

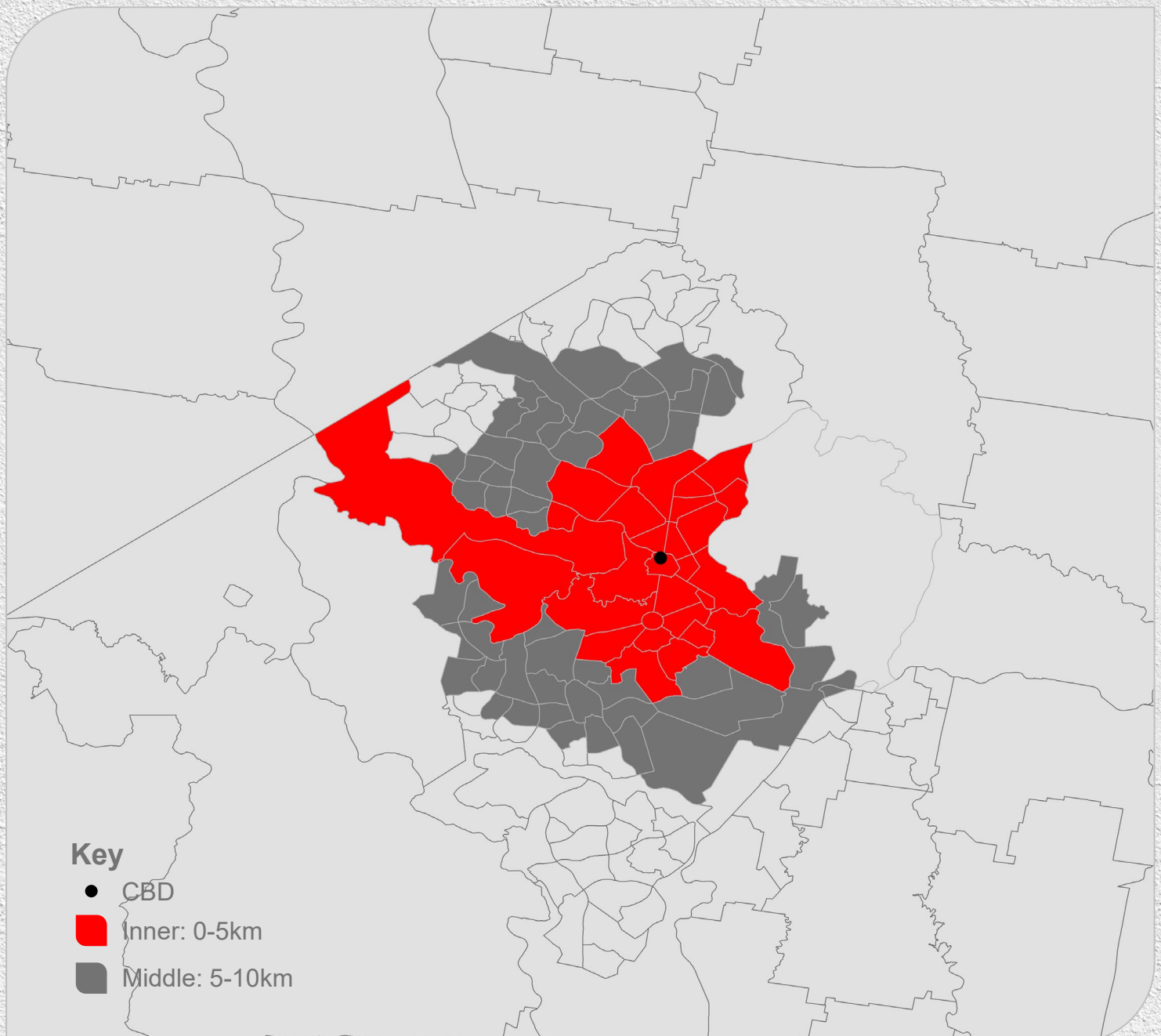
> Canberra Market Update

2nd Half 2021

INTRODUCTION

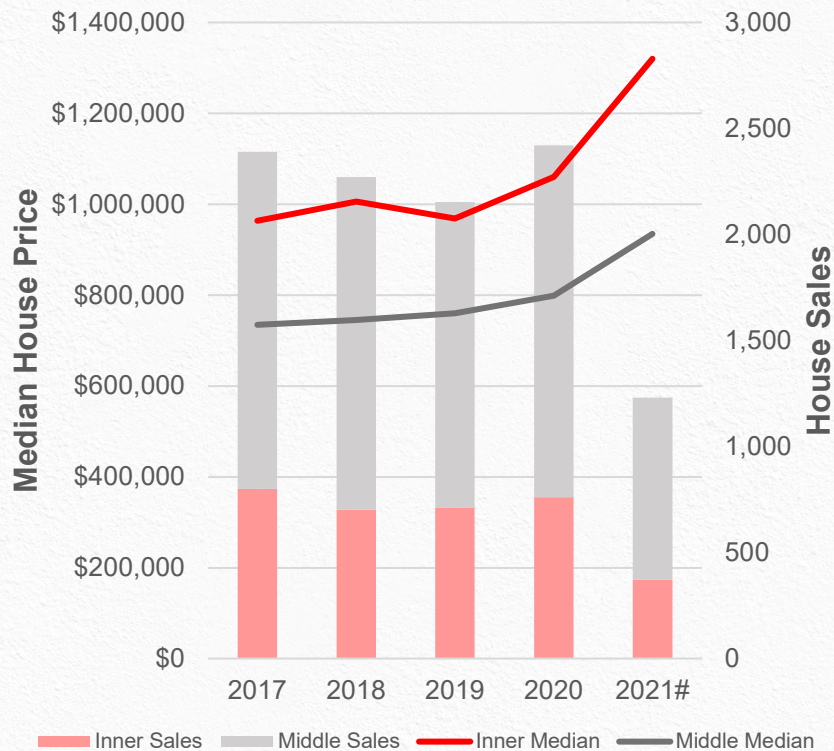
The *PRD Canberra Market Update 2nd Half 2021* is part of a report series that divides major cities into the inner, middle, and outer rings. This report provides an in-depth analysis of each specified market in an uncomplicated and simple manner, alongside a holistic picture of property conditions in each area.

