 5090

NORTH FIELD 5085



Located about **10.0km** from the Adelaide CBD.

- Median House Price **\$408,000**
- 2 Bed Median Price **\$402,000***
- 3 Bed Median Price **\$406,000**
- 4+ Bed Median Price **\$430,000**

Located North-East of Adelaide CBD, Valley View is the most affordable of the three affordable and liveable suburbs chosen. Investors are currently benefiting from above average rental yields of 4.5%, higher than Adelaide Metro (4.2%). Valley View recorded a low vacancy rate of 0.6%, below that of Adelaide Metro's (0.8%), indicating a healthier rental demand. Valley View is close to Tea Tree Plaza, Valley View State School, public transport and highways to Adelaide CBD. In the 1st half of 2021, \$3.8M[^] of development are planned with a focus on commercial projects. This creates more local employment, improving the current low unemployment rate of 5.7%. A positive spill-over impact will be in the form of higher real-estate demand.

Located about **11.0km** from the Adelaide CBD.

- Median House Price **\$435,000**
- 2 Bed Median Price **\$310,000***
- 3 Bed Median Price **\$400,000**
- 4+ Bed Median Price **\$520,000**

Hope Valley provides first home buyers with an attractive entry price, whilst also ensuring capital investment growth as median house prices grew by 7.0% from 2019 to 2020/21**. A house rental yield of 4.8% is attractive to investors, being above Adelaide Metro's benchmark of 4.2%. Vacancy rates were recorded at a low 0.3%, which indicates higher rental demand as it is lower than Adelaide Metro's 0.8%. \$4.0M[^] of project developments are planned in the 1st half of 2021, with a large focus in commercial projects. Grand Junction Road Retirement Village (\$2.5M) is a significant project that proposes 26 independent living units within the existing Retirement Village. This will create employment opportunities and attract a new demographic to the area.

Located about **8.0km** from the Adelaide CBD.

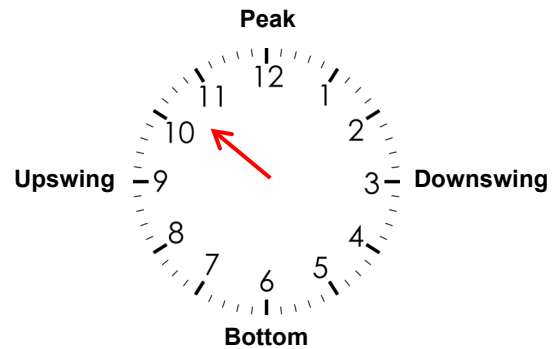
- Median House Price **\$440,000**
- 2 Bed Median Price **\$487,000***
- 3 Bed Median Price **\$428,000**
- 4+ Bed Median Price **\$497,000***

Northfield, north of Adelaide CBD, recorded median price growth of 1.3% from 2019 to 2020/21**. Northfield is classified as an excellent suburb to invest in as investors are currently benefiting from rental yields of 4.8%, above Adelaide Metro's 4.2%. This is combined with a low 0.5% vacancy rate, below Adelaide Metro's 0.8%. The 1st half of 2021 will see \$7.8M[^] of developments planned, with a focus on residential and commercial projects. This project mix will create both employment opportunities and innovative new housing stock in the area. 31 new dwellings and 13 lots are planned for the area, ideal for first home buyers looking to build their dream home through the multiple government incentives currently available.

[^]Quoted estimated values of projects are based on reported land/construction values as stated by the relevant data authority and do not signify their commercial/resale value. ^{*}Median price is quoted as an indication only due to having less than 20 sales transactions. ^{**}Median price growth quoted captures sale transactions from 1st January 2020 to 31st March 2021, or Q1 2020 – Q1 2021. APM Pricer, SQM Research, Cordell Connect, Department of Small Jobs and Business, Google Maps. © PRD 2021.



PROPERTY CLOCK - UNITS

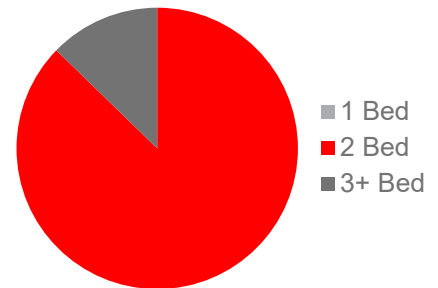
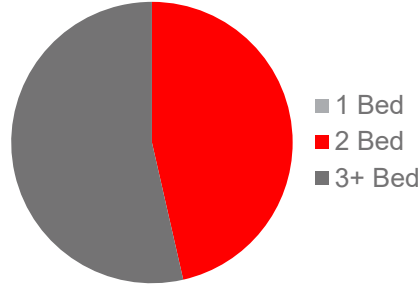
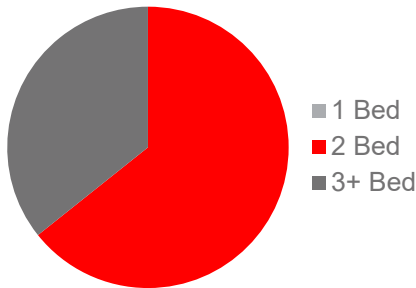


AFFORDABLE & LIVEABLE UNIT SUBURBS

HOPE VALLEY 5090

MARLESTON 5033

KENSINGTON GARDENS 5068



Located about **11.0km** from the Adelaide CBD.

