

# Tannum Sands Market Update 1st Half 2021



## OVERVIEW

In Q1 2021, Tannum Sands\* recorded a median house price of \$377,000, and a median unit price of \$180,000. This represents annual (Q1 2020 – Q1 2021) median price growth of 10.9% for houses, however units softened by -12.2%. Between Q1 2020 – Q1 2021 total sales increased for house, up by 2.3% (to 45 sales), however remained stable for units at 4 sales. There is real returns in capital investment in the house market, as price growth occurred alongside an increase in sales activity. Thus an ideal time to transact. First home buyers are encouraged to take this affordable opportunity within the unit market.

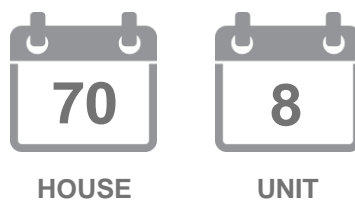
	CHANGE FROM LAST	YEAR	HALF YEAR
	House Sales	↑	↓
	House Median Price	↑	↑
	House Rental Price	↑	↔
	Unit Sales	↔	↓
	Unit Median Price	↓	↓
	Unit Rental Price	↑	↓

## MARKET CONDITIONS

### SALES MEDIAN PRICE Q1 2021



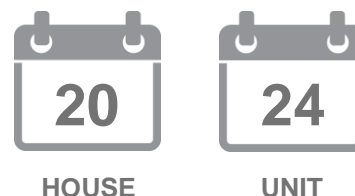
### SALES AVERAGE DAYS ON MARKET Q1 2021



### RENTAL MEDIAN PRICE Q1 2021

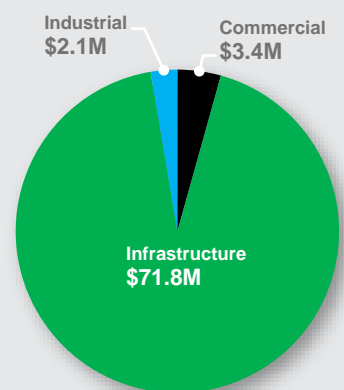


### RENTAL AVERAGE DAYS ON MARKET Q1 2021



## FUTURE DEVELOPMENTS

Tannum Sands\* area is set to see approximately **\$77.2M** worth of new projects commencing in the 1st half of 2021.



A large focus on infrastructure projects signals the creation of improved services, liveability, connectivity, and an increase in productivity; all of which has the potential to create more jobs and stimulate a more vibrant economy. An absence of residential development is a slight concern due to the increasing volume of house sales in the past 12 months.

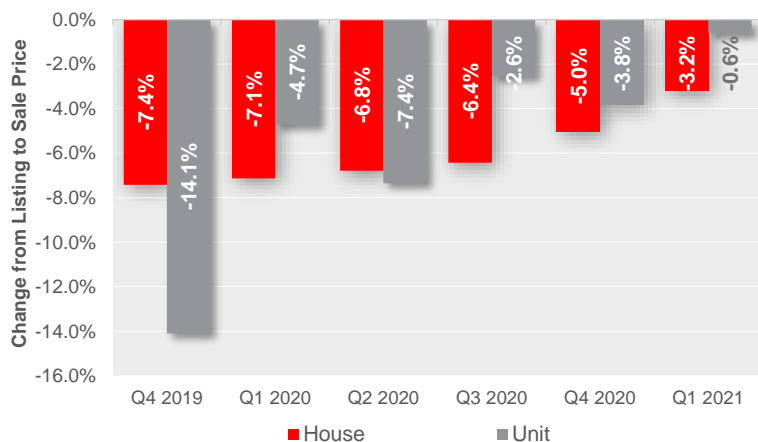
A key infrastructure project over the 1st half of 2021 is the Rockhampton School Of Mining & Gladstone School Of Manufacturing (\$30.0M). This project will construct a 3700sqm education precinct for the Rockhampton School of Mining and Gladstone School of Manufacturing for the Central University of Queensland. This will help upskill the growing workforce and create employment opportunities in the Tannum Sands\* market. Another notable infrastructure project being constructed is the 10d Bruce Highway Roadworks (\$25.0M), which will improve connectivity for residents travelling.