The Canberra market has recorded strong price growth for houses and units in the past five years, with all rings recording double-digit median price growth. The price surge in Canberra's inner ring, for both property types, indicate high demand and not enough supply. This is evident in the large proportion of sales being within the premium price bracket. This is further translated into a swing towards average vendor premiums across both property types. Despite this Canberra remains a conducive major city for investment, with record low vacancy rates and increasing rental yields – due to low rental supply.



#2021 encapsulates sales transactions for 1H 2021 (01/01/2021 – 30/06/2021).

CANBERRA HOUSE SALES 2017-21#



2021# Median Sale Price

- Inner: \$1,320,000
- Middle: \$935,000

2017-21 Price Growth

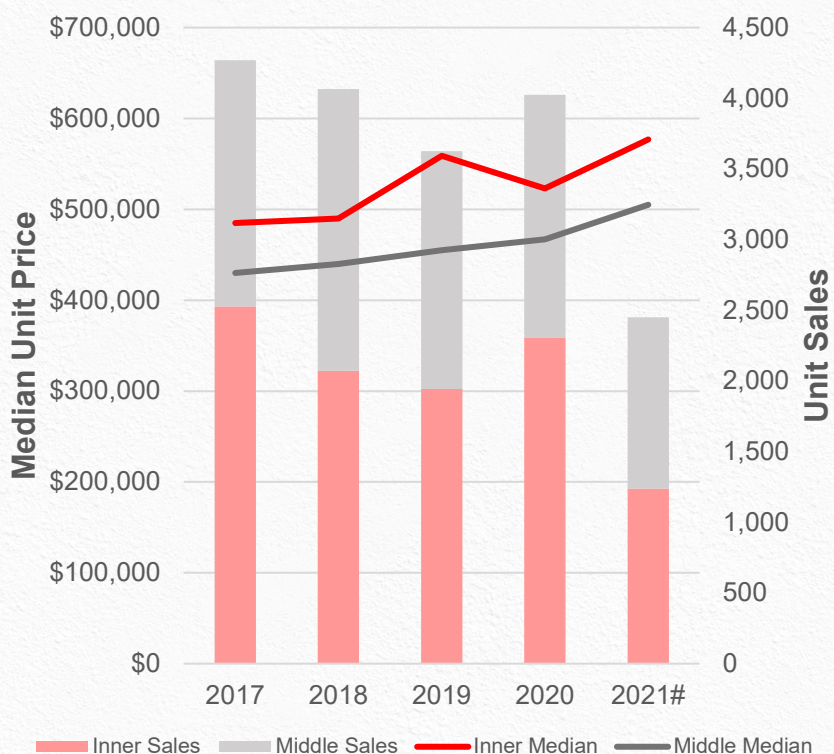
- Inner: +37.0% (+\$356,400)
- Middle: +27.2% (+\$200,000)

Key Comments

- In the past 5 years, both of Canberra's rings recorded double digit growth in median house prices.
- Canberra's middle ring has seen high growth in the past 12 months, inching extremely close to breaking \$1.0M.

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CANBERRA UNIT SALES 2017-21#



2021# Median Sale Price

- Inner: \$577,000
- Middle: \$505,000

2017-21 Price Growth

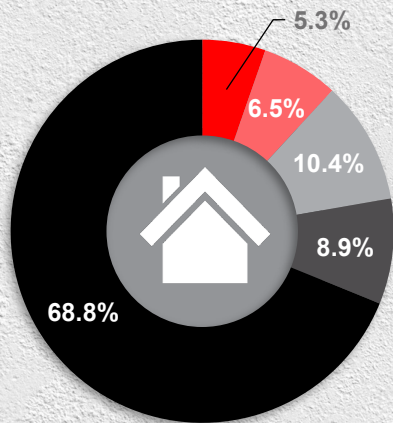
- Inner: +19.0% (+\$92,000)
- Middle: +17.4% (+\$75,000)

Key Comments

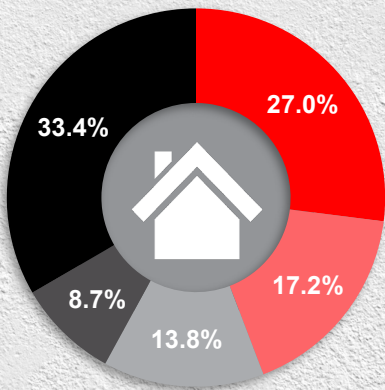
- Canberra's inner ring continues to grow at a faster rate compared to the middle ring, for the last 12 months and 5 years.
- Those looking for affordable options will be able to access a higher amount of available stock in the middle ring.

