

# Tweed Heads Market Update 2nd Half 2021



## OVERVIEW

In Q2 2021, Tweed Heads\* recorded a median house price of \$882,000, and a median unit price of \$557,000. This represents annual (Q2 2020 – Q2 2021) median price growth of 37.9% for houses and 18.5% for units. Between Q2 2020 – Q2 2021 total sales in both markets have increased, by 19.1% for houses (to 399 sales) and by 89.4% for units (to 339 sales). This is a clear indication of increased consumer confidence, with real returns on investment as price growth is accompanied by higher transaction volumes. Now is an opportune time for vendors to transact and achieve extraordinary results.

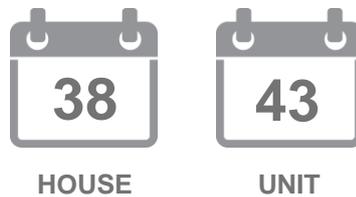
|  | CHANGE FROM LAST   | YEAR | HALF YEAR |
|--|--------------------|------|-----------|
|   | House Sales        | ↑    | ↓         |
|  | House Median Price | ↑    | ↑         |
|  | House Rental Price | ↑    | ↑         |
|  | Unit Sales         | ↑    | ↑         |
|  | Unit Median Price  | ↑  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

## MARKET CONDITIONS

### SALES MEDIAN PRICE Q2 2021



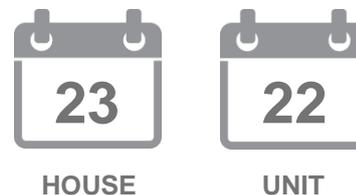
### SALES AVERAGE DAYS ON MARKET Q2 2021



### RENTAL MEDIAN PRICE Q2 2021

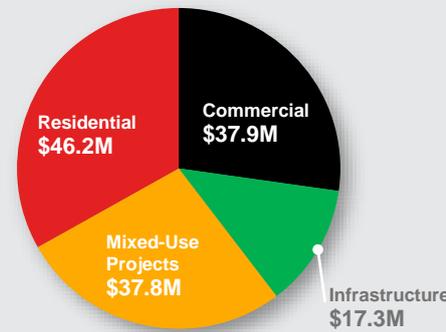


### RENTAL AVERAGE DAYS ON MARKET Q2 2021



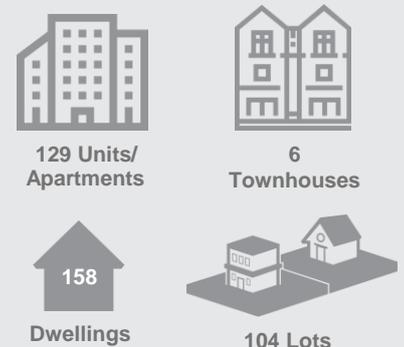
## FUTURE DEVELOPMENTS

Tweed Shire Local Government Area is set to see approximately **\$139.2M** worth of new projects commencing in the 2nd half of 2021.



These projects will stimulate economic growth and create large employment opportunities in Tweed Shire Local Government Area\* (LGA), which will continue to have a positive spill-over impact on the real estate market.

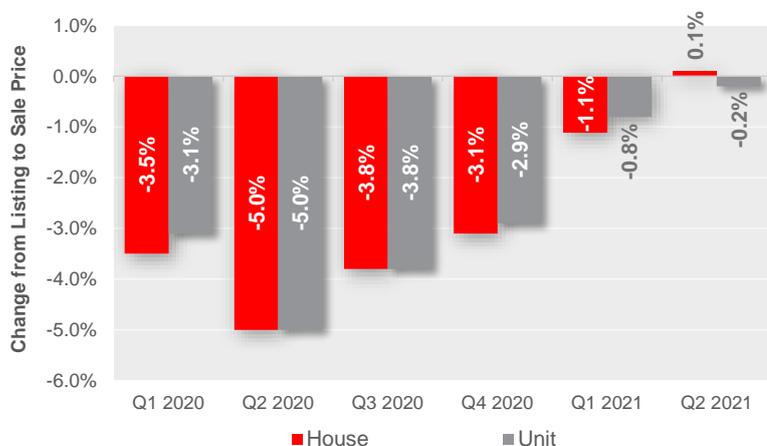
A major mixed-use project in the 2nd half of 2021 is The Wharf Street Mixed Use Development (\$37.8M). This project will construct 144 units and commercial space in Tweed Heads. Tweed Valley Hospital Multideck Car Park (\$25.0M) is a significant commercial project that will supply an 8 storey multilevel car park that has the potential to create employment opportunities. \$46.2M of residential projects is planned across Tweed Shire LGA, adding 129 units/apartments, 6 townhouses, 158 dwellings, and 104 lots. A key project in Tweed Heads is the Fraser Drive Dwellings (\$27.5M, 110 dwellings).