With the absence in new residential projects in the pipeline there is a potential undersupply in the near future, thus an opportune time for developers to enter the market.

# 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.

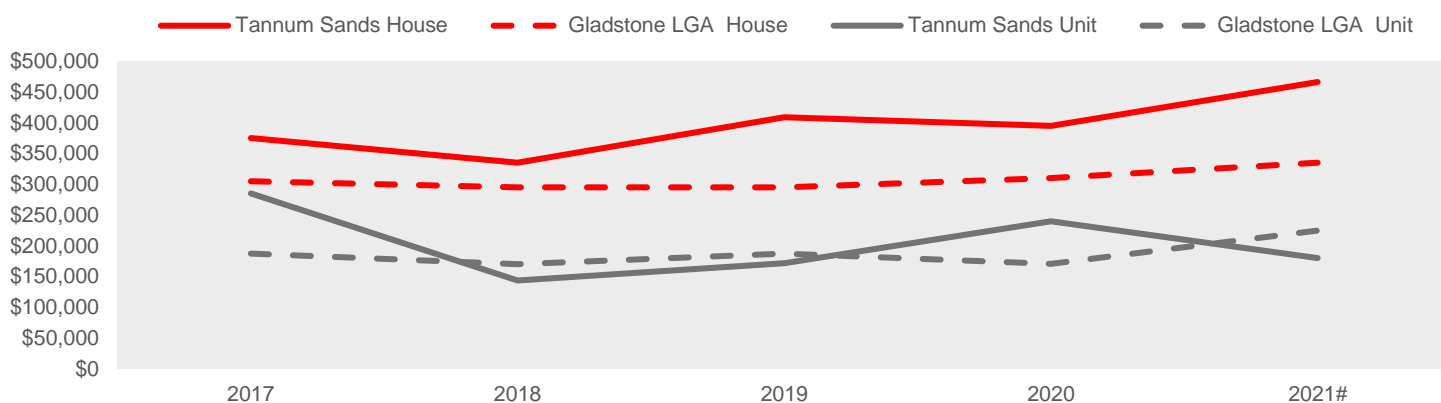
Average vendor discounts between Q1 2020 and Q1 2021 have tightened for both property types, to -3.2% for houses and -0.6% for units. Market conditions are now shifting towards a seller's market, as sellers are achieving final sale prices closer to their first list price. Buyers still benefit from a discount, however limited.



The suburb of Tannum Sands has historically outperformed the wider Gladstone Local Government Area (LGA) in regards to house median prices. However, 2021# has seen a softening for unit prices, while houses continue to present a premium market.

The dominant proportion of homes sold in Tannum Sands\* across 2020/21^ were in the lower-middle price point of \$250K to \$350K (33.5%). Units also recorded a dominant lower-middle price point of \$150K to \$200K (40.7%). There is ample opportunities for buyers who are looking for more affordable options.