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CANBERRA HOUSE PRICE BREAKDOWN 2021#



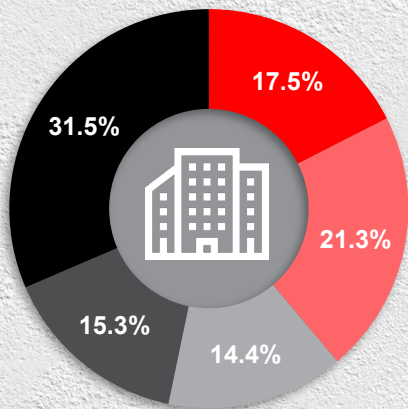
Inner



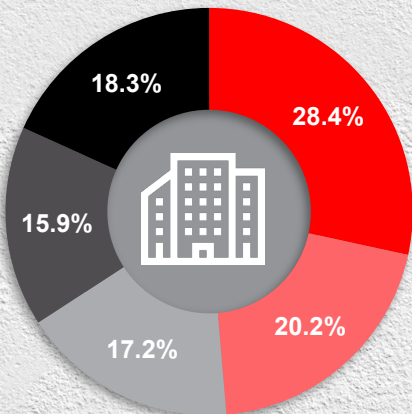
Middle

- Less than \$799,999
- \$800,000 to \$899,999
- \$900,000 to \$999,999
- \$1,000,000 to \$1,099,999
- \$1,100,000 and above

CANBERRA UNIT PRICE BREAKDOWN 2021#



Inner

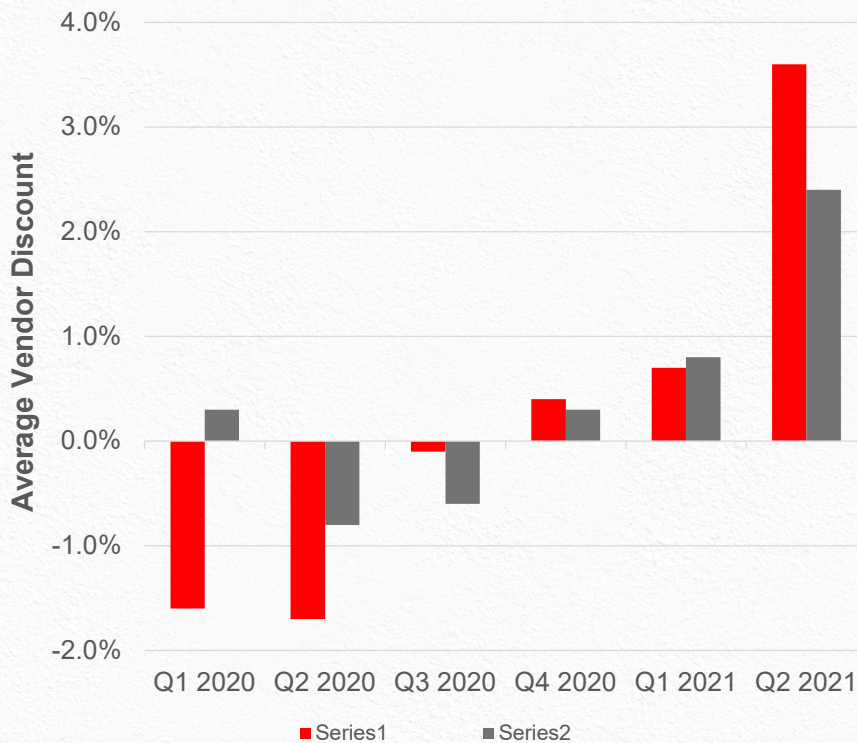


Middle

- Less than \$399,999
- \$400,000 to \$499,999
- \$500,000 to \$599,999
- \$600,000 to \$699,999
- \$700,000 and above

© Prepared by PRD Research. Source: APM Pricefinder.
 #2021 encapsulates sales transactions for 1H 2021 (01/01/2021 – 30/06/2021)

CANBERRA HOUSE AVERAGE VENDOR DISCOUNT



Q2 2021 Overview

- Inner: +3.6%
- Middle: +2.4%

What is Average Vendor Discount?