# 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.

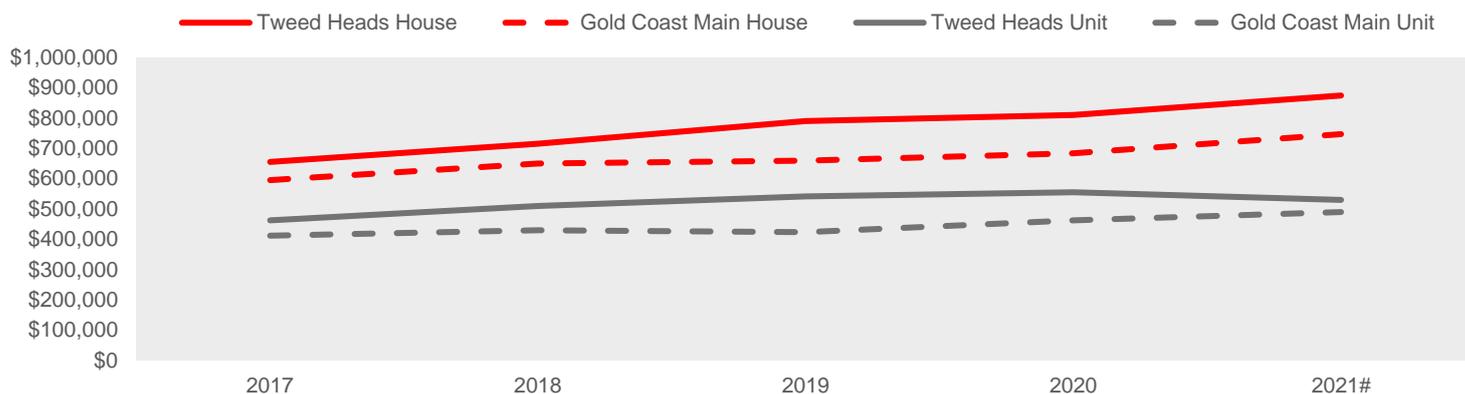
Average vendor discounts between Q2 2020 and Q2 2021 have swung to a premium of 0.1% for houses and tightened to -0.2% for units. The Tweed Heads\* house market has shifted to favour vendors, where buyers must offer above the initial listing price. Now is the time for vendors to capitalise on their investments.



The suburb of Tweed Heads has historically outperformed Gold Coast Local Government Area (LGA) in both house and unit median prices. This trend has continued in 2021# for houses, but unit median prices have slightly softened. This provides a great opportunity for first home buyers to get into the market.

The dominant proportion of homes sold in Tweed Heads\* across 2021^ were in the premium price bracket above \$850,000 (52.2%). Units also recorded a dominant price point of above \$650,000 (32.9%). Tweed Heads\* shows a signs of a growing premium market, with long term capital growth expectancy.

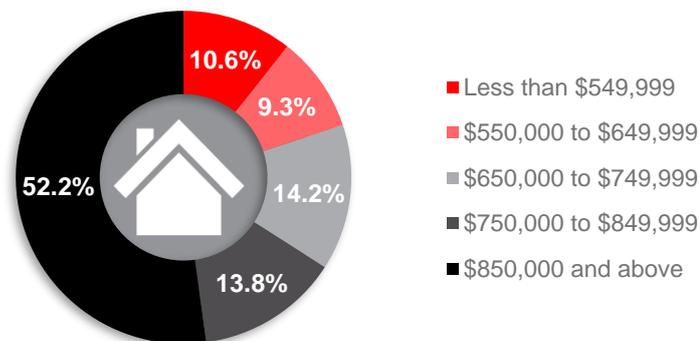
## MARKET COMPARISON



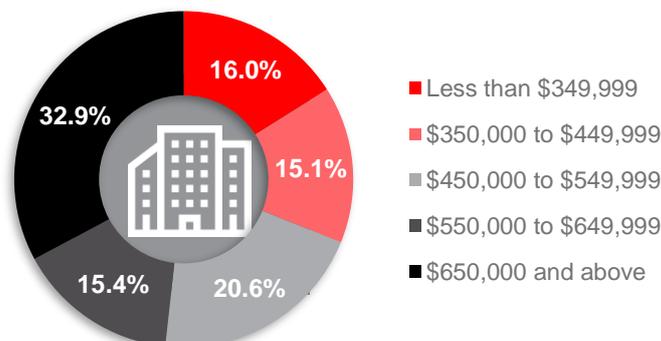
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Tweed Heads.