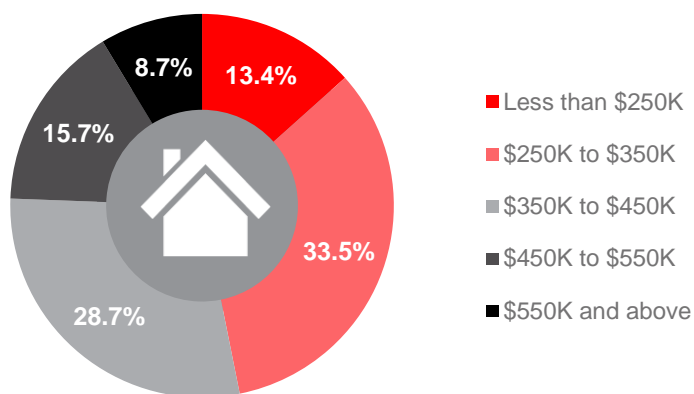
## MEDIAN HOUSE PRICE COMPARISON



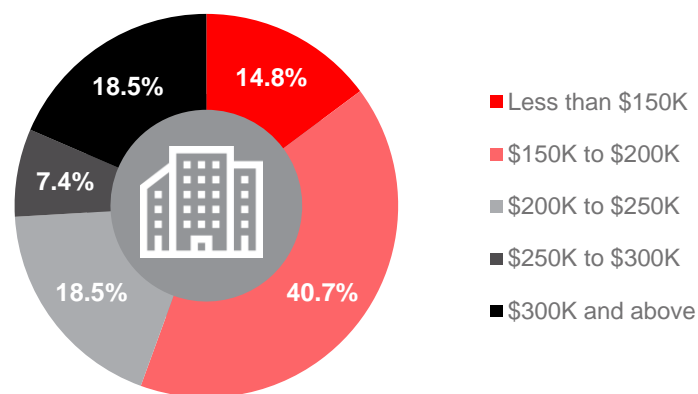
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Tannum Sands.

## PRICE BREAKDOWN 2020/21^

### HOUSES SOLD



### UNITS SOLD



## RENTAL GROWTH 2020/21€

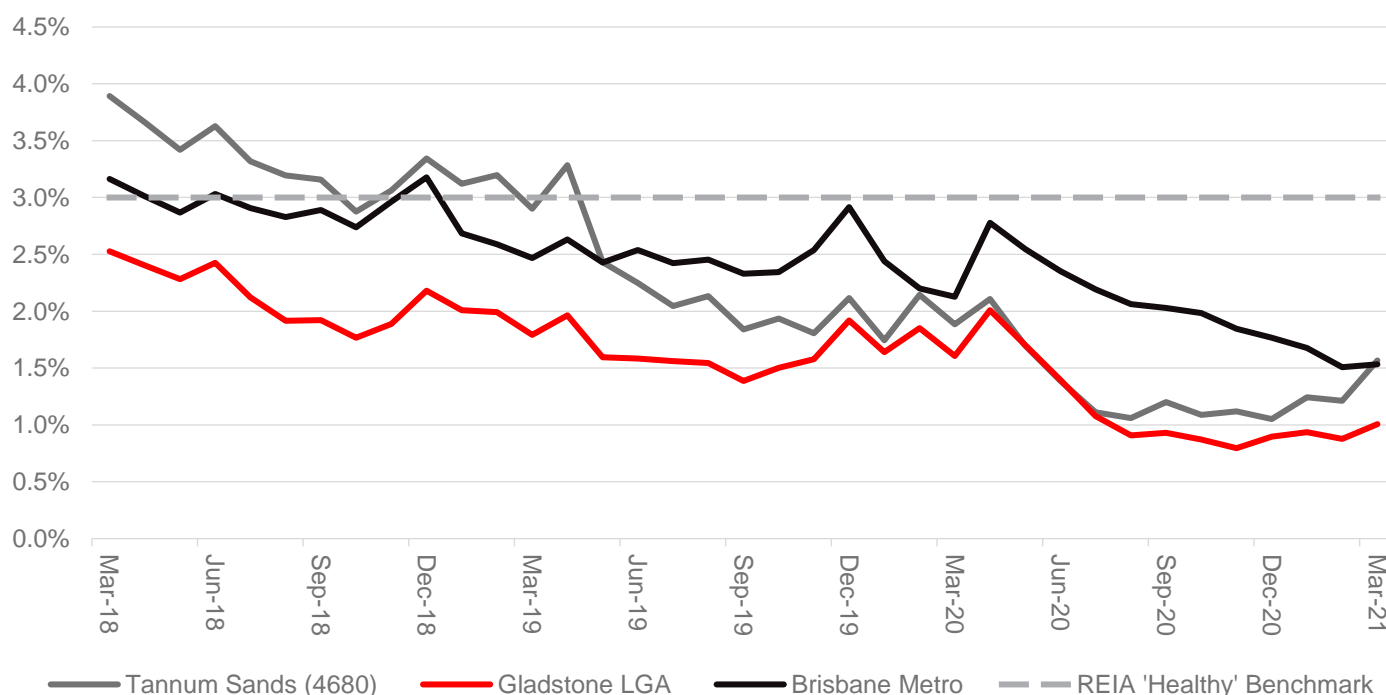
In March 2021, house rental yields in Tannum Sands\* were recorded at 4.7%. In the 12 months to Q1 2021, the median house rental price increased by 6.9% to \$350 per week, alongside average days on the market declining by -13.6% (to 20 days). Current figures represent a strong rental market, with demand for more investors.