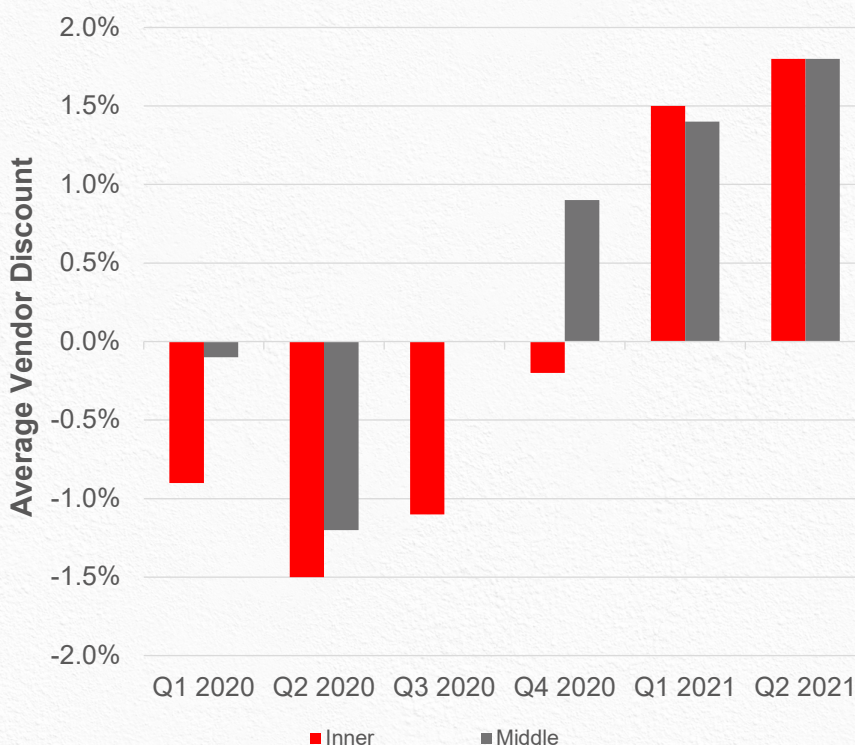
- The average percentage difference between the first list price and final sold price.

Key Comments

- The inner and middle rings have swung to recording average vendor premiums (rather than discounts) in Q2 2021, benefiting vendors.
- Buyers must now be prepared to offer higher than the first list price, particularly if purchasing a home in the inner ring.

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CANBERRA UNIT AVERAGE VENDOR DISCOUNT



Q2 2021 Overview

- Inner: +1.8%
- Middle: +1.8%

What is Average Vendor Discount?

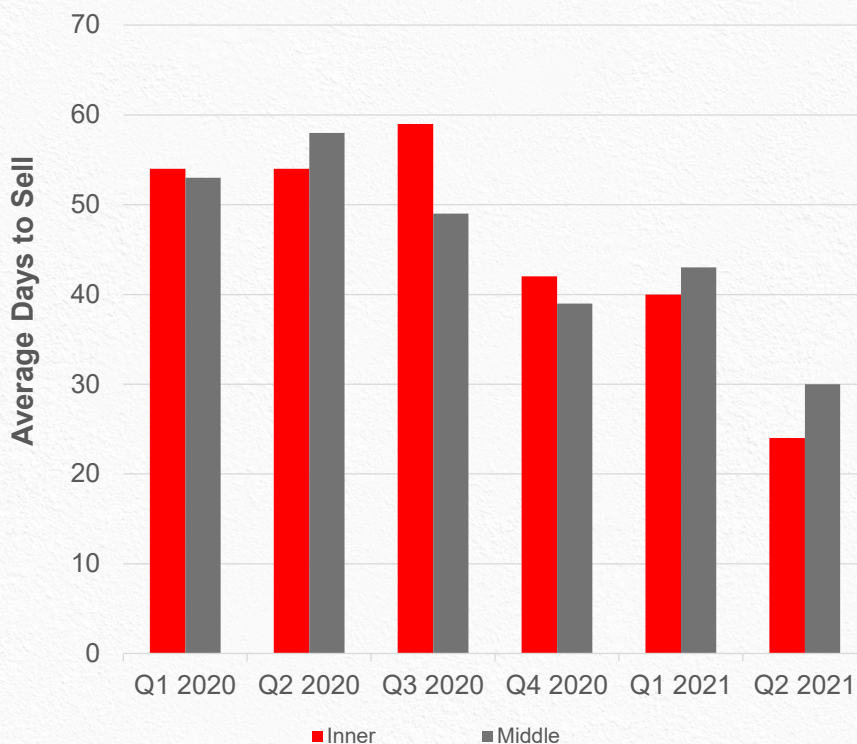
- A lower percentage difference (closer to 0.0%) suggests that buyers are willing to purchase closer to a property's initial asking price.

Key Comments

- A vendor premium in all rings indicates buyers are, on average, offering above the first list price
- Both inner and middle rings recorded an average vendor premium of 1.8% in Q2 2021, thus, neither buyers are particularly disadvantaged.

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CANBERRA HOUSE AVERAGE DAYS TO SELL



Q2 2021 Overview

- Inner: 24 days
- Middle: 30 days

Why Average Days to Sell?