## PRICE BREAKDOWN 2021^

### HOUSES SOLD



### UNITS SOLD



## RENTAL GROWTH 2021€

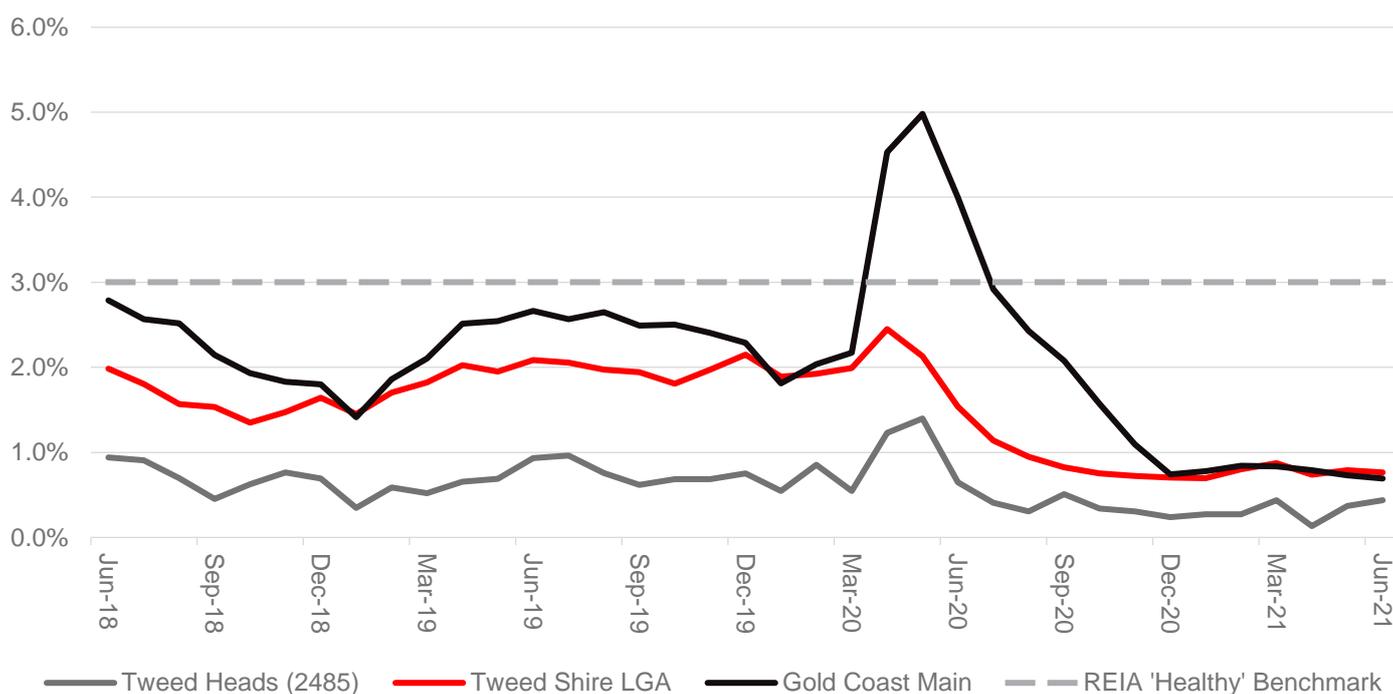
In June 2021, house rental yields in Tweed Heads\* were recorded at a high 4.3%. In the 12 months to Q2 2021, the median house rental price increased by 25.5% to reach \$690 per week, while average days on the market declined by -14.8% (to 23 days). These figures indicate a surge in investment returns, inviting astute investors to enter the market.

3 bedroom houses have provided investors with +20.4% rental growth annually€, with a median rent of \$650 per week.