- Median Unit Price **\$310,000**
- 1 Bed Median Price **N/A**
- 2 Bed Median Price **\$270,000**
- 3+ Bed Median Price **\$390,000***

Hope Valley recorded a unit rental yield of 5.0%, which despite it being slightly below that of Adelaide Metro's 5.4%, still creates a highly attractive investment opportunity due to it having the lowest price of entry out of the three affordable and liveable suburbs chosen. Further, Hope Valley recorded a median price growth of 3.3%** from 2019 to 2020/21, which suggests capital growth for current owner occupiers and future investors. Hope Valley is highly liveable as it is in proximity of Modbury Hospital, Tea Tree Plaza, public transport options, and highways connecting to Adelaide CBD. Approximately 9 new dwellings are planned for the 1st half of 2021, which considering the high level of current demand, indicates a potential undersupply in the future.

Located about **4.0km** from the Adelaide CBD.

- Median Unit Price **\$387,000**
- 1 Bed Median Price **N/A**
- 2 Bed Median Price **\$288,000***
- 3+ Bed Median Price **\$472,000***

Marleston, west of Adelaide CBD, recorded median price growth of 8.3% from 2019 to 2020/21**. This is the highest price growth out of the three affordable and liveable suburbs chosen, indicating the area's strong potential. Investors are currently benefiting from rental yields of 5.8%, above Adelaide Metro's 5.4%. This is combined with an extremely low 0.2% vacancy rate, below Adelaide Metro's 0.8%, thus setting Marleston as an ideal investment suburb. The 1st half of 2021 will see \$1.9M[^] of project developments planned, with a focus on residential projects. This will add innovative new housing stock in the area, as well as create employment opportunities during the construction stage. A total of 7 new dwellings are planned, ideal for first home buyers.

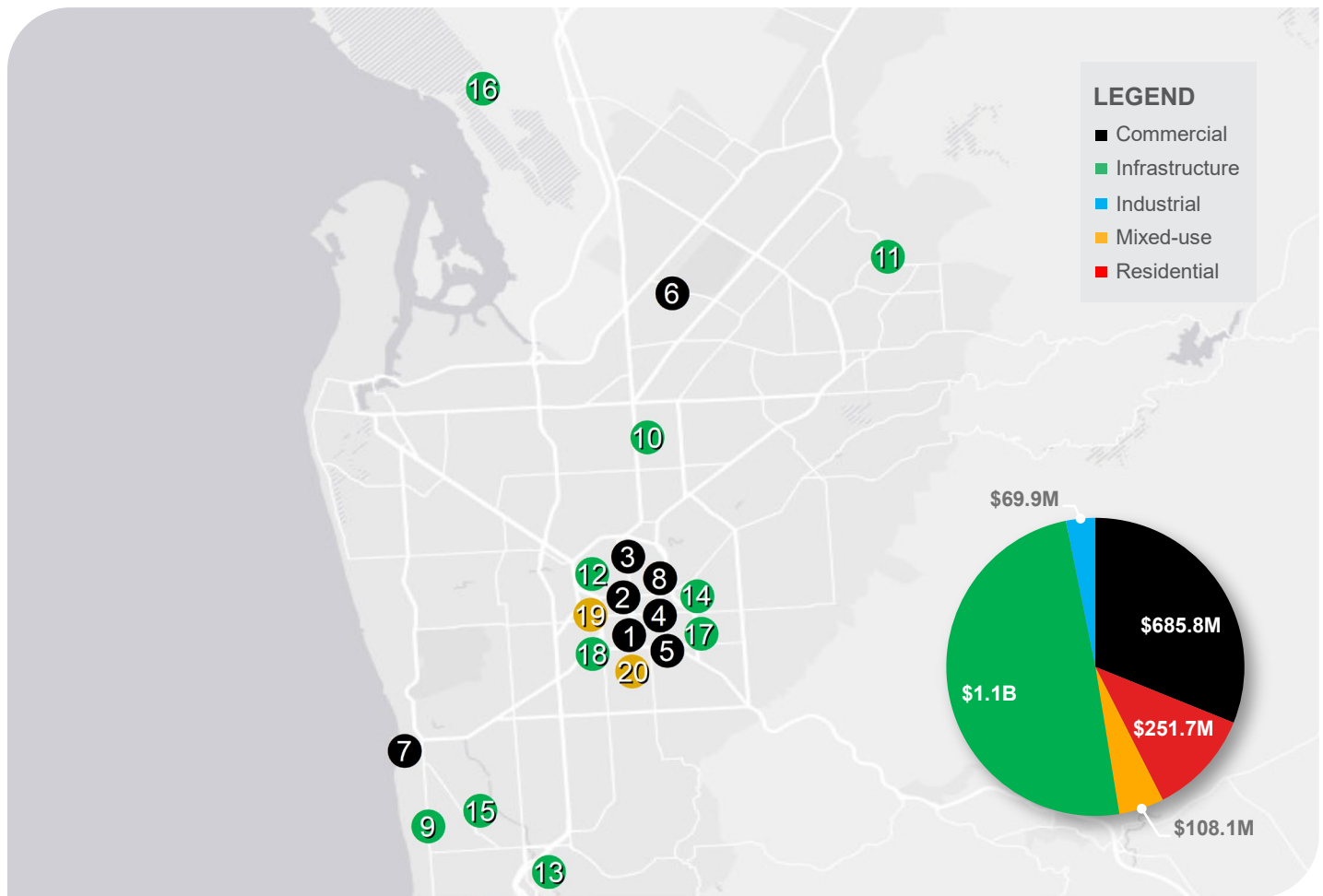
Located about **6.0km** from the Adelaide CBD.