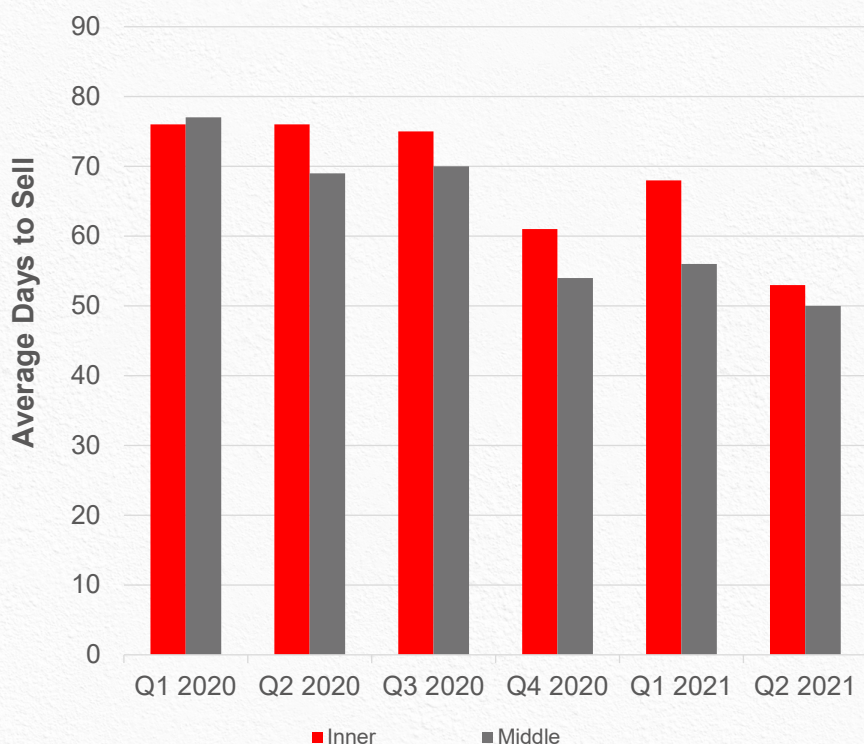
- The change in average days to sell a property is indicative of buyer demand.

Key Comments

- Both inner and middle rings continue to show a declining trend in average days to sell a house, currently the lowest figures in the past 18 months.
- Inner ring houses saw the sharpest decline in average days to sell, to a low 24 days in Q2 2021, despite a high increase in median house price.

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CANBERRA UNIT AVERAGE DAYS TO SELL



Q2 2021 Overview

- Inner: 53 days
- Middle: 50 days

Why Average Days to Sell?

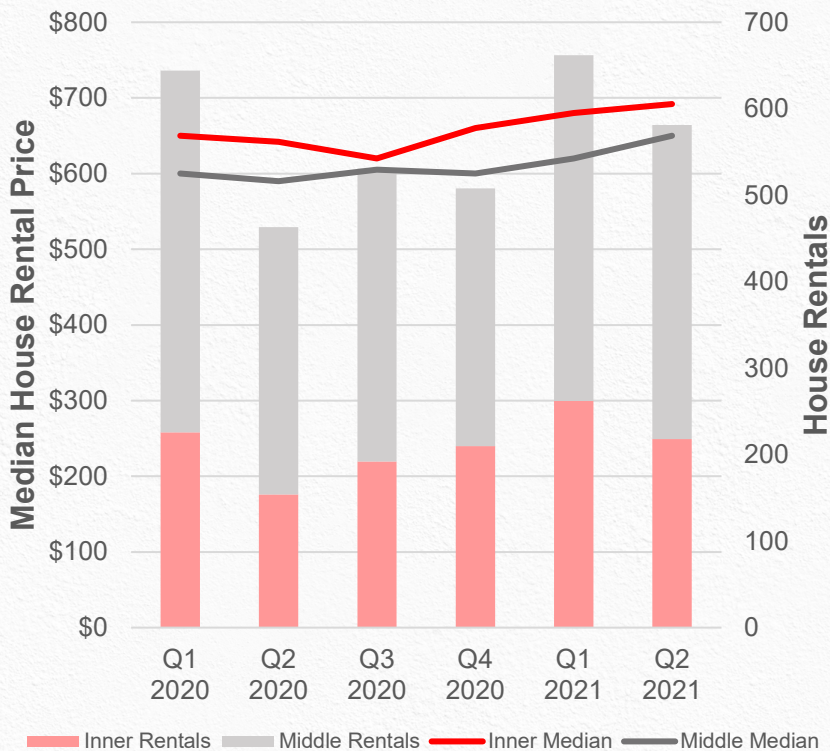
- A lower average number of days to sell a property reveals an increase in demand, as buyers are willing to purchase property more quickly.

Key Comments

- Q2 2021 saw inner ring Canberra selling at the fastest rate recorded in the past 18 months, indicative of high buyer demand.
- Middle ring units continue to sell the fastest, however, the gap between the inner and middle ring is lessening.