3 bedroom houses have provided investors with +14.3% rental growth annually, with a median rent of \$320 per week.

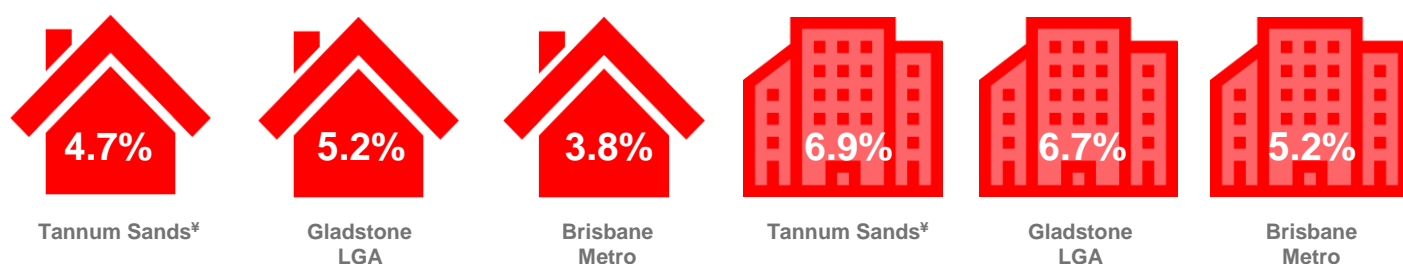
Also in March 2021, Tannum Sands\* recorded a low vacancy rate of 1.6%, above that of Gladstone LGA (1.0%) and generally on par with Brisbane Metro (1.5%). Vacancy rates in Tannum Sands\* have declined since April 2020, remaining well below the Real Estate Institute of Australia's healthy benchmark of 3.0%, even amidst COVID-19 conditions. There is high rental demand in the area, creating an ideal opportunity for investors to enter the Tannum Sands\* market.