- Median Unit Price **\$422,000**
- 1 Bed Median Price **N/A**
- 2 Bed Median Price **\$397,000**
- 3+ Bed Median Price **\$625,000***

Located east of Adelaide CBD, Kensington Gardens provides first home buyers and investors with an attractive entry price. Kensington Gardens has become a popular suburb for investors as vacancy rates were recorded at 0.6%, which is lower than Adelaide Metro's 0.8%. Investors can thus benefit from a higher rental demand and improved rental income. Kensington Gardens ticks many of the liveability boxes as the suburb is well served by medical centres, schools, shops, parks, public transport, and other amenities. A proposed \$2.9M[^] of development is planned for the 1st half of 2021, with a large focus on commercial projects. This creates more local employment, improving an already low unemployment rate of 3.9%, indicating economic growth.

*Quoted estimated values of projects are based on reported land/construction values as stated by the relevant data authority and do not signify their commercial/resale value. **Median price is quoted as an indication only due to having less than 20 sales transactions. **Median price growth quoted captures sale transactions from 1st January 2020 to 31st March 2021, or Q1 2020 – Q1 2021. APM Pricer, SQM Research, Cordell Connect, Department of Small Jobs and Business, Google Maps. © PRD 2021.

PROJECT DEVELOPMENT MAP 1ST HALF 2021*



Location	Project [£]	Type	Estimated Value ^µ	Suburb
1	Pulteney Street Hotel & Offices - Tryp By Wyndham	Commercial	\$25,000,000	Adelaide
2	King William Street Commercial Building - 60 King William Street	Commercial	\$150,000,000	Adelaide
3	North Terrace Student Accommodation - The Switch	Commercial	\$30,000,000	Adelaide
4	Pirie Street Commercial Development - 83 Pirie Street	Commercial	\$76,500,000	Adelaide
5	Cancer Council Sa Lodge	Commercial	\$31,000,000	Burnside
6	Metro Parade Student Accommodation	Commercial	\$35,000,000	Salisbury
7	Colley Terrace & Jetty Road Mixed Use Development	Commercial	\$25,000,000	Holdfast Bay
8	Vibe Hotel	Commercial	\$40,000,000	Adelaide
9	Brighton Road Grade Separation	Infrastructure	\$201,000,000	Holdfast Bay
10	Grand Junction, Hampstead & Briens Roads Intersection Upgrade	Infrastructure	\$28,500,000	Port Adelaide Enfield
11	Golden Grove Park N Ride	Infrastructure	\$33,000,000	Tea Tree Gully
12	Memorial Drive Tennis Centre Stage 2 - Northern & Eastern Grandstands	Infrastructure	\$44,000,000	Adelaide
13	Flinders Medical Centre	Infrastructure	\$45,700,000	Mitcham
14	Lot Fourteen - International Centre For Food, Hospitality & Tourism Studies	Infrastructure	\$60,000,000	Adelaide
15	Oaklands Park Residential Redevelopment - Oaklands Green	Infrastructure	\$135,000,000	Marion
16	Royal Australian Navy	Infrastructure	\$150,000,000	Salisbury
17	Lot Fourteen	Infrastructure	\$150,000,000	Adelaide
18	Lot Fourteen	Infrastructure	\$35,000,000	Adelaide
19	Wright Street Mixed Use Development	Mixed-use	\$57,000,000	Adelaide
20	Sky Apartments- (68 Apartments)	Mixed-use	\$20,000,000	Adelaide

ABOUT PRD RESEARCH

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 ensure 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.

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PRD Research

T +61 7 3229 3344

E research@prd.com.au

PRD.com.au