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CANBERRA HOUSE RENTALS



Q2 2021 Median Rental Price

- Inner: \$692 per week
- Middle: \$650 per week

Annual Price Growth*

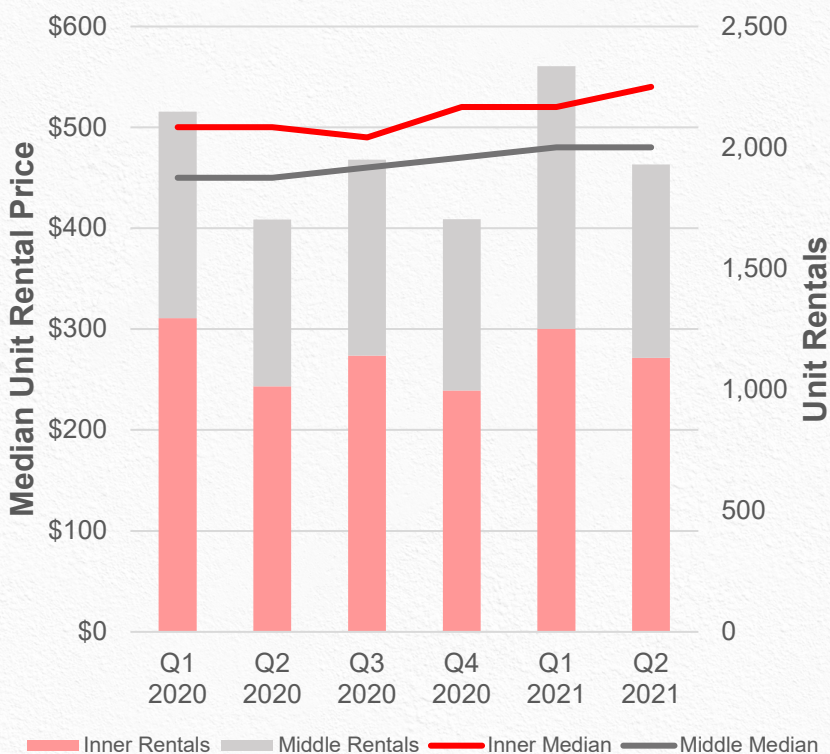
- Inner: +7.8% (+\$50 per week)
- Middle: +10.2% (+\$60 per week)

Key Comments

- Middle ring median house rental price recorded the largest 12 month growth, of 10.2%.
- The inner ring continues to fetch the highest rental price, although the gap between the middle and inner ring has decreased.

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CANBERRA UNIT RENTALS



Q2 2021 Median Rental Price

- Inner: \$540 per week
- Middle: \$480 per week

Annual Price Growth*

- Inner: +8.0% (+\$40 per week)
- Middle: +6.7% (+\$30 per week)

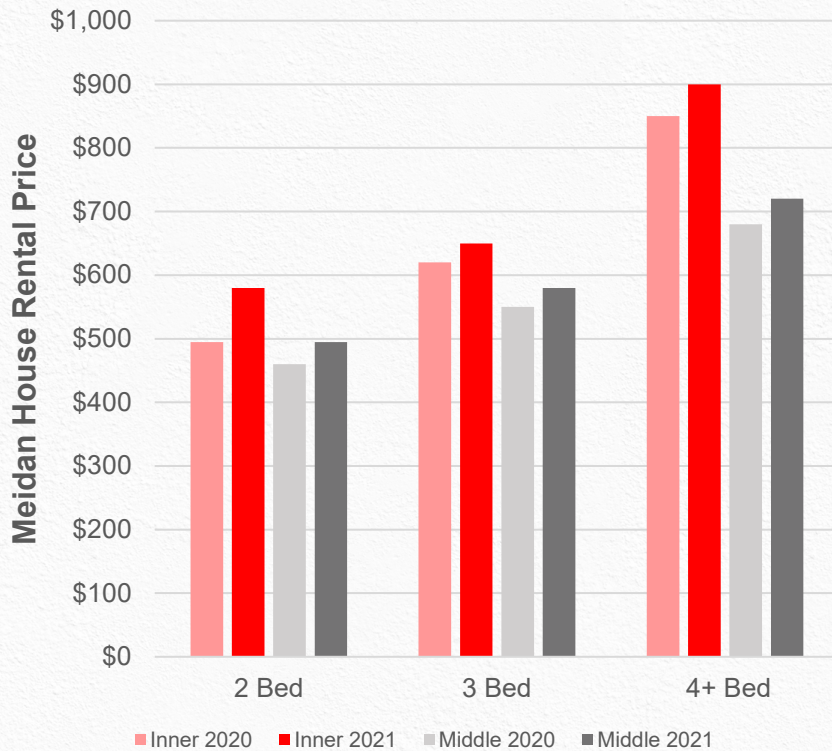
Key Comments

- The inner ring has seen an uptick in median unit rental in the past 12 months, of 8.0%.
- There is a reduced supply of unit rentals in both rings, which has driven up prices.
- The middle ring remains the more affordable option.

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* Annual price growth is based on comparison between Q2 2020 and Q2 2021 figures.