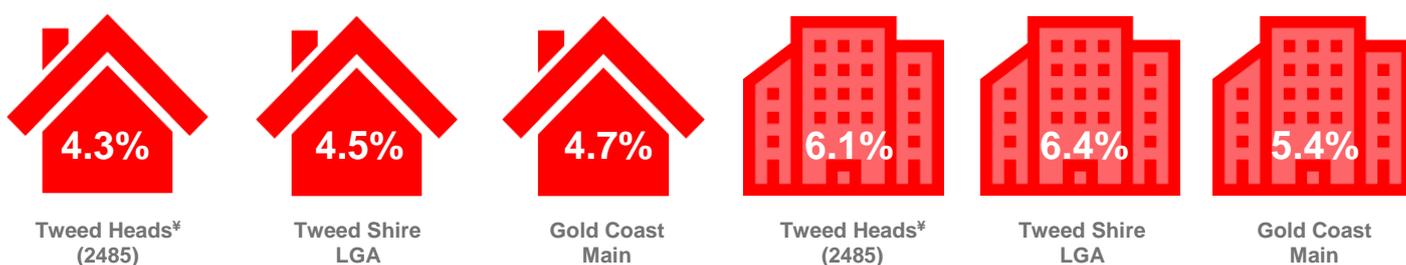
Also in June 2021, Tweed Heads\* recorded a vacancy rate of 0.4%, below that of Tweed Shire LGA (0.8%) and Gold Coast Main (0.7%). Vacancy rates in Tweed Heads\* have recorded historical lows in the past 3 months, and remain well below the Real Estate Institute of Australia's healthy benchmark of 3.0% as the economy recovers from COVID-19. There is a sustainable rental demand and investors can be confident of a conducive investment environment in Tweed Heads\*.