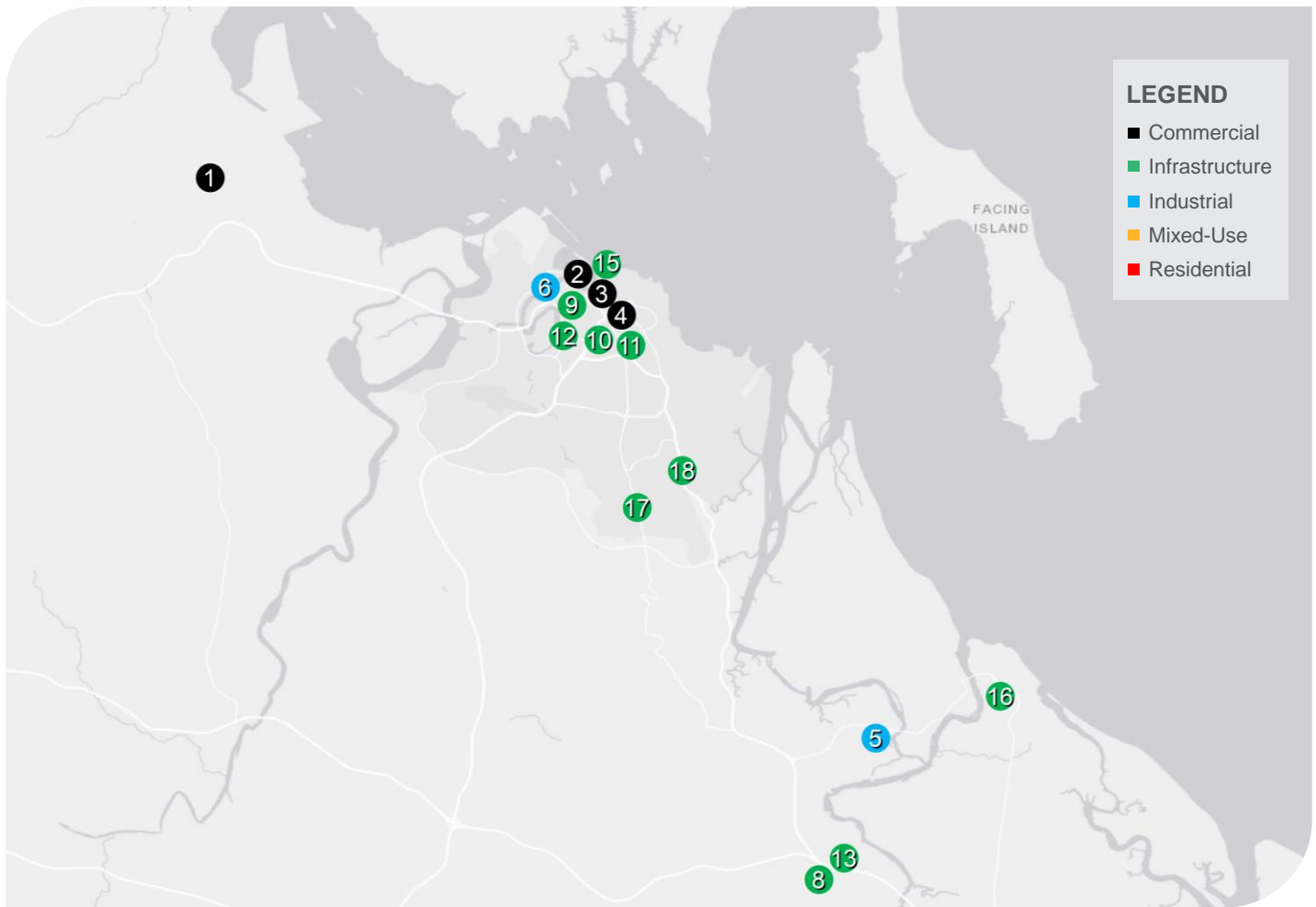
## RENTAL VACANCY RATES 2021



## RENTAL YIELD 2021\$



# TOP DEVELOPMENTS MAP 1ST HALF 2021<sup>Ⓐ</sup>



Location	Project <sup>Ⓔ</sup>	Type	Estimated Value <sup>Ⓜ</sup>	Commence Date <sup>Ⓟ</sup>
1	Rta Yarwun Control Room	Commercial	\$2,000,000	06/06/2021
2	Cq University Gladstone Marina Stage 2	Commercial	\$700,000	04/03/2021
3	Gladstone Reef Hotel	Commercial	\$400,000	16/05/2021
4	Auckland Street Micro Brewery	Commercial	\$250,000	15/05/2021
5	Pioneer Drive Industrial Units	Industrial	\$1,500,000	13/04/2021
6	Warne Street Industrial Building	Industrial	\$550,000	31/03/2021
Not Mapped	Rockhampton School Of Mining & Gladstone School Of Manufacturing	Infrastructure	\$30,000,000	09/02/2021
8	10d Bruce Highway Roadworks	Infrastructure	\$25,000,000	29/03/2021
9	Central Queensland Hospital And Health Service (Cqhhs) - Group 1	Infrastructure	\$4,739,000	15/04/2021
10	Goondoon Street Refurbishment Duplicate Report Refer #8000020	Infrastructure	\$4,500,000	06/01/2021
11	Goondoon Street Streetscape Works	Infrastructure	\$3,500,000	18/01/2021
12	Gladstone Hospital	Infrastructure	\$1,250,000	14/04/2021
13	Awoonga Dam Site	Infrastructure	\$1,000,000	29/03/2021
Not Mapped	Matthew Flinders Marina Bridge	Infrastructure	\$750,000	23/05/2021
15	Endeavour Street Telecommunications Facility	Infrastructure	\$300,000	09/03/2021
16	Tannum Sands State School	Infrastructure	\$250,000	01/02/2021
17	Tondon Botanic Gardens	Infrastructure	\$250,000	01/04/2021
18	Gladstone Beacons	Infrastructure	\$250,000	19/05/2021

## 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.

# 2021 encapsulates sales transactions for Q1 2021 (01/01/2021 – 31/03/2021).

^ 2020/21 encapsulates sales transactions for 2020 & Q1 2021 (01/01/2020 – 31/03/2021).

€ Annual rental growth is a comparison between 2019 (01/01/2019 – 31/12/2019) and 2020/21 (01/01/2020 – 31/03/2021) house median rent figures.

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

§ Rental yields shown are as reported as of March 2021.

⌘ 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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