CANBERRA HOUSE RENTAL PERFORMANCE 2020-21



2021 Median Rental Prices

2 Bedroom

- Inner: \$580 per week
- Middle: \$495 per week

3 Bedroom

- Inner: \$650 per week
- Middle: \$580 per week

4+ Bedroom

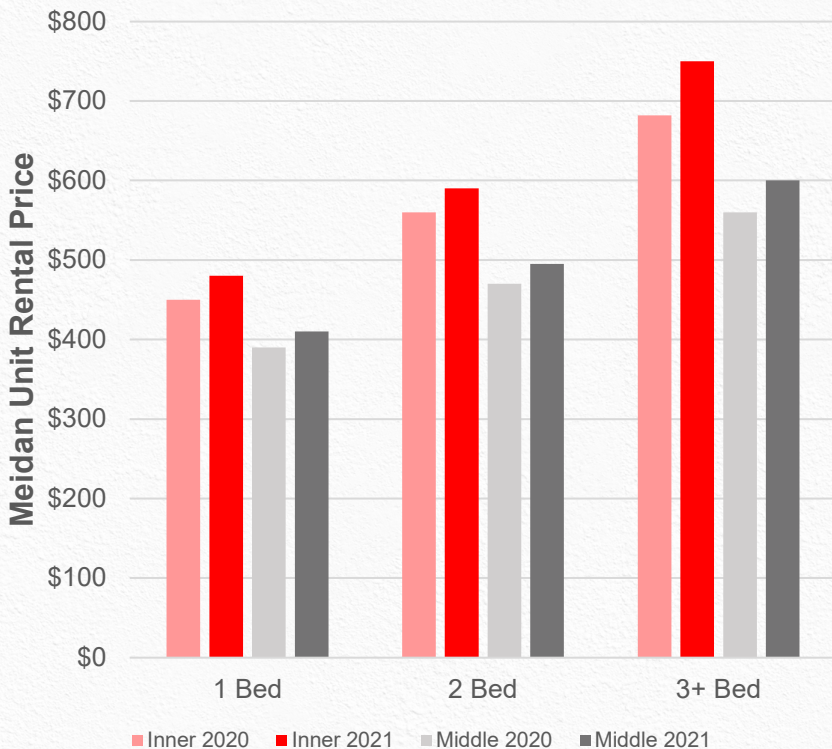
- Inner: \$900 per week
- Middle: \$720 per week

Key Comments

- Inner ring 2 bedroom houses saw the largest annual growth in median house rental price, of 17.2%.
- 4+ bedroom houses in the inner ring fetched the highest rental price.

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CANBERRA UNIT RENTAL PERFORMANCE 2020-21



2021 Median Rental Prices

1 Bedroom

- Inner: \$480 per week
- Middle: \$410 per week

2 Bedroom

- Inner: \$590 per week
- Middle: \$495 per week

3+ Bedroom

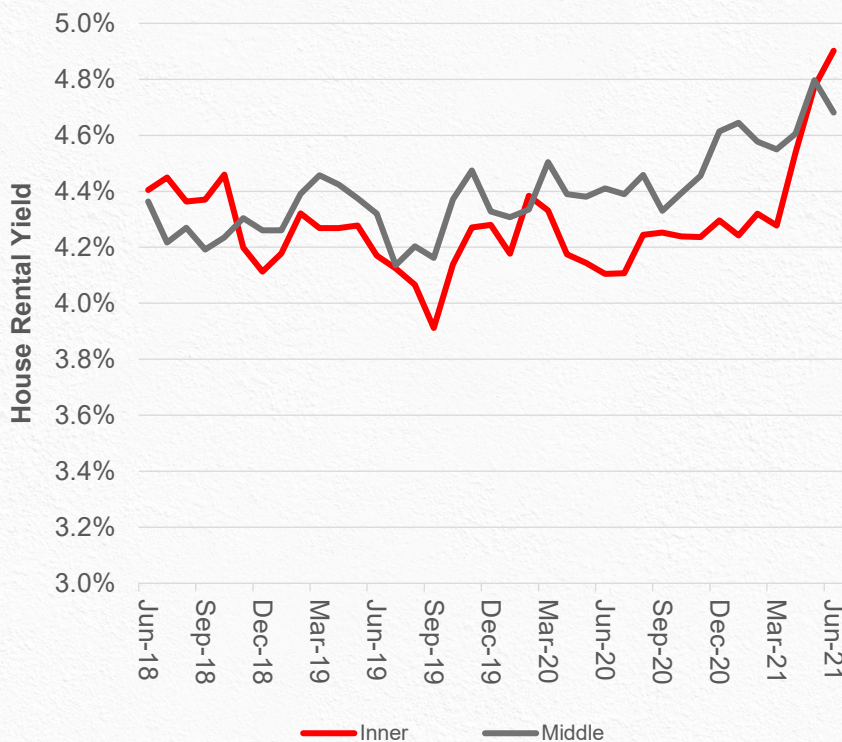
- Inner: \$750 per week
- Middle: \$600 per week

Key Comments

- Price growth is highly apparent in the inner ring, with 3+ bedroom units showing double digit growth, of 10.0%.
- 3+ bedroom units in the inner ring fetched the highest rental price.