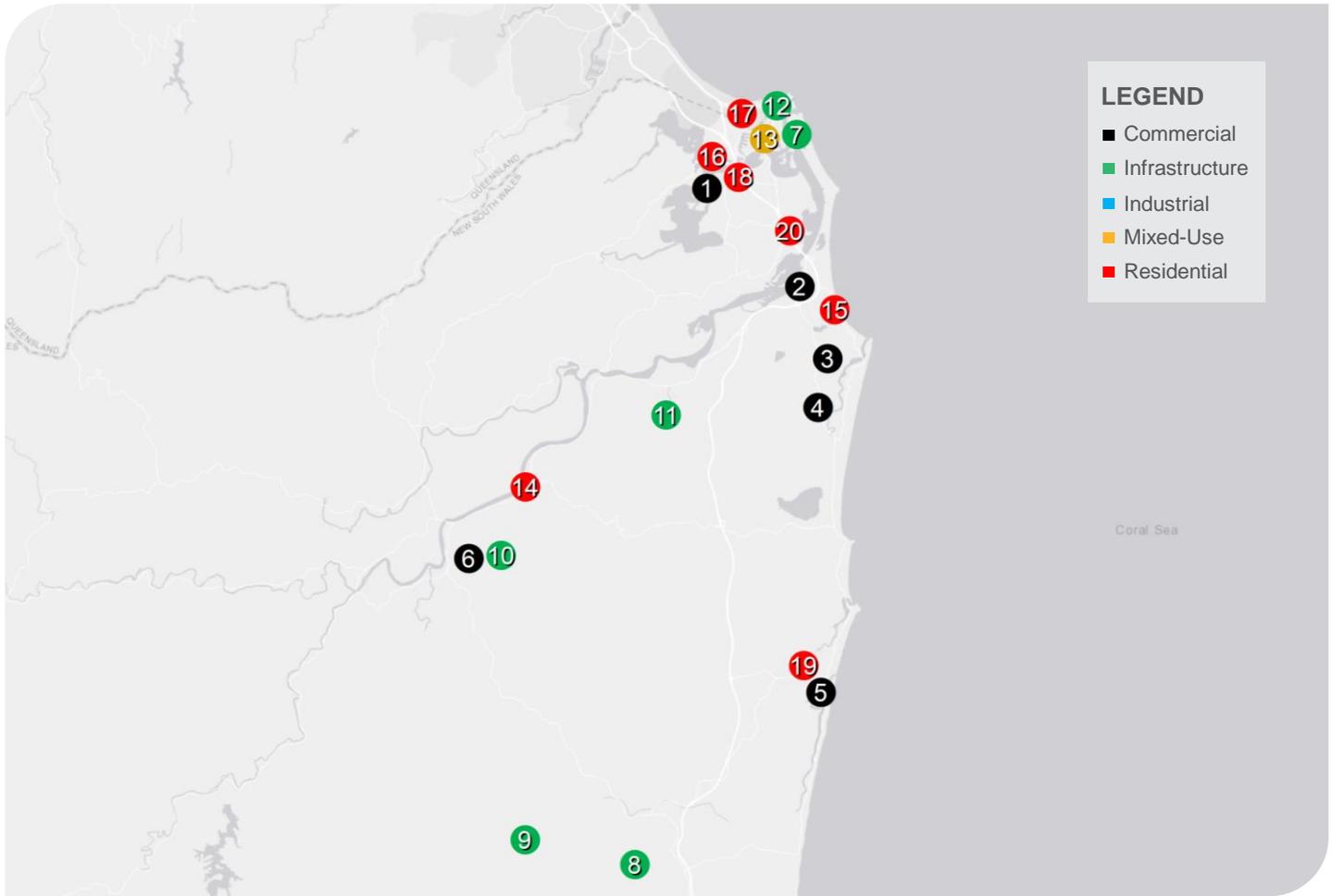
## RENTAL VACANCY RATES 2021



## RENTAL YIELD 2021\$



# TOP DEVELOPMENTS MAP 2ND HALF 2021<sup>▲</sup>



| Location | Project <sup>£</sup>   | Type           | Estimated Value <sup>µ</sup> | Commence Date <sup>ψ</sup> |
|----------|--|----------------|------------------------------|----------------------------|
| 1        | Fraser Drive Club House  | Commercial     | \$550,000                    | 19/11/2021                 |
| 2        | Chinderah Bay Drive Restaurant & Cafe                                | Commercial     | \$1,000,000                  | 04/11/2021                 |
| 3        | Tweed Valley Hospital Multideck Car Park                             | Commercial     | \$25,000,000                 | 17/11/2021                 |
| 4        | Kings Forest Service Station   | Commercial     | \$4,500,000                  | 29/11/2021                 |
| 5        | Mountbatten Court Serviced Apartments                                | Commercial     | \$3,500,000                  | 15/11/2021                 |
| 6        | Honeyeater Circuit Light Industrial Buildings                        | Commercial     | \$2,000,000                  | 08/11/2021                 |
| 7        | Tweed River Entrance Sand Bypassing Project                          | Infrastructure | \$1,000,000                  | 12/12/2021                 |
| 8        | Northern River Rail Trail - Tweed Section                            | Infrastructure | \$8,000,000                  | 13/08/2021                 |
| 9        | Ophir Glen Bridge Replacement  | Infrastructure | \$1,320,000                  | 11/10/2021                 |
| 10       | Lundberg Drive & Quarry Road Industrial Subdivision                  | Infrastructure | \$3,000,000                  | 19/12/2021                 |
| 11       | Stotts Creek Landfill Cell C   | Infrastructure | \$1,000,000                  | 21/07/2021                 |
| 12       | Marine Rescue Point Danger Building                                  | Infrastructure | \$1,900,000                  | 07/12/2021                 |
| 13       | Wharf Street Mixed Use Development- (122 Units)                      | Mixed-use      | \$37,844,000                 | 01/11/2021                 |
| 14       | Riverway Drive Residential Subdivision- (35 Lots)                    | Residential    | \$1,600,000                  | 14/10/2021                 |
| 15       | Marine Parade Apartments- (7 Apartments)                             | Residential    | \$3,000,000                  | 17/11/2021                 |
| 16       | Kennedy Drive Townhouses- (6 Townhouses)                             | Residential    | \$1,215,000                  | 08/08/2021                 |
| 17       | Florence Street Dwellings- (40 Dwellings)                            | Residential    | \$8,000,000                  | 06/11/2021                 |
| 18       | Fraser Drive Dwellings- (110 Dwellings)                              | Residential    | \$27,500,000                 | 16/08/2021                 |
| 19       | Seabreeze Estate Residential Subdivision Stages 18a & 18b- (69 Lots) | Residential    | \$2,400,000                  | 24/09/2021                 |
| 20       | Oyster Point Road Dwellings- (8 Dwellings)                           | Residential    | \$2,450,000                  | 11/11/2021                 |

## 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

\* Tweed Heads data and key indicators encapsulates aggregate property conditions within the Tweed Shire Local Government Area.

\*\* 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 1H 2021 (01/01/2021 – 30/06/2021).

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€ Annual rental growth is a comparison between 1H 2020 (01/01/2020 – 30/06/2020) and 1H 2021 (01/01/2021 – 30/06/2021) house median rent figures.

¥ Tweed Heads market data encapsulates aggregate property conditions within the postcode of 2485.

§ Rental yields shown are as reported as of June 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 Tweed Shire Local Government Area.

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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