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CANBERRA HOUSE AVERAGE RENTAL YIELD



Jun-21 Overview

- Inner: 4.9%
- Middle: 4.7%

Annual Change

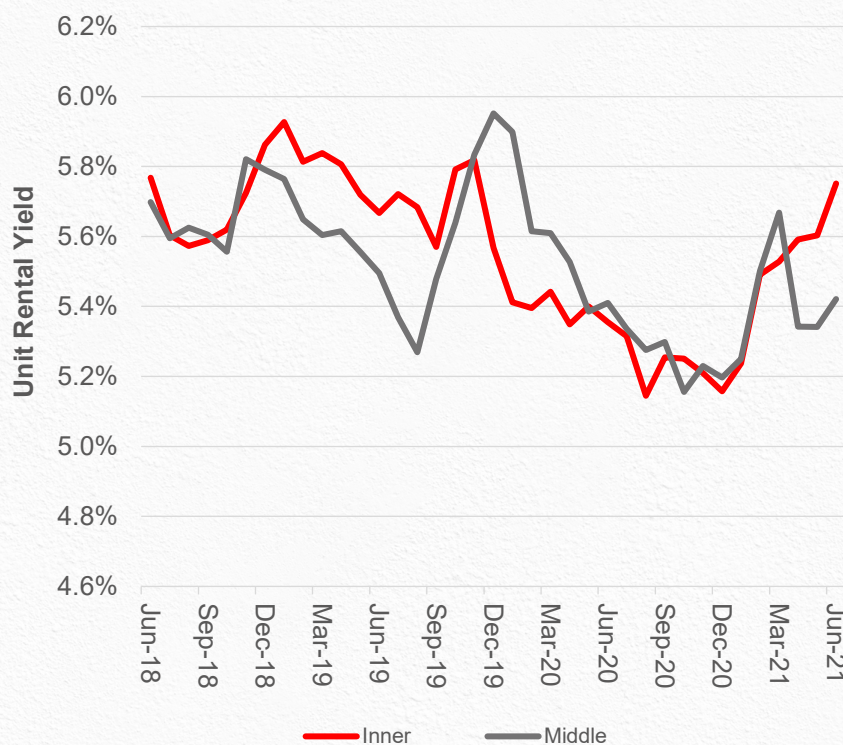
- Inner: +0.8%
- Middle: +0.3%

Key Comments

- Canberra's inner ring recorded a superior average rental yield for houses, despite recording a higher median sale price.
- Continuously increasing rental yields is good news for investors, indicating that now is the time to enter the market.

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CANBERRA UNIT AVERAGE RENTAL YIELD



Jun-21 Overview

- Inner: 5.8%
- Middle: 5.4%

Annual Change

- Inner: +0.4%
- Middle: 0.0%

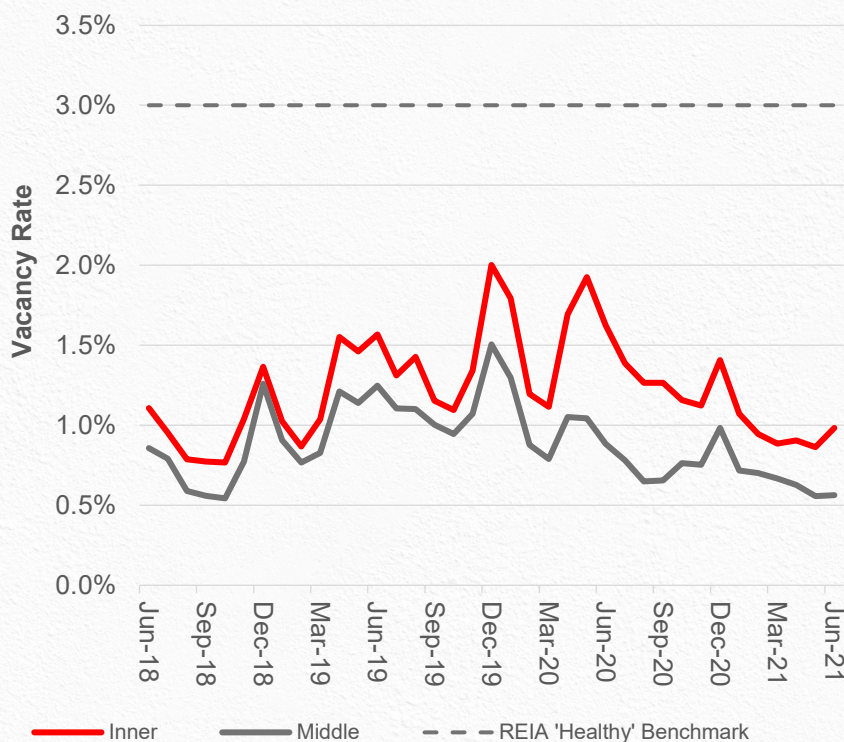
Key Comments

- Unit yields have started to embark on a recovery, heading towards pre-COVID-19 levels. This is an encouraging trend for investors to see, to ensure their return to the market.
- Units yields in Canberra's inner ring have strengthened by +0.4% annually.

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CANBERRA VACANCY RATES



Jun-21 Overview

- Inner: 1.0%
- Middle: 0.6%

Annual Change

- Inner: -0.6%
- Middle: -0.3%

Key Comments

- Vacancy rates in both inner and middle rings sit well below the Real Estate Institute of Australia's healthy benchmark of 3.0%, at a lower rate than pre-COVID.
- Middle ring vacancy rates is at a historical low, indicating an urgent need in supply. This is advantageous for astute investors.

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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 Pricefinder, 